

THIS STATEMENT/CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT, BANKER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

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

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



ENRA GROUP BERHAD

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

PART A

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

PART B

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

(COLLECTIVELY KNOWN AS THE "PROPOSALS")

AND

EXTRACT OF THE NOTICE OF ANNUAL GENERAL MEETING

The Proposals will be tabled as Special Businesses at ENRA Group Berhad's Thirty-First Annual General Meeting (the "31st AGM") which will be conducted virtually through live streaming and online remote voting using the remote participation and voting ("RPV") facilities hosted on the Securities Services e-Portal at <https://sshsb.net.my/> provided by SS E Solutions Sdn. Bhd. from the broadcast venue at Meeting Room of Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur on Thursday, 7 September 2023 at 10:00 a.m. or any adjournment thereof.

The Notice of the 31st AGM, Form of Proxy, Administrative Guide, Annual Report 2023 and this Statement/Circular are available at the Company's website at www.enra.my.

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

- (a) lodged at the office of SS E Solutions Sdn. Bhd., at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur ; or
- (b) lodged via electronic means through the Securities Services e-Portal ("SS e-Portal") at <https://sshsb.net.my/> or by fax to +603 2094 9940 or by email to eservices@sshsb.com.my not less than 48 hours before the time appointed for the meeting or any adjournment thereof.

The lodging of the Form of Proxy will not preclude you from participating and voting at the meeting should you subsequently wish to do so. Kindly refer to the Administrative Guide for the 31st AGM in order to register, participate and vote remotely via the remote participation and voting facilities.

Last day and time for lodging the Form of Proxy : Tuesday, 5 September 2023 at 10:00 a.m.
Date and Time of the 31st AGM : Thursday, 7 September 2023 at 10:00 a.m.

This Statement/Circular is dated 27 July 2023

DEFINITIONS

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

"Act"	: Companies Act, 2016 of Malaysia, as amended from time to time and any re-enactment thereof
"AGM"	: Annual General Meeting
"Annual Report 2023"	: Annual Report of ENRA issued for FYE 31 March 2023
"Board"	: Board of Directors of ENRA
"Bursa Securities"	: Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
"Code"	: Malaysian Code on Take-Overs and Merger 2016, Rules on Take-Over, Merger and Compulsory Acquisition 2016, as amended from time to time
"Director(s)"	: Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 (as amended from time to time) and, in relation to Related Party Transactions under the Proposed Renewal of Shareholders' Mandate, includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or chief executive of ENRA, its subsidiary or holding company
"Eligible Person(s)"	: The employee(s) and directors of the ENRA Group who meet(s) the criteria of eligibility for participation in the Company's Employees' Share Scheme ("ESS")
"ENRA" or the "Company"	: ENRA Group Berhad [199201005296 (236800-T)]
"ENRA Shares"	: Ordinary share(s) in ENRA
"EPS"	: Earnings per share
"ESOS"	: The employees' share option scheme for the benefit of the Eligible Persons to subscribe for ENRA Shares according to the terms set out in the By-Law of the Company's ESS ("By-Laws")
"ESOS Option"	: The right of an Eligible Person to subscribe for ENRA Shares at the exercise price pursuant to an ESOS offer duly accepted by the eligible directors and employees of ENRA and its subsidiaries in the manner provided in the By-Laws
"FYE"	: Financial year ended/ending, as the case may be
"Interested Director"	: A Director who is deemed to be a Related Party and is interested in the Proposed Renewal of Shareholders' Mandate (as defined below)
"Interested Major Shareholder"	: Major Shareholder who is deemed to be a Related Party and is interested in the Proposed Renewal of Shareholders' Mandate (as defined below)
"Interested Person Connected"	<p>: In relation to a Director or a Major Shareholder, means such person who falls under any one of the following categories:</p> <ul style="list-style-type: none">(a) a family member of the Director or Major Shareholder;(b) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the Director, Major Shareholder or a family member of the Director or Major Shareholder, is the sole beneficiary;(c) a partner of the Director, Major Shareholder or a partner of a person connected with that Director or Major Shareholder;(d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;

- (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
- (f) a body corporate in which the Director, Major Shareholder and/or persons connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
- (g) a body corporate which is a related corporation.

"Interested Related Party(ies)"	: An Interested Director, Interested Major Shareholder, or Interested Person Connected
"LPD"	: 15 June 2023, being the latest practicable date prior to the issuance of this Statement/Circular
"Main Market Listing Requirements"	: Main Market Listing Requirements of Bursa Securities, including any amendment that may be made from time to time
"Major Shareholder(s)"	<p>: A person who has an interest or interests in one or more voting shares in ENRA, any of its subsidiaries or holding company and the number or aggregate number of those shares, is:</p> <ul style="list-style-type: none"> (a) equal to or more than 10% of the total number of voting shares in ENRA, any of its subsidiaries or holding company; or (b) equal to or more than 5% of the total number of voting shares in ENRA, any of its subsidiaries or holding company where such person is the largest shareholder in ENRA, any of its subsidiaries or holding company. <p>For the purpose of this definition, "interest in shares" shall have the meaning given in Section 8 of the Act. It also includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of ENRA, any of its subsidiaries or holding company.</p>
"Market Day"	: A day on which the stock market of Bursa Securities is open for trading in securities
"NA"	: Net Assets
"Proposed Renewal of Shareholders' Mandate" or "Proposal"	: Proposed renewal of shareholders' mandate for the Recurrent Related Party Transactions to be entered by ENRA Group from the date of the forthcoming AGM until the next AGM
"Proposed Share Buy-Back"	: Proposed renewal of authority for ENRA to purchase and/or hold as Treasury Shares in aggregate of up to 10% of the total number of issued shares pursuant to Section 127 of the Act
"Purchased Shares"	: Shares purchased pursuant to the Proposed Share Buy-Back
"Recurrent Related Party Transactions" or "RRPT"	: Related party transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations and are in the ordinary course of business of ENRA or its subsidiaries
"Related Party"	: Director(s), Major Shareholder(s) or Person Connected with such Director(s) or Major Shareholder(s)
"Related Party Transactions"	: Transactions entered into by ENRA or its subsidiaries which involve the interest, direct or indirect, of a Related Party
"RM" and "sen"	: Ringgit Malaysia and sen, respectively
"Substantial Shareholder(s)"	: Shall have the meaning given in Section 136 of the Act
"Treasury Shares"	: The ENRA Shares purchased by ENRA which are or will be retained in treasury and shall have the meaning given under Section 127 of the Act

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

Reference to persons shall include corporations.

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

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

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

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PART A

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



ENRA GROUP BERHAD

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

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

1. INTRODUCTION

At the 30th AGM of the Company held on 27 September 2022, approval was obtained from the shareholders for the renewal of the Company's authority to purchase up to 10% of the total number of the Company's issued shares. This authority will expire at the conclusion of the forthcoming 31st AGM unless it is renewed.

On 21 June 2023, the Board announced ENRA's intention to seek its shareholders' approval for the renewal in authority of the Proposed Share Buy-Back at the forthcoming 31st AGM of the Company.

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

2. DETAILS OF THE PROPOSED SHARE BUY-BACK

2.1 Duration

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

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

whichever occurs first ("Proposed Authorised Period").

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

2.2 Quantum

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

The Company had on 1 June 2022, made the first award of 6,100,000 ESOS Options under the Employees' Share Scheme to the Eligible Persons. The ESOS Options were offered in two (2) tranches with the 1st tranche of 40% comprising 2,440,000 ESOS Options with no vesting period and the 2nd tranche of 60% comprising 3,660,000 ESOS Options with a vesting period of one (1) year till 31 May 2023. The total number of outstanding ESOS Options granted under the ESOS as at the LPD is 6,100,000 ("Outstanding ESOS Options").

There is also a possibility of new ordinary shares issued by the Company during the year due to the following:

- (a) Conversion of 44,971,973 free warrants into new ordinary shares at RM1.00 per share, (i.e., exercise price for every warrant); and/or
- (b) Allotment and issuance of new shares under Sections 75 and 76 of the Act of up to 10% of the total number of existing issued shares; and/or
- (c) Exercise of 6,100,000 ESOS Options into new ordinary shares at RM1.10 per share, (i.e., exercise price for every ESOS Option).

(Collectively referred to as “Share Capital Enlargement Events”)

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

In the event that ENRA ceases to hold all or part of the Purchased Shares or Treasury Shares, ENRA may further purchase such additional ENRA Shares provided that the total Purchased Shares (including those Purchased Shares held as Treasury Shares then) do not exceed 10% of the total number of issued shares of ENRA at the time of purchase.

2.3 Funding

In compliance with Paragraph 12.10(1) of the Main Market Listing Requirements, the maximum amount of funds to be utilised for the Proposed Share Buy-Back shall not exceed the available retained profits of ENRA based on the latest audited financial statements and/or the latest management accounts of ENRA (where applicable). Based on the audited financial statements for FYE 31 March 2023, the Company has no retained earnings.

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

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

2.4 Treatment of Shares Purchased

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

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

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

- (a) distribute the Treasury Shares as dividends to the shareholders;
- (b) resell the Treasury Shares in accordance with the relevant rules of Bursa Securities;
- (c) transfer all or any Treasury Shares for the purposes of or under an ESS;
- (d) transfer all or any Treasury Shares as purchase consideration;

- (e) cancel all or any Treasury Shares; or
- (f) sell, transfer or otherwise use the Treasury Shares for such other purposes as the Minister (being the Minister charged with the responsibilities for companies) may, by order, prescribe.

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

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

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

2.5 Pricing

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

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

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

2.6 Public Shareholding Spread

As at the LPD, the public shareholding spread of ENRA was approximately 35.90% based on ENRA's issued shares of 134,918,543 excluding Treasury Shares. Assuming the Proposed Share Buy-Back was carried out in full under Maximum Scenario based on 168,551,924, the proforma public shareholding spread would be reduced to 27.19%.

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

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

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

- (a) The basic and diluted EPS of ENRA would be enhanced (all things being equal);
- (b) ENRA may be able to reduce any unwarranted volatility of its shares and assist to stabilise the supply, demand and price of its shares in the open market, thereby supporting the fundamental value of ENRA Shares;

- (c) If the Purchased Shares are retained as Treasury Shares, it will provide the Board an option to sell the Treasury Shares at a higher price and therefore make an exceptional gain for ENRA. Alternatively, the Treasury Shares may be distributed as share dividends to shareholders;
- (d) ENRA will have flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity; and
- (e) ENRA will be able to take preventive measures against speculation particularly when its shares are undervalued which would in turn, stabilise the market price of ENRA Shares and hence, enhance investors' confidence.

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

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

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

4. RISK FACTORS OF THE PROPOSED SHARE BUY-BACK

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

5. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of ENRA Shares as traded on Bursa Securities for the past 12 months from 1 June 2022 to 31 May 2023 are as follows:

Month	High (RM)	Low (RM)
June 2022	0.800	0.705
July 2022	0.750	0.700
August 2022	0.825	0.710
September 2022	0.710	0.675
October 2022	0.710	0.630
November 2022	0.635	0.545
December 2022	0.675	0.565
January 2023	0.640	0.550
February 2023	0.620	0.560
March 2023	0.745	0.565
April 2023	0.650	0.580
May 2023	0.645	0.580

The last transacted price of the Shares on the LPD

RM0.550

(Source: Bursa Securities)

6. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

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

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

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

7. EFFECTS OF THE PROPOSED SHARE BUY-BACK

7.1 Share Capital

The effects of the Proposed Share Buy-Back are dependent on whether the Purchased Shares are cancelled or alternatively retained as Treasury Shares or any new ordinary shares issued by the Company as a result of the Share Capital Enlargement Events.

In the event that all the Shares purchased are cancelled and, on the assumption that the Proposed Renewal of Shares Buy-Back Authority is exercised in full, the proforma effects of the Proposed Renewal of Shares Buy-Back Authority on the total number of issued of ENRA Shares as at the LPD are as follows:

(i) Minimum Scenario

Assuming no exercise of Warrants and no ESOS Options were exercised prior to the purchase by ENRA of its own shares pursuant to the Proposed Share Buy-Back.

(ii) Maximum Scenario

Assuming all the outstanding Warrants of 44,971,973 and all 6,100,000 Outstanding ESOS Options as at the LPD are exercised into new Shares prior to the purchase by ENRA of its own shares pursuant to the Proposed Share Buy-Back.

	As at LPD	After the Proposed Share Buy-Back	
		Minimum Scenario ⁽ⁱ⁾	Maximum Scenario ⁽ⁱⁱ⁾
Total number of issued shares	136,207,943	136,207,943	136,207,943
Assuming full exercise of outstanding Warrants	-	-	44,971,973
Assuming full exercise of ESOS Options	-	-	6,100,000
Enlarged total number of issued shares	136,207,943	136,207,943	187,279,916
Treasury shares	(1,289,400)	(1,289,400)	(1,289,400)
Maximum number of ENRA Shares that may be purchased as part of the Proposed Share Buy-Back	-	(12,331,394)	(17,438,591)
Total number of issued shares after cancellation of ENRA Shares purchased under the Proposed Share Buy-Back	134,918,543	122,587,149	168,551,925

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

The Proposed Share Buy-Back will not affect the issued share capital of the Company but the rights attached to them in relation to voting, dividends or other distribution, whether cash or otherwise, of the Company's asset including any distribution of assets upon winding up of the Company will be suspended. 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 shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on the resolution at a meeting.

7.2 NA

The effects of the Proposed Share Buy-Back on the NA per share of ENRA are dependent on the number of ENRA Shares that are in issue during the Proposed Authorised Period, the number of shares buy-back, purchase prices of the ENRA Shares at the time of buy-back, the treatment of the ENRA Shares purchased and the funding cost, if any.

Assuming that there are no Share Capital Enlargement Events, if all the ENRA Shares so purchased are cancelled, the NA per share of ENRA is likely to be reduced if the purchase price exceeds the NA per share of ENRA, whereas the NA per share of ENRA will increase if the purchase price is less than the NA per share of ENRA at the time of purchase.

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

7.3 Working Capital

Assuming that there are no Share Capital Enlargement Events, the Proposed Share Buy-Back will reduce the working capital of ENRA, the quantum of which depends on the purchase prices and the number of ENRA Shares that would be purchased pursuant to the Proposed Share Buy-Back.

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

7.4 EPS

Assuming that there are no Share Capital Enlargement Events, the Purchased Shares under the Proposed Share Buy-Back are cancelled, the Proposed Share Buy-Back may increase the basic and diluted EPS of ENRA. Similarly, on the assumption that the Purchased Shares are treated as Treasury Shares and subsequently resold, the extent of the effect on the earnings of ENRA will depend on the actual selling price, the number of Treasury Shares resold and the effective gain arising. In the event the Purchased Shares are held as Treasury Shares, i.e., neither cancelled nor resold, the effective reduction in the issued share capital of ENRA pursuant to the Proposed Share Buy-Back would generally, all things being equal, increase the basic and diluted EPS of ENRA.

7.5 Dividends

Assuming that there are no Share Capital Enlargement Events, the Proposed Share Buy-Back is implemented in full and ENRA's quantum of dividends is maintained at historical levels, the Proposed Share Buy-Back will have the effect of increasing the dividend rate of ENRA as the shares repurchased would not be eligible for dividends whether they are cancelled or held as Treasury Shares.

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

8. SHAREHOLDINGS OF DIRECTORS

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

	As at LPD				After Proposed Share Buy-Back							
	Direct		Indirect		Minimum Scenario				Maximum Scenario			
					Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Datuk Ali bin Abdul Kadir	4,900,000	3.63	-	-	4,900,000	4.00	-	-	6,923,333	4.11	-	-
Tan Sri Dato' Kamaluddin bin Abdullah ⁽¹⁾	5,357,629	3.97	35,362,000	26.21	5,357,629	4.37	35,362,000	28.85	8,143,505	4.83	47,149,332	27.97
Kok Kong Chin	3,000,000	2.22	-	-	3,000,000	2.45	-	-	5,000,000	2.97	-	-
Tan Sri Dato' Seri Shamsul Azhar bin Abbas ⁽²⁾	-	-	2,000,000	1.48	-	-	2,000,000	1.63	400,000	0.24	2,666,666	1.58
Dato' Wee Yiau Hin	1,000,000	0.74	-	-	1,000,000	0.82	-	-	1,633,333	0.97	-	-
Loh Chen Yook	5,566,300	4.13	-	-	5,566,300	4.54	-	-	12,865,865	7.63	-	-
Tunku Afwida binti Tunku Abdul Malek	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

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

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

9. SHAREHOLDINGS OF MAJOR AND SUBSTANTIAL SHAREHOLDERS

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

	As at LPD				After Proposed Share Buy-Back							
	Direct		Indirect		Minimum Scenario				Maximum Scenario			
	No. of shares		No. of shares		Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Major Shareholders												
Tan Sri Dato' Kamaluddin bin Abdullah ⁽¹⁾	5,357,629	3.97	35,362,000	26.21	5,357,629	4.37	35,362,000	28.85	8,143,505	4.83	47,149,332	27.97
Trillion Icon Sdn. Bhd.	17,962,000	13.31	-	-	17,962,000	14.65	-	-	23,949,333	14.21	-	-
Substantial Shareholders												
Carrillo Capital Sdn. Bhd.	10,000,000	7.41	-	-	10,000,000	8.16	-	-	13,333,333	7.91	-	-
Ikhmal Mirza bin Mazlin ⁽²⁾	-	-	13,400,200	9.93	-	-	13,400,200	10.93	-	-	18,187,432	10.79
Mizreen Capital Sdn. Bhd.	13,400,200	9.93	-	-	13,400,200	10.93	-	-	18,187,432	10.79	-	-
Chua Ming Huat ⁽³⁾	10,969,400	8.13	2,515,600	1.86	10,969,400	8.95	2,515,600	2.05	14,442,533	8.57	2,743,133	1.63

Notes:

- (1) Indirect interest held through Trillion Icon Sdn. Bhd., Carrillo Capital Sdn. Bhd., Paling Terbilang Sdn. Bhd. and Intelek Kuasa Sdn. Bhd. pursuant to Section 8(4) of the Act.
- (2) Indirect interest held through Mizreen Capital Sdn. Bhd. pursuant to Section 8(4) of the Act.
- (3) Indirect interest held through Summit Investment Partners Limited.

10. IMPLICATIONS OF THE CODE

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

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

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

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

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

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

13. APPROVALS REQUIRED

The Proposed Share Buy-Back is subject to the approval of the shareholders of ENRA at the forthcoming 31st AGM or at any adjournment thereof.

14. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that Proposed Share Buy-Back is in the best interest of ENRA and the Board therefore recommends that you vote in favour of the resolution pertaining to the Proposed Share Buy-Back to be tabled at the forthcoming 31st AGM.

15. FORTHCOMING AGM

The 31st AGM of ENRA will be conducted virtually through live streaming and online remote voting using the remote participation and voting facilities hosted on the Securities Services e-Portal at <https://sshsb.net.my/> to be provided by SS E Solutions Sdn. Bhd. from the broadcast venue at Meeting Room of Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur on Thursday, 7 September 2023 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Share Buy-Back pursuant to the agenda of Special Business as detailed in the Company's Notice of AGM.

16. FURTHER INFORMATION

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

PART B

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



ENRA GROUP BERHAD

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

Registered Office:

D3-U6-15, Block D3
Solaris Dutamas
No. 1, Jalan Dutamas 1
50480 Kuala Lumpur
W.P. Kuala Lumpur
Malaysia

27 July 2023

The Board of Directors:

Datuk Ali bin Abdul Kadir (*Independent Non-Executive Chairman*)
Tan Sri Dato' Kamaluddin bin Abdullah (*President & Group Chief Executive Officer*)
Kok Kong Chin (*Executive Director*)
Tan Sri Dato' Seri Shamsul Azhar bin Abbas (*Senior Independent Non-Executive Director*)
Dato' Wee Yaw Hin (*Independent Non-Executive Director*)
Loh Chen Yook (*Independent Non-Executive Director*)
Tunku Afwida binti Tunku Abdul Malek (*Independent Non-Executive Director*)

To: Our Shareholders

Dear Sir/Madam,

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

The Company had on 27 September 2022, obtained a shareholders' mandate for the Company and/or its subsidiaries, in their normal course of business, to enter into Recurrent Related Party Transactions on terms that are not more favourable to the Related Parties than those generally available to the public. The shareholders' mandate will be in force until the conclusion of the forthcoming AGM of the Company, unless the mandate is renewed.

The Board wishes to seek the shareholders' approval for the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM of the Company. The Company had on 21 June 2023, made the announcement to Bursa Securities pertaining to the Proposal.

The purpose of this Circular is to provide you with the details of the Proposed Shareholders' Mandate and to seek your approval for the resolution thereto to be tabled at the forthcoming AGM of the Company.

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

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Provisions under the Main Market Listing Requirements

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

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

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

Accordingly, the Board proposes to seek the shareholders' approval for the Proposed Renewal of Shareholders' Mandate in respect of RRPT to be entered into by ENRA from the date of forthcoming AGM to the next AGM. These RRPT are conducted in the ordinary course of business with the Related Parties and are made at arm's length, on ENRA Group's normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of ENRA.

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

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

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

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

2.3 Information on Related Parties and Nature of Transactions

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

Related Party	Interested Related Parties	Nature of Transaction(s)	Previous estimated value as disclosed in the circular dated 28 July 2022 ("Estimated Value")	Actual value transacted since last AGM to LPD ("Actual Value")	New estimated value from this AGM to the next AGM ⁽¹⁾ ("New Estimated Value")
SPM Terminals Pty. Ltd. ("SPMT")	Tan Kee Ju, is a Major Shareholder and Director of SPMT. SPMT owns a 40% equity stake in ENRA SPM.	Operation & maintenance fees for the single point mooring system ("SPM") that is owned by ENRA SPM. Provision for modification work on ENRA SPM's vessel for a potential new project. Provision for general work related to decommissioning, commissioning, modification, and fabrication of both existing and new SPM of the company.	USD1,700,000 (RM7,478,810) USD5,000,000 (RM21,996,500) -	USD1,071,619 (RM4,815,213) Nil -	USD1,700,000 (RM7,880,350) Nil USD13,000,000 (RM60,261,500)
Ozlux Sdn. Bhd. ("Ozlux")	Dato' Yau Kok Seng is a Major Shareholder ⁽²⁾ and Director of Ozlux as well as a Director of ENRA IOL. Chuah Seong Teik is a Major Shareholder and Director of Ozlux as well as a Director and the CEO of ENRA IOL. Ozlux owns a 49% equity stake in ENRA IOL.	Purchase of energy savings lighting products and installation services at ENRA IOL's customers' premises.	RM3,500,000	RM17,301	RM1,000,000

Notes:

(1) Based on RM4.6355 to USD1.00 being Bank Negara Malaysia's Interbank Foreign Exchange Market middle rate on 15 June 2023.

(2) Dato' Yau Kok Seng has an indirect interest in Witpro Sdn. Bhd., through his spouse, Datin Choong Mei Ling, and son, Yau Kin Nam. Witpro Sdn. Bhd. in turn owns a 50% equity stake in Ozlux.

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

The basis of arriving at the Estimated Value as indicated above is based on value transacted during the financial year ended 31 March 2023 as well as latest available information relating to these transactions. The value of these transactions may be subject to changes in the financial year ending 31 March 2024.

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

2.4 Review Procedures for the RRPT

The Group has established the following procedures and guidelines with regards to RRPTs:

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

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

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

2.5 Threshold for Authority

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

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

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

2.6 Statement by the ARMSC

The ARMSC has reviewed the procedures set out in the Section 2.4 above and is of the view that the said procedures are sufficient to ensure that the RRPTs are conducted 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. Any member of the ARMSC who is interested in any RRPT shall not be involved in the review of the RRPT.

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

2.7 Disclosure of RRPTs

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

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

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

3. RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

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

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

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

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

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

4. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will have no effect on the issued share capital and Substantial Shareholder's shareholdings of ENRA and it is also not expected to have any material effect on the NA per share and EPS of ENRA.

5. VALIDITY PERIOD FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The authority to be conferred pursuant to the Proposed Renewal of Shareholders' Mandate, if approved by the shareholders, shall take effect from the passing of the ordinary resolution proposed at the forthcoming 31st AGM and shall continue to be in force until:

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

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

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

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

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

	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
Dato' Yau Kok Seng	2,218,400	1.64	200,000	0.15

Note: Dato' Yau Kok Seng has an indirect interest in Witpro Sdn. Bhd., through his spouse, Datin Choong Mei Ling, and son, Yau Kin Nam. Witpro Sdn. Bhd. in turn owns 200,000 ENRA Shares.

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

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

7. APPROVALS REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to the approval of the shareholders of ENRA at the forthcoming 31st AGM or at any adjournment thereof.

8. DIRECTORS' RECOMMENDATION

The Board, having considered all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of ENRA and the Board therefore recommends that you vote in favour of the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 31st AGM.

9. FORTHCOMING AGM

The 31st AGM of ENRA will be conducted virtually through live streaming and online remote voting using the remote participation and voting facilities hosted on the Securities Services e-Portal at <https://sshsb.net.my/> to be provided by SS E Solutions Sdn. Bhd. from the broadcast venue at Meeting Room of Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur on Thursday, 7 September 2023 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Renewal of Shareholders' Mandate pursuant to the agenda of Special Business as detailed in the Company's Notice of AGM.

10. FURTHER INFORMATION

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

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

DATUK ALI BIN ABDUL KADIR
Independent Non-Executive Chairman

APPENDIX I

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

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

2. MATERIAL CONTRACTS

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

- (a) Share Sale Agreement dated 2 August 2021 entered into between ENRA Energy Sdn. Bhd. ("EESB"), Ekopintar Sdn. Bhd. and Hextar Global Berhad in relation to the sale of the entire issued share capital of ENRA Kimia Sdn. Bhd. by EESB for a cash consideration of RM50,000,000.
- (b) Settlement Agreement dated 16 December 2021 entered into between SPMT and ENRA SPM Labuan Limited ("ESPML") relating to SPMT withdrawing a notice of demand and refraining from presenting a winding-up petition against ESPML. ESPML had agreed to pay SPMT the outstanding sum of USD1,000,000 by way of paying USD250,000 upon execution of the Settlement Agreement and USD750,000 in six equal monthly installments.
- (c) Sale and Purchase Agreement dated 7 April 2022 entered into between Hamptons Homes Sdn. Bhd. ("HHSB") and Seri Pajam Properties Sdn. Bhd. ("SPPSB") whereby HHSB agreed to dispose to SPPSB two pieces of land known as GM522, Lot 605, Mukim Rasah, Daerah Seremban, Negeri Sembilan and GM911, Lot 984, Mukim Rasah, Daerah Seremban, Negeri Sembilan, for a cash consideration of RM4,500,000.
- (d) ESPML, PT Cakra Manunggal Semesta ("PT CMS"), ENRA SPM, Sea Trust Marine Pte Ltd, PT Adidaya Energi Mandiri ("PT AEM") and SPMT had reached a Settlement Agreement, effective from 15 August 2022 to amicably conclude a full and final settlement of various disputes which were relating to the BIMCO Standard Bareboat Charter dated 16 October 2017 and Settlement Agreement dated 9 December 2019. In the agreement, ESPML paid the sum of USD3,200,000 to PT CMS and USD150,000 to PT AEM.

3. MATERIAL LITIGATIONS

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

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office at D3-U6-15, Block D3, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia during normal business hours on Monday to Friday (except public holidays) from the date of this Statement/Circular up to the date of AGM:

- (a) the Constitution of ENRA;
- (b) the audited consolidated financial statements for the past two (2) financial years ended 31 March 2022 and 31 March 2023 respectively; and
- (c) the material contracts referred to in Appendix 1, Section 2 above.

APPENDIX II

EXTRACT OF NOTICE OF THE 31st AGM

NOTICE IS HEREBY GIVEN that the Thirty-First (31st) Annual General Meeting of ENRA Group Berhad (“Company”) will be held **virtually and live-streamed** for the purpose of considering and if thought fit, with or without modifications passing the resolutions setting out in this notice.

- Meeting Platform : Securities Services e-Portal (“SS e-Portal”) at <https://sshsb.net.my/>
Day and Date : Thursday, 7 September 2023
Time : 10:00 a.m.
Broadcast Venue : Meeting Room of Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara, Damansara Heights,
50490 Kuala Lumpur, Malaysia
- Mode of Communication : 1) Typed texts through a text box within SS e-Portal before the start or during the live streaming.
2) Alternatively, you may submit your questions to ir@enra.my by 10:00 a.m. on 5 September 2023 (48 hours before the commencement of the 31st AGM) and the Board of Directors (“Board”) will endeavour to respond to the questions submitted during the 31st AGM.

AS SPECIAL BUSINESS

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

7. Proposed Renewal of Share Buy-Back Authority

*Ordinary
Resolution 6*

“THAT subject to the Companies Act, 2016 (“the Act”), Bursa Malaysia Securities Berhad (“Bursa Securities”), Main Market Listing Requirements (“MMLR”), the Constitution of the Company and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company (“Proposed Share Buy-Back”) as may be determined by the Board of Directors (“Board”) from time to time through Bursa Securities upon such terms and conditions as the Board may deem fit and expedient in the best interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company;

THAT the maximum funds to be allocated by the Company for the purpose of the Proposed Share Buy-Back shall not exceed the aggregate retained profits of the Company based on its latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s);

THAT at the discretion of the Board, the shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and/or distributed as dividends and/or resold on Bursa Securities and/or transferred the shares for the purposes of or under an employees’ share scheme in the manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and Bursa Securities MMLR and any other relevant authorities for the time being in force;

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

- (i) the conclusion of the next Annual General Meeting of the Company following this general meeting at which such resolution was passed at which time it will lapse unless by ordinary resolution passed at that Meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company after that date is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first.

AND THAT the Board be and is hereby authorised to take such steps to give full effect to the Proposed Share Buy-Back with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.”

8. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Ordinary
Resolution 7

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions from time to time, which are necessary for the day-to-day operations as set out in Section 2.3 of Part B of the Circular to Shareholders dated 27 July 2023 which are of a revenue or trading nature and carried out in the ordinary course of business and are on 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, subject to the compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act, 2016 ("the Act"), the Company's Constitution and all other applicable laws, guidelines, rules and regulations.

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

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

whichever is the earlier.

THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

By Order of the Board

CHIN SOO CHING
MAICSA 7042265
SSM Practicing Certificate No. 202008002101
Company Secretary

Kuala Lumpur
27 July 2023

EXPLANATORY NOTES ON SPECIAL BUSINESS:

6. Proposed Share Buy-Back Authority

The proposed adoption of Ordinary Resolution No. 6 is for the purpose of renewing the authority granted by the shareholders of the Company at the 30th AGM held on 27 September 2022. The aforesaid proposed renewal will allow the Board to exercise the power of the Company to purchase not more than ten per centum (10%) of the total number of issued shares of the Company at any time within the time period stipulated in Bursa Securities Main LR. Further information on the Proposed Share Buy-Back Authority is set out in the Circular to Shareholders dated 27 July 2023.

7. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

The proposed Ordinary Resolution 7, if passed, will enable the Company and/or its subsidiary companies to enter into recurrent transactions involving the interests of the related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business on terms not favourable than those generally available to the public and are not detrimental to the minority shareholders of the Company. Details on the Proposed Renewal of Shareholders' Mandate is set out in the Circular to Shareholders dated 27 July 2023.