

THIS CIRCULAR TO SHAREHOLDERS OF RANHILL UTILITIES BERHAD ("RANHILL" OR THE "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused this Circular in respect of Part A and Part B on the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature prior to its issuance as such contents are exempt from perusal pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Malaysia Securities Berhad ("**Bursa Securities**") takes no responsibility for the contents of this Circular and makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



RANHILL UTILITIES BERHAD

(Registration No.: 201401014973 (1091059-K))
(Incorporated in Malaysia)

PART A
SHARE BUY-BACK STATEMENT IN RELATION TO THE

**PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE UP TO 10% OF THE TOTAL
NUMBER OF ISSUED SHARES OF THE COMPANY**

PART B
CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

**PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The Ordinary Resolution in respect of the above proposals will be tabled as Special Business at the 9th Annual General Meeting ("9th AGM") of Ranhill. The Notice of the 9th AGM together with the Form of Proxy are enclosed in the Annual Report 2022 of the Company for the financial year ended 31 December 2022.

A member entitled to attend and vote at the 9th AGM is entitled to appoint not more than 2 proxies to attend and vote on his/her behalf. In such event, the completed and signed Form of Proxy must be deposited to the Company's Share Registrar, by hand or post to Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or by electronic means via email at bsr.helpdesk@boardroomlimited.com which is applicable for all shareholders i.e. individual/corporate representative/authorised nominees; or via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> which is applicable for individual shareholders only not later than twenty-four (24) hours from the date of the 9th AGM, otherwise the instrument of proxy shall not be treated as valid and the person so named shall not be entitled to vote in respect thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so. For further information on the electronic submission of proxy form, kindly refer to the Administrative Guide of the 9th AGM which can be downloaded from the Company's Investor Relations website at <https://www.ranhill.com.my/reports-presentations.php>

Last date and time for lodging the Proxy Form	: 16 May 2023, Tuesday at 2.30 p.m.
Date and time of the 9th AGM	: 17 May 2023, Wednesday at 2.30 p.m.
Venue of Meeting	: Taming Sari 1 & 2, Ground Floor, Royale Chulan Kuala Lumpur, No. 5 Jalan Conlay, 50450 Kuala Lumpur

This Circular is dated 25 April 2023

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

“AA”	:	Amran Awaluddin
“Act”	:	The Companies Act, 2016, as amended from time to time and including any subsequent re-enactment thereof
“AGM”	:	Annual General Meeting
“Audit Committee”	:	The Audit Committee of Ranhill
“Annual Report 2022”		Annual Report of Ranhill for the financial year ended 31 December 2022
“Board of Directors” or “Board”	:	Board of Directors of Ranhill
“Bursa Securities”	:	Bursa Malaysia Securities Berhad, Registration No. 200301033577 (635998-W)
“CMSA”	:	Capital Markets and Services Act, 2007
“CHEVAL”	:	Cheval Infrastructure Fund L.P. acting via its general partner, TAEI Management Co. (Cayman) Ltd)
“Circular” or “Circular to Shareholders”	:	This circular dated 25 April 2023
“Code”	:	Malaysian Code on Take-Overs and Mergers 2016 issued by the SC and any re-enactment thereof as amended from time to time
“CULS”	:	Convertible unsecured loan stock of RanhillPower I amounting to RM29,000,000 comprising 29,000,000 CULS of RM1.00 in nominal value maturing on 30 June 2025 with an interest rate of 12.5% per annum
“Director(s)”	:	For the purpose of this definition, a “director” shall have the same meaning given in Section 2(1) of CMSA and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director of Ranhill or any other company which is a subsidiary of Ranhill or a holding company of Ranhill or a Chief Executive Officer of Ranhill or any other company which is a subsidiary of Ranhill or a holding company of Ranhill
“EPS”	:	Earnings per Share
“FYE”	:	Financial Year Ending
“HLF”	:	Hamdan (L) Foundation, a foundation established in the Federal Territory of Labuan, Malaysia under the Labuan Foundations Act 2010 (FSA00157). TSHM is the founder and sole beneficiary of HLF.
“HIL”	:	Hamdan Inc. (Labuan) Pte. Ltd., an investment holding company incorporated under the Labuan Companies Act, 1990 (LL11917)
“Joint Venture of Ranhill Group”	:	Joint Venture of Ranhill Group includes Ranhill Group and its subsidiaries, jointly controlled entities and associated companies, and any new subsidiaries, jointly controlled entities and associated companies to be incorporated or acquired by Ranhill Group in the future.
“Joint Venture of RB Group”	:	Joint Venture of RB Group includes RB and its subsidiaries and any new subsidiaries. Jointly controlled entities and associated companies to be incorporated or acquired by RB Group in the future.
“LR” or “Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time

“LOSB”	:	Lambang Optima Sdn Bhd, Registration No. 199501022476 (351679-A), a company incorporated in Malaysia and related to TSHM and HLF. LOSB has ceased as major shareholder of Ranhill in March 2022.
“LPD”	:	The latest practicable date prior to the printing of this Circular, being 31 March 2023
“Major Shareholder”	:	<p>A person who has an interest or interests in one (1) or more voting shares in Ranhill and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is –</p> <p>(a) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in Ranhill; or</p> <p>(b) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in Ranhill where such person is the largest shareholder of Ranhill.</p> <p>For the purpose of this definition, “interest in shares” shall have the same meaning given in section 8 of the Act.</p> <p>As defined under Paragraph 10.02(f) of LR, Major Shareholder also includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer as defined under paragraph 1.01 or any other corporation which is its subsidiary or holding company</p>
“NA”	:	Net assets
“Person Connected”	:	Persons connected shall have the same meaning as in Paragraph 1.01 of Chapter 1 of LR
“PDT”	:	Permodalan Darul Ta’zim Sdn Bhd, Registration No. 199401041837 (327525-V), a company incorporated in Malaysia
“Proposed Renewal of Share Buy-Back Authority”	:	Proposed renewal of the authority for the Company to purchase its own Shares of up to 10% of the total number of issued Ranhill Shares
“Proposed New Shareholders’ Mandate”	:	Proposed new shareholders’ mandate for Ranhill Group to enter into additional RRPT with Related Parties
“Proposed Renewal of Shareholders’ Mandate”	:	Proposed renewal of shareholders’ mandate for Ranhill Group to enter into RRPT with Related Parties
“Proposed Shareholders’ Mandate”	:	Collectively, the Proposed New Shareholders’ Mandate and Proposed Renewal of Shareholders’ Mandate
“PRW”	:	Perunding Ranhill Worley Sdn Bhd, Registration No. 198501009895 (142346-P), a company incorporated in Malaysia
“PSKJ”	:	Perbadanan Setiausaha Kerajaan Negeri Johor (The State Secretary Johore [Incorporated]) (Enactment No 2 of 1953)
“Purchased Share(s)”	:	Ranhill Share(s) purchased pursuant to the Proposed Renewal of Share Buy-Back Authority
“Ranhill” or “the Company”	:	Ranhill Utilities Berhad, Registration No. 201401014973 (1091059-K), a company incorporated in Malaysia
“RB”	:	Ranhill Berhad, Registration No. 199701015040 (430537-K), a company incorporated in Malaysia
“RB Group”	:	RB and its subsidiaries collectively
“RBSB”	:	Ranhill Bersekutu Sdn Bhd, Registration No. 198101006302 (72416-T), a company incorporated in Malaysia
“RCORP”	:	Ranhill Corporation Sdn Bhd, Registration No. 199501023780 (352984-X), a company incorporated in Malaysia.

“RCSB”	:	Ranhill Capital Sdn Bhd, Registration No. 201401034295 (1110393-P), a company incorporated in Malaysia
“RCSB Group”	:	RCSB and its subsidiaries collectively
“Ranhill Group” or “the Group”	:	Collectively, Ranhill and its subsidiaries, jointly controlled entities and associates companies
“Ranhill Share(s) or Share(s)”	:	Ordinary share(s) in Ranhill
“RC”	:	Ranhill Consulting Sdn Bhd, Registration No. 199601022517 (394869-A), a company incorporated in Malaysia
“Related Corporation”	:	A corporation related to Ranhill pursuant to Section 7 of the Act
“Related Party(ies)”	:	A Director, Major Shareholder or person connected with such Director or Major Shareholder
“Related Party Transactions”	:	A transaction entered into by Ranhill Group which involves the interest, direct or indirect, of a Related Party
“RM” and “Sen”	:	Ringgit Malaysia and sen respectively
“RMS”	:	Ranhill Management Services Sdn. Bhd. Registration No. 202201021987 (1467684-A)
“RRPT”	:	Recurrent Related Party Transactions of a revenue or trading nature which are necessary for the day to day operations of the Company and/or its subsidiaries in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public and which are expected to occur at least once in three (3) years
“RanhillSAJ”	:	Ranhill SAJ Sdn Bhd, Registration No. 199901001818 (476718-H), a company incorporated in Malaysia
“RWS”	:	Ranhill Water Services Sdn Bhd, Registration No. 200501004811 (681858-H), a company incorporated in Malaysia
“RWT”	:	Ranhill Water Technologies Sdn Bhd, Registration No. 199401017329 (303007-T), a company incorporated in Malaysia
“RWSB”	:	Ranhill Worley Sdn Bhd, Registration No. 199501031145 (360351-A), a company incorporated in Malaysia
“Rules”	:	Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC
“SC”	:	Securities Commission Malaysia
“SGJ”	:	State Government of Johor
“Share(s)” or “Ranhill Shares”	:	Ordinary share(s) each in Ranhill
“Shareholders”	:	Shareholders of Ranhill
“Shareholders’ Mandate for RRPT”	:	The Mandate obtained by Ranhill from its shareholders at the 8th AGM held on 2 June 2022 for Ranhill Group to enter into RRPT pursuant to Paragraph 10.09 of the LR
“Statement”	:	This share buy-back statement dated 21 July 2022
“TSHM”	:	Tan Sri Hamdan Mohamad
“VWAP”	:	Volume-weighted average market price

All references to “we”, “us”, “our” and “ourselves” are to Ranhill or Ranhill Group. All references to “you” in this Circular are to the shareholders of Ranhill.

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 neuter genders and vice versa. References to persons shall include a corporation, unless otherwise specified.

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

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PART A:	PAGE
LETTER TO THE SHAREHOLDERS OF RANHILL IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	
1.0 INTRODUCTION	2-3
2.0 DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	3-5
3.0 RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	6
4.0 POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	6
5.0 EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	7-10
6.0 HISTORICAL SHARE PRICES	11
7.0 APPROVALS REQUIRED	11
8.0 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM	11
9.0 DIRECTORS' RECOMMENDATION	11
10.0 FURTHER INFORMATION	12

PART B:	PAGE
LETTER TO THE SHAREHOLDERS OF RANHILL IN RELATION TO THE PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE	
1.0 INTRODUCTION	17
2.0 DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE	
2.1 CHAPTER 10 AND PRACTICE NOTE 12 OF THE LR	18-19
2.2 CLASSES AND NATURE OF RRPT CONT'DEMPLATED UNDER THE PROPOSED SHAREHOLDERS' MANDATE	20
2.3 PRINCIPAL ACTIVITIES OF RANHILL GROUP	21
2.4 RELATIONSHIP OF RENEWAL RELATED PARTIES	22
2.5 THE DETAILS OF THE RECURRENT TRANSACTION COVERED BY THE PROPOSED SHAREHOLDERS' MANDATE	
I. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE	23-33
II. PROPOSED NEW SHAREHOLDERS' MANDATE	34-36
2.6 OUTSTANDING RRPT RECEIVABLES OR PAYABLES	37
3.0 REVIEW PROCEDURES FOR THE RRPT	37-38
4.0 THRESHOLD OF AUTHORITY	38
5.0 STATEMENT BY AUDIT COMMITTEE	39
6.0 RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND BENEFITS TO THE COMPANY	39
7.0 EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE	39
8.0 DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS	40-41
9.0 APPROVAL REQUIRED	41
10.0 DIRECTORS' RECOMMENDATION	41
11.0 SPECIAL BUSINESSES OF THE 9TH AGM	41
12.0 FURTHER INFORMATION	42

PART A

**SHARE BUY-BACK STATEMENT IN RELATION TO THE
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE UP TO 10% OF THE
TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY**



RANHILL UTILITIES BERHAD
(Registration No.: 201401014973 (1091059-K))
(Incorporated in Malaysia under the Companies Act, 2016)

Registered office

Bangunan Ranhill SAJ
Jalan Garuda, Larkin
80350 Johor Bahru
Johor Darul Takzim, Malaysia

25 April 2023

The Board of Directors:

Tan Sri Hamdan Mohamad (Chairman and Chief Executive, Non-Independent Executive Director)
Datuk Seri Lim Haw Kuang (Executive Director)
Datuk Abdullah Karim (Senior Independent Non-Executive Director)
Lim Hun Soon @ David Lim (Independent Non-Executive Director)
Leow Peen Fong (Independent Non-Executive Director)
Abu Talib Abdul Rahman (Independent Non-Executive Director)
Dr Arzu Topal (Independent Non-Executive Director)
Amran Awaluddin (Executive Director and Chief Operating Officer)
Zurina Abdul Rahim (Executive Director and Chief Commercial Officer)

To: The Shareholders of Ranhill

Dear Sir/Madam,

PART A:

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

At the Company's 8th AGM held on 2 June 2022, the shareholders of Ranhill had approved the proposed share buy-back of up to 10% of the total number of issued shares of the Company, subject to provisions of the Act, Listing Requirements, and the approval of all relevant regulatory authorities and parties ("**Existing Authority**"). The Existing Authority will expire at the conclusion of the forthcoming 9th AGM of the Company scheduled to be held on 17 May 2023.

THE PURPOSE OF THIS STATEMENT IS TO PROVIDE THE SHAREHOLDERS WITH THE RELEVANT INFORMATION ON THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AND TO SET OUT THE VIEW AND RECOMMENDATION OF THE BOARD AS WELL AS TO SEEK THE APPROVAL FROM THE SHAREHOLDERS FOR THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY TO BE TABLED AT THE FORTHCOMING 9TH AGM. THE NOTICE OF THE 9TH AGM IS SET OUT IN THE ANNUAL REPORT 2022, THE EXTRACT OF WHICH IS ENCLOSED IN THIS STATEMENT.

SHAREHOLDERS ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS STATEMENT TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY TO BE TABLED AT THE FORTHCOMING 9TH AGM.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

In accordance with Section 127 of the Act, and any prevailing laws, rules, regulations, orders and guidelines and requirements issued by the relevant authorities at the time of the purchase, the Company is allowed to purchase its own Shares on Bursa Securities through its appointed stockbroker(s) as approved by Bursa Securities.

Accordingly, the Board proposes to seek the authority from the shareholders of Ranhill for a renewal of the authority to purchase and/or hold from time to time and at any time up to 10% of its issued Shares for the time being quoted on Bursa Securities through its appointed stockbroker(s).

The implementation of the Proposed Renewal of Share Buy-Back Authority would be effective immediately upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority by the shareholders of Ranhill at the forthcoming 9th AGM. Pursuant to Paragraph 12.07(3) of the Listing Requirements, the Proposed Renewal of Share Buy-Back Authority shall be valid until:-

- (i) the conclusion of the first AGM of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first ("**Authority Period**").

The Proposed Renewal of Share Buy-Back Authority will allow the Board to exercise the power of the Company to purchase its own Shares at any time during the Authority Period.

2.1 Maximum number or percentage of Ranhill Shares to be acquired

The maximum aggregate number of Shares which may be purchased by the Company shall not exceed 10% of the total number of issued shares of the Company at any point of time.

Ranhill may purchase up to 129,591,722 Shares, representing 10% based on the total number of issued Shares of the Company of 1,295,917,223 as at LPD. The total number of Shares purchased by the Company and being held as Treasury Shares up to and including LPD is 7,279,165. As such, the balance Shares that can be purchased by Ranhill taking into account the cumulative Treasury Shares held up to LPD is 122,312,557.

The actual number of Shares to be purchased and the timing of such purchase will depend on (among others) the prevailing equity market conditions and sentiments of the stock market as well as the retained profits and financial resources available to the Company at the time of the purchase(s).

2.2 Maximum amount of funds to be allocated and the source of funds

Paragraph 12.10(1) of the Listing Requirements stipulates that the Proposed Renewal of Share Buy-Back Authority must be made wholly out of the retained earnings of the Company. Accordingly, the maximum funds to be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority shall not exceed the total retained earnings of the Company at the time of purchase.

Based on the latest unaudited financial statements for the period ended 30 September 2022 and audited financial statements of Ranhill for the FYE 31 December 2022, the retained earnings of the Company stood at approximately RM151.5 million and RM218.2 million, respectively.

Notwithstanding the above, the Proposed Renewal of Share Buy-Back Authority may be funded using the internally generated funds of Ranhill and/or external borrowings, the exact proportion/quantum of which has yet to be determined at this juncture. The source of funding the Proposed Renewal of Share Buy-Back Authority will only be determined at a later stage depending on, amongst others, the availability of internally generated funds, the retained earnings and financial resources of the Company at the time of the purchase(s), the actual number of Ranhill Shares to be purchased and other relevant cost factors.

The actual number of Ranhill Shares to be purchased and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock market as well as the retained earnings and the financial resources available to the Company.

2.3 Treatment of Purchased Shares

In accordance with Section 127 of the Act, the Board is able to deal with the Purchased Shares in the following manner:

- (i) to cancel the Purchased Shares;
- (ii) to retain the Purchased Shares as treasury shares; or
- (iii) to retain part of the Purchased Shares as treasury shares and cancel the remainder; and

where such Purchased Shares are held as treasury shares, the Board may, at their discretion:

- (i) distribute the Purchased Shares as dividends to Ranhill shareholders, such dividends to be known as "share dividends";
- (ii) resell the Purchased Shares or any of the Purchased Shares in accordance with the relevant rules of Bursa Securities;
- (iii) transfer the Purchased Shares or any of the Purchased Shares for the purpose of or under an employees' share scheme;
- (iv) transfer the Purchased Shares or any of the Purchased Shares as purchase consideration;
- (v) cancel the Purchased Shares or any of the Purchased Shares; or
- (vi) sell, transfer or otherwise use the Purchased Shares for such other purposes as the Minister charged with the responsibility for companies (as set out in the Act) may by order prescribe.

If the Purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any other distribution and otherwise are suspended and the treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at meetings.

The decision whether to retain the Purchased Shares as treasury shares, or to cancel the Purchased Shares or a combination of both, will be determined by the Board at the appropriate time.

The Company will make an immediate announcement to Bursa Securities of any purchase or resale of Ranhill Shares and whether the Purchased Shares will be cancelled or retained as treasury shares or a combination of both.

2.4 Pricing

Pursuant to Paragraph 12.17 of the Listing Requirements, Ranhill may only purchase its own Shares at a price which is not more than 15% above the 5-day VWAP of Ranhill Shares immediately preceding the date of the purchase(s).

Pursuant to Paragraph 12.18 of the Listing Requirements, Ranhill may only resell or transfer any treasury shares on Bursa Securities at a price which is:

- (i) not less than the 5-day VWAP of Ranhill Shares immediately before the day of the resale or transfer; or
- (ii) a discounted price of not more than 5% to the 5-day VWAP of Ranhill Shares immediately before the date of resale or transfer, provided that:
 - (a) the resale or transfer takes place not earlier than 30 days from the date of the purchase; and
 - (b) the resale or transfer price is not less than the cost of purchase of the Ranhill Shares being resold or transferred.

2.5 Previous purchases, resale and cancellation of treasury shares

As at the LPD, there are 7,279,165 treasury shares held by the Company. The purchases of the said treasury shares in the preceding (12) months are detailed in Appendix II of this Circular.

The Company has not made any resale, transfer or cancellation of its own shares in the twelve (12) months preceding the date of this Circular.

2.6 Public shareholding spread of Ranhill

The Proposed Renewal of Share Buy-Back Authority will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% shareholding spread requirements as set out in Paragraph 8.02(1) of the Listing Requirements.

Based on the Record of Depositors of the Company as at the LPD, the public shareholding spread of the Company stood at 404,577,403 Shares, representing approximately 31.40%.

The Board is mindful of the requirement that any purchase of Ranhill Shares by the Company must not result in the public shareholding spread of Ranhill falling below 25% of the total number of issued Shares.

2.7 Implications relating to the Rules

Pursuant to Paragraph 4.01 of the Rules, a mandatory offer obligation arises when a person obtains control in the company or a person holding more than 33% but not more than 50% of the voting shares or voting rights of the company increases his/her holding of the voting shares or voting rights of the company by more than 2% in any 6-month period.

As at the LPD, TSHM (a director and major shareholder of Ranhill) and his persons acting in concert ("PACs") collectively hold a total of 404,983,790 Shares, representing approximately 31.43% equity interest in Ranhill. Should the Proposed Renewal of Share Buy-Back Authority be implemented in full, the total shareholdings of TSHM and his PACs are expected to increase by more than 2% within 6-months during the Authority Period from approximately 31.43% to 34.72% equity interest in Ranhill, thereby triggering a mandatory offer obligation pursuant to the provision of the Rules. For avoidance of doubt, the increase in shareholdings of TSHM and his PACs in Ranhill is solely due to the decrease in the total number of outstanding Shares traded in an open market pursuant to the implementation of the Proposed Renewal of Share Buy-Back Authority, in which such shareholding effects will also affect all other shareholders of Ranhill, as a whole.

As it is not the intention of TSHM and his PACs for the Proposed Renewal of Share Buy-Back Authority to trigger the obligation to undertake a mandatory take-over offer under the Rules, the Board will ensure that such number of Shares that are re-purchased, retained as treasury shares, cancelled or distributed would not result in triggering any mandatory offer obligation on the part of its substantial shareholder and his PACs. However, in the event that an obligation to undertake a mandatory take-over offer is expected to arise resulting from the Proposed Renewal of Share Buy-Back Authority, TSHM and his PACs will make the necessary application to the SC for a waiver/exemption from undertaking a mandatory take-over offer pursuant to the provisions of the Rules. Thus, the Board is mindful of the requirements when making any purchase of the Shares pursuant to the Proposed Renewal of Share Buy-Back Authority.

3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority will enable Ranhill to utilise any of its surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the market. With the share buy-back mandate being procured, the Company will be able to stabilise the supply and demand of Ranhill Shares traded on Bursa Securities and thereby support its fundamental value, if required.

In addition, the Purchased Shares may be held as treasury shares and resold on Bursa Securities with the intention of realising a potential gain without affecting the total issued shares of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

The Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantages to the Company and its shareholders, and it will be implemented only after taking into consideration, amongst others, the financial resources of Ranhill Group, and of the resultant impact on the shareholders of the Company. The Board will be mindful of the best interests of the Company and its shareholders when undertaking the Proposed Renewal of Share Buy-Back Authority.

4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

4.1 Advantages of the Proposed Renewal of Share Buy-Back Authority

- (i) The Proposed Renewal of Share Buy-Back Authority, if implemented, will allow the Company to take preventive measures against speculation which would in turn, stabilise the market price of Ranhill Shares and hence, enhance investor's confidence.
- (ii) The Company would have the opportunity to realise potential capital gains if the Purchased Shares are resold at prices higher than the purchase prices and such proceeds may be subsequently utilised for working capital and investment opportunities arising in the future.
- (iii) The Purchased Shares (if retained as treasury shares) may serve as an alternative to reward the shareholders of the Company in the event the Company distributes the treasury shares as share dividends.

4.2 Disadvantages of the Proposed Renewal of Share Buy-Back Authority

- (i) The Proposed Renewal of Share Buy-Back Authority will reduce the amount of resources available for distribution to the shareholders of the Company and may result in the Group having to forego feasible investment opportunities that may surface in the future. However, the financial resources of the Group may increase if the Purchased Shares are resold at prices higher than the acquisition cost.
- (ii) The Proposed Renewal of Share Buy-Back Authority will reduce the trading liquidity of Shares in the open market as a result of a decrease in the number of outstanding Shares.

The Board does not expect the Proposed Renewal of Share Buy-Back Authority to result in any material disadvantage to the Company and its shareholders as it will be implemented only after taking into consideration that there is adequate cash flow to fund Ranhill Group's working capital requirements and dividends to be paid to the shareholders prior to allocating the available resources for the Proposed Renewal of Share Buy-Back Authority. The Board, in exercising any decision to purchase any Ranhill Shares will be mindful of the interests of the Company, the Group and the shareholders in implementing the Proposed Renewal of Share Buy-Back Authority.

5. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

5.1 Issued share capital

The effects of the Proposed Renewal of Share Buy-Back Authority on the Company's issued share capital will depend on whether the Purchased Shares are cancelled or retained as treasury shares.

In the event that the maximum number of Ranhill Shares (of up to 10% of the latest total number of issued shares) authorised under the Proposed Renewal of Share Buy-Back Authority are purchased and retained as treasury shares, there would be no effect to the issued share capital of Ranhill.

However, assuming that the maximum number of Ranhill Shares (of up to 10% of the latest total number of issued shares) authorised under the Proposed Renewal of Share Buy-Back Authority are purchased and cancelled, for illustration purposes, the effects of the Proposed Renewal of Share Buy-Back Authority are set out below:

	No. of Shares	RM
Issued share capital as at the LPD	1,295,917,223	1,438,992,698
Less: Treasury shares held by the Company as at the LPD that may be cancelled pursuant to the Proposed Renewal of Share Buy-Back Authority	(7,279,165)	(3,596,186)
Less: Balance number of Ranhill Shares that may be purchased and cancelled pursuant to the Proposed Renewal of Share Buy-Back Authority	(122,312,557)	⁽¹⁾ (58,343,090)
Issued share capital after the Proposed Renewal of Share Buy-Back Authority	1,166,325,501	1,377,053,422

Note:-

(1) Assuming the Purchased Shares are purchased at RM0.477 per Purchased Share, representing the 5-day VWAP of Ranhill Shares up to and including the LPD, and cancelled.

5.2 NA per Share and gearing

The effects of the shares repurchase on the NA per Share of the Ranhill Group is dependent on factors such as the number of Ranhill Shares which the Company will buy-back, purchase price of the Ranhill Shares at the time of the buy-back, the treatment of the Shares purchased and the funding cost, if any.

The Purchased Shares that are retained as treasury shares would decrease the consolidated NA by the acquisition cost of the treasury shares, as the treasury shares are required to be carried at cost and would offset against the equity. The acquisition costs for future shares buy-backs are unknown at this juncture. If the treasury shares are subsequently cancelled or distributed as share dividends, there will be no additional effect on the consolidated NA of Ranhill.

In the event the Purchased Shares that are retained as treasury shares are resold in the open market on Bursa Securities, the consolidated NA of Ranhill will be affected by the resale value of the Shares. In the event the resale value is higher than the cost, there would be a net increase in the consolidated NA of Ranhill. On the contrary, in the event the cost is higher than the resale value, there would be a net decrease on the consolidated NA of the Company.

If the Purchased Shares are retained as treasury shares, cancelled and/or distributed as share dividends, the consolidated NA per Share will decrease if the purchase price of Ranhill Shares exceeds the consolidated NA per Share, and if the consolidated NA per Share exceeds the purchase price of Ranhill Shares, the consolidated NA per Share will increase. On the contrary, the converse effect would apply in the event the treasury shares are resold on Bursa Securities.

5.3 Earnings and EPS

The effects of the Proposed Renewal of Share Buy-Back Authority on the earnings of the Group are dependent on the purchase price of Ranhill Shares and the effective funding cost of such purchases or loss in interest income to the Group, if internally generated funds are utilised.

Furthermore, the Proposed Renewal of Share Buy-Back Authority, regardless if the Purchased Shares are maintained as treasury shares or cancelled, will result in a lower number of Shares being used for the purposes of computing the EPS. Hence, the Proposed Renewal of Share Buy-Back Authority will improve the EPS of Ranhill, which in turn is expected to have a positive influence on the market price of Ranhill Shares.

In the event the Purchased Shares which are retained as treasury shares and subsequently resold, the extent of the effect on the earnings of Ranhill Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or the interest savings arising from the exercise.

5.4 Convertible securities

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

5.5 Working capital

The Proposed Renewal of Share Buy-Back Authority will result in cash outflow, thereby reducing the working capital of the Ranhill Group, the quantum of which is dependent on the purchase prices of the Ranhill Shares and the number of Ranhill Shares repurchased and the funding costs, if any. Nevertheless, the Board will take into consideration the interests of Ranhill and its shareholders as well as assess the working capital requirements of the Group prior to the Proposed Renewal of Share Buy-Back Authority.

5.6 Dividends

The Proposed Renewal of Share Buy-Back Authority is not expected to have any material impact on the policy of the Board in recommending future dividends. Nonetheless, the Proposed Renewal of Share Buy-Back Authority may have an impact on the Company's dividend policy as it would reduce the cash available for dividend payment, which may otherwise be used for dividend payment. Notwithstanding the above, the Ranhill Shares purchased which are held as treasury shares may be distributed as Share dividends to shareholders of the Company, if the Board decides to do so.

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5.7 Substantial shareholders and directors' shareholdings

For illustration purposes only, based on the Record of Substantial Shareholder as at the LPD and assuming the repurchase of Ranhill Shares by the Company pursuant to the Proposed Renewal of Share Buy-Back Authority is carried out in full, the pro forma effects of such purchase on the shareholdings of the substantial shareholders and directors of Ranhill are as follows:

	Shareholdings as at the LPD				After the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	*%	No. of Shares	*%	@No. of Shares	#%	@No. of Shares	#%
<u>Substantial shareholder and Director</u> TSHM	175,690,611	13.63%	⁽¹⁾ 229,293,179	17.79%	175,690,611	15.06%	⁽¹⁾ 229,293,179	19.66%
<u>Substantial shareholders</u>								
Hamdan (L) Foundation	214,382,295	16.64%	⁽²⁾ 14,910,884	1.16%	214,382,295	18.38%	⁽²⁾ 14,910,884	1.28%
Cheval Infrastructure Fund LP (acting via its General Partner, TAEI Management Co. (Cayman) Ltd)	243,329,346	18.88%	-	-	243,329,346	20.86%	-	-
UOB Kay Hian Private Limited	117,215,692	9.10%	-	-	117,215,692	10.05%	-	-
United Overseas Bank Limited	-	-	⁽³⁾ 117,215,692	9.10%	-	-	⁽³⁾ 117,215,692	10.05%
Permodalan Darul Ta'zim Sdn Bhd	116,926,190	9.07%	-	-	116,926,190	10.03%	-	-
Perbadanan Setiausaha Kerajaan Johor	-	-	⁽⁴⁾ 116,926,190	9.07%	-	-	⁽⁴⁾ 116,926,190	10.03%
State Government of Johor	-	-	⁽⁵⁾ 116,926,190	9.07%	-	-	⁽⁵⁾ 116,926,190	10.03%
<u>Directors</u>								
Datuk Seri Lim Haw Kuang	-	-	-	-	-	-	-	-
Datuk Abdullah Bin Karim	-	-	-	-	-	-	-	-
Lim Hun Soon @ David Lim	-	-	-	-	-	-	-	-
Leow Peen Fong	-	-	-	-	-	-	-	-
Abu Talib Bin Abdul Rahman	33,548	^	-	-	33,548	^	-	-
Dr Arzu Topal	-	-	-	-	-	-	-	-
Amran Awaluddin	1,218,388	0.09	-	-	1,218,388	0.10	-	-
Zurina Abdul Rahim	20,709	^	-	-	20,709	^	-	-

Notes:

- * *Excluding Treasury Shares held by the Company as at the LPD.*
- # *Excluding Treasury Shares that may be purchased (totalling up to 10% of the existing issued share capital of the Company) pursuant to the Proposed Renewal of Share Buy-Back Authority.*
- @ *Based on the Record of Substantial Shareholder as at the LPD.*
- ^ *Negligible*
- (1) *Deemed interest by virtue of (i) Tan Sri Hamdan Mohamad's interest in Hamdan Inc. (Labuan) Pte. Ltd. ("**Hamdan Inc**") pursuant to Section 8 of the Companies Act, 2016 and (ii) him being the sole beneficiary of Hamdan (L) Foundation ("**HLF**") which owns the entire equity stake in Hamdan Inc.*
- (2) *Deemed interest by virtue of HLF's interest in Hamdan Inc pursuant to Section 8 of the Companies Act, 2016.*
- (3) *Deemed interest by virtue of United Overseas Bank Limited's investment in UOB Kay Hian Private Limited.*
- (4) *Deemed interest by virtue of Perbadanan Setiausaha Kerajaan Johor's interest in Permodalan Darul Ta'zim Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.*
- (5) *Deemed interest by virtue of the State Government of Johor's interest in Permodalan Darul Ta'zim Sdn Bhd and Perbadanan Setiausaha Kerajaan Johor pursuant to Section 8 of the Companies Act, 2016.*

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6. HISTORICAL SHARE PRICES

The monthly highest and lowest traded prices of Ranhill Shares on Bursa Securities for the last 12 months from April 2022 to March 2023 are as follows:-

	High (RM)	Low (RM)
<u>2022</u>		
April	0.545	0.505
May	0.515	0.485
June	0.495	0.390
July	0.405	0.380
August	0.480	0.380
September	0.420	0.390
October	0.400	0.350
November	0.420	0.370
December	0.480	0.420
<u>2023</u>		
January	0.525	0.450
February	0.520	0.425
March	0.510	0.455
The last transacted price of Ranhill Shares as at the LPD prior to the printing of this Circular		0.490

(Source: Bursa Securities)

7. APPROVALS REQUIRED

The Proposed Renewal of Share Buy-Back Authority is subject to and conditional upon the shareholders' approval being obtained at the forthcoming 9th AGM of Ranhill.

The Proposed Renewal of Share Buy-Back Authority is not conditional upon any other proposals undertaken or to be undertaken by the Company.

The voting on the resolution in relation to the Proposed Renewal of Share Buy-Back Authority at the 9th AGM will be taken via poll.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save for the proportionate increase in the percentage of shareholding and/or voting rights of the shareholders of the Company as a result of the Proposed Renewal of Share Buy-Back Authority in Ranhill, none of the directors and/or major shareholders of Ranhill and/or persons connected to them have any interests, whether direct or indirect, in the Proposed Renewal of Share Buy-Back Authority or resale of the treasury shares, if any.

9. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, including the rationale and the effects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the ordinary resolution in respect of the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 9th AGM.

10. FURTHER INFORMATION

You are requested to refer to the Appendix I contained in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
RANHILL UTILITIES BERHAD

TAN SRI HAMDAN MOHAMAD
Chairman and Chief Executive

APPENDIX I

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 in this Circular. 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 herein misleading.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office of the Company at Bangunan Ranhill SAJ, Jalan Garuda, Larkin, 80350 Johor Bahru, Johor Darul Takzim, during the normal business hours from Sundays to Thursdays (except public holidays) from the date of this Circular to the time set for the convening of the 9th AGM:-

- (a) the Constitution of the Company; and
- (b) Audited Financial Statements for the years ended 31 December 2021 and 31 December 2022.

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APPENDIX II

Details of purchases of treasury shares

As mentioned in Section 2.5 of Part A of this Circular, the details of treasury shares held by the Company in the preceding (12) months are as follows:

Date of purchase	Total number of shares purchased	Lowest price paid per Share (RM)	Highest price paid per Share (RM)	Average price paid per Share (RM)	Total consideration paid (RM)
02/06/2022	63,000	0.495	0.495	0.495	31,185.00
16/06/2022	10,000	0.400	0.400	0.400	4,000.00
17/06/2022	287,000	0.395	0.410	0.407	116,955.36
20/06/2022	282,000	0.400	0.415	0.412	116,237.58
21/06/2022	50,000	0.400	0.400	0.400	20,000.00
22/06/2022	600,000	0.400	0.405	0.404	242,652.00
23/06/2022	900,000	0.410	0.410	0.410	369,000.00
24/06/2022	400,000	0.410	0.410	0.410	164,000.00
27/06/2022	100,000	0.400	0.410	0.400	41,000.00
01/07/2022	110,000	0.400	0.400	0.400	44,000.00
21/07/2022	300,000	0.395	0.395	0.395	118,500.00

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RANHILL UTILITIES BERHAD

(Registration No.: 201401014973 (1091059-K))
(Incorporated in Malaysia)

EXTRACT OF THE NOTICE OF 9TH AGM

ORDINARY RESOLUTION 9

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

“THAT subject to the rules, regulations, orders and guidelines made pursuant to the Companies Act 2016 (**“the Act”**), provisions of the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (**“Bursa Securities”**) and the approvals of any relevant regulatory authorities and parties, the Company be and is hereby authorised to purchase on the market and/or hold such number of the Company's issued ordinary shares (**“Ranhill Shares”**) through Bursa Securities (**“Proposed Share Buy-Back”**) as may be determined by the Directors of the Company from time to time upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company subject to the following:-

- (a) the aggregate number of Ranhill Shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten percent (10%) of the total number of issued shares of the Company for the time being quoted on Bursa Securities;
- (b) the maximum funds to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the retained earnings of the Company at the time of such purchase; and
- (c) the authority conferred by this resolution will be effective immediately upon the passing of this Ordinary Resolution and will expire at the conclusion of the next Annual General Meeting of the Company, unless renewed or earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting or the expiration of the period within which the next Annual General Meeting after the date is required by law to be held, whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities or any other relevant authorities;

THAT the Directors be and are hereby authorised to deal with the shares purchased by the Company pursuant to the Proposed Share Buy-Back in their absolute discretion and that the shares so purchased may be retained as treasury shares, distributed as share dividends to the shareholders, resold on the market of Bursa Securities, transferred and/or cancelled in accordance with the Act and/or be dealt with in such other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force, as may be selected and determined by the Directors from time to time;

AND THAT the Directors be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and to do all such acts and things as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto.”

PART B

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



Ranhill

RANHILL UTILITIES BERHAD

Registration No. 201401014973 (1091059-K)
(Incorporated in Malaysia under the Companies Act, 2016)

Registered Office:

Bangunan Ranhill SAJ
Jalan Garuda, Larkin
80350 Johor Bahru
Johor Darul Takzim

25 April 2023

The Board of Directors:

Tan Sri Hamdan Mohamad (Chairman and Chief Executive Non-Independent Executive Director)
Datuk Seri Lim Haw Kuang (Executive Director)
Datuk Abdullah Karim (Senior Independent Non-Executive Director)
Lim Hun Soon @ David Lim (Independent Non-Executive Director)
Leow Peen Fong (Independent Non-Executive Director)
Abu Talib Abdul Rahman (Independent Non-Executive Director)
Dr Arzu Topa (Independent Non-Executive Director)
Amran Awaluddin (Executive Director and Chief Operating Officer)
Zurina Abdul Rahim (Executive Director and Chief Commercial Officer)

To: Shareholders of Ranhill

Dear Sir/Madam

PART B:

- I) **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE**
 - II) **PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RRPT OF A REVENUE OR TRADING NATURE**
(COLLECTIVELY REFERRED TO AS "PROPOSED SHAREHOLDERS' MANDATE")
-

1.0 INTRODUCTION

- 1.1 The Company had on 2 June 2022 at its 8th AGM obtained the shareholders' mandate for renewal and new RRPT for the Group to enter into certain RRPT based on terms set out in the circular to shareholders dated 29 April 2022. The said shareholders' mandate for RRPT shall, in accordance with the LR, lapse at the conclusion of the forthcoming 9th AGM, which will be held on Wednesday, 17 May 2023, unless approval for the renewal of the shareholders' mandate is obtained from the shareholders of Ranhill at the forthcoming 9th AGM.
- 1.2 On 4 April 2023, the Company had announced on, inter alia, its intention to seek your approval for the Proposed Shareholders' Mandate at the forthcoming 9th AGM of the Company.
- 1.3 The purpose of this Circular is to provide the shareholders with information relating to Proposed Shareholders' Mandate and to seek shareholders' approval on the Ordinary Resolutions in respect of the same to be tabled as Special Businesses at the 9th AGM to be held on Wednesday, 17 May 2023 at **2.30 p.m. at Taming Sari 1 & 2, Ground Floor, Royale Chulan Kuala Lumpur, No. 5 Jalan Conlay, 50450 Kuala Lumpur** or at any adjournment thereof.
- 1.4 Disclosure has been made in the Annual Report 2022 of the Company on the breakdown of the aggregate value of transactions conducted pursuant to the 2022 Shareholders' Mandate for the financial year ended 31 December 2022, which among others, is based on the following information:
 - (i) type of RRPT entered into; and
 - (ii) name of related parties involved in the RRPT and their relationship with the Company

2.0 DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Chapter 10 and Practice Note 12 of the LR

Under Part E, Paragraph 10.09(2) of Chapter 10 of the LR, a listed issuer may seek its shareholders' mandate in respect of the RRPT subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure being made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under subparagraph (i) & (ii) below;
 - (i) in relation to a listed issuer with an issued and paid-up capital of RM60 million and above –
 - the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1 million or more; or
 - the percentage ratio of such Recurrent Related Party Transaction is 1% or more,whichever is the higher; or
 - (ii) in relation to a listed issuer with an issued and paid-up capital which is less than RM60 million –
 - the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transaction is RM1 million or more; or
 - the percentage ratio of such Recurrent Related Party Transaction is 1% or more,whichever is the lower.
- (c) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders or unit holder mandate, the relevant related party must comply with the requirements set out in paragraph 10.08(7) as follows: -
 - (i) a related party with any interest, direct or indirect ("interested related party"), must not vote on the resolution in respect of the related party transaction;
 - (ii) an interested related party who is –
 - (ii)(i) in the case of a corporation, a director or major shareholder;
 - (ii)(ii) in the case of a business trust, a trustee-manager, a director or major shareholder of the trustee-manager or major unit holder of the business trust; or
 - (ii)(iii) in the case of a closed-end fund, a director or major shareholder of the closed-end fund, the Manager or a director or a major shareholder of the Manager,

must ensure that persons connected with it abstain from voting on the resolution in respect of the related party transaction; and

- (iii) where the interested related party is a person connected with-
 - (iii)(i) in the case of a corporation, a director or major shareholder;
 - (iii)(ii) in the case of a business trust, a trustee-manager, a director or major shareholder of the trustee-manager or major unit holder of the business trust; or

- (iii)(iii) in the case of a closed-end fund, a director or major shareholder of the closed-end fund, the Manager or a director or a major shareholder of the Manager,

such persons stated in subparagraph (iii)(i), (iii)(ii) and (iii)(iii) above, as the case may be, must not vote on the resolution in respect of the related party transaction.

- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by the Bursa Securities in its announcement.

Under paragraph 3.1 of Practice Note 12, a listed issuer that wishes to obtain a Mandate must comply with all the requirements set out in paragraph 10.09 and paragraph 10.09(2) of the Listing Requirements.

Paragraph 3.2(d) of Practice Note 12 states that the provision of financial assistance pursuant to paragraph 8.23 of the Listing Requirements is not regarded as Recurrent Related Party Transactions and as such the Mandate does not apply.

Paragraph 3.4(b) of Practice Note 12 states that notwithstanding paragraph 3.2(d) above and subject to paragraph 10.09 of the Listing Requirements and the other provisions of this Practice Note, a listed issuer may obtain a Mandate in respect of Recurrent Related Party Transactions for provision of guarantee, indemnity or such other collateral to or in favour of another person which is necessary in order to procure a contract or secure work from the other person or to enable the other person to commence and/or complete a contractor work for the listed issuer or its subsidiaries.

Paragraph 3.1.4 of Practice Note 12 states that the Proposed Shareholders' Mandate will take effect from the date of the passing the Ordinary Resolutions to be tabled at the forthcoming 9th AGM and shall continue to be in force until:

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

Thereafter, approval from the Shareholders for subsequent renewals of the mandate will be sought at each subsequent AGM of the Company. The Company will disclose the breakdown of the aggregate value of the RRPT conducted pursuant to the Proposed Shareholders' Mandate during the current financial year end in its Annual Report for the said financial year based on information such as the type of RRPT made, and their relationships with the Ranhill Group.

In compliance with Paragraph 10.09(2) and Practice Note 12 Paragraph 3.1, 3.2(d) and 3.4(b) of the Listing Requirements, the Company now proposes to seek the approval of its shareholders for the Proposed Shareholders' Mandate. The Proposed Shareholders' Mandate will allow the Group to enter into the Recurrent Related Party Transactions referred to in Section 2.2 with the Related Parties, provided that such transactions are entered into at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and which will not be detrimental to the minority shareholders of the Company.

It is anticipated that companies within the Group would, in the ordinary course of business, enter into the RRPT with the respective Related Parties and the nature of which are detailed in Sections 2.2 and 2.4 below.

2.2 Classes and Nature of RRPT Contemplated under the Proposed Shareholders' Mandate

The categories of RRPT to be covered by the Proposed Shareholders' Mandate relate principally to the ordinary course of the Ranhill Group's business as described below: -

(i) Provision of administrative and other support services

In carrying out the business of Ranhill Group, it is envisaged that Ranhill Group will enter into RRPT for the provision of and receiving the services such as IT and communication related services including IT infrastructure, operating & maintenance and administrative services.

(ii) Payment and/or received of fees/interest

In carrying out the business of Ranhill Group, it is envisaged that Ranhill Group will enter into RRPT for the payment and received of rental of office space, CULS interest and management services.

(iii) Provision of work

In carrying out the business of Ranhill Group, it is envisaged that Ranhill Group will enter into RRPT for the provision of work relating to design, construction, supply, delivery, installation & commissioning for water, wastewater and power related current projects and projects to be awarded which are necessary for its day-to-day operations.

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2.3 Principal Activities of Ranhill Group

The Company's principal activities are that of investment holding, provision of management services and provision of engineering design consultancy, project management, procurement and construction management services.

The principal activities of Ranhill's subsidiaries that are involved in the respective RRPT are as follows: -

Ranhill's subsidiaries Principal Activities

Name of Company	Principal Activities	Equity Held (%)	Holding Company
RCSB	Investment holding and provision of management services to its subsidiaries.	100	Ranhill
RMS	Provision of management services to Ranhill Group of Companies.	100	Ranhill
RanhillSAJ	Integrated water supplier and is principally involved in the abstraction of raw water, treatment of water, distribution and sale of treated water to consumers in the state of Johor pursuant to the Company's migration from service concession arrangement to operating service arrangement.	80	RCSB
		20	PSKJ
RBSB	Provision of engineering, procurement and construction management services (EPCM), engineering, procurement, construction and commissioning services (EPCC) and project management services (PMC).	100	RCSB
RWS	Provision and carrying on project management consultancy services relating to both domestic and overseas water-related projects.	100	RBSB
RWT	Undertake investment holding activities and provision of consultancy services, project management, engineering, procurement, construction, supply of equipment, operation and maintenance services to both municipal and industrial water, sewerage and wastewater treatment plants.	100	RBSB
RWSB	Engineering, procurement and construction management, supervision and ancillary services to its customers.	51	RBSB

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2.4 Relationship of Renewal & New Related Parties

- 1 **CHEVAL**
Cheval is a Major Shareholder of the Company.
- 2 **HLF**
HLF is a Major Shareholder of the Company. HLF is also a major shareholder of RB and owned the entire equity interest of and HIL.
- 3 **HIL**
HIL is wholly-owned by HLF and HIL holds shares in the Company.
- 4 **PDT**
PDT is a Substantial Shareholder of the Company.
- 5 **PKSJ**
PKSJ is a Substantial Shareholder of the Company through its indirect interest in PDT. PKSJ also holds 20% shares in RanhillSAJ.
- 6 **PRW**
TSHM is a major shareholder of PRW. RWSB owned 49% of PRW.
- 7 **RB**
TSHM is a deemed indirect major shareholder of RB through his interest via HLF. TSHM is the sole beneficiary of HLF which owned the entire equity stake in HIL.
- 8 **RBSB**
RBSB is wholly-owned by RCSB.
- 9 **RC**
RC is 70% owned by TSHM and 30% owned by RBSB.
- 10 **RCSB**
RCSB is a wholly-owned subsidiary of the Company.
- 11 **RMS**
RMS is a wholly-owned subsidiary of the Company.
- 12 **RanhillSAJ**
RanhillSAJ is a 80% owned subsidiary of RCSB and the remaining 20% is owned by PKSJ.
- 13 **RWS**
RWS is a wholly-owned subsidiary of RBSB.
- 14 **RWSB**
Ranhill Worley Sdn Bhd is a 51% owned by RBSB.
- 15 **RWT**
RWT is a wholly-owned subsidiary of RBSB.
- 16 **SGJ**
SGJ is an indirect Major Shareholder of the Company through its indirect interest in PDT.
- 17 **TSHM**
TSHM is a Director and Major Shareholder of the Company through his direct and indirect shareholdings via HLF and HIL by virtue of him being the founder and sole beneficiary of HLF which owns the entire equity stake in HIL.
- 18 **AA**
He is a shareholder and director of the Company. He also sits on the board of subsidiaries of the Company. He is a director of RB and its subsidiaries. He holds shares in the Company and RB.

2.5 The details of the Recurrent Transaction covered by the Proposed Shareholders' Mandate are as follows:

I Proposed Renewal of Shareholders' Mandate

(A) Transactions entered/ to be entered between RCSB and the following parties: -

Transacting Related Party	Nature of Transactions	Interested Related Parties	Estimated value for the period from date of 8th AGM to the date of 9th AGM (RM'000)	Actual value for the period from date of 8th AGM to LPD (RM'000)	Estimated value of RRPT to be entered into from the date of the forthcoming AGM to the next AGM* (RM'000)	Difference (%) Below/(Above) Estimated Value	Reason of deviation of 10% above the estimated value
RC	Provision of preliminary work, feasible study and predevelopment work relating to design, construction, supply, delivery, installation & commissioning for water, wastewater and power related current projects & projects to be awarded by RCSB to RC	TSHM CHEVAL HLF HIL	5,000	Nil	5,000	Nil	N/A

(A) Transactions entered/ to be entered between RCSB and the following parties (cont'd):-

Transacting Related Party	Nature of Transactions	Interested Related Parties	Estimated value for the period from date of 8th AGM to the date of 9th AGM (RM'000)	Actual value for the period from date of 8th AGM to LPD (RM'000)	Estimated value of RRPT to be entered into from the date of the forthcoming AGM to the next AGM* (RM'000)	Difference (%) Below/(Above) Estimated Value	Reason of deviation of 10% above the estimated value
RB	Provision of preliminary work, feasible study and predevelopment work relating to design, construction, supply, delivery, installation & commissioning for water, wastewater and power related current projects & projects to be awarded by RCSB to RB	TSHM CHEVAL HLF HIL AA	15,000	7,505	20,000	50%	N/A

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(B) Transactions entered/ to be entered between RWS and the following parties:-

Transacting Related Party	Nature of Transactions	Interested Related Parties	Estimated value for the period from date of 8th AGM to the date of 9th AGM (RM'000)	Actual value for the period from date of 8th AGM to LPD (RM'000)	Estimated value of RRPT to be entered into from the date of the forthcoming AGM to the next AGM* (RM'000)	Difference (%) Below/(Above) Estimated Value	Reason of deviation of 10% above the estimated value
RC	Provision of work relating to design, construction, supply, delivery, installation & commissioning for current projects & projects to be awarded by RWS to RC	TSHM	17,000	Nil	17,000	Nil	N/A
RB	Provision of work, preliminary work and predevelopment work relating to design, construction, supply, delivery, installation & commissioning for current projects & projects to be awarded by RWS to RB	TSHM CHEVAL HLF HIL AA	10,000	Nil	10,000	Nil	N/A

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(C) Transactions entered/ to be entered between RanhillSAJ and the following parties: -

Transacting Related Party	Nature of Transactions	Interested Related Parties	Estimated value for the period from date of 8th AGM to the date of 9th AGM (RM'000)	Actual value for the period from date of 8th AGM to LPD (RM'000)	Estimated value of RRPT to be entered into from the date of the forthcoming AGM to the next AGM* (RM'000)	Difference (%) Below/(Above) Estimated Value	Reason of deviation of 10% above the estimated value
RWS	Provision of work relating to design, construction, supply, delivery, installation & commissioning for current projects & projects to be awarded by RanhillSAJ to RWS	PSKJ PDT SGJ	150,000	61,953	150,000	58%	N/A
RC	Provision of work relating to design, construction, supply, delivery, installation & commissioning for current projects & projects to be awarded by RanhillSAJ to RC	TSHM	50,000	4,161	50,000	91%	N/A

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(C) Transactions entered/ to be entered between RanhillSAJ and the following parties (cont'd):-

Transacting Related Party	Nature of Transactions	Interested Related Parties	Estimated value for the period from date of 8th AGM to the date of 9th AGM (RM'000)	Actual value for the period from date of 8th AGM to LPD (RM'000)	Estimated value of RRPT to be entered into from the date of the forthcoming AGM to the next AGM* (RM'000)	Difference (%) Below/(Above) Estimated Value	Reason of deviation of 10% above the estimated value
RBSB	Provision of work relating to design, construction, supply, delivery, installation & commissioning for current projects & projects to be awarded by RanhillSAJ to RBSB	TSHM CHEVAL HLF HI	10,000	Nil	20,000	Nil	N/A
RWT	Provision of work relating to design, construction, supply, delivery, installation & commissioning for current projects & projects to be awarded by RanhillSAJ to RWT	PSKJ PDT SGJ	150,000	11,607	150,000	92%	N/A

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(C) Transactions entered/ to be entered between RanhillSAJ and the following parties (cont'd):-

Transacting Related Party	Nature of Transactions	Interested Related Parties	Estimated value for the period from date of 8th AGM to the date of 9th AGM (RM'000)	Actual value for the period from date of 8th AGM to LPD (RM'000)	Estimated value of RRPT to be entered into from the date of the forthcoming AGM to the next AGM* (RM'000)	Difference (%) Below/(Above) Estimated Value	Reason of deviation of 10% above the estimated value
RB	Provision of work, preliminary work and pre-development work relating to design, construction, supply, delivery, installation & commissioning for current projects & projects to be awarded by RanhillSAJ to RB	TSHM CHEVAL HLF HIL AA	50,000	Nil	50,000	Nil	N/A

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(D) Transactions entered/ to be entered between RWT and the following parties: -

Transacting Related Party	Nature of Transactions	Interested Related Parties	Estimated value for the period from date of 8th AGM to the date of 9th AGM (RM'000)	Actual value for the period from date of 8th AGM to LPD (RM'000)	Estimated value of RRPT to be entered into from the date of the forthcoming AGM to the next AGM* (RM'000)	Difference (%) Below/(Above) Estimated Value	Reason of deviation of 10% above the estimated value
RC	Provision of work relating to design, construction, supply, delivery, installation & commissioning for current projects & projects to be awarded by RWT to RC	TSHM	60,000	Nil	60,000	Nil	N/A
RB	Provision of work, preliminary work and predevelopment work relating to design, construction, supply, delivery, installation & commissioning for current projects & projects to be awarded by RB to RWT	TSHM CHEVAL HLF HIL AA	90,000	3,920	90,000	95%	N/A

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(E) Transactions entered/ to be entered between Ranhill Group and the following party: -

Transacting Related Party	Transacting party within Ranhill Group	Nature of Transactions	Interested Related Parties	Estimated value for the period from date of 8th AGM to the date of 9th AGM (RM'000)	Actual value for the period from date of 8th AGM to LPD (RM'000)	Estimated value of RRPT to be entered into from the date of the forthcoming AGM to the next AGM* (RM'000)	Difference (%) Below/(Above) Estimated Value	Reason of deviation of 10% above the estimated value
Joint Development between Ranhill Group and RB Group	RCSB	Provision of preliminary work, feasible study and predevelopment work relating to design, construction, supply, delivery, installation & commissioning for water, wastewater and power related current projects & projects to be awarded by Ranhill Group to the joint venture partners of Ranhill Group and RB Group and for future projects to be jointly bid and development by Ranhill Group and RB Group	TSHM CHEVAL HLF HIL AA	160,000	Nil	160,000	Nil	N/A

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(F) Transactions entered/ to be entered between RWSB and the following party: -

Transacting Related Party	Nature of Transactions	Interested Related Parties	Estimated value for the period from date of 8th AGM to the date of 9th AGM (RM'000)	Actual value for the period from date of 8th AGM to LPD (RM'000)	Estimated value of RRPT to be entered into from the date of the forthcoming AGM to the next AGM* (RM'000)	Difference (%) Below/(Above) Estimated Value	Reason of deviation of 10% above the estimated value
PRW	Engineering Services by RWSB to PRW	TSHM	130,000	125,825	400,000	3%	N/A

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(G) Transactions entered/ to be entered between PRW and the following party: -

Transacting Related Party	Nature of Transactions	Interested Related Parties	Estimated value for the period from date of 8th AGM to the date of 9th AGM (RM'000)	Actual value for the period from date of 8th AGM to LPD (RM'000)	Estimated value of RRPT to be entered into from the date of the forthcoming AGM to the next AGM* (RM'000)	Difference (%) Below/(Above) Estimated Value	Reason of deviation of 10% above the estimated value
RWSB	Secondment & Commission Fees Charges by PRW to RWSB	TSHM	9,000	8,970	30,000	0.3%	N/A

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(H) Transactions entered/ to be entered between RBSB and the following party: -

Transacting Related Party	Nature of Transactions	Interested Related Parties	Estimated value for the period from date of 8th AGM to the date of 9th AGM (RM'000)	Actual value for the period from date of 8th AGM to LPD (RM'000)	Estimated value of RRPT to be entered into from the date of the forthcoming AGM to the next AGM* (RM'000)	Difference (%) Below/(Above) Estimated Value	Reason of deviation of 10% above the estimated value
RC	Provision of engineering, procurement and construction management services ("EPCM") and project management services ("PMC") for multiple projects by RBSB to RC	TSHM	74,200	23,386	100,000	68%	N/A

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II Proposed New Shareholders' Mandate

(A) Transactions entered/ to be entered between RMS and the following party: -

Transacting Related Party	Nature of Transactions	Interested Related Parties	Estimated value to be entered into from the date of the forthcoming AGM to the next AGM* (RM'000)
RanhillSAJ	Secretarial and management services by RMS to RanhillSAJ	PSKJ PDT SGJ	21,000

(B) Transactions entered/ to be entered between RWSB and the following party: -

Transacting Related Party	Nature of Transactions	Interested Related Parties	Estimated value to be entered into from the date of the forthcoming AGM to the next AGM* (RM'000)
PRW	Provision of financial assistance for guarantee, indemnity and collateral for current projects & projects to be awarded by PRW to RWSB for provision of design and engineering technical services of oil and gas facilities**	TSHM	100,000

(C) Transactions entered/ to be entered between RBSB and the following party: -

Transacting Related Party	Nature of Transactions	Interested Related Parties	Estimated value to be entered into from the date of the forthcoming AGM to the next AGM* (RM'000)
RC	Provision of financial assistance for guarantee, indemnity and collateral for current projects & projects to be awarded by RC to RBSB for provision of work relating to design, construction, supply, delivery and installation & commissioning ***	TSHM	100,000

(D) Transactions entered/ to be entered between RBSB and the following party: -

Transacting Related Party	Nature of Transactions	Interested Related Parties	Estimated value to be entered into from the date of the forthcoming AGM to the next AGM* (RM'000)
RB	Provision of work, preliminary work and pre-development work relating to design, construction, supply, delivery, installation & commissioning for current projects & projects to be awarded by RBSB to RB	TSHM CHEVAL HLF HIL AA	30,000

Notes: -

- * The estimated values of the RRPT are based on information available at the point of estimation based on the Company's business forecast for the period from the date of the forthcoming AGM to the next AGM. Due to the nature of the RRPT and factors that may not be within the Company's control, the actual value of RRPT may vary from the estimated values disclosed above.
- ** The financial assistance provided by RWSB to PRW is fair and reasonable and necessary to facilitate the ordinary course of business of RWSB such as issuance of guarantee to projects awarded or to be awarded by PRW to RWSB which comply with Practice Note paragraph 12 3.4(b) and 3.2(d) with exception for treatment of provision of Financial Assistance as RRPT and inclusion into a RRPT Mandate.
- *** The financial assistance provided by RBSB to RC is fair and reasonable and necessary to facilitate the ordinary course of business of RBSB such as issuance of guarantee to projects awarded or to be awarded by RC to RBSB which comply with Practice Note paragraph 12 3.4(b) and 3.2(d) with exception for treatment of provision of Financial Assistance as RRPT and inclusion into a RRPT Mandate.

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2.6 Outstanding RRPT Receivables or Payables

As at 31 March 2023, there is no outstanding amount arising out of RRPT which is due and owing to the Company by the Related Parties which has exceeded the Ranhill Group's credit term. Accordingly, there are no late payment charges imposed on the Related Parties.

3.0 REVIEW PROCEDURES FOR THE RRPT

The Company has established the following procedures and guidelines to ensure that the RRPT are undertaken on an arm's length basis, on transaction prices and terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the Company's minority shareholders:

- (a) The Company shall circulate a list of the Related Parties to the Directors and management and shall notify that all RRPT to be entered into by the Group are required to be undertaken on an arm's length basis and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;
- (b) The Company shall maintain proper records of the RRPT to be entered into with the Related Parties under the shareholders' mandate. In accordance with the LR, the Company will disclose in its annual report, inter alia, the breakdown of the aggregate value of RRPT entered into during the financial year, amongst others, based on the following:
 - (i) the type of RRPT made; and
 - (ii) the names of the Related Parties involved in each type of the RRPT made and their relationship with the Company;
- (c) The Company shall only enter into any RRPT after taking into account the pricing and contract rate, terms and conditions, level of service and expertise required, quality of products and services provided to/by the Related Parties as compared to prevailing market prices and rates, industry norms and standards as well as general practices by the service providers of similar capacity and capability generally available in the open market;
- (d) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated parties cannot be obtained, the transaction price will be determined by the Company based on the Group's usual business practice to ensure that the RRPT is not detrimental to the Company and the Group;
- (e) The internal auditors shall review all RRPT entered or to be entered into under the shareholders' mandate to ensure that relevant approvals for the RRPT are obtained and the review procedures in respect of such transactions are adhered to. The results of the internal audit review on the RRPT will be presented at the Audit Committee meeting;
- (f) The Audit Committee shall have the right of access to information on the Related Parties and is entitled to the services of any independent advisers, if required, in the discharge of their duties;
- (g) The Audit Committee shall review on an annual basis the internal audit reports pertaining to the RRPT to ascertain that the guidelines and procedures established to monitor the RRPT have been complied with;
- (h) Each of the company in the Group will submit its RRPT status report to the management of the Company on a quarterly basis. The management and the internal auditors will review the RRPT status reports and present a status report at the quarterly meetings of the Audit Committee;
- (i) The Board shall have the overall responsibility of determining whether the review procedures and guidelines on the RRPT are appropriate and sufficient. If any of the Board or Audit Committee members has an interest in a RRPT, he will declare his interest and shall abstain from any decision making in respect of that RRPT; and

- (j) If the Board and Audit Committee are of the view that the review procedures are no longer sufficient to ensure that the RRPT are made on an arm's length basis and on terms that are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company, they shall have the discretion to discharge, vary and/or modify or implement new and/or additional procedures and guidelines, without your prior approval, provided that such amended, varied, modified, new or additional procedures are no less stringent than the existing procedures and guidelines.

Pursuant to Paragraph 10.09 of the LR, in a meeting to obtain the Proposed Shareholders' Mandate, interested Directors, interested Major Shareholders and/or interested Persons Connected with the interested Director or Major Shareholder, where it involves the interest of an interested Persons Connected with a Director or Major Shareholder, such Director or Major Shareholder, must abstain from the deliberation and voting on the resolutions approving the RRPT.

An interested Director and/or interested Major Shareholder must also ensure that persons connected with him abstain from voting on the resolutions approving the RRPT. Interested Directors shall also abstain from deliberating at the Board Meetings in respect of the RRPT in which they are interested.

4.0 THRESHOLD OF AUTHORITY

All transactions, regardless of whether they are RRPTs or not, are approved in accordance with Ranhill Group's and/ or its subsidiaries Authority Manual which governs the day-to-day operations and transactions. It provides overall authority limits to be adhered to and the levels of authority of the management team up to the President/ Chief Executive.

Approval of all transactions including RRPTs are based on the nature of the transaction, amounts and authority levels as prescribed in the Authority Manual. On yearly basis, Ranhill Group will seek renewal of Shareholders' Mandate for existing RRPTs and new RPTs. Prior approval from the Board and the Audit Committee are required for any transactions that need immediate announcement and shareholders' approval before it can be released to Bursa. If the actual value of a RRPT entered into exceeds the estimated value of the RRPT disclosed in the Mandate by 10% or more, an immediate announcement will be released to Bursa Securities after obtaining the approval from the Audit Committee and Board pursuant to Paragraph 10.09 (2)(c) of the Listing Requirements. For a transaction that involves the Interested Director, Majority Shareholder and person connected to, such transactions shall be reviewed and approved by the Audit Committee and Board

The approval process and limits in accordance with the Authority Manual is summarised below: -

- (i) For the award of projects, the Management shall approve an internal budget to form the basis for comparison with tenders received. Tenders are invited for all projects and they are evaluated based on pricing as well as technical and financial capabilities of the tenderers. The whole process of tendering, evaluation and selection of tenderer is reviewed and approved by the appropriate approving authority. The President/ Chief Executive has the authority to approve the award of contract up to RM100 million. For project value cost more than RM100 million and up to RM250 million, the Governance Risk Management Committee's approval is required and any project cost above RM250 million, approval from the Board is needed.
- (ii) For the provision of general goods and services, a minimum of 3 quotations are obtained, where possible, to determine whether the price and terms offered to/ by the related parties are fair and reasonable and comparable to those offered to/ by other unrelated third parties for the same or substantially similar type of products/ services and/ or quantities. Where it is not practicable to obtain a minimum of 3 quotations, there may be a situation whereby less than 3 quotations will be acceptable. In respect of RRPTs exceeding RM500,000, the Audit Committee and Board's approval are required before it can be released for announcement. For RRPTs value below RM500,000, the Board can approve such RRPTs that is proposed and recommended by the President/ Chief Executive and Audit Committee respectively.

5.0 STATEMENT BY AUDIT COMMITTEE

- (a) The Audit Committee has seen and reviewed the procedures mentioned in Section 3 above and is of the opinion that the abovementioned procedures are sufficient to ensure that the RRPT are made on an arm's length basis, on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;
- (b) The Company has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner and such procedures and processes are reviewed whenever the need arises; and
- (c) The Audit Committee shall annually review the RRPT and also review the established guidelines and procedures to ascertain that they have been complied with. If during the period review, the Audit Committee is of the opinion that the guidelines and procedures are not sufficient to ensure that the RRPT will be conducted at arm's length basis and on normal commercial terms in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public and will not prejudice the shareholders or disadvantage the Company, the Company will obtain fresh shareholders' mandate based on new guidelines and procedures.

6.0 RATIONALE FOR THE PROPOSED SHAREHOLDERS' MANDATE AND BENEFITS TO THE COMPANY

The RRPT envisaged in the Proposed Shareholders' Mandate are in the ordinary course of business of the Group. They are recurring transactions of a revenue or trading nature, which are likely to occur with some degree of frequency and may arise at any time and from time to time. These transactions may be constrained by their time-sensitive nature and confidentiality of such transactions, and it may be impractical to seek your approval on a case-by-case basis before entering into such RRPT. As such, the Board is seeking the Proposed Shareholders' Mandate pursuant to Paragraph 10.09 of the LR to allow the Company and its subsidiaries (as the case may be) to enter into such RRPT made on an arm's length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

By obtaining your approval on an annual basis, the necessity to convene separate general meetings from time to time to seek your approval as and when such RRPT occurs will not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Company or adversely affecting the business opportunities available to the Group. The Proposed Shareholders' Mandate is crucial to ensure continuing day to day operations of the Group.

The benefit of transacting with Related Parties is because these Related Parties have proven track records based on the Group long-standing business relationship with them. The Group has therefore, recognised their expertise and experience in their respective fields, and the Group can better leverage on that expertise.

7.0 EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any effect on the share capital and Major Shareholders' shareholding of Ranhill and is not expected to have any material effect on the gearing, net assets per share and earnings per share of Ranhill Group for the financial year ending 31 December 2022.

8.0 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED

Save as disclosed below, as at 31 March 2023 none of the other Directors and/or the Major Shareholders of Ranhill and persons connected to them has any direct and/or indirect interest in the Proposed Shareholders' Mandate:

Name	Direct Interest		Indirect Interest	
	No. of Shares	^%	No. of Shares	^%
Cheval Infrastructure Fund L.P. (acting via its general partner, TAEI Management Co. (Cayman) Ltd) (Co. No. CT-50245)	243,329,346	18.883	-	-
Hamdan (L) Foundation (Co. No. LAF00157)	214,382,295	16.636	⁽¹⁾ 14,910,884	⁽¹⁾ 1.157
TSHM	175,690,611	13.634	⁽²⁾ 229,293,179	⁽²⁾ 17.793
Permodalan Darul Ta'zim Sdn Bhd Registration No. 199401041837 (327525-V)	116,926,190	9.074	-	-
Perbadanan Setiausaha Kerajaan Johor (The State Secretary, Johore (Incorporated)) State of Johore Enactment No. 2 of 1953.	-	-	⁽³⁾ 116,926,190	⁽³⁾ 9.074
State Government of Johor	-	-	⁽⁴⁾ 116,926,190	⁽⁴⁾ 9.074
UOB Kay Hian Private Limited (197000447W)	117,215,692	9.096	-	-
United Overseas Bank Limited (193500026Z) ("UOB Limited")	-	-	⁽⁵⁾ 117,215,692	⁽⁵⁾ 9.096
Interested Director				
TSHM	175,690,611	13.634	⁽²⁾ 229,293,179	⁽²⁾ 17.793
AA	1,218,388	0.095		

[^]The percentage is computed based on the number of issued share capital of 1,288,638,058 units of ordinary shares (excluding 7,279,165 units of ordinary shares bought back by the Company and retained as treasury shares as at 31 March 2023).

Notes:

- (1) Deemed interest by virtue of its interest in Hamdan Inc. (Labuan) Pte. Ltd. ("**HIL**") pursuant to Section 8 of the Companies Act 2016. ("**CA, 2016**").
- (2) Deemed interest by virtue of (i) his interest in HIL pursuant to CA, 2016 and (i) him being the sole beneficiary of Hamdan (L) Foundation which owns the entire stake in HIL.
- (3) Deemed interest by virtue of Perbadanan Setiausaha Kerajaan Johor's interest in Permodalan Darul Ta'zim Sdn Bhd pursuant to CA, 2016.

- (4) Deemed interest by virtue of State Government of Johor's interest in Permodalan Darul Ta'zim Sdn Bhd and Perbadanan Setiausaha Kerajaan Johor pursuant to CA, 2016.
- (5) Deemed interest by virtue of United Overseas Bank Limited's investment in UOB Kay Hian Private Limited.

CHEVAL, TSHM, HLF, HIL and PDT shall abstain from voting in respect of their direct and/or deemed interest, on the resolution in which they have interests pertaining to the Proposed Shareholders' Mandate at the forthcoming AGM of the Company to be convened for considering the Proposed Shareholders' Mandate.

The Interested Directors namely TSHM and AA have abstained, and will continue to abstain from deliberating at board meetings and abstain from voting in respect of their direct and indirect shareholding at the forthcoming AGM of the Company in respect of the Proposed Shareholders' Mandate.

The respective Interested Directors and Interested Major Shareholders have undertaken that they shall ensure that persons connected with them will abstain from voting in respect of their direct and indirect shareholdings, on the resolution approving the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM of the Company.

9.0 APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to and conditional upon your approval at the forthcoming 9th AGM of the Company.

10.0 DIRECTORS' RECOMMENDATION

The Board (save for the interested Directors who have abstained from deliberations), having considered all aspects of the Proposed Shareholders' Mandate, believes that the terms and conditions for these transactions are fair and reasonable and are in the Company's best interest. Accordingly, the Board (save for the interested Directors) recommends that you vote in favour of the resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming 9th AGM of the Company.

11.0 SPECIAL BUSINESSES OF THE 9TH AGM

The 9th AGM, the Notice of which is enclosed in the Annual Report 2022, will be held at Taming Sari 1 & 2, Ground Floor, Royale Chulan Kuala Lumpur, No. 5 Jalan Conlay, 50450 Kuala Lumpur on Wednesday, 17 May 2023 at 2.30 p.m., for the purpose of considering and if thought fit, passing the resolutions so as to give effect to the Proposed Shareholders' Mandate for RRPT under special businesses in the 9th AGM.

If you are unable to attend and vote in person at the 9th AGM, you are requested to complete and deposit the Form of Proxy in accordance with the instructions printed thereon at the office of Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or by electronic means via email at bsr.helpdesk@boardroomlimited.com which is applicable for all shareholders i.e. individual/corporate representative/authorised nominees; or via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> which is applicable for individual shareholders only not later than twenty-four (24) hours before the time stipulated for holding 9th AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so. For further information on the electronic submission of proxy form, kindly refer to the Administrative Guide of the 9th AGM which can be downloaded from the Company's Investor Relations website at <https://www.ranhill.com.my/reports-presentations.php>

12.0 FURTHER INFORMATION

You are requested to refer to the Appendix IV contained in this Circular for further information.

Yours faithfully

For and on behalf of the Board

RANHILL UTILITIES BERHAD

LIM HUN SOON @ DAVID LIM

Independent Non-Executive Director/Audit Committee Chairman

APPENDIX IV

FURTHER INFORMATION

1. Directors' Responsibility Statement

The Board hereby confirms that they have seen and approved the contents of this Circular and they accept full responsibility, collectively and individually for the accuracy of the information given herein and confirm that having made 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. Material Contracts

Ranhill and /or any of its subsidiaries have not entered into any material contracts which are not in the ordinary course of business during the two (2) years immediately preceding the date of this Circular.

3. Material Litigation

Save as disclosed below, as at the date of this report, the Group is not engaged in any material litigation either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the Directors do not have any knowledge of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group.

On 15th April 2019, the Company submitted a statement of claim against the Defendant to recover RM7.0 million paid to him as part payment for shares in the acquisition of SM Hydro Energy Sdn Bhd ("SM Hydro"). The suit was initiated upon the termination of the Share Sale and Purchase Agreement ("SSPA"), a result of the failure of SM Hydro to secure the award of a power project to satisfactory terms in accordance with the SSPA. The Group is seeking to recover RM7.0 million paid as part payment for the acquisition of shares in SM Hydro.

The Group was successful in the suit, however several appeals were made by the Defendant, as follows:

- A. Defendant's application to set aside the Judgment dated 9.3.2020 (Enclosure 55) is fixed for hearing on 5.5.2023 by The Court of Appeal.
- B. Bankruptcy Proceedings filed by Company against Mohd Fakrunizam Bin Ibrahim (MFBI) with the Creditor's Petition fixed for a case management on 9.5.2023.
- C. MFBI filed a Civil Suit against his previous Counsel M/s Hanif Abdul Rahman & Associates and Company. On 15.9.2021 Company was advised that MFBI had filed a suit in KL High Court claiming for the followings:
 - 1. A declaration that the summary judgment dated 9.3.2020, the High Court order dated 1.10.2020 and the orders of Court of Appeal ("CO") both dated 27.1.2021 in the COA are not binding on MFBI;
 - 2. A declaration that M/s Hanif Abdul Rahman & Assoc acted fraudulently for both KL High Court and COA matters;
 - 3. A declaration that the signatures on the affidavits filed by MFBI for both KL High Court and COA matters mentioned above are forgeries and/or false;
 - 4. A declaration that Company is not entitled to act upon the judgment of KL High Court and COA; and
 - 5. An order that all the judgments made by the KH High Court and COA to be set aside;
 - 6. Damages for fraud in the tort of deceit against M/s Hanif Abdul Rahman & Assoc; and
 - 7. Interest for the damages at the rate of 5% per annum until full settlement;
 - 8. Cost and such other reliefs.

Company filed an application to strike out MFBI's claim (Encl. 16), the Court has fixed the hearing date on 20.09.2022. The High Court also fixed a case management for the main suit on 06.02.2024 and trial dates on 6th-8th May 2024.

None of the directors, major shareholders and persons connected with the directors and major shareholders of the Company has any interest, direct or indirect, in the above matter.

The Company will make further announcement if there are any material development in respect of the above matter.

4. Documents Available for Inspection

Copies of the following documents are available for inspection at our registered office of the Company at Bangunan Ranhill SAJ, Jalan Garuda, Larkin, 80350 Johor Bahru, Johor Darul Takzim, during the normal business hours from Sundays to Thursdays (except public holidays) from the date of this Circular to the time set for the convening of the 9th AGM: -

- (a) the Constitution of the Company; and
- (b) Statutory Financial Statements for the years ended 31 December 2021 and 31 December 2022.

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APPENDIX V

EXTRACT OF RESOLUTION TO BE TABLED AT THE FORTHCOMING 9TH AGM IN CONNECTION WITH THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

Ordinary Resolution 10

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature ("Proposed Renewal of Shareholders' Mandate")

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company and/or its subsidiary companies (**"the Group"**) be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.5 (I) Part B of the Circular to Shareholders dated 25 April 2023 (**"the Related Parties"**) provided that such transactions are:-

- (a) necessary for the day-to-day operations;
- (b) undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (c) are not prejudicial to the minority shareholders of the Company.

("the Shareholders' Mandate")

THAT such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting (**"AGM"**) of the Company following this AGM at which the Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed; or
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(1) of the Companies Act 2016 (**"the Act"**) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) is revoked or varied by resolution passed by shareholders in a general meeting,

whichever is the earliest;

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate;

AND THAT the estimated value given on the recurrent related party transactions specified in Section 2.5 (I) Part B of the Circular being provisional in nature, the Directors of the Company be hereby authorised to agree to the actual amount(s) thereof provided always that such amount(s) comply with the review procedures set out in Section 3.0 Part B of the Circular."

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APPENDIX VI

EXTRACT OF RESOLUTION TO BE TABLED AT THE FORTHCOMING 9TH AGM IN CONNECTION WITH THE PROPOSED NEW SHAREHOLDERS MANDATE

Ordinary Resolution 11

Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions ("Additional RRPT") of a Revenue or Trading Nature ("Proposed New Shareholders' Mandate")

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Company and/or its subsidiary companies ("**the Group**") be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.5 (II) Part B of the Circular to Shareholders dated 25 April 2023 ("**the Related Parties**") provided that such transactions and/or arrangements are:-

- (a) necessary for the day-to-day operations of the Group;
- (b) undertaken in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (c) are not prejudicial to the minority shareholders of the Company.

("the Shareholders' Mandate")

THAT such approval shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following this AGM at which the Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at such AGM whereby the authority is renewed; or
- (b) the expiration of the period within the next AGM of the Company after that date is required to be held pursuant to Section 340(1) of the Companies Act 2016 ("**Act**") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earliest;

THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders' Mandate;

AND THAT the estimated value given on the recurrent related party transactions specified in Section 2.5 (II) Part B of the Circular being provisional in nature, the Directors of the Company be hereby authorised to agree to the actual amount(s) thereof provided always that such amount(s) comply with the review procedures set out in Section 3.0 Part B of the Circular."

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