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

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ENRA[®]
ENRA GROUP BERHAD
(Registration No. 199201005296 (236800-T))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED ISSUANCE OF UP TO 45,402,647 FREE WARRANTS IN ENRA GROUP BERHAD ("ENRA") ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 3 EXISTING ORDINARY SHARES IN ENRA HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



PUBLIC INVESTMENT BANK BERHAD

(Registration No. 197401002880 (20027-W))
A Participating Organisation Of Bursa Malaysia Securities Berhad
(Wholly-owned Subsidiary Of Public Bank Berhad)

This Circular is delivered together with the Notice of Extraordinary General Meeting ("**EGM**") of ENRA Group Berhad ("**ENRA**") and the Form of Proxy as enclosed herein. The EGM will be conducted on a **fully virtual basis** through live streaming and online remote voting via Remote Participation and Voting ("**RPV**") facilities provided by Boardroom Share Registrars Sdn Bhd at <https://web.lumiagm.com>. Please follow the procedures as set in the Administrative guide in order to register, participate and vote remotely via RPV facilities.

The venue of the EGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of Meeting to be present at the main venue. **No shareholders/proxy(ies) from the public shall be physically present at nor admitted to the Broadcast Venue.** The date, time and venue of the EGM are as follows:

- | | | |
|-----------------------|---|--|
| Meeting Platform | : | https://web.lumiagm.com |
| Day and Date | : | Friday, 25 September 2020 |
| Time | : | 11.30 a.m. or immediately after the conclusion of the Annual General Meeting of ENRA, which will be held at 10.00 a.m. on the same day at the same venue, whichever is later, or at any adjournment thereof |
| Broadcast Venue | : | 12 th 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 11.30 a.m. on 23 September 2020 (48 hours before the commencement of the EGM) and the Board will endeavour to respond to the questions submitted during the EGM. |

If you are unable to participate and vote at the meeting, you may complete the Form of Proxy and deposit it at the office of Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the meeting. Alternatively, the Form of Proxy can be deposited electronically through Boardroom Smart Investor Portal at <https://www.boardroomlimited.my> before the Form of Proxy lodgement cut-off time as mentioned above. The lodging of the Form of Proxy will not preclude you from participating at the EGM should you subsequently wish to do so.

This Circular is dated 10 September 2020

DEFINITIONS

For the purpose of this 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 Circular and shall have the following meanings:

5-day VWAP	: Five (5)-day volume weighted average market price
Act	: Companies Act 2016
AGM	: Annual general meeting of ENRA
Board	: Board of Directors of ENRA
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
Circular	: This circular to shareholders dated 10 September 2020 in relation to the Proposed Issuance of Free Warrants
Constitution	: Constitution of ENRA
COVID-19	: Coronavirus disease
Deed Poll	: The document constituting the Warrants to be executed by the Company upon receipt of all relevant approvals
Director(s)	: The director(s) of ENRA and shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007
EGM	: Extraordinary general meeting of ENRA
ENRA or Company	: ENRA Group Berhad (199201005296 (236800-T))
ENRA Share(s)	: Ordinary share(s) in ENRA
Entitled Shareholder(s)	: Shareholder(s) of ENRA whose names appear in the Record of Depositors of the Company on the Entitlement Date
Entitlement Date	: A date to be determined and announced later by the Board, on which the names of the shareholders of ENRA must appear in the Record of Depositors of the Company as at 5.00 p.m. in order to be entitled to the Proposed Issuance of Free Warrants
EPS	: Earnings per ENRA Share
Exercise Period	: At any time during the period commencing on, and inclusive of, the Issue Date and ending at 5.00 p.m. on the Market Day immediately preceding the 5 th anniversary of the Issue Date
Exercise Price	: Exercise price of the Warrants which will be determined by the Board and announced by the Company at a later date
FPE	: Financial period ended/ending, as the case may be
FYE	: Financial year ended/ending, as the case may be
GBP	: Great Britain Pounds
Group	: ENRA and its subsidiaries, collectively
Issue Date	: The date of issue of the Warrants
LPD	: 26 August 2020, being the latest practicable date prior to the date of this Circular

DEFINITIONS (Cont'd)

Market Day(s)	: Any day between Monday and Friday (inclusive of both days) on which Bursa Securities is open for trading of securities
Maximum Scenario	: Assuming all of the 1,289,400 treasury shares have been resold in the open market of Bursa Securities with no gain or loss before the Entitlement Date
Minimum Scenario	: Assuming none of the treasury shares have been resold in the open market of Bursa Securities before the Entitlement Date
NA	: Net assets attributable to the shareholders of ENRA
Official List	: A list specifying all securities listed on the Main Market of Bursa Securities
PIVB or Principal Adviser	: Public Investment Bank Berhad (197401002880 (20027-W))
Proposed Issuance of Free Warrants	: Proposed issuance of up to 45,402,647 Warrants on the basis of 1 Warrant for every 3 existing ENRA Shares held on the Entitlement Date
Record of Depositors	: A record of securities holders established and maintained by Bursa Depository under the Rules of Bursa Depository
RM and sen	: Ringgit Malaysia and sen, respectively
Rules of Bursa Depository	: Rules of Bursa Depository as issued pursuant to Securities Industry (Central Depositories) Act 1991
Warrant(s)	: Up to 45,402,647 free warrants in ENRA to be issued pursuant to the Proposed Issuance of Free Warrants
Warrant Holder(s)	: Holder(s) of the Warrants

All references to “you” in this Circular are references to the shareholders of ENRA.

Words denoting the singular shall, where applicable, include the plural and *vice versa*. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and *vice versa*.

Any discrepancies in the tables between amounts stated and the totals in this Circular are, unless otherwise explained, due to rounding.

Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any legislation is a reference to that legislation as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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EXECUTIVE SUMMARY

ALL DEFINITIONS USED IN THIS EXECUTIVE SUMMARY SHALL HAVE THE SAME MEANING AS THE WORDS AND EXPRESSIONS PROVIDED IN THE “DEFINITIONS” SECTION AND CONTEXT OF THE CIRCULAR.

THIS EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE PERTINENT INFORMATION OF THE PROPOSED ISSUANCE OF FREE WARRANTS. SHAREHOLDERS ARE ADVISED TO READ THIS CIRCULAR IN ITS ENTIRETY FOR FURTHER DETAILS AND CAREFULLY CONSIDER THE INFORMATION AND RECOMMENDATION CONTAINED IN THE LETTER FROM THE BOARD TO THE SHAREHOLDERS BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED ISSUANCE OF FREE WARRANTS TO BE TABLED AT THE FORTHCOMING EGM.

Key information	Description
Summary of the Proposed Issuance of Free Warrants	<ul style="list-style-type: none"> The Proposed Issuance of Free Warrants will entail the issuance of up to 45,402,647 free Warrants on the basis of 1 Warrant for every 3 existing ENRA Shares held by the Entitled Shareholders on the Entitlement Date. The Warrants will be issued at no cost to the Entitled Shareholders. The Exercise Price will be determined by the Board and announced by the Company at a later date upon receipt of all the relevant approvals for the Proposed Issuance of Free Warrants but before the announcement of the Entitlement Date. The Exercise Price will be determined by the Board after taking into consideration, amongst others, the following: <ul style="list-style-type: none"> (i) the historical trading prices of ENRA Shares; (ii) the 5-day VWAP of ENRA Shares immediately preceding the price-fixing date either with a discount or premium to be determined and announced later; (iii) the prevailing market conditions; and (iv) the future working capital requirements of the Group. For illustrative purposes only, the Exercise Price is assumed at RM1.00 per Warrant throughout this Circular, which represents a premium of RM0.3200 or 47.06% to the 5-day VWAP of the ENRA Shares up to and including the LPD of RM0.6800. The Board wishes to emphasise that the illustrative Exercise Price of RM1.00 per Warrant should not be taken as an indication of or reference to the actual Exercise Price, which will be determined and announced on the price-fixing date for the Proposed Issuance of Free Warrants. <p>Further details of the Proposed Issuance of Free Warrants is set out in Section 2 of this Circular.</p>
Utilisation of proceeds	<ul style="list-style-type: none"> The exact quantum of the proceeds that may be raised by ENRA would depend on the Exercise Price and the actual number of Warrants exercised during the tenure of the Warrants. As such, the exact timeframe for the utilisation of proceeds is not determinable at this juncture. For illustration purposes only, assuming all 45,402,647 Warrants are exercised at the illustrative Exercise Price of RM1.00, the illustrative total gross proceeds that could be raised by the Company from the Proposed Issuance of Free Warrants would be RM44.97 million under the Minimum Scenario and RM45.40 million under the Maximum Scenario. Such proceeds if raised (as and when the Warrants are exercised), shall be utilised for the working capital requirements of the Group, which may include defraying expenses such as staff related expenses, rental, trade and other payables as well as other general administrative expenses. The proceeds to be utilised for each component of working capital will be subject to the operating requirements of the Group at the time of utilisation and therefore cannot be determined at this juncture. <p>Further details of the utilisation of proceeds is set out in Section 3 of this Circular.</p>

EXECUTIVE SUMMARY (Cont'd)

Rationale for the Proposed Issuance of Free Warrants	<ul style="list-style-type: none">• The Proposed Issuance of Free Warrants is intended to:<ul style="list-style-type: none">(i) reward the shareholders of ENRA for their continuous support by enabling them to own the Warrants, which are tradeable on Bursa Securities without incurring any costs;(ii) provide the shareholders of ENRA with an opportunity to further increase their equity participation in the Company by exercising the Warrants at a pre-determined price over the tenure of the Warrants; and(iii) further strengthen the capital base and shareholders' equity of the Company as well as potentially provide funds for the Group to finance its working capital requirements, as and when the Warrants are exercised without incurring interest costs, as compared to bank borrowings.• For information purposes, the Company has not undertaken any equity fund raising exercises in the past 12 months prior to the announcement of the Proposed Issuance of Free Warrants. <p>Further details on the rationale for the Proposed Issuance of Free Warrants is set out in Section 4 of this Circular.</p>
Approvals required	<ul style="list-style-type: none">• The Proposed Issuance of Free Warrants is subject to the following approvals being obtained:<ul style="list-style-type: none">(i) Bursa Securities, which was obtained vide its letter dated 7 September 2020;(ii) the shareholders of the Company at the EGM; and(iii) any other relevant authorities and/or parties, if required.• The Proposed Issuance of Free Warrants is not conditional upon any other corporate exercises undertaken or to be undertaken by the Company. <p>Further details on the approvals required is set out in Section 8 of this Circular.</p>
Directors' statement and recommendation	<p>The Board, having considered all aspects of the Proposed Issuance of Free Warrants, including but not limited to the rationale and effects of the Proposed Issuance of Free Warrants, is of the opinion that the Proposed Issuance of Free Warrants is in the best interest of the Company.</p> <p>Accordingly, the Board recommends that the shareholders vote <i>in favour</i> of the resolution pertaining to the Proposed Issuance of Free Warrants at the forthcoming EGM.</p>

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ENRA[®]
ENRA GROUP BERHAD
(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

10 September 2020

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: The shareholders of ENRA

Dear Sir/Madam,

PROPOSED ISSUANCE OF FREE WARRANTS

1. INTRODUCTION

On 12 August 2020, PIVB had, on behalf of the Board, announced that the Company proposes to undertake the Proposed Issuance of Free Warrants.

On 7 September 2020, PIVB had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 7 September 2020, given its approval for the following:

- (i) admission to the Official List and listing of and quotation for up to 45,402,647 Warrants to be issued pursuant to the Proposed Issuance of Free Warrants; and
- (ii) listing of and quotation for up to 45,402,647 new ENRA Shares to be issued arising from the exercise of the Warrants,

subject to the conditions as disclosed in Section 8 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED ISSUANCE OF FREE WARRANTS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED ISSUANCE OF FREE WARRANTS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED ISSUANCE OF FREE WARRANTS AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ISSUANCE OF FREE WARRANTS

2.1 Basis and number of Warrants to be issued

The Proposed Issuance of Free Warrants will entail the issuance of up to 45,402,647 free Warrants on the basis of 1 Warrant for every 3 existing ENRA Shares held by the Entitled Shareholders on the Entitlement Date.

The entitlement basis for the Proposed Issuance of Free Warrants was determined after taking into consideration the following:

- (i) the Warrants are issued at no cost to the Entitled Shareholders;
- (ii) the dilutive effect arising from the exercise of the Warrants on the consolidated earnings or loss per ENRA Share; and
- (iii) compliance with Paragraph 6.50 of the Main Market Listing Requirements of Bursa Securities which states that the number of new ENRA Shares which will arise from all outstanding Warrants, when exercised, does not exceed 50% of the total number of issued ENRA Shares (excluding treasury shares and before exercise of the Warrants) at all times.

The maximum number of up to 45,402,647 Warrants was arrived at after taking into consideration:

- (i) the issued share capital of the Company as at the LPD of RM144,744,263 comprising 136,207,943 ENRA Shares, of which 1,289,400 ENRA Shares are held by the Company as treasury shares; and
- (ii) assuming all of the 1,289,400 treasury shares as at the LPD have been resold in the open market of Bursa Securities with no gain or loss before the Entitlement Date.

Fractional entitlements arising from the Proposed Issuance of Free Warrants, if any, shall be disregarded and dealt with in such manner as the Board in its absolute discretion deem fit and expedient, and in the best interest of the Company.

The Proposed Issuance of Free Warrants will not be implemented in stages over a period of time.

The Warrants will be issued in registered form and constituted by the Deed Poll.

The indicative salient terms of the Warrants are set out in Appendix I of this Circular.

2.2 Basis of determining and justification for the exercise price of the Warrants

The Warrants will be issued at no cost to the Entitled Shareholders.

The Exercise Price will be determined by the Board and announced by the Company at a later date upon receipt of all the relevant approvals for the Proposed Issuance of Free Warrants but before the announcement of the Entitlement Date.

The Exercise Price will be determined by the Board after taking into consideration, amongst others, the following:

- (i) the historical trading prices of ENRA Shares;
- (ii) the 5-day VWAP of ENRA Shares immediately preceding the price-fixing date either with a discount or premium to be determined and announced later;
- (iii) the prevailing market conditions; and
- (iv) the future working capital requirements of the Group.

For illustrative purposes only, the Exercise Price is assumed at RM1.00 per Warrant throughout this Circular, which represents a premium of RM0.3200 or 47.06% to the 5-day VWAP of the ENRA Shares up to and including the LPD of RM0.6800.

The Board wishes to emphasise that the illustrative Exercise Price of RM1.00 per Warrant should not be taken as an indication of or reference to the actual Exercise Price, which will be determined and announced on the price-fixing date for the Proposed Issuance of Free Warrants.

2.3 Ranking of the Warrants and the new ENRA Shares to be issued arising from the exercise of the Warrants

The Warrant Holders will not be entitled to any voting rights or participation in any form of distribution other than on winding-up, compromise or arrangement of ENRA to be set out in the Deed Poll and/or any offer of further securities in ENRA until and unless such Warrant Holders exercise their Warrants into new ENRA Shares.

The new ENRA Shares arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with the existing ENRA Shares, save and except that the new ENRA Shares will not be entitled to any dividends, rights, allotment and/or other forms of distribution that may be declared, made or paid where the entitlement date is before the allotment date and issuance of the new ENRA Shares arising from the exercise of the Warrants.

2.4 Listing of and quotation for the Warrants and new ENRA Shares to be issued arising from the exercise of the Warrants

Bursa Securities had, vide its letter dated 7 September 2020, approved the admission to the Official List and listing of and quotation for up to 45,402,647 Warrants to be issued pursuant to the Proposed Issuance of Free Warrants, as well as the listing of and quotation for up to 45,402,647 new ENRA Shares to be issued arising from the exercise of the Warrants, subject to the conditions set out in Section 8 of this Circular.

3. UTILISATION OF PROCEEDS

The Proposed Issuance of Free Warrants will not raise any immediate funds upon its issuance as the Warrants will be issued at no cost to the Entitled Shareholders. However, the exact quantum of the proceeds that may be raised by ENRA would depend on the Exercise Price and the actual number of Warrants exercised during the tenure of the Warrants. As such, the exact timeframe for the utilisation of proceeds is not determinable at this juncture.

For illustration purposes only, assuming all 45,402,647 Warrants are exercised at the illustrative Exercise Price of RM1.00, the illustrative total gross proceeds that could be raised by the Company from the Proposed Issuance of Free Warrants based on the Minimum Scenario and Maximum Scenario is set out below:

Minimum Scenario : Assuming none of the treasury shares have been resold in the open market of Bursa Securities before the Entitlement Date

Maximum Scenario : Assuming all of the 1,289,400 treasury shares have been resold in the open market of Bursa Securities with no gain or loss before the Entitlement Date

	Minimum Scenario	Maximum Scenario
No. of new ENRA Shares to be issued arising from the exercise of the Warrants	44,972,847	45,402,647
Total gross proceeds (RM)	44,972,847	45,402,647

Such proceeds if raised (as and when the Warrants are exercised), shall be utilised for the working capital requirements of the Group, which may include defraying expenses such as staff related expenses, rental, trade and other payables as well as other general administrative expenses. The proceeds to be utilised for each component of working capital will be subject to the operating requirements of the Group at the time of utilisation and therefore cannot be determined at this juncture. Nevertheless, for illustrative purposes, please find below the illustrative breakdown of the proceeds to be utilised for each component of working capital:

Proposed utilisation	Illustrative % of the proceeds to be utilised over the tenure of the Warrants
Staff salaries and benefits	30%
Rental and leasing	30%
Trade and other payables	30%
General administrative expense	10%

However, the above serves as an illustration only and may not reflect the actual utilisation as the actual quantum of proceeds that may be raised would depend on amongst others, the Exercise Price, the actual number of Warrants exercised during the tenure of the Warrants and the operating requirements of the Group as and when the Warrants are exercised.

4. RATIONALE FOR THE PROPOSED ISSUANCE OF FREE WARRANTS

The Proposed Issuance of Free Warrants is intended to:

- (i) reward the shareholders of ENRA for their continuous support by enabling them to own the Warrants, which are tradeable on Bursa Securities without incurring any costs;
- (ii) provide the shareholders of ENRA with an opportunity to further increase their equity participation in the Company by exercising the Warrants at a pre-determined price over the tenure of the Warrants; and
- (iii) further strengthen the capital base and shareholders' equity of the Company as well as potentially provide funds for the Group to finance its working capital requirements, as and when the Warrants are exercised without incurring interest costs, as compared to bank borrowings.

For information purposes, the Company has not undertaken any equity fund raising exercises in the past 12 months prior to the announcement of the Proposed Issuance of Free Warrants.

5. EFFECTS OF THE PROPOSED ISSUANCE OF FREE WARRANTS

5.1 Issued share capital

For illustrative purposes, the pro forma effects of the Proposed Issuance of Free Warrants on the issued share capital of the Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of ENRA Shares	Amount (RM)	No. of ENRA Shares	Amount (RM)
Issued share capital as at the LPD (including treasury shares)	136,207,943	144,744,263	136,207,943	144,744,263
Less: Treasury shares	(1,289,400)	-	-	-
	134,918,543	144,744,263	136,207,943	144,744,263
To be issued assuming full exercise of the Warrants	44,972,847	^(a) 44,972,847	45,402,647	^(a) 45,402,647
Enlarged issued share capital	179,891,390	189,717,110	181,610,590	190,146,910

Note:

^(a) Based on the illustrative Exercise Price of RM1.00 per Warrant.

5.2 NA per ENRA Share and gearing

For illustrative purposes, based on the latest audited consolidated statement of financial position of ENRA as at 31 March 2020 and on the assumption that the Proposed Issuance of Free Warrants had been effected on that date, the pro forma effects of the Proposed Issuance of Free Warrants on the NA per ENRA Share and gearing of the Group are as follows:

Minimum Scenario

	Audited as at 31 March 2020 (RM'000)	(I)		(II)	
		After the Proposed Issuance of Free Warrants (RM'000)	After (I) and assuming full exercise of the Warrants (RM'000)	After (I) and assuming full exercise of the Warrants (RM'000)	After (I) and assuming full exercise of the Warrants (RM'000)
Share capital	144,744	144,744		(b)189,717	
Redeemable convertible preference shares equity	2,886	2,886		2,886	
Treasury shares	(1,199)	(1,199)		(1,199)	
Non-distributable reserves	371	371		371	
Accumulated losses	(24,977)	(a)(25,137)		(25,137)	
Total equity attributable to owners of the Company/NA	121,825	121,665		166,638	
No. of ENRA Shares in issue (net of treasury shares) ('000)	134,919	134,919		179,891	
NA per ENRA Share	RM0.90	RM0.90		RM0.93	
Total borrowings (RM'000)	102,142	102,142		102,142	
Gearing	0.84 times	0.84 times		0.61 times	

Notes:

(a) After deducting estimated expenses of approximately RM160,000 arising from the Proposed Issuance of Free Warrants.

(b) After the issuance of 44,972,847 new ENRA Shares arising from the full exercise of the Warrants at the illustrative Exercise Price of RM1.00 per Warrant.

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Maximum Scenario

		(I)	(II)	(III)
	Audited as at 31 March 2020 (RM'000)	After all treasury shares are resold (RM'000)	After (I) and the Proposed Issuance of Free Warrants (RM'000)	After (II) and assuming full exercise of the Warrants (RM'000)
Share capital	144,744	144,744	144,744	^(c) 190,147
Redeemable convertible preference shares equity	2,886	2,886	2,886	2,886
Treasury shares	(1,199)	^(a) -	-	-
Non-distributable reserves	371	371	371	371
Accumulated losses	(24,977)	(24,977)	^(b) (25,137)	(25,137)
Total equity attributable to owners of the Company/NA	121,825	123,024	122,864	168,267
No. of ENRA Shares in issue (net of treasury shares) ('000)	134,919	136,208	136,208	181,611
NA per ENRA Share	RM0.90	RM0.90	RM0.90	RM0.93
Total borrowings (RM'000)	102,142	102,142	102,142	102,142
Gearing	0.84 times	0.83 times	0.83 times	0.61 times

Notes:

- (a) Assuming that all of the 1,289,400 treasury shares held in the Company as at LPD are resold in the open market at their respective acquisition prices before the Entitlement Date and there are no transaction costs relating to the disposal of the treasury shares. Hence there is no gain or loss from the disposal of all the treasury shares.
- (b) After deducting estimated expenses of approximately RM160,000 arising from the Proposed Issuance of Free Warrants.
- (c) After the issuance of 45,402,647 new ENRA Shares arising from the full exercise of the Warrants at the Illustrative Exercise Price of RM1.00 per Warrant.

5.3 Earnings and EPS

The Proposed Issuance of Free Warrants is not expected to have any material effect on the earnings of the Group for the FYE 31 March 2021. However, there will be a corresponding dilution in the EPS of the Group as a result of the increase in the number of ENRA Shares in issue following the exercise of the Warrants.

The potential effect of the exercise of the Warrants on the future earnings and EPS of the Group will depend upon on, amongst others, the number of the Warrants exercised at any point in time and utilisation of proceeds arising from the exercise of the Warrants.

5.4 Substantial shareholders' shareholdings

The Proposed Issuance of Free Warrants and the full exercise of the Warrants will not have any effect on the percentage of the substantial shareholders' shareholdings in ENRA. However, the number of ENRA Shares held by each substantial shareholder will increase proportionately assuming full exercise of the Warrants. The pro forma effects of the Proposed Issuance of Free Warrants on the shareholdings of the substantial shareholders of the Company as at the LPD are as follows:

Minimum Scenario

	As at the LPD				(I)				(II)			
	Direct		Indirect		Proposed Issuance of Free Warrants		After the		assuming full exercise of the Warrants		After (II) and	
	No. of ENRA Shares	(a)%	No. of ENRA Shares	(a)%	No. of ENRA Shares	(a)%	No. of ENRA Shares	(a)%	No. of ENRA Shares	(a)%	No. of ENRA Shares	(a)%
Tan Sri Dato' Kamaluddin bin Abdullah	5,357,629	3.97	(b)35,362,000	26.21	5,357,629	3.97	(b)35,362,000	26.21	7,143,505	3.97	(b)47,149,333	26.21
Luminor Pacific Fund 1 Ltd	-	-	(c)19,000,000	14.08	-	-	(c)19,000,000	14.08	-	-	(c)25,333,333	14.08
Dato' Mazlin bin Md Junid	-	-	(d)15,773,700	11.69	-	-	(d)15,773,700	11.69	-	-	(d)21,031,600	11.69
Izreen Natalia binti Mazlin	-	-	(d)15,773,700	11.69	-	-	(d)15,773,700	11.69	-	-	(d)21,031,600	11.69
Ikmal Mirza bin Mazlin	-	-	(d)15,773,700	11.69	-	-	(d)15,773,700	11.69	-	-	(d)21,061,600	11.69
Trillion Icon Sdn. Bhd.	17,962,000	13.31	-	-	17,962,000	13.31	-	-	23,943,333	13.31	-	-
Mizreen Capital Sdn. Bhd.	15,773,700	11.69	-	-	15,773,700	11.69	-	-	21,031,600	11.69	-	-
Carrillo Capital Sdn. Bhd.	10,000,000	7.41	-	-	10,000,000	7.41	-	-	13,333,333	7.41	-	-
Accentvest Sdn. Bhd.	9,500,000	7.04	-	-	9,500,000	7.04	-	-	12,666,666	7.04	-	-
Amira Properties Sdn. Bhd.	9,500,000	7.04	-	-	9,500,000	7.04	-	-	12,666,666	7.04	-	-
Chua Ming Huat	6,157,400	4.56	(e)3,682,600	2.73	6,157,400	4.56	(e)3,682,600	2.73	8,209,866	4.56	(e)4,910,133	2.73

Notes:

- Based on issued share capital of 134,918,543 ENRA Shares (excluding treasury shares) as at the LPD and 179,891,390 ENRA Shares (excluding treasury shares) assuming full exercise of the Warrants.
- Indirect interest held through Trillion Icon Sdn. Bhd., Paling Terbilang Sdn. Bhd., Intelek Kuasa Sdn. Bhd. and Carrillo Capital Sdn. Bhd. pursuant to Section 8(4) of the Act.
- Indirect interest held through Amira Properties Sdn. Bhd. and Accentvest Sdn. Bhd. pursuant to Section 8(4) of the Act.
- Indirect interest held through Mizreen Capital Sdn. Bhd. pursuant to Section 8(4) of the Act.
- Indirect interest held through KCT Investments, Inc, Summit Investment Partners Limited and New Lake Investments Limited pursuant to Section 8(4) of the Act.

Maximum Scenario

	As at the LPD				(I)			
	Direct		Indirect		After all treasury shares are resold			
	ENRA Shares	(a)%	No. of ENRA Shares	(a)%	ENRA Shares	(a)%	No. of ENRA Shares	(a)%
Tan Sri Dato' Kamaluddin bin Abdullah	5,357,629	3.97	(b)35,362,000	26.21	5,357,629	3.93	(b)35,362,000	25.96
Luminor Pacific Fund 1 Ltd	-	-	(c)19,000,000	14.08	-	-	(c)19,000,000	13.95
Dato' Mazlin bin Md Junid	-	-	(d)15,773,700	11.69	-	-	(d)15,773,700	11.58
Izreen Natalia binti Mazlin	-	-	(d)15,773,700	11.69	-	-	(d)15,773,700	11.58
Ikhmal Mirza bin Mazlin	-	-	(d)15,773,700	11.69	-	-	(d)15,773,700	11.58
Trillion Icon Sdn. Bhd.	17,962,000	13.31	-	-	17,962,000	13.19	-	-
Mizreen Capital Sdn. Bhd.	15,773,700	11.69	-	-	15,773,700	11.58	-	-
Carrillo Capital Sdn. Bhd.	10,000,000	7.41	-	-	10,000,000	7.34	-	-
Accentvest Sdn. Bhd.	9,500,000	7.04	-	-	9,500,000	6.97	-	-
Amira Properties Sdn. Bhd.	9,500,000	7.04	-	-	9,500,000	6.97	-	-
Chua Ming Huat	6,157,400	4.56	(e)3,682,600	2.73	6,157,400	4.52	(e)3,682,600	2.70

	Proposed Issuance of Free Warrants				(II)			
	Direct		Indirect		After (I) and the		After (II) and	
	ENRA Shares	(a)%	No. of ENRA Shares	(a)%	ENRA Shares	(a)%	ENRA Shares	(a)%
Tan Sri Dato' Kamaluddin bin Abdullah	5,357,629	3.93	(b)35,362,000	25.96	7,143,505	3.93	(b)47,149,333	25.96
Luminor Pacific Fund 1 Ltd	-	-	(c)19,000,000	13.95	-	-	(c)25,333,333	13.95
Dato' Mazlin bin Md Junid	-	-	(d)15,773,700	11.58	-	-	(d)21,031,600	11.58
Izreen Natalia binti Mazlin	-	-	(d)15,773,700	11.58	-	-	(d)21,031,600	11.58
Ikhmal Mirza bin Mazlin	-	-	(d)15,773,700	11.58	-	-	(d)21,061,600	11.58
Trillion Icon Sdn. Bhd.	17,962,000	13.19	-	-	23,943,333	13.19	-	-
Mizreen Capital Sdn. Bhd.	15,773,700	11.58	-	-	21,031,600	11.58	-	-
Carrillo Capital Sdn. Bhd.	10,000,000	7.34	-	-	13,333,333	7.34	-	-
Accentvest Sdn. Bhd.	9,500,000	6.97	-	-	12,666,666	6.97	-	-
Amira Properties Sdn. Bhd.	9,500,000	6.97	-	-	12,666,666	6.97	-	-
Chua Ming Huat	6,157,400	4.52	(e)3,682,600	2.70	8,209,866	4.52	(e)4,910,133	2.70

Notes:

- (a) Based on issued share capital of 134,918,543 ENRA Shares (excluding treasury shares) as at the LPD, 136,207,943 ENRA Shares after all treasury shares are resold and 181,610,590 ENRA Shares assuming full exercise of the Warrants.
- (b) Indirect interest held through Trillion Icon Sdn. Bhd., Paling Terbilang Sdn. Bhd., Intelek Kuasa Sdn. Bhd. and Carrillo Capital Sdn. Bhd. pursuant to Section 8(4) of the Act.
- (c) Indirect interest held through Amira Properties Sdn. Bhd. and Accentvest Sdn. Bhd. pursuant to Section 8(4) of the Act.
- (d) Indirect interest held through Mizreen Capital Sdn. Bhd. pursuant to Section 8(4) of the Act.
- (e) Indirect interest held through KCT Investments, Inc, Summit Investment Partners Limited and New Lake Investments Limited pursuant to Section 8(4) of the Act.

5.5 Convertible securities

As at the LPD, the Company does not have any convertible securities in issue.

6. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of the ENRA Shares as traded on Bursa Securities for the past 12 months from August 2019 to July 2020 are set out in the table below:

	High (RM)	Low (RM)
<u>2019</u>		
August	1.37	1.21
September	1.30	1.11
October	1.20	1.09
November	1.22	1.15
December	1.20	1.12
<u>2020</u>		
January	1.20	1.14
February	1.25	1.12
March	1.20	1.08
April	1.05	0.90
May	1.03	0.95
June	0.98	0.68
July	0.73	0.68
The last transacted market price of ENRA Shares on 11 August 2020 (being the last Market Day prior to the announcement of the Proposed Issuance of Free Warrants)	RM0.69	
The last transacted market price of ENRA Shares on 26 August 2020 (being the LPD)	RM0.68	

(Source: Bloomberg)

7. INDUSTRY OUTLOOK AND PROSPECTS

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy was confronted by concurrent supply and demand shocks arising from weak external demand conditions and strict containment measures in the 2nd quarter of 2020. As a result, the economy registered its first contraction since the Global Financial Crisis (2nd quarter of 2020: -17.1%; 3rd quarter of 2009: -1.1%). On the supply side, this was reflected in negative growth across most sectors. From the expenditure side, domestic demand declined, while exports of goods and services registered a sharper contraction. On a quarter-on-quarter seasonally-adjusted basis, the economy declined by 16.5% (1st quarter of 2020: -2.0%).

Weak growth was recorded across most economic sectors amid the imposition of the movement control order (“**MCO**”), followed by the Conditional and Recovery MCO, during the 2nd quarter of 2020. The services sector contracted by 16.2% (1st quarter of 2020: 3.1%). The sector was affected by the implementation of a nationwide restrictive MCO, with only essential services such as food-related retail, utilities, banking, transportation as well as information and communication entities allowed to operate with very limited capacity. The subsequent transition to Conditional MCO (“**CMCO**”) in May and Recovery MCO (“**RMCO**”) in June provided some relief to businesses in the sector. The lockdown had substantially affected consumer spending and tourism activity, as shown by the significant declines in the wholesale and retail trade, as well as food and beverages and accommodation sub-sectors. The transport and storage sub-sector was impacted by a sudden stop in tourist arrivals due to travel restrictions imposed domestically as well as the international border closures. Growth in the finance and insurance sub-sector was weighed down by lower net interest income, and lower fee-based income amid subdued capital market activity. Meanwhile, growth in the information and communication sub-sector was relatively sustained by the continued high demand for data communication services especially during this period of remote working arrangements.

The manufacturing sector contracted by 18.3% (1st quarter of 2020: 1.5%), due largely to the imposition of MCO restrictions as well as weak demand conditions. The extension of the MCO from end-March throughout April curtailed production activity across all industries. Essential sectors and those in the related supply-chain sectors operated at reduced capacity to ensure sufficient social distancing at workplaces, while nonessential sectors such as transport equipment and textile-related industries did not operate. Following the lifting of MCO restrictions in May, manufacturing firms gradually restarted operations, but did so while observing sector-specific health protocols amidst subdued demand conditions externally and domestically. The latter had particularly affected the performance of the primary- and consumer-related clusters. Nevertheless, the impact of weak demand was partially mitigated by a backlog of orders which supported a faster production recovery, observed mainly in the electric and electronics industry.

Domestic demand declined by 18.7% in the 2nd quarter of 2020 (1st quarter of 2020: 3.7%), due mainly to weaker private sector expenditure. Spending by the private sector was impacted by lower income, movement restrictions and subdued consumer and business sentiments. While net exports continued to decline, the contribution of the external sector to the economy improved due mainly to the larger contraction in imports vis-a-vis the previous quarter.

Private consumption growth declined by 18.5% in the 2nd quarter of 2020 (1st quarter of 2020: 6.7%). Household spending was particularly impacted by the strict movement restrictions in the early part of the quarter and income losses amid weak economic conditions. As movement restrictions were gradually relaxed towards the end of the quarter, retail and financing data indicated some improvement in spending, albeit remaining subdued. During this challenging period, stimulus measures such as the disbursement of Bantuan Prihatin Nasional cash transfers, EPF i-Lestari withdrawals and the implementation of the loan moratorium helped to cushion consumption spending. Public consumption continued to expand, albeit at a more moderate pace of 2.3% (1st quarter of 2020: 5.0%). Growth was supported by continued increase in emoluments amid lower spending on supplies and services.

Headline inflation, as measured by the annual percentage change in the Consumer Price Index (CPI), declined to -2.6% during the quarter (1st quarter of 2020: 0.9%). The lower headline inflation was primarily due to the substantial decline in retail fuel prices (average RON95 petrol price per litre in the 2nd quarter of 2020: RM 1.37; 1st quarter of 2020: RM 1.96) and the implementation of the tiered electricity tariff rebate beginning the month of April.

Economic activity has resumed since the economy began to reopen in early May 2020. Consequently, growth is expected to have troughed in the 2nd quarter of 2020, with a gradual recovery in the second half. This outlook is underpinned by the rebound of key indicators such as wholesale and retail trade, industrial production, gross exports, and electricity generation. This improvement in growth will also be supported by the recovery in global growth and continued domestic policy support. In particular, consumption and investment activity is projected to benefit from the wide-range of measures in the fiscal stimulus packages, continued financial measures and low interest environment. With the reopening of economic activities, a concurrent improvement in labour market conditions is expected. Overall, the Malaysian economy is therefore forecasted to grow within the range of -3.5% to -5.5% in 2020, before staging a rebound within a growth range of 5.5% to 8.0% in 2021.

Average headline inflation in 2020 is likely to be negative, in line with the earlier projected range of -1.5% to 0.5%, primarily reflecting the substantially lower global oil prices. The risks of a broad-based and persistent decline in prices are assessed to be limited as economic activity gradually resumes and demand conditions improve. Underlying inflation is expected to average within expectations for the year as a whole. For 2021, headline inflation is forecasted to average higher, between 1% to 3%, in line with the longer-term historical average. This mainly reflects the expected recovery in global oil prices and improvement in domestic demand conditions. However, the outlook will continue to be significantly affected by uncertainties surrounding global oil and commodity prices as well as the evolving COVID-19 developments.

(Source: Quarterly Bulletin for Second Quarter of 2020, Bank Negara Malaysia)

7.2 Overview and outlook of the United Kingdom (“UK”) economy

The UK GDP is estimated to have fallen by 2.2% in Quarter 1 (January to March) 2020. This is the joint-third largest quarterly contraction in GDP and reflects the imposing of public health restrictions and voluntary social distancing put in place in response to the COVID-19 pandemic.

The decline in the first quarter largely reflects the large fall in output in March 2020, with widespread monthly declines in output across the services, production and construction industries. In comparison with the same quarter a year ago, UK GDP fell by a revised 1.7%.

In response to the COVID-19 pandemic, public health restrictions and social distancing measures were put in place in the UK, leading to a widespread disruption to economic activity. These measures have impacted upon the spending behaviours of consumers as well as how businesses and their employees operate. It has also affected the provision of services provided by government, including health and education.

The services, production and construction sectors provided a negative contribution to growth in the output approach to GDP in Quarter 1 2020; with services output falling by a record 2.3% in the latest quarter. Household consumption declined by 2.9% in Quarter 1 2020; this is now the largest decline in household consumption since Quarter 3 (July to September) 1979. The UK GDP increased by 1.5% between 2018 and 2019. The households saving ratio increased to 8.6% in Quarter 1 2020, compared with 6.6% in Quarter 4 (October to December) 2019.

(Source: GDP quarterly national accounts, UK: January to March 2020, Office for National Statistics)

The Office for National Statistics (ONS) estimates that the UK economy grew by 1.4% in 2019, 0.1 percentage points higher than in 2018. Delays to the UK's departure from the European Union (EU) affected the profile of economic activity throughout 2019, leading to volatility in quarterly growth over the year.

Over the forecast, the Office for Budget Responsibility ("**OBR**") has revised down its forecast for cumulative GDP growth by 0.5 percentage points, largely reflecting downward revisions to potential productivity and net migration. The OBR expects GDP growth of 1.1% in 2020, revised down from 1.4% in its Spring Statement 2019 forecast, with weaker contributions from both consumption and business investment growth. The OBR expects annual consumption growth to be 1.1% and for there to be no growth in business investment in 2020. GDP growth is then expected to increase to 1.8% in 2021 before slowing slightly, reaching 1.4% in 2024.

(Source: Budget 2020, Her Majesty's Treasury, UK)

7.3 Overview and outlook of the oil and gas industry in Malaysia

The mining sector continued to register a contraction (-1.5%; 2018: -2.6%), as crude oil output was weighed down mainly by maintenance works and voluntary supply adjustments by Petroliaam Nasional Berhad ("**PETRONAS**"). Nevertheless, the pace of the contraction in the sector eased, following the recovery in natural gas production from the pipeline disruptions in 2018.

Apart from the health crisis, the Malaysian economy is expected to be affected by the sharp decline and volatile shifts in crude oil prices. While this is partially a consequence of significantly softer global demand, crude oil prices are also weighed by the Organisation of Petroleum Exporting Countries and its allies ("**OPEC+**") decision of not pursuing additional voluntary output adjustments. Prolonged low global oil prices will impact the income, employment and investment prospects in the mining-related sectors directly. Nonetheless, lower oil prices may alleviate cost pressures on consumers and businesses. Prices of other major commodities are projected to be lower. The price of Liquefied Natural Gas ("**LNG**") is forecasted to moderate, weighed mainly by slower demand from Japan and the People's Republic of China ("**China**") following further progress in the restart of nuclear plants and production disruptions due to COVID-19, respectively. The price of crude palm oil ("**CPO**") is projected to be relatively sustained, as weaker external demand is offset by the decline in CPO production.

The continued supply disruption in the commodities sector will continue to weigh on domestic growth. The low oil palm production since end-2019 is expected to extend to the early months of 2020, due mainly to the lagged impact of severe dry weather conditions experienced in 2019 as well as output constraints arising from the MCO. These disruptions are, however, anticipated to dissipate gradually as weather conditions normalise and oil palm production benefit from higher fertiliser application in early-2020. Meanwhile, crude oil and natural gas production will be affected by continued maintenance works and to a certain extent, reduced operating capacity due to the MCO. The operationalisation of new fields in Sarawak and the commencement of the PETRONAS Floating LNG Dua (PFLNG2) facility in Sabah will partially offset the decline in output of the mining sector.

(Source: Economic & Monetary Review 2019, Bank Negara Malaysia)

The mining sector rebounded during the first six months of 2019 on account of higher output of natural gas. For the year, the output of the sector is projected to turn around 0.6%, driven by higher production of natural gas, offsetting lower output of crude oil (including condensates). Among the natural gas fields that are expected to increase production include Anjung, Bakong and Larak in Sarawak. On the contrary, production of crude oil is affected by temporary planned and unplanned shutdowns of several fields such as Dulang (Peninsular Malaysia), Gumusut-Kakap (Sabah) and Baronia (Sarawak).

In 2020, the mining sector is forecast to record a marginal growth of 0.3%, supported by stable gas production following stronger domestic demand from the petrochemical industry as well as rising exports of LNG, particularly to China, Japan and Republic of Korea. The subsector is expected to benefit from the commencement of the North Malay Basin Full Field Development (FFD-Phase 2) in Peninsular Malaysia as well as Gorek, Integrated Bakor (Phase 3) and Betty redevelopment projects in Sarawak. Production of crude oil is projected to increase moderately supported by projects such as Anggerik FFD and Zetung FFD in Peninsular Malaysia as well as Bayan Oilfield (Phase 2B and 2C) in Sarawak. Moving forward, uncertainties in the global growth, production cut by OPEC and non-OPEC, oil production by the United States ("US"); the US-China trade tension and geopolitical risks, particularly in Iran, Iraq, Libya and Venezuela will be among the factors affecting the movement of crude oil prices.

(Source: Chapter 3, Microeconomic Outlook, Economic Outlook 2020, Ministry of Finance Malaysia)

The oil prices in 2019 have fluctuated from a daily low of USD53 per barrel to a high of USD75 per barrel (as at November 2019) yielding an average of USD64 per barrel as compared with the average of USD71 per barrel in 2018.

The oil price at the start of 2019 continued its low streak from the final quarter of 2018 with concerns on increasing oversupply and weak demand. This in turn creates pressure on OPEC+ to extend output cuts further on the back of low oil prices and continuing strong US crude oil production. However, the weak demand together with robust non-OPEC supply more than offset OPEC+ output cuts, which were extended in July to March 2020. The oil market remained volatile and risk averse throughout 2019 amidst trade war, recession fears, and geopolitical tensions in key producing countries.

Protracted trade disputes continue to brew uncertainty and negative business sentiments, which in turn has a dampening effect on oil price outlook.

The robust supply coming from non-OPEC producers predominantly from the US, has caused a build-up in oil inventory. The US, currently the largest producer of crude oil, are targeting to be a net energy exporter by 2020, a first for the US in nearly 70 years.

Since 2017, OPEC together with 10 non-OPEC producing countries, the significant ones being Russia, Mexico, and Kazakhstan, have agreed on production cuts to reduce oil stocks to preserve the stability of the oil market. Participating producers in the recent meeting, held on 6 December 2019, have decided to deepen the production cut by 500 thousand barrels per day (bpd) to 1.7 million bpd effective January 2020, subject to the full conformity of participating members.

(Source: PETRONAS Activity Outlook 2020 – 2022, PETRONAS)

The industry continues to operate in a challenging and unprecedented market environment arising from a combination of severe demand destructions due to the COVID-19 pandemic and global oil market glut.

(Source: "PETRONAS Takes Deliberate Steps To Strengthen Resilience Amidst Unprecedented Challenging Environment" press release dated 4 September 2020 from PETRONAS)

7.4 Overview and outlook of the property market in Malaysia

The property market performance recorded a slight improvement with a marginal increase in 2019. A total of 328,647 transactions worth RM141.40 billion were recorded, showing an increase of 4.8% in volume and 0.8% in value compared to 2018, which recorded 313,710 transactions worth RM140.33 billion.

Sectoral market activity performance improved marginally: residential (6.0%), commercial (7.2%), industrial (3.8%) and agriculture (2.0%) with the exception of development land sub-sector, which declined slightly by 1.2%. In terms of value of transactions, residential sub-sector recorded a 5.3% growth, whereas commercial, industrial, agriculture and development land sub-sectors recorded otherwise, decreased by -1.8%, -1.1%, -4.4% and -9.1% respectively.

The residential sub-sector led the overall property market, with 63.7% contribution. This was followed by agriculture sub-sector (20.9%), commercial (7.8%), development land (5.7%) and industrial (1.9%). In terms of value, residential took the lead with 51.2% share, followed by commercial (20.5%), industrial (10.5%), development land (9.0%) and agriculture (8.8%).

There were 209,295 transactions worth RM72.41 billion recorded in the review period, increased by 6.0% in volume and 5.3% in value as compared with 2018 (197,385 transactions worth RM68.75 billion). Performance across the states improved in the review period. All states recorded higher market volume except for Negeri Sembilan and Perak. The uptrend in major states namely Kuala Lumpur (1.1%), Selangor (8.9%), Johor (7.5%) and Pulau Pinang (1.3%) supported the overall increase in the sub-sector. These four major states formed 50% of the total national residential volume.

The residential sub-sector is expected to be challenging in 2020. With the downside in the Consumer Sentiment Index at 82.3 points as at the 4th quarter of 2019, coupled with the insecurity of employment and household income, there is a high likelihood that the purchase for big-ticket items such as houses may have to be put on hold by prospective purchasers.

The reducing numbers of overhang and unsold may probably level up in 2020. Market absorption may be slower given the current economic and financial situation. The much-debated issue on overhang which revolves on mismatch of housing product, location and affordability appear to be more challenging to resolve. Nevertheless, government has given continuous support, with special focus on the affordable segment and more affordable homes priced below RM300,000 would be built for B40 and M40 groups under the National Housing Policy 2.0 programmes.

Various incentives are initiated to tackle the affordability and home ownership issues for the nation, B40 and M40 groups in particular, which include:

1. Youth Housing Scheme by Bank Simpanan Nasional - to extend the scheme from January 1, 2020 until December 31, 2021;
2. Rent-to-own (RTO) financing scheme for first-time homebuyers for housing projects priced up to RM500,000. The applicant will rent the property for up to 5 years and after the first year, the tenant will have the option to purchase the house based on the price fixed at the time the tenancy agreement is signed;
3. Property Crowdfunding - In September 2019, the Securities Commission Malaysia (SC) announced that EdgeProp Sdn Bhd (EdgeProp) has been registered as the first recognised market operator to establish and operate a property crowdfunding (PCF) platform in Malaysia; and
4. MyKNP (Khidmat Nasihat Pembiayaan) launched by Bank Negara Malaysia to provide free of charge advisory service to applicants who failed to secure home loan.

Meanwhile, new launches for high-end segment are expected to slow down as developers is expected to hold back on new launches so as to allow market to absorb the overhang and unsold units. The downward revise on foreign purchase minimum threshold should be seen as a temporary measure to reduce the overhang of highend properties in urban areas. This may eventually lower the overhang though it may take longer than expected.

The commercial sub-sector, in particular shopping complex, purpose-built office and hotel is expected to be not be spared from the headwinds in the global markets, coupled with the impact of COVID-19 outbreak and expected slowdown in China. The office segment is forecasted to remain under pressure in 2020. The office segment is forecasted to remain under pressure in 2020.

The overall retail performance has been sluggish and below market expectation in 2019. Shopping complexes will be at risk of oversupply as more new shopping complexes will be entering into the market in the next two to five years. Meanwhile, the impact of COVID-19 outbreak coupled with increasing popularity of online shopping also pose challenges to retail storefront. The outlook for hotel/leisure segment is quite discouraging mainly due to the impact of COVID-19 outbreak, which had caused the sharp decline in tourist arrivals throughout the region in the 1st quarter of 2020.

The COVID-19 outbreak is expected to take its toll on the world economies and the Malaysian economy. The magnitude of the impact on the Malaysian economy would depend on the duration and spread of the outbreak not only in Malaysia but also in other countries, especially those that are Malaysia's major trading partners.

Nevertheless, the government have introduced several incentives to help cushion-off the impact on the property market namely:

1. the revision of the base year for Real Property Gains Tax to 1 January 2013 (initially 1 January 2000) for property purchased before the date;
2. the reduction of price threshold for foreign purchasers from RM1 million to RM600,000 for unsold completed high-rise properties in urban areas. Consequently, several states have revised the minimum price for foreign purchasers; and
3. the reduction of Overnight Policy Rate by 25 basis points to 2.75% on 22 January 2020, will lead to lower borrowing cost for home loans, to remain accommodative and supportive of property market.

Despite the economic headwinds, Malaysian property market is expected to remain resilient in the coming year. Affordable housing and finding the right solutions to the property overhang will continue to be the main agenda of the government. The close monitoring on the implementation of programmes under the National Housing Policy 2.0 (2018 – 2025) and various incentives introduced to promote home ownership among Malaysians, are expected to contain the overhang situation in the coming year. On the development front, the revival of Bandar Malaysia mega project is expected to have positive impact on the property market landscape in the medium and long term. Meanwhile, high-impact major infrastructure projects such as West Coast Expressway (WCE) and East Coast Rail Link (ECRL) will open up new development areas to attract Foreign Direct Investment, which will entail business and employment opportunities as well as catalyst for development growth.

(Source: Property Market Report 2019, Valuation and Property Services Department, Ministry of Finance Malaysia)

7.5 Overview and outlook of the property market in the UK

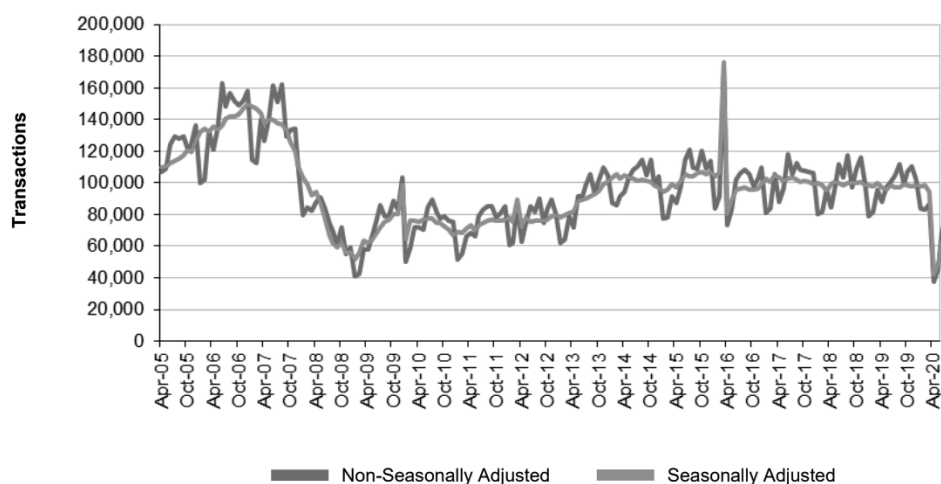
UK average house prices increased by 2.1% over the year to March 2020. The average UK house price was £232,000 in March 2020; this is £5,000 higher than in March 2019. On a non-seasonally adjusted basis, average house prices in the UK decreased by 0.2% between February 2020 and March 2020, compared with a decrease of 0.3% in the same period a year ago. On a seasonally adjusted basis, average house prices in the UK increased by 0.1% between February 2020 and March 2020, following a decrease of 0.1% in the previous month.

London was the English region with the highest annual house price growth, with prices increasing by 4.7% to £486,000 in the year to March 2020, up from 3.0% in February 2020. The lowest annual growth was in Yorkshire and The Humber, where prices decreased by 1.0% over the year to March 2020. London house prices remain the most expensive at an average of £486,000. The North East continued to have the lowest average house price, at £127,000, and is the only English region yet to surpass its pre-economic downturn peak of July 2007. For outer London, the proportion of transactions in the lowest two price brackets (£600,000 and under) decreased by 3.1 percentage points between Quarter 1 2019 and Quarter 1 2020. Outer London also saw a slight increase in the proportion of transactions over £900,000, from 6.1% in Quarter 4 (October to December) 2019 to 7.3% in Quarter 1 2020.

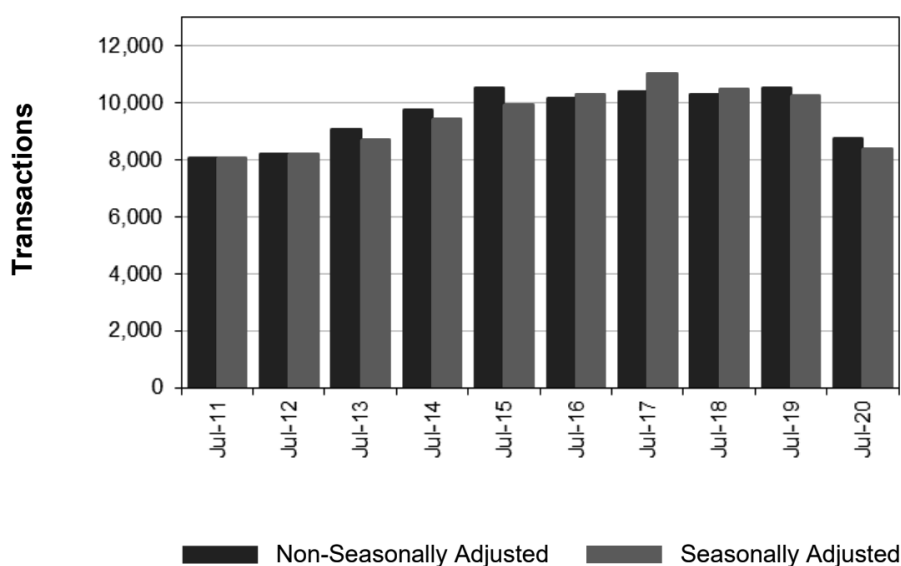
(Source: UK House Price Index: March 2020, Office for National Statistics)

In response to the COVID-19 pandemic, the Government of the UK introduced social distancing measures for the property market from 26 March 2020. Restrictions were eased from 13 May 2020, allowing market activity in England to re-commence under restricted conditions. From April 2020, transactions statistics have captured impacts from the COVID-19 pandemic and the public health measures in response to the COVID-19 pandemic.

Based on the graph below which depicts the historic UK residential property transactions from 2005 to 2020, residential transactions decreased significantly in April 2020, reflecting impacts from the COVID-19 pandemic and public health measures in response to the COVID-19 pandemic:



Further, based on the graph below which depicts the year-on-year transactions from July 2011 to July 2020, impacts from the COVID-19 pandemic are evident within provisional July 2020 estimates when compared to recent years:



However, provisional transactions for both residential and non-residential transactions have since gradually increased month-on-month, but are still below levels observed in recent years.

(Source: "UK Property Transactions Statistics, July 2020 update" release dated 21 August 2020 from Her Majesty's Revenue & Customs)

7.6 Prospects of the Group

Presently, the Group is principally involved in 2 business segments, i.e. energy services and property development. The financial performance of the Group for the FYE 31 March 2020 (audited) and FPE 30 June 2020 (unaudited based on the latest quarterly report) was contributed predominantly by the energy services segment with revenue contribution of 77.07% (FYE 31 March 2020) and 100.00% (FPE 30 June 2020).

Energy services

The Group's business expansion efforts to expand into the oil and gas ("O&G") industry, bodes well for the Group as this would provide a stream of longer-term recurring income to the Group to complement the property development business' project-dependent income.

Recent notable highlights by the Group in the energy service segment include the following:

- (i) successfully ventured into the floating storage and offloading ("**FSO**") sector by securing a FSO contract with PC Myanmar (Hong Kong) Limited, an indirect wholly-owned subsidiary of Petroliam Nasional Berhad (PETONAS) in July 2017 to provide FSO and single point mooring system ("**SPM**") services at the Yetagun offshore gas field off the coast of Myanmar ("**Yetagun Offshore Gas Field**");
- (ii) the Group had in January 2020, acquired its first tanker, namely RATU ENRA and a SPM, to replace the storage vessel and SPM system leased by the Group at the Yetagun Offshore Gas Field. This will improve the Group's operational efficiency and effectiveness for the project, and provide future opportunities to seek out similar contracts in the O&G industry;

- (iii) the Group had via its wholly-owned subsidiary in Australia, successfully ventured into the specialty chemicals business in 2018 and had also completed a design and engineering contract for the development and installation of a LNG Odorant Injection Package in Victoria, Australia in 2019; and
- (iv) 2 new energy services-related businesses that the Group had initiated during the FYE 31 March 2019, which involves the provision of energy-saving lighting solutions and parts supply & provision of after-sales services for rotating equipment such as gas turbines. Both services had started to generate revenue in FYE 31 March 2020 and currently contributes approximately 1.3% to the Group's total revenue for the FPE 30 June 2020.

Notwithstanding the above, FYE 31 March 2021 is expected to be challenging year for the energy services segment due to the COVID-19 pandemic and the lower global oil price which is forecasted to range around USD40 per barrel. However, with aggressive marketing strategies, improvement in supply chain management and the new assets acquired in the last quarter of FYE 31 March 2020 such as RATU ENRA and the SPM, the Group anticipates short-term financial performance for the segment to be satisfactory. To support the long-term future growth of this segment, the Group is identifying areas of growth in the O&G industry that are complementary to the Group's existing O&G activities.

Property Development

The property development segment remains one of the Group's key businesses despite the dampened prevailing market conditions of the property market in Malaysia. Currently, the Group has made several ventures in Malaysia, as well as the UK. However, there were delays to progress during the COVID-19 pandemic. Notwithstanding the above, the Group has subsequently resumed its operations with planned launches of its Malaysia and UK projects over the next 12 months.

On 20 June 2019, the Group had subscribed for a 51% equity stake in a property development company in Malaysia, namely Q Homes Sdn Bhd, which will allow the Group to carry out projects in new growth areas in the Klang Valley. In view of the increasing population in Malaysia, the development projects will cater to building homes that are more affordable to meet the housing needs of buyers in Malaysia.

In the UK, the Group will carry out a property development project via its wholly-owned indirect subsidiary, which had acquired a 51% equity stake in a property development company based locally, to develop 1.8 acres of land in the city centre of Rugby, Warwickshire, UK. The project is a lifestyle retirement homes development with shared facilities to cater to the UK's aging population, which will add to the diversity of the Group's property development mix. The Group has obtained planning approval for the project and will begin development after considering the prevailing working environment and market conditions.

Premised on the foregoing, the Group is currently actively managing the following projects in the UK and Malaysia:

Details	Location	Estimated completion year	Approximate gross development value
Lifestyle Retirement Homes	Rugby, UK	2023	GBP30.0 million
Boutique Affordable Semi-Detached Homes	Telok Panglima Garang, Selangor Darul Ehsan, Malaysia	2022	RM7.9 million
Boutique Affordable Terrace Homes	Dengkil, Selangor Darul Ehsan, Malaysia	2023	RM15.6 million
Boutique Affordable Terrace Homes and Shoplots	Maran, Pahang Darul Makmur, Malaysia	2023	RM21.4 million

Notwithstanding the above, the management of the Group remains cognisant of the challenging global outlook for 2020 in view of the COVID-19 pandemic. As such, the Group will exercise caution in managing the Group's business and at the same time improve operational efficiency and effectiveness. Further, the Group will also focus on opportunistic business development in the immediate term, while continuing to build its capabilities for long-term growth and expand its stream of longer-term recurring income.

(Source: Management of ENRA)

8. APPROVALS REQUIRED

The Proposed Issuance of Free Warrants is subject to the following approvals being obtained:

- (a) Bursa Securities, which was obtained vide its letter dated 7 September 2020, for the following:
 - (i) admission to the Official List and listing of and quotation for up to 45,402,647 Warrants to be issued pursuant to the Proposed Issuance of Free Warrants; and
 - (ii) listing of and quotation for up to 45,402,647 new ENRA Shares to be issued arising from the exercise of the Warrants,

subject to the following conditions:

<u>Conditions</u>	<u>Status of compliance</u>
(a) ENRA and PIVB must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Proposed Issuance of Free Warrants;	Noted
(b) ENRA and PIVB to inform Bursa Securities upon the completion of the Proposed Issuance of Free Warrants;	To be complied
(c) ENRA and PIVB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Issuance of Free Warrants is completed; and	To be complied
(d) ENRA is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants under the Proposed Issuance of Free Warrants as at the end of each quarter.	To be complied

- (b) the shareholders of the Company at the EGM; and
- (c) any other relevant authorities and/or parties, if required.

The Proposed Issuance of Free Warrants is not conditional upon any other corporate exercises undertaken or to be undertaken by the Company.

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

None of the Directors, major shareholders, chief executive of the Company and/or persons connected with them has any interest, direct or indirect, in the Proposed Issuance of Free Warrants, save for their respective entitlements as shareholders of ENRA under the Proposed Issuance of Free Warrants, which are also available to all other existing shareholders of ENRA on the Entitlement Date.

10. OTHER CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Issuance of Free Warrants there is no other corporate exercise that has been announced but pending completion.

11. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Issuance of Free Warrants, including but not limited to the rationale and effects of the Proposed Issuance of Free Warrants, is of the opinion that the Proposed Issuance of Free Warrants is in the best interest of the Company.

Accordingly, the Board recommends that the shareholders vote ***in favour*** of the resolution pertaining to the Proposed Issuance of Free Warrants at the forthcoming EGM.

12. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Issuance of Free Warrants is expected to be completed in the 4th quarter of 2020.

The tentative timetable in relation to the implementation of the Proposed Issuance of Free Warrants is as follows:

Tentative timing	Events
End September 2020	▪ EGM
End September 2020	▪ Announcement of the final Exercise Price and Entitlement Date
Mid October 2020	▪ Entitlement Date
End October 2020	▪ Listing of and quotation for the Warrants on the Main Market of Bursa Securities

13. EGM

The EGM of ENRA will be conducted on a **fully virtual basis** at the broadcast venue of 12th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Friday, 25 September 2020 at 11.30 a.m. or immediately after the conclusion of the AGM of ENRA which will be held at 10.00 a.m. on the same day at the same venue, whichever is later, or at any adjournment thereof for the purpose of considering the Proposed Issuance of Free Warrants. A member entitled to participate and vote at the EGM is entitled to appoint a proxy or proxies to participate and to vote on his/her behalf.

If you are unable to participate and vote in person at the EGM, you are requested to complete, sign and deposit the enclosed Form of Proxy in accordance with the instructions printed thereon as soon as possible so as to arrive at the office of Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the EGM or any adjournment thereof. Alternatively, the Form of Proxy can be deposited electronically through Boardroom Smart Investor Portal at <https://www.boardroomlimited.my> before the Form of Proxy lodgement cut-off time as mentioned above.

The Form of Proxy should be strictly completed in accordance with the instructions contained herein. The lodging of the Form of Proxy will not preclude you from participating and voting in person at the EGM should you subsequently wish to do so.

14. FURTHER INFORMATION

You are advised to refer to the appendices of this Circular for further information.

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

DATUK ALI BIN ABDUL KADIR
Independent Non-Executive Chairman

INDICATIVE SALIENT TERMS OF THE WARRANTS

Issue size	:	Up to 45,402,647 free Warrants to be issued on the basis of 1 Warrant for every 3 existing ENRA Shares held by the Entitled Shareholders on the Entitlement Date.
Form and constitution	:	The Warrants shall be issued in registered form and constituted by the Deed Poll.
Tenure	:	5 years commencing from and inclusive of the Issue Date.
Issue price	:	The Warrants are issued at no cost to the Entitled Shareholders.
Exercise Period	:	At any time during the period commencing on, and inclusive of, the Issue Date and ending at 5.00 p.m. on the market day immediately preceding the 5 th anniversary of the Issue Date.
Exercise Price	:	The exercise price of the Warrants shall be determined and fixed by the Board at a later date, after receipt of all relevant approvals but before the Entitlement Date.
Exercise Rights	:	Each Warrant shall entitle the Warrant Holder to subscribe for 1 ENRA Share at the Exercise Price, at any time during the Exercise Period, subject to the provisions of the Deed Poll and any Warrant not exercised during the Exercise Period shall thereafter lapse and cease to be valid for any purpose.
Mode of exercise	:	The Warrant Holders are required to lodge an exercise form whether in physical form or electronically in such manner as may be prescribed by the Company's Share Registrar and/or Bursa Securities, as set out in the Deed Poll, with the Company's Share Registrar, duly completed and signed together with a remittance of money arising from the Exercise Rights either by banker's draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office operating in Malaysia or electronically in such manner as may be prescribed by the Company's Share Registrar and/or Bursa Securities.
Adjustment to the Exercise Price and/or the number of Warrants	:	The Exercise Price and/or the number of the unexercised Warrants shall, from time to time be adjusted, calculated or determined by the Board in consultation with an approved adviser appointed by the Company and certified by the auditors of the Company, in accordance with the provisions of the Deed Poll.
Participating rights of the Warrant Holders	:	The Warrant Holders shall not be entitled to participate in any rights, allotment, dividends and/or other forms of distributions which may be declared, made or paid, where the entitlement date of which precedes the date of allotment of the new ENRA Shares. The Warrant Holders are not entitled to any voting rights in any general meeting of the Company or to participate in any form of distribution and/or offer of securities in the Company unless otherwise resolved by the shareholders of the Company or the Warrant Holders (or any of them) become shareholders of the Company by exercising their Warrants.
Modifications of the rights of the Warrant Holders	:	Save for modification which is not materially prejudicial to the interests of the Warrant Holders or to rectify manifest error or to comply with prevailing laws of Malaysia, any alteration or abrogation in respect of the rights of the Warrant Holders requires the approval of the Warrant Holders by special resolution and is subject to the approval of the relevant authorities, if necessary.

INDICATIVE SALIENT TERMS OF THE WARRANTS (Cont'd)

Rights of the Warrant Holders in the event of winding up, liquidation or an event of default	:	<p>If a resolution is passed for a members' voluntary winding-up of the Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one or more companies, then:</p> <p>(i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the registered Warrant Holder (or some other persons designated by them for such purpose by special resolution) shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the registered Warrant Holders; and</p> <p>(ii) in any other case, every Warrant Holder shall be entitled, upon and subject to the provisions of the Deed Poll, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding up of the Company or within six (6) weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his/her Warrants to the Company, submitting the exercise form duly completed together with payment of the relevant exercise money, to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement (as the case may be), exercised the exercise rights represented by such Warrants to the extent specified in the relevant exercise form and be entitled to receive out of the assets of the Company which would be available in liquidation if he/she had on such date been the holder of the new ENRA Shares to which he/she would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly.</p>
Deed Poll	:	The Warrants shall be constituted by the Deed Poll.
Listing	:	The Warrants will be listed on the Main Market of Bursa Securities.
Governing law	:	The laws of Malaysia.

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 herein. The Board confirms that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

2. CONSENT AND CONFLICT OF INTEREST

PIVB, being the Principal Adviser for the Proposed Issuance of Free Warrants, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

PIVB is not aware of any conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to ENRA for the Proposed Issuance of Free Warrants.

3. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, there are no material commitments incurred or known to be incurred by the Group for which, upon becoming enforceable, may have a material impact on the financial position of the Group:

	As at the LPD RM'000
Capital expenditure commitments	
Approved and contracted for	
- Purchase of property, plant and equipment	2,418
Approved but not contracted for	
- Purchase of property, plant and equipment	2,104
Total	4,522

4. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Group for which, upon becoming enforceable, may have a material impact on the financial position of the Group:

	As at the LPD RM'000
Secured	
Bank facilities provided to customers/suppliers in respect of contracts in the subsidiaries	9,727
Total	9,727

FURTHER INFORMATION (Cont'd)

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save 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:

(i) Arbitration claim by PT Cakra Manunggal Semesta ("PT CMS") ("Claimant") against ENRA SPM Labuan Limited ("ESPML") ("Respondent")

On 22 July 2020, ESPML (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 CMS 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, against the owner and/or demise charterer of the Vessel ("**Defendant**") (collectively known as "**Writs**").

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.

FURTHER INFORMATION (Cont'd)

As at the LPD, the Writ filed in Kuala Lumpur has been fixed for a further case management on 15 September 2020 for the Plaintiffs to update the court on the status of service of the Writ. The Writ has not been served upon the Vessel when the case management was heard on 10 August 2020 as the Vessel has not called into any place within Malaysia's territorial waters.

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.

(ii) **ENRA Engineering And Fabrication Sdn Bhd (“EEFAB”) vs Government of Malaysia (“Government”) Kuala Lumpur High Court Originating Summons No. WA-24C-183-08/2020 (“Originating Summons”)**

On 25 August 2020, the solicitors of EEFAB (a wholly-owned subsidiary of ENRA Engineering and Construction Sdn Bhd, which in turn is a wholly-owned subsidiary of ENRA), had on its behalf, filed the Originating Summons pursuant to Section 30 of the Construction Industry Payment and Adjudication Act 2012 (“CIPAA”) to apply for, inter alia, an order against the Government for payment of the sum of RM3,864,054.80 as monies due and owing by the Government as the principal to Gemula Sdn Bhd (“**Gemula**”) for the project in respect of “Pembinaan Garaj Utama Kenderaan 8 x 8 Dan Kenderaan Pasukan Serta Infrastruktur Di Kem Batu Sepuluh (10) Kuantan, Pahang” (“**Project**”). Gemula had appointed EEFAB as the subcontractor for the Project but had failed to make payment for the outstanding amounts due and payable for works completed by EEFAB of RM10,222,583.87. EEFAB had, on 27 August 2020, served the sealed Originating Summons on the Attorney General's Chambers.

The chronology of events leading to the Originating Summons are summarised below:

11 June 2018	EEFAB had served an adjudication claim against Gemula in accordance with Section 9 of CIPAA.
29 June 2018	Gemula had served an adjudication response against EEFAB in accordance with Section 10 of CIPAA.
6 July 2018	EEFAB had served an adjudication reply against Gemula in accordance with Section 11 of CIPAA.
6 September 2018	<p>The adjudicator had decided in EEFAB's favour that:</p> <ul style="list-style-type: none"> (i) Gemula shall pay EEFAB the total outstanding sum of RM10,222,583.87; (ii) Gemula shall pay EEFAB interest at the rate of 5% per annum on each invoice claimed by EEFAB from its respective due date for payment until full and final settlement; (iii) Gemula shall pay the total costs of adjudication in the amount of RM62,289.00; and (iv) Gemula shall pay the sum of RM70,305.00 as the legal costs incurred in the adjudication to EEFAB <p>(collectively referred to as the “Adjudication Decision”).</p>
4 October 2018	EEFAB, applied to the Construction Court (a division of the Kuala Lumpur High Court) to enforce the Adjudication Decision as a judgement or order of the High Court (“ Enforcement Application ”) pursuant to Section 28 of CIPAA as Gemula failed to make payment pursuant to the Adjudication Decision.

FURTHER INFORMATION (Cont'd)

30 October 2018	Gemula applied to the Construction Court (a division of the Kuala Lumpur High Court) to set aside the Adjudication Decision (" Setting Aside Application ") pursuant to Section 15 of CIPAA.
8 January 2019	The Kuala Lumpur High Court held: (i) Gemula's Setting Aside Application was dismissed with costs in the sum of RM15,000 to be paid to EEFAB; and (ii) EEFAB's Enforcement Application was allowed with costs in the sum of RM10,000 to be paid by Gemula.
4 March 2019	EEFAB, through its solicitors, served a notice of demand to Gemula pursuant to Section 466(1)(a) of the Act demanding payment of the sum totaling RM10,380,177.87 and further interest.
27 March 2019	EEFAB, through its solicitors, filed a winding up petition at the Kuala Lumpur High Court against Gemula as they had failed to pay the sum owing set out in the notice of demand after the expiration of 21 days from the date of the service of the said notice of demand (" Winding Up Petition ").
25 June 2019	The Kuala Lumpur High Court granted the Winding Up Petition initiated by EEFAB against Gemula together with RM15,000 costs to be paid by the liquidator out of assets of Gemula.

The Originating Summons has been fixed for case management on 9 September 2020.

The solicitors of EEFAB is of the view that EEFAB has reasonable prospects of success in recovering monies from the Government subject to further evidence in the Kuala Lumpur High Court.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of ENRA during normal office hours from Monday to Friday (excluding public holidays) for a period commencing from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) the Constitution;
- (ii) the audited consolidated financial statements of ENRA for the past FYEs 31 March 2019 and 31 March 2020 and the latest unaudited quarterly results for the FPE 30 June 2020;
- (iii) the letter of consent referred to in Section 2 of this Appendix;
- (iv) the relevant cause papers in respect of the material litigation referred to in Section 5 of this Appendix II; and
- (v) the draft Deed Poll.

ENRA[®]
ENRA GROUP BERHAD
(Registration No. 199201005296 (236800-T))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of ENRA Group Berhad (“**ENRA**” or “**Company**”) will be conducted on a fully virtual basis at the broadcast venue of 12th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Friday, 25 September 2020 at 11.30 a.m., or immediately after the conclusion of the Annual General Meeting of ENRA which will be held at 10.00 a.m. on the same day at the same venue, whichever is later, or at any adjournment thereof, for the purpose of considering and if thought fit, passing the following ordinary resolution, with or without modifications:

ORDINARY RESOLUTION

PROPOSED ISSUANCE OF UP TO 45,402,647 FREE WARRANTS IN THE COMPANY (“WARRANT(S)”) ON THE BASIS OF 1 WARRANT FOR EVERY 3 EXISTING ORDINARY SHARES IN THE COMPANY HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER

“**THAT** subject to the approvals of all relevant authorities and/or parties (where required) being obtained, approval be and is hereby given to the Board of Directors of the Company (“**Board**”) to issue up to 45,402,647 free warrants in the Company (“**Warrant(s)**”) on the basis of 1 Warrant for every 3 existing ordinary shares in the Company (“**ENRA Share(s)**”) held by the entitled shareholders of the Company on an entitlement date to be determined and announced later (“**Entitlement Date**”) in accordance with the provisions of the deed poll constituting the Warrants to be executed by the Company (“**Deed Poll**”) (“**Proposed Issuance of Free Warrants**”).

THAT approval be and is hereby given to the Board to create and issue the Warrants and such additional Warrants as may be required or permitted to be issued as a consequence of the adjustments based on the salient terms of the Warrants as set out in the circular to the shareholders of the Company dated 10 September 2020 and the terms and conditions of the Deed Poll.

THAT any fractional entitlement that may arise from the Proposed Issuance of Free Warrants shall be disregarded and dealt with in such manner as the Board in its absolute discretion deem fit and expedient, and in the best interest of the Company.

THAT approval be and is hereby given to the Board to allot and issue such number of ENRA Shares credited as fully paid-up arising from the exercise of the Warrants during the exercise period of the Warrants in accordance with the terms of the Deed Poll.

THAT such new ENRA Shares arising from the exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the existing issued ENRA Shares, save and except that the new ENRA Shares will not be entitled to any dividends, rights, allotment and/or other forms of distribution that may be declared, made or paid where the entitlement date is before the allotment date and issuance of the new ENRA Shares arising from the exercise of the Warrants.

THAT approval be and is hereby given to the Board to use the proceeds to be raised from the exercise of the Warrants for such purpose and in such manner as set out in Section 3 of the circular to shareholders dated 10 September 2020, and the Board be authorised with full powers to vary the manner and/or purpose of the use of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject to the approval of the relevant authorities (where required) and in the best interest of the Company.

THAT the Board be and is hereby authorised to execute the Deed Poll and to do all acts, deeds and things as they may deem fit or expedient in order to implement, finalise and give effect to the aforesaid Deed Poll.

AND THAT the Board be and is hereby authorised to sign and execute all documents and to do all acts and things as they may consider necessary or expedient in the best interest of the Company and its shareholders with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities and/or as the Board may deem fit in the best interest of the Company, and to take all steps and to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or persons and to carry out any other matters as may be required to implement, finalise and give full effect to the Proposed Issuance of Free Warrants.”

By Order of the Board

Chin Soo Ching
(SSM PC No. 202008002101)
(MAICSA 7042265)

Tai Yit Chan
(SSM PC No. 202008001023)
(MAICSA 7009143)

Tan Lai Hong
(SSM PC No. 202008002309)
(MAICSA 7057707)
Company Secretaries

Kuala Lumpur
10 September 2020

Notes:

1. *The EGM will be conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Voting (“RPV”) facilities provided by Boardroom Share Registrars Sdn Bhd at <https://web.lumiagm.com>. Please follow the procedures as set in the Administrative guide in order to register, participate and vote remotely via RPV facilities.*
2. *The venue of the EGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of Meeting to be present at the main venue. **No shareholders/proxy(ies) from the public shall be physically present at nor admitted to the Broadcast Venue.***
3. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 September 2020 (General Meeting Record of Depositors) shall be eligible to participate and vote at this EGM or appoint a proxy to participate and vote on his behalf. A proxy may but need not be a member of the Company.*
4. *Where a member is an authorised nominee, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said securities account. A member other than an authorised nominee shall be entitled to appoint not more than two (2) proxies to participate and vote at the same meeting. 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 nominee may appoint in respect of each omnibus account it holds.*
5. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy.*
6. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under Common Seal or under the hand of an officer or attorney duly authorised.*
7. *The Form of Proxy must be completed, signed and deposited with Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for the meeting or adjourned meeting. Alternatively, the Form of Proxy can be deposited electronically through Boardroom Smart Investor Portal at <https://www.boardroomlimited.my> before the Form of Proxy lodgement cut-off time as mentioned above.*

Personal Data Privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

FORM OF PROXY

CDS Account No.	
No. of Shares Held	

I/We _____ NRIC No./Passport No./Company No. _____
 contact number : _____ email address : _____
 being a member / members of **ENRA GROUP BERHAD**, hereby appoint _____
 NRIC No./Passport No.: _____ of _____
 contact number : _____ email address : _____ or failing whom,
 _____ NRIC No./Passport No. _____
 of _____ contact number : _____ email address : _____
 or failing whom, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held on a **fully virtual basis** at the broadcast venue of 12th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Friday, 25 September 2020 at 11:30 a.m. or immediately after the conclusion of the 28th Annual General Meeting of ENRA, which will be held at 10.00 a.m. on the same day at the same venue, whichever is later, and at any adjournment thereof in the manner as indicated below:

ORDINARY RESOLUTION	FOR	AGAINST
Proposed Issuance of Free Warrants		

(Please indicate with an "X" in the space provided above how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion)

Signed this _____ day of _____ 2020

For appointment of two (2) proxies, proportion of shareholdings to be represented by the two (2) proxies is as follows: -		
	No. of Shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

Signature of Member/Common Seal _____

Notes:

- The EGM will be conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities provided by Boardroom Share Registrars Sdn Bhd at <https://web.lumiagm.com>. Please follow the procedures as set in the Administrative guide in order to register, participate and vote remotely via RPV facilities.
- The venue of the EGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of Meeting to be present at the main venue. **No shareholders/proxy(ies) from the public shall be physically present at nor admitted to the Broadcast Venue.**
- In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 September 2020 (General Meeting Record of Depositors) shall be eligible to participate and vote at this EGM or appoint a proxy to participate and vote on his behalf. A proxy may but need not be a member of the Company.
- Where a member is an authorised nominee, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said securities account. A member other than an authorised nominee shall be entitled to appoint not more than two (2) proxies to participate and vote at the same meeting. 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 nominee may appoint in respect of each omnibus account it holds.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under Common Seal or under the hand of an officer or attorney duly authorised.



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Fold this flap for sealing

Then fold here

AFFIX
STAMP

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony,
No. 5, Jalan Professor Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan

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