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

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This Circular is being made available to you for information purposes only to enable you to consider the Proposals (as defined herein) at the Extraordinary General Meeting ("**EGM**"), and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. This Circular is not for release, publication or distribution, directly or indirectly, in the United States or to U.S. persons or to any jurisdiction where to do so would be unlawful.

The CRPS (as defined herein) have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the CRPS are being offered and sold only outside the United States to non-U.S. persons in offshore transactions in reliance on the exemption from Securities Act registration requirements provided by Regulation S under the Securities Act and pursuant to the applicable laws of the jurisdictions where those offers and sales are made.



HIBISCUS PETROLEUM BERHAD
Registration Number: 200701040290 (798322-P)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE FOLLOWING:

- (I) **PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 2,000,000,000 NEW CONVERTIBLE REDEEMABLE PREFERENCE SHARES ("CRPS") BY WAY OF PRIVATE PLACEMENT EXERCISE TO RAISE UP TO RM2.00 BILLION; AND**
- (II) **PROPOSED AMENDMENTS TO THE CONSTITUTION OF HIBISCUS PETROLEUM BERHAD TO FACILITATE THE ISSUANCE OF THE CRPS**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Joint Principal Advisers & Joint Bookrunners



Hong Leong Investment Bank Berhad
(Registration No. 197001000928 (10209-W))
(A Participating Organisation of Bursa Malaysia Securities Berhad)
(A Trading Participant of Bursa Malaysia Derivatives Berhad)



CIMB Investment Bank Berhad
Registration No. 197401001266 (18417-M)

Joint Bookrunner



AFFIN HWANG INVESTMENT BANK BERHAD
(Registration No. 197301000792 (14389-U))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of EGM of Hibiscus Petroleum Berhad together with the Form of Proxy are enclosed in this Circular. The EGM will be held on a fully virtual basis, the details of which are as follows:

Date and time of the virtual EGM	:	Tuesday, 3 November 2020 at 9:30 a.m., or at any adjournment of the EGM
Broadcast venue of the virtual EGM	:	Tricor Business Centre Manuka 2 & 3 Meeting Room Unit 29-01, Level 29 Tower A, Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur
Last day and time for lodging the Form of Proxy	:	Sunday, 1 November 2020 at 9:30 a.m.

This Circular is dated 12 October 2020

DEFINITIONS

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

2P	:	Proved plus Probable
Acquisition(s)	:	Acquisitions of and/or investments in producing oil and gas assets (whether directly or indirectly, through entities holding such assets or otherwise)
Acquisition Costs	:	All costs related to the Acquisition(s) including purchase consideration, associated transaction costs and transition costs
Act	:	Companies Act 2016, as amended from time to time including all regulations made thereunder and any re-enactment thereof
Affin Hwang IB	:	Affin Hwang Investment Bank Berhad
AHUK	:	Anasuria Hibiscus UK Limited
Anasuria FPSO	:	Anasuria floating production storage and offloading vessel
bbl	:	barrel
Board	:	The Board of Directors of our Company
Bursa Securities	:	Bursa Malaysia Securities Berhad
CIMB	:	CIMB Investment Bank Berhad
Circular	:	This circular to the shareholders of our Company dated 12 October 2020
CMSA	:	Capital Markets and Services Act 2007, as amended from time to time including all regulations made thereunder and any re-enactment thereof
CRPS	:	New Islamic convertible redeemable preference shares or conventional convertible redeemable preference shares to be issued by our Company
Definitive Agreement	:	Binding primary definitive agreement for the Acquisition(s)
Dr. Kenneth or Interested Director	:	Dr. Kenneth Gerard Pereira, being the Managing Director of our Company
EGM	:	Extraordinary general meeting
EPS	:	Earnings per Share
First Tranche Issue Date	:	The date on which the first tranche of the CRPS is issued

DEFINITIONS (CONT'D)

FYE	:	Financial year ended / ending, as the case may be
GBP	:	British pound
Group	:	Hibiscus Petroleum and its subsidiaries, collectively
Hibiscus Petroleum or Company	:	Hibiscus Petroleum Berhad
Hibiscus Share(s) or Share(s)	:	Ordinary share(s) in Hibiscus Petroleum
Hibiscus Upstream or Interested Major Shareholder	:	Hibiscus Upstream Sdn Bhd, being a major shareholder of our Company
HLIB	:	Hong Leong Investment Bank Berhad
Independent Expert	:	An established independent expert to be appointed by our Company to determine the satisfaction of qualifying parameters of such asset(s) prior to entering into the Definitive Agreement
IRR	:	Internal rate of return
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	15 September 2020, being the latest practicable date prior to the printing of this Circular
Maturity Date	:	The day which is the 2 nd anniversary of the First Tranche Issue Date
NA	:	Net assets
Net Proceeds	:	The net proceeds (after deducting all costs and expenses relating to the issuance of CRPS) to be raised from the issuance of the CRPS
NOCs	:	National oil companies
Proposals	:	Proposed Private Placement of CRPS and Proposed Amendments, collectively
Proposed Allotment to Dr. Kenneth	:	Proposed specific allotment and issuance of a minimum of 8,000,000 and up to 50,000,000 CRPS at an issue price of RM1.00 per CRPS to Dr. Kenneth
Proposed Amendments	:	Proposed amendments to the Constitution of our Company to facilitate the issuance of the CRPS

DEFINITIONS (CONT'D)

Proposed Private Placement of CRPS	:	Proposed allotment and issuance of up to 2,000,000,000 new CRPS by way of private placement exercise to raise up to RM2.00 billion
RCPS	:	The existing redeemable convertible preference shares in our Company
Redemption Notice	:	Our Company's prior written notice, of not less than 30 days to the CRPS holder(s), to redeem in whole or part thereof the outstanding CRPS held by such CRPS holder(s) in one lump sum, at the redemption price, subject to compliance with the Act
Redemption Upon Maturity	:	All the outstanding CRPS shall be subject to redemption by our Company in one lump sum, at the Redemption Price (as set out in Section 2.1.2 of this Circular), on the Maturity Date, subject to compliance with the Act. The redemption premium of such CRPS shall be out of profits, or at our Company's absolute discretion, any other legally permitted source(s) and (in the case of Islamic CRPS) Shariah compliant source(s)
Relevant Issue Date	:	Date of issuance of the relevant tranche of CRPS
RM and sen	:	Ringgit Malaysia and sen, respectively
Trust Account	:	An Islamic trust account to be maintained with a licensed bank by an independent custodian, in which the Net Proceeds will be placed
UK	:	United Kingdom
USD	:	United States Dollar
VWAMP	:	Volume weighted average market price

All references to "**our Company**" in this Circular are to Hibiscus Petroleum and references to "**our Group**" collectively refers to our Company and our subsidiaries. References to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company, and where the context otherwise requires, shall include our Company and subsidiaries.

All references to "**you**" and "**your**" in this Circular are to our shareholders, unless the context otherwise requires.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

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

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

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to differ materially from the anticipated results, performance and achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Group's plans and objectives will be achieved.

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HIBISCUS PETROLEUM BERHAD
Registration Number: 200701040290 (798322-P)
(Incorporated in Malaysia)

Registered Office:

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

12 October 2020

Board of Directors:

Zainul Rahim bin Mohd Zain (*Non-Independent Non-Executive Chairman*)
Dr. Kenneth Gerard Pereira (*Managing Director*)
Dato' Sri Roushan Arumugam (*Independent Non-Executive Director*)
Thomas Michael Taylor (*Senior Independent Non-Executive Director*)
Dato' Dr. Zaha Rina binti Zahari (*Independent Non-Executive Director*)

To: Our shareholders

Dear Sir/Madam,

- (I) PROPOSED PRIVATE PLACEMENT OF CRPS; AND**
 - (II) PROPOSED AMENDMENTS**
-

1. INTRODUCTION

On 9 September 2020, HLIB and CIMB, on behalf of our Board, announced that our Company proposes to undertake the Proposals.

On 8 October 2020, HLIB and CIMB, on behalf of our Board, announced that Dr. Kenneth had declared his intention to participate in the book-building exercise to be carried out in relation to the Proposed Private Placement of CRPS by subscribing in cash for a minimum of 8,000,000 and up to 50,000,000 CRPS at an issue price of RM1.00 per CRPS. The final amount of CRPS to be subscribed by Dr. Kenneth is subject to, amongst others, the availability of financing on acceptable terms from financial institutions.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION PERTAINING TO THE PROPOSALS TOGETHER WITH THE RECOMMENDATION FROM OUR BOARD AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED PRIVATE PLACEMENT OF CRPS, PROPOSED ALLOTMENT TO DR. KENNETH AND PROPOSED AMENDMENTS TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED PRIVATE PLACEMENT OF CRPS, PROPOSED ALLOTMENT TO DR. KENNETH AND PROPOSED AMENDMENTS TO BE TABLED AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Private Placement of CRPS

The Proposed Private Placement of CRPS entails the issuance of up to 2,000,000,000 units of CRPS to raise up to RM2.00 billion through a private placement exercise.

HLIB, CIMB and Affin Hwang IB have been appointed as Joint Bookrunners to procure prospective placees for the CRPS.

2.1.1 Placement arrangement

The CRPS are intended to be placed out to Malaysian and foreign investors who fall within the ambit of Schedules 6 and 7 of the CMSA, to be identified at a later date by way of book-building.

In this regard, such persons who qualify as placees under Schedules 6 and 7 of the CMSA include:

- (i) a corporation with total net assets exceeding RM10.00 million or its equivalent in foreign currencies based on the last audited accounts; or
- (ii) a partnership with total net assets exceeding RM10.00 million or its equivalent in foreign currencies; or
- (iii) an individual whose total net personal assets, or total net joint assets with his or her spouse, exceed RM3.00 million or its equivalent in foreign currencies, excluding the value of the individual's primary residence; or
- (iv) an individual who has a gross annual income exceeding RM300,000.00 or its equivalent in foreign currencies per annum in the preceding twelve months; or
- (v) an individual who, jointly with his or her spouse, has a gross annual income exceeding RM400,000.00 or its equivalent in foreign currencies per annum in the preceding twelve months.

It is also the intention of our Board to place out the CRPS to investors who are committed to our growth. As such, the shareholders of our Company may subscribe for the CRPS through the book-building exercise to be carried out for the Proposed Private Placement of CRPS provided they qualify as placees under Schedules 6 and 7 of the CMSA.

Subject to market conditions and the timing of identification of placees, the Proposed Private Placement of CRPS may be implemented in single or multiple tranches within six (6) months from the date of the approval given by Bursa Securities for the Proposed Private Placement of CRPS or any extended period as may be approved by Bursa Securities. The implementation of the Proposed Private Placement of CRPS in multiple tranches would accord flexibility to our Company to procure interested investors to subscribe for the CRPS from time to time.

The book-building for the first tranche of the Proposed Private Placement of CRPS is expected to commence upon the conclusion of our EGM and complete by mid-November 2020.

2.1.2 Indicative salient terms of the CRPS

- Issuer : Hibiscus Petroleum
- Type : Islamic or conventional, depending on the timing of receipt of the relevant approvals.
- Issue Size : Up to RM2.00 billion. The CRPS may be placed out in single or multiple tranches.
- Permitted Utilisation : The Net Proceeds will be utilised in relation to Acquisition(s) (which will be Shariah compliant in the case of Islamic CRPS) including the Acquisition Costs.

The qualifying parameters of such assets are as follows:

- (i) Payback period⁽¹⁾: ≤5 years
- (ii) IRR⁽²⁾: ≥12%
- (iii) Geographical location of the assets: South East Asia
- (iv) Maximum number of Acquisitions: 3

Notes:

- (1) *Payback period is the number of years required to achieve cash flow breakeven from the completion of the Acquisition, i.e. the number of years for the sum of the expected cash flows from the asset to equal to the total purchase consideration paid for the asset. This would be computed at the asset level based on 2P case production and cost profiles.*
- (2) *IRR is the discount rate for which the net present value of the expected cash flows from asset is equal to zero. This takes into consideration the total purchase consideration paid for the asset and would be computed at the asset level based on 2P case production and cost profiles.*
- (3) *The satisfaction of the qualifying parameters shall be determined by the Independent Expert prior to entering into the relevant Definitive Agreement for such Acquisition(s).*
- (4) *Any use of the Net Proceeds for transaction costs in relation to the Acquisitions and transition costs incurred up to the completion of the Acquisition shall not exceed 2.0% of the total consideration payable for the subject asset(s).*

- Form and Denomination : The CRPS will be issued in registered form and will be constituted by the Constitution.

The CRPS is a “**preference share**” for purposes of the Act. All features, terms and entitlements relating to the CRPS are applicable only to the fullest extent that such features, terms and/or entitlements are applicable or can be applied to preference shares under the Act.

- Tenure : For each tranche of CRPS issued, the tenure will commence on the Relevant Issue Date up to the Maturity Date.

Maturity Date : The day which is the 2nd anniversary of the First Tranche Issue Date.
For avoidance of doubt, (where applicable) all tranches of CRPS will be subject to the same Maturity Date.

Preferential Dividend (non-cumulative) : Prior to the Maturity Date, our Company may at its absolute discretion and subject to the availability of distributable profits and compliance with the Act, declare a targeted preferential dividend rate calculated based on the issue price of the CRPS to be redeemed, which shall be payable on the Maturity Date:

$$D = r \times \frac{N}{365}$$

D = Targeted dividend rate (%)

r = 4.0% per annum

N = Number of days from Relevant Issue Date to the Maturity Date of the CRPS

The actual preferential dividends, if declared, may be lower than the targeted preferential dividend rate depending on the availability of distributable profits.

The preferential dividend shall not be applicable to CRPS which are redeemed or converted before the Maturity Date.

Conversion Price : The conversion price for the first tranche of CRPS has been fixed at RM0.66, representing approximately 10% premium over the 5-day VWAMP of Hibiscus Shares on Bursa Securities up to 8 September 2020 (the last market day prior to the announcement made on 9 September 2020) of RM0.5972.

In the event that there are subsequent tranches of CRPS being placed out, the conversion price for the subsequent tranches of CRPS will be fixed at a premium of up to 10% over the 5-day VWAMP up to and including the market day immediately before the price-fixing date.

The number of Hibiscus Shares to be allotted and issued on each conversion shall be determined by dividing the aggregate Notional Value (as defined below) of the relevant CRPS by the Conversion Price. Any fractional entitlement shall be disregarded and be dealt with by our Board at its absolute discretion in such manner as it may deem fit, expedient and in the best interest of our Company. No refund or credit, whether in the form of CRPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.

The Conversion Price shall be subject to adjustments from time to time, at the determination of our Board, in the event of any relevant alteration to our Company's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Constitution. Our Company shall give notice in writing to the CRPS holders of its intention to make such adjustments to the Conversion Price.

Issue Price or Notional Value : The issue price of RM1.00 per CRPS.

Conversion Period : The period commencing from the Relevant Issue Date up to 6 market days prior to the Maturity Date (both dates inclusive).

Conversion Rights (Optional Conversion) : The CRPS shall be convertible into new Hibiscus Shares at the Conversion Price without payment of additional consideration by the CRPS holder at the option of the CRPS holder at any time during the Conversion Period, except that any conversion notice submitted by the CRPS holders to Hibiscus Petroleum during the period(s) when the CRPS are suspended for trading on Bursa Securities or otherwise for purposes of any Mandatory Conversion, will only be processed after completion of the said Mandatory Conversion.

In the event Hibiscus Petroleum exercises the Redemption Option, any exercise of the Conversion Rights by the CRPS holders in respect of their CRPS which are subject to the Redemption Option shall prevail and the Redemption Notice shall be disregarded in respect of such CRPS, provided that the CRPS holders have exercised their Conversion Rights no later than 6 market days prior to the redemption date.

Mandatory Conversion : Upon completion of an Acquisition at any time up to 30 days before the Maturity Date, the CRPS will be mandatorily converted into new Hibiscus Shares at the Conversion Price on a pro-rata basis based on the following formula:

$$M = \frac{A}{B} \times O$$

M = Number of CRPS held by each CRPS holder that are subject to mandatory conversion (rounded downwards to the nearest whole number)

A = Amount utilised for Acquisition Cost in relation to the subject Acquisition which has been completed

B = Net Proceeds less amount utilised for Acquisition Cost in relation to all previously completed Acquisition(s)

O = Number of outstanding non-converted CRPS held by each CRPS holder

In the event there are completed Acquisition(s), Mandatory Conversion will apply to all the then outstanding non-converted CRPS in issue on a pro-rata basis, regardless of tranches.

Redemption Option : Our Company may, at the end of the 18th month from the First Tranche Issue Date, have the option to redeem in whole or part thereof the outstanding CRPS held by such CRPS holder in one lump sum, at the Redemption Price, by giving a Redemption Notice subject to compliance with the Act.

Redemption Upon Maturity : All the outstanding CRPS shall be subject to redemption by our Company in one lump sum, at the Redemption Price, on the Maturity Date, subject to compliance with the Act.

The redemption premium of such CRPS shall be out of profits, or at our Company's absolute discretion, any other legally permitted source(s) and (in the case of Islamic CRPS) Shariah compliant source(s). For the avoidance of doubt, if there are insufficient profits at the time of redemption, our Company shall have no obligation to pay the redemption premium out of profits and our Company shall have the absolute discretion to pay such redemption premium out of any other legally permitted source(s) and (in the case of Islamic CRPS) Shariah compliant source(s).

The Redemption Upon Maturity will be triggered if there is no Mandatory Conversion or where there are any outstanding CRPS not converted into new Hibiscus Shares.

In the event of Redemption Upon Maturity, our Company plans to apply the monies in the Trust Account towards payment of the Redemption Price. In the unlikely event that our Company may not have sufficient financial resources and/or solvency to pay the redemption premium component of the Redemption Price at the Maturity Date due to unforeseen circumstances, our Company proposes to mitigate any shortfall arising through utilisation of income generated from the investment of funds in the Trust Account, proceeds from Optional Conversion (which remains in the Trust Account), internally generated funds, proceeds from issuance of new Hibiscus Shares and/or other legally permitted source(s) and (in the case of Islamic CRPS) Shariah compliant source(s) (as may be decided by our Board at its absolute discretion at the material time) as soon as practicable after the Maturity Date.

Redemption Price : The redemption price for the CRPS will be determined based on the formula below:

$$R = \left[1 + \left(r \times \frac{U}{365} \right) \right] \cdot P$$

R = Redemption price per CRPS (in RM)

r = 4.0% per annum

U = Number of days from the Relevant Issue Date to the redemption date of the CRPS

P = Dividends declared in respect of the CRPS, if any (in RM)

The amount by which "R" exceeds the Issue Price represents the redemption premium.

Trust Account : The Net Proceeds will be placed in the Trust Account to be maintained with a licensed bank by an independent custodian.

The monies in the Trust Account may only be released by the custodian for the following:

- (i) Permitted Utilisation at any time up to 30 days before the Maturity Date subject to the applicable confirmation of the Independent Expert in relation to the relevant qualifying parameters; and
- (ii) Redemption of the CRPS or payment of CRPS dividends.

Pending utilisation, the funds in the Trust Account may be invested in the following:

- Islamic deposits with licensed Islamic financial institutions;
- Islamic banker acceptances, Islamic bills, Islamic money market instruments issued by licensed Islamic financial institutions;
- Islamic treasury bills, Islamic money market instruments and sukuk issued by Bank Negara Malaysia or the Government of Malaysia; and/or
- Islamic commercial papers and sukuk guaranteed by the Government of Malaysia.

All income earned from such investments will be remitted into the Trust Account. All balance monies (if any) remaining in the Trust Account, after the applicable redemption of the CRPS following the Maturity Date, shall be released to our Company.

Priority on Winding-Up or Liquidation : The CRPS shall rank in priority to the Hibiscus Shares and the existing RCPS in any repayment of capital in the event of liquidation, dissolution or winding-up of our Company, provided that the CRPS shall not be entitled to participate in any surplus capital, assets or profits of our Company.

Ranking : (i) The CRPS (regardless of tranches) shall rank *pari passu* among themselves and shall rank as to applicable dividends and payment of capital up to the Redemption Price in priority to the existing RCPS and Hibiscus Shares. Notwithstanding that the CRPS for all tranches shall rank *pari passu* among themselves, where the CRPS are issued in multiple tranches with different conversion prices and/or tenure, the CRPS for each tranche that are issued at different conversion prices will be given a separate identification by Bursa Securities for quotation and trading purposes (where applicable).

(ii) The new Hibiscus Shares to be issued pursuant to the conversion of the CRPS shall rank *pari passu* in all respects with the then existing Hibiscus Shares save and except that such new Hibiscus Shares shall not be entitled to any dividends, rights, allotments, and/or other distributions, the entitlement date of which is prior to the relevant date of issue of the new Hibiscus Shares.

- Voting Rights : Other than any mandatory statutory or regulatory imposed voting rights which may be applicable, the CRPS holders shall not be entitled to vote in person or by proxy or otherwise in any general meeting of our Company except:
- (i) on a proposal that affects the rights attached to the CRPS; and
 - (ii) on a proposal to wind-up our Company.
- In the event of the above, the CRPS holders shall be entitled to vote at the relevant general meetings of the members of its class, and on a poll at any such general meetings, be entitled to one (1) vote for each CRPS held.
- Transferability : The CRPS are transferable.
- Allocation : The final allocation of the CRPS to the applicants will be subject to the discretion/approval of our Board.
- Listing Status : The CRPS will be listed and quoted on the Main Market of Bursa Securities, subject to compliance with the Listing Requirements.
- The new Hibiscus Shares to be issued arising from the conversion of the CRPS will be listed and quoted on the Main Market of Bursa Securities.

2.1.3 Basis of determining the issue price and conversion price of the CRPS

The issue price for the CRPS of RM1.00 each is based on the most common denominator.

The conversion price for the first tranche of the CRPS has been fixed at RM0.66, representing a premium of approximately 10% over the 5-day VWAMP of Hibiscus Shares on Bursa Securities up to 8 September 2020, being the last market day prior to the announcement made on 9 September 2020 of RM0.5972.

In the event that there are subsequent tranches of CRPS being placed out, the conversion price for the subsequent tranches of CRPS will be fixed at a premium of up to 10% over the 5-day VWAMP up to and including the market day immediately before the price-fixing date.

The basis of determining the conversion price of the CRPS takes into consideration the following:

- (i) the salient terms of the CRPS; and
- (ii) prevailing share price performance and liquidity of the Hibiscus Shares.

The actual number of new Hibiscus Shares to be issued depends on the conversion prices of the CRPS, the actual number of CRPS to be placed out and the conversion of CRPS into new Hibiscus Shares.

For illustrative purposes:

- (i) assuming full subscription of the CRPS and full conversion of all CRPS into new Hibiscus Shares based on the conversion price of RM0.66 per new Hibiscus Share, our Company will allot and issue 3,030,303,030 new Hibiscus Shares. The 3,030,303,030 new Hibiscus Shares to be allotted and issued represent:
 - (a) about 190.80% of the existing issued share capital of our Company as at the LPD; and

- (b) about 65.61% of the issued share capital of our Company as at the LPD as enlarged by the allotment and issue of such new Hibiscus Shares (assuming no exercise of outstanding Warrants-C).
- (ii) assuming an investor wishes to subscribe for 1,000,000 CRPS under the first tranche of CRPS:
- (a) the investor would pay RM1,000,000; and
- (b) assuming full conversion of the 1,000,000 CRPS, the total number of new Hibiscus Shares to be issued and allotted to the investor would be 1,515,151[^] new Hibiscus Shares.

Note:

[^] *RM1,000,000 divided by conversion price of RM0.66 equals to 1,515,151.52 new Hibiscus Shares. The fractional entitlement of 0.52 shall be disregarded and be dealt with by our Board at its absolute discretion in such manner as it may deem fit, expedient and in the best interest of our Company.*

- (iii) In the event the Proposed Private Placement of CRPS is placed out in multiple tranches, the conversion price for the subsequent tranches of CRPS will be fixed at a premium of up to 10% over the 5-day VWAMP up to and including the market day immediately before the price-fixing date, and should the conversion price for the subsequent tranches of CPRS be lower than that of RM0.66 per new Hibiscus Share, there is a possibility that the aggregate number of Hibiscus Shares to be issued upon the conversion of the CRPS may exceed 3,030,303,030 new Hibiscus Shares. In such instance, an application will be made to Bursa Securities for approval in respect of the listing of and quotation for such additional number of new Hibiscus Shares.

For information, the monthly highest and lowest market prices of Hibiscus Shares traded on Bursa Securities for the past 12 months up to the LPD are as follows:

	<u>Low</u>	<u>High</u>
	RM	RM
<u>2019</u>		
October	0.925	0.980
November	0.860	0.990
December	0.865	0.975
<u>2020</u>		
January	0.850	1.070
February	0.730	0.920
March	0.245	0.765
April	0.330	0.545
May	0.475	0.660
June	0.570	0.720
July	0.595	0.655
August	0.570	0.665
September	0.490	0.615
The last transacted market price of Hibiscus Shares on 8 September 2020, being the last market day immediately prior to the announcement of the Proposals	RM0.575	
The last transacted market price of Hibiscus Shares as at the LPD	RM0.520	

(Source: Bloomberg)

2.1.4 Listing of the CRPS and new Hibiscus Shares to be issued upon conversion of the CRPS

Bursa Securities had, vide its letter dated 22 September 2020, approved the following:

- (i) admission to the Official List and the listing of up to 2,000,000,000 CRPS to be issued pursuant to the Proposed Private Placement of CRPS; and
- (ii) listing of up to 3,030,303,030 new Hibiscus Shares to be issued pursuant to the conversion of CRPS,

subject to the conditions which are set out in **Section 8** of this Circular.

2.1.5 Minimum subscription level

There is no minimum subscription level in terms of proceeds to be raised by our Company from the Proposed Private Placement of CRPS.

2.1.6 Public holding spread requirement

Under the Listing Requirements, we are required to have at least 100 public CRPS holders holding not less than 100 CRPS each, at the point of listing of and quotation for the new CRPS (or for each tranche of CRPS, if placed out in multiple tranches) to be issued pursuant to the Proposed Private Placement of CRPS on the Main Market of Bursa Securities.

If the aforesaid public holding spread requirement is not met following the book-building exercise for the Proposed Private Placement of CRPS, the CRPS will still be issued but it will not be listed and quoted on the Main Market of Bursa Securities.

Notwithstanding the above, all other features, terms and entitlements relating to the CRPS remain applicable pursuant to the terms of its issuance.

2.2 Proposed Allotment to Dr. Kenneth

On 8 October 2020, HLIB and CIMB, on behalf of our Board, announced that Dr. Kenneth had declared his interest to participate in the book-building exercise to be carried out in relation to the Proposed Private Placement of CRPS by subscribing in cash for a minimum of 8,000,000 and up to 50,000,000 CRPS at an issue price of RM1.00 per CRPS. The final amount of CRPS to be subscribed by Dr. Kenneth is subject to, amongst others, the availability of financing on acceptable terms from financial institutions.

The Proposed Allotment to Dr. Kenneth is expected to further strengthen the alignment of interests between the management and the shareholders of our Company.

In compliance with Paragraph 6.06 of the Listing Requirements, specific approval will be sought from our non-interested shareholders for the Proposed Allotment to Dr. Kenneth at our forthcoming EGM.

For illustrative purposes and assuming full allocation and subscription of 50,000,000 CRPS under the Proposed Allotment to Dr. Kenneth and the conversion of the entire 50,000,000 CRPS by Dr. Kenneth at the conversion price of RM0.66 per Hibiscus Share (assuming no conversion by any other holders of CRPS), the direct and indirect shareholdings of Dr. Kenneth in our Company as at the LPD will increase to 14.70%.

Based on and assuming the illustration above, the full conversion by Dr. Kenneth of the CRPS proposed to be allocated to him (on a standalone basis) is not expected to trigger a mandatory take-over offer obligation by Dr. Kenneth under the Rules on Take-Overs, Mergers and Compulsory Acquisitions 2016.

For the avoidance of doubt, the subscription of the CRPS by Dr. Kenneth is not dependent upon the subscription of CRPS by any other party.

2.2.1 Information on Dr. Kenneth

Dr. Kenneth, a Malaysian, aged 62, is Managing Director of our Company. Dr. Kenneth was appointed to the Board on 13 September 2010.

Academic / professional qualification(s):

- Doctorate in Business Administration, University of South Australia, Australia
- Masters in Business Administration (MBA), Cranfield University, United Kingdom
- B.Sc (Honours) in Engineering, Bath University, United Kingdom

Work experience and/or past directorship(s) and/or appointment(s):

- 32 years of experience in the oil & gas industry (both in services and exploration and production (“E&P”))
- Managing Director, Interlink Petroleum Ltd, an oil & gas E&P company listed on the BSE (formerly known as Bombay Stock Exchange)
- Chief Operating Officer, SapuraCrest Petroleum Berhad (now part of Sapura Energy Berhad group of companies)
- Vice President, Energy Sector Projects of Sapura Energy Sdn Bhd
- Various positions at Sapura group of companies
- Previously worked for Schlumberger Overseas (as a Field Engineer in North Africa, Asia and Europe).

As at the LPD, Dr. Kenneth does not hold any directorship in any other listed entity or other public listed companies.

Please refer to Section 9 of this Circular for details of Dr. Kenneth’s equity interest in our Company.

2.3 Proposed Amendments

The Proposed Amendments will involve amendments to the relevant clauses of the Constitution of our Company in order to facilitate the issuance of CRPS under the Proposed Private Placement of CRPS.

Kindly refer to **Appendix I** of this Circular for further details of the Proposed Amendments.

3. RATIONALE OF THE PROPOSALS

3.1 Proposed Private Placement of CRPS

The COVID-19 pandemic and low oil price environment initially slowed down mergers and acquisitions activity globally in the first half of the calendar year 2020.

Deal activity is expected to pick up in the second half of calendar year 2020 and beyond, with divestments driven by the oil majors (*Source: Rystad Energy, “M&A Upstream: Is the Appetite Picking Up?”, September 2020*). Accordingly, our Group has accelerated its asset acquisition plans. As established exploration and production players, especially those in Europe, assess their portfolios in light of an increasing focus on the renewable energy space, Hibiscus Petroleum sees acquisition opportunities for good-value and high-quality producing oil and gas assets.

Our Group will prioritise assets with strong production potential coupled with cost optimisation opportunities and remains committed to growing its business in its areas of geographic focus, particularly South East Asia.

As part of its accelerated plans to acquire good-value, high-quality producing assets, our Company is proposing to raise up to RM2.00 billion by way of issuance of CRPS to fund such acquisitions as set out in **Section 4** below.

Our Board is of the view that the Proposed Private Placement of CRPS is the most appropriate avenue to raise funds for our Group due to the following reasons:

- (i) it enables our Group to raise funds upfront so as to optimise the chances of acquiring attractive assets in a timely manner, particularly those assets sold via bidding rounds with tight timelines. Such acquisitions are expected to contribute positively to our earnings potential in the near future, if materialised;
- (ii) it minimises unnecessary dilution to the shareholdings of our existing shareholders as the CRPS are mandatorily converted only in the event of Acquisitions. Any Net Proceeds not utilised (net of optional conversion) will be returned to the CRPS holders upon redemption at maturity or our Company may, at the end of the 18th month from the First Tranche Issue Date, have the option to redeem in whole or part thereof the outstanding CRPS held by such CRPS holders, at the Redemption Price after compliance with applicable regulatory requirements.

In comparison, straight equity issuances are viewed as being too dilutive to the shareholdings of our existing shareholders if assets are not acquired.

- (iii) the conversion price for the CRPS is fixed at a premium of up to 10% over the 5-day VWAMP of Hibiscus Shares up to and including the market day immediately before the price-fixing date, unlike a rights issue or private placement of ordinary shares which is usually issued at a discount to the market share price;
- (iv) it enables our Company to raise funds without incurring additional profit expenses or servicing principal repayments as compared to bank borrowings, thereby allowing our Group to preserve its cash flow, on the premise that the CRPS will be converted into new Hibiscus Shares;
- (v) it enables our Group to strengthen its shareholders and capital base;
- (vi) the inclusion of safeguards for CRPS holders namely that the Net Proceeds will be placed with an independent custodian and will only be disbursed by such custodian after confirmation by an Independent Expert that the relevant pre-defined qualifying parameters have been met; and
- (vii) the CRPS holders are provided with an option to convert all or part of their CRPS into new Hibiscus Shares at any time during the Conversion Period.

Our Company has not undertaken any equity fund raising exercise in the past 12 months before the announcement of the Proposed Private Placement of CRPS.

3.2 Proposed Amendments

The Proposed Amendments are necessary for our Company to undertake the issuance of the CRPS under the Proposed Private Placement of CRPS. The Act requires, among others, that the rights of the preference shareholders with respect to repayment of capital, participation in surplus assets and profits, cumulative or non-cumulative dividends, voting and priority of payment of capital and dividend in relation to other shares or other classes of preference shares to be set out in the Constitution.

The Proposed Amendments seek to incorporate and address the relevant requirements of the Act with regard to the issuance of preference shares. Accordingly, the Proposed Amendments are inter-conditional with the Proposed Private Placement of CRPS. If you do not approve the Proposed Amendments, our Company will not be able to proceed with the Proposed Private Placement of CRPS.

4. UTILISATION OF PROCEEDS

The Proposed Private Placement of CRPS is expected to raise total gross proceeds of up to RM2.00 billion.

The gross proceeds raised from the Proposed Private Placement of CRPS are expected to be utilised as follows:

Description	RM'000	Estimated timeframe for the utilisation of proceeds
Permitted Utilisation ⁽¹⁾	1,937,500	Within 24 months from the receipt of the proceeds
Estimated expenses for the Proposals ⁽²⁾	62,500	Within 6 months from the receipt of the proceeds
Total	<u>2,000,000</u>	

Notes:

- (1) The proposed utilisation set out above is based on the scenario that the maximum of RM2.00 billion will be raised.

It is our intention to utilise the net proceeds of approximately RM1.94 billion (after defraying estimated expenses) raised from the Proposed Private Placement of CRPS for future acquisitions and/or investments in good-value high-quality producing oil and gas assets whether directly and/or indirectly through entities holding such assets, as further elaborated in the Permitted Utilisation definition in **Section 2.1.2** above.

The nature and quantum to be utilised for such purposes, may only be determined after the acquisition targets have been secured and after the following details have been confirmed:

- (i) the price of the acquisition and the amount which may be injected into the asset for further development; and
- (ii) the approved work programme and the debt and equity funding requirements.

The target producing assets will be located in South East Asia. The qualifying parameters of the Permitted Utilisation that will be applied to producing assets to be acquired are as follows:

- (a) Parameters

Parameters	Producing assets
Payback period ⁽ⁱ⁾	≤ 5 years
IRR ⁽ⁱⁱ⁾	≥ 12%
Maximum number of acquisitions	3

Notes:

- (i) *Payback period is the number of years required to achieve cash flow breakeven from the completion of the Acquisition, i.e. the number of years for the sum of the expected cash flows from the asset to equal to the purchase consideration paid for the asset. This would be computed at the asset level based on 2P case production and cost profiles.*

- (ii) *IRR is the discount rate for which the net present value of the expected cash flows from asset is equal to zero. This takes into consideration the total purchase consideration paid for the asset and would be computed at the asset level based on 2P case production and cost profiles.*

The satisfaction of the qualifying parameters shall be determined by the Independent Expert prior to entering into the relevant Definitive Agreement for such Acquisition(s).

Any use of the Net Proceeds for transaction costs in relation to the Acquisition(s) and transition costs incurred up to the completion of the Acquisition(s) shall not exceed 2.0% of the total consideration payable for the subject asset(s).

Any remaining amount after the Permitted Utilisation will be returned to the respective CRPS holders by way of redemption by our Company on the Maturity Date, subject to compliance with the Act.

- (2) The indicative breakdown of the estimated expenses for the Proposals are as follows:

Estimated expenses	RM million
Placement fees (up to)	60.00
Professional fees	1.68
Regulatory fees	0.35
Other incidental expenses	0.47
	62.50

Any surplus not utilised shall be reallocated to the Permitted Utilisation, while any shortfall shall be drawn from the Permitted Utilisation which allows for payment of costs and expenses relating to the issuance of the CRPS.

Prior to the release of funds by the independent custodian for utilisation by our Company, the Independent Expert shall verify the fulfilment of the Permitted Utilisation parameters, namely the payback period and IRR in relation to each asset to be acquired.

Pending utilisation of the Net Proceeds, the Net Proceeds will be placed in the Trust Account to be maintained with a licensed bank by the independent custodian. The funds in the Trust Account may be invested as set out in **Section 2.1.2** above. All income earned from such investments will be remitted into the Trust Account.

All balance monies remaining in the Trust Account, after the applicable redemption of the CRPS following the Maturity Date, shall be released to our Company.

No new proceeds will be raised from the conversion of all CRPS into new Hibiscus Shares as the conversion will be wholly satisfied through the surrender of the CRPS.

5. OUTLOOK OF THE OIL AND GAS INDUSTRY AND CURRENT BUSINESS AND PROSPECTS OF OUR GROUP

5.1 Overview and Outlook of the Oil and Gas Industry

According to the International Energy Agency, oil and natural gas meets more than half of global primary energy demand today and the oil and gas industries employ around 13 million people in upstream operations, refining and processing, transport and distribution and services. The COVID-19 pandemic has had a major impact on markets, particularly for oil, and oil demand is expected to be around 8.5% lower in 2020 than in 2019. There have also been sudden short-term shocks in both supply and demand that were well in excess of the industry's near-term capacity to adapt: in April 2020, oil demand was around 25% lower than a year ago, and prices have been very volatile. A number of countries have responded to lower prices by building up their strategic petroleum reserves, while a number of companies have announced sharp downward revisions to investment plans.

(Source: IEA (2020) Sustainable Recovery, World Energy Outlook Special Report, June 2020)

Based on research by Rystad Energy, an independent energy research and business intelligence company, the industry's response to the challenging market environment at the onset of the oil-price crash and the COVID-19 pandemic in March 2020 was rapid and decisive as upstream companies hit the brakes on spending, scaled back expenditures to preserve cash, secured supply chains, negotiated supplier discounts, organised staff movements and implemented new security and health protocols. Even though E&P players remain focused on driving down costs and strengthening balance sheets, the general pattern is that most of them found an equilibrium and settled on their final 2020 investment budgets by the end of the second quarter.

(Source: Rystad Energy, "E&P players settle on budget cuts as peak turbulence may have passed", August 2020)

Rystad Energy expects Southeast Asia's oil and gas industry to go through a phased recovery they term as Respond, Recover and Renew, towards a new normal after the COVID-19 pandemic. In the Respond phase, investments from national oil companies ("NOCs") will ensure continuity of activities to shore up production and prevent drastic supply chain disruptions. In the Recovery phase, the focus will be to mitigate risk by prioritising projects, restoring investment budgets and restarting new developments with better economics. Finally, the Renew phase is estimated to take investments above 2019 (pre-COVID-19) levels, including some major projects that will have a strong impact on investments and production trends in the region. The recovery speed will depend greatly on how well the pandemic is contained globally and regionally, on the timing and efficacy of a vaccine, and on companies' and governments' ability to collaborate to drive investments and activities.

A revival in investments is inevitable as NOCs are estimated to see strong production growth over the next couple of years. The large national players are set to account for about 60% of total investments this year and next, a share that will gradually decrease from 2022 onwards to less than 50% in 2024 as other E&P companies regain their footing. By the end of the recovery phase, Rystad Energy estimates that investments will return to pre-COVID-19 levels. The major push in investments is seen after 2025, however, as oil majors along with other independents and E&P companies boost their share of total investments to more than 43% by 2030.

The main Southeast Asian projects in the near term will primarily be the ones that were scheduled for sanctioning in 2020 from operators with a regional-focused portfolio.

Once the pandemic eases and the market uncertainty starts to fade, majors and other E&P players are expected to pick up pace and put projects with good economics back on track to recoup the development and production momentum lost due to COVID-19.

(Source: Rystad Energy, "Long recovery ahead for Southeast Asian investments and production", August 2020)

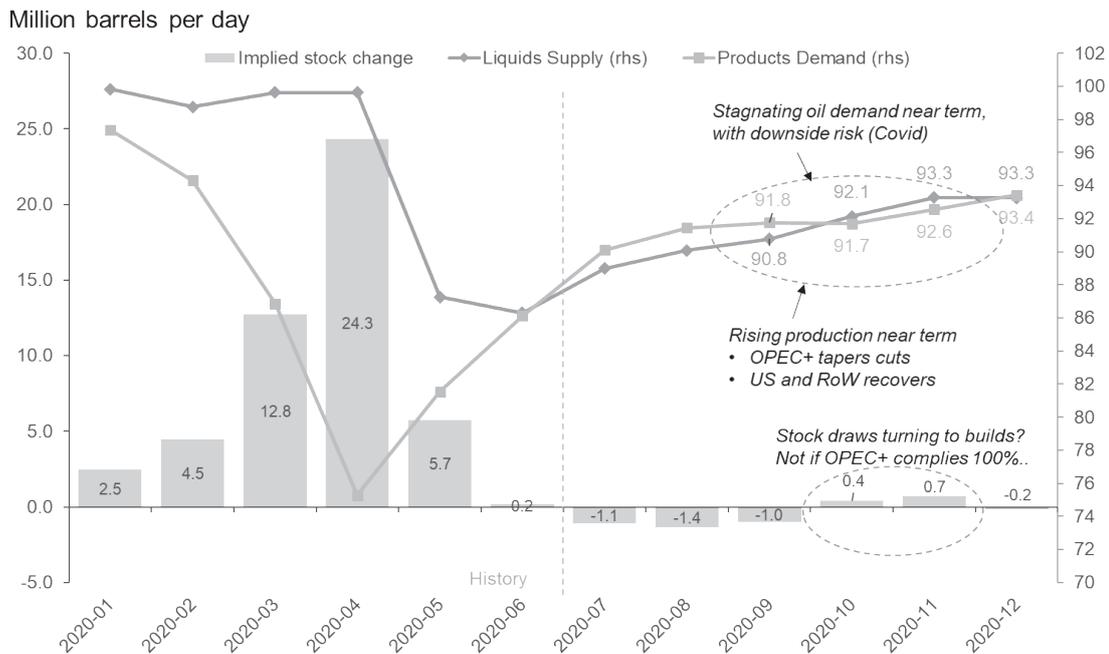


Figure 1: Global liquids supply and demand, as of 18 September 2020

As shown in Figure 1 by Rystad Energy above, the extension of OPEC+ (*Organisation of Petroleum Exporting Countries (“OPEC”) together with 10 non-OPEC producing countries, the significant ones being Russia, Mexico, and Kazakhstan*) cuts into September 2020 helped to balance the oil market, resulting in the oil price stabilising above USD40 per bbl. Total demand exceeded the 90-million-bbl mark in July 2020 and is forecast to be flat until November 2020, with the end of the year expected to see another increase in demand.

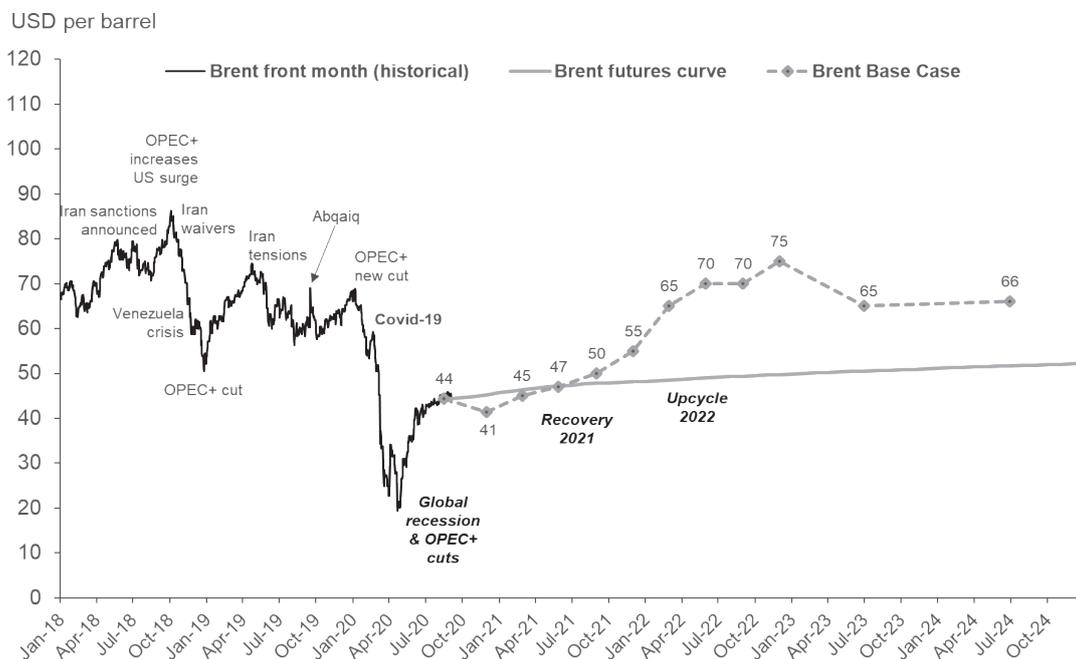


Figure 2: Rystad Energy Brent Oil forecast, as of 18 September 2020

Based on the analysis by Rystad Energy (as shown in Figure 2), a recovery in oil prices is expected from early 2021 onwards, with Brent oil prices projected to rise to levels above USD50 per bbl by end-2021 and peaking at approximately USD70 per bbl in 2022. In the shorter term, the Brent flat price has remained relatively stable since early July despite a flurry of bearish news on oil demand and the macro environment. Rystad Energy notes that a more vigilant OPEC+ reduces the near-term downside risk to price.

(Source: Rystad Energy)

5.2 Current Business and Prospects of our Group

Currently, our Group has activities in the following operating segments:

No.	Operating Segments	
(i)	North Sabah	Our Group's investment in 50% participating interests in the 2011 North Sabah Enhanced Oil Recovery Production Sharing Contract, which includes the management of the operations relating to the production of petroleum from four existing oil fields, namely St Joseph, South Furious, South Furious 30 and Barton and existing pipeline infrastructure, the Labuan Crude Oil Terminal, and all other equipment and assets relating to the North Sabah Enhanced Oil Recovery Production Sharing Contract.
(ii)	Anasuria Hibiscus	<p>Our Group's investments and operations in the UK, consisting of (i) the Anasuria Cluster, a producing asset, (ii) Marigold and Sunflower fields, a development asset, and (iii) License No. P2366, all located offshore in the UK Continental Shelf.</p> <p>Anasuria Cluster:</p> <ul style="list-style-type: none"> ▪ Our Group's 50% interest in the License No. P013 containing the Guillemot A, Teal and Teal South producing fields, 19.3% participating interests in the License No. P185 containing the Cook producing field, 50% interests in the Anasuria FPSO and 50% interests in the Anasuria Operating Company Limited. Our Group jointly operates the producing fields under License No. P013 and the Anasuria FPSO via Anasuria Operating Company Limited. <p>Marigold and Sunflower fields:</p> <ul style="list-style-type: none"> ▪ Our Group's 50% interest in two blocks under License No. P198; (i) Block 15/13a, containing the Marigold discovered oilfield, and (ii) Block 15/13b, containing the Sunflower discovered oilfield. This includes the management of operations to develop these fields towards production. <p>License No. P2366:</p> <ul style="list-style-type: none"> ▪ Our Group's 100% interest in License No. P2366, which includes the Crown discovery.
(iii)	3D Oil, VIC/L31 & VIC/P57	Our Group's operations in the VIC/L31 Production License for the West Seahorse field and other exploration prospects in Australia within the VIC/P57 Exploration Permit, and investment in 3D Oil Limited.
(iv)	Investment holding and group activities	Investments in companies owning/operating oil and gas concessions, and provision of project management, technical and other services relating to the oil and gas exploration and production industry. The investment holding and group activities are located in Malaysia.

Our Group has, through its subsidiary, AHUK, been offered the award of the following three licences on 3 September 2020, as part of the 32nd UK Offshore Licensing Round:

- (i) Block 21/24d: The block contains the Teal West discovery, which is contiguous to the Teal field and is located approximately 4km from the Teal manifold of the Anasuria Cluster. A 70% interest in Block 21/24d has been offered for award to AHUK with the remaining 30% to be held by Zennor Petroleum Limited. AHUK bid for this licence as it is believed the Teal West discovery to be a potential tieback candidate to the Anasuria FPSO in which AHUK has significant interests.
- (ii) Block 21/19c and Block 21/20c: These blocks are contiguous with the Cook field. The Blocks offered for award will reflect a similar equity holding as that of the Cook Field i.e. AHUK has been offered 19.3%, Ithaca Energy UK Limited has been offered 61.4%, and Ping Petroleum UK Limited has been offered 19.3% in each of both the blocks.
- (iii) Block 15/17a: This block is located 8km from the Marigold field which is currently operated by AHUK. This block contains part of the Kildrummy discovery plus a minor part of the Beaumaris discovery and the Udney prospect. The licence offered for award to AHUK is on a 100% basis. It is hoped that the Kildrummy discovery may become a potential tieback candidate to infrastructure implemented as part of the Marigold development.

Further documentation will need to be completed prior to formalisation of the awards and relevant disclosures will be made in due course.

The prospects and business performance of our Group are underpinned by several factors:

1. Price of the Brent crude oil benchmark at approximately the time of a scheduled offtake from the Anasuria FPSO and the Labuan Crude Oil Terminal. The graph below illustrates the oil price trends for the Brent crude oil benchmark for the period September 2019 to end-September 2020:



As shown above, there was a material decrease in the oil price between March 2020 to May 2020. It was primarily due to a substantial reduction in demand caused by measures taken globally to combat the COVID-19 pandemic. These include global restrictions on movement and travel with severe limitations being placed on the conduct of economic activity. Since June 2020, with OPEC+ production cuts in place and demand increasing as countries reduce restrictions enacted to combat the spread of COVID-19, Brent oil prices have stabilised above USD40.00 per bbl.

2. Any premium or discount that our Group may receive on the price of the Brent crude oil benchmark for our Group's specific cargo in Anasuria Cluster and North Sabah depending on market conditions at the relevant time.

3. Gas prices for the respective fields in the Anasuria Cluster only, as follows:
 - Cook field - at the landing point of the Fulmar Gas Line at the St Fergus Terminal for a price that is calculated as 40% of the Heren National Balancing Point index ("**Heren Index**") and in accordance with the terms set out in the Cook gas sale and purchase agreement; and
 - Guillemot A, Teal and Teal South fields - at the point where the gas leaves the fields and enters the Shell Esso Gas and Associated Liquids System ("**SEGAL System**") for a price of 85% of Heren Index and in accordance with the terms set out in the Anasuria gas sale and purchase agreement.

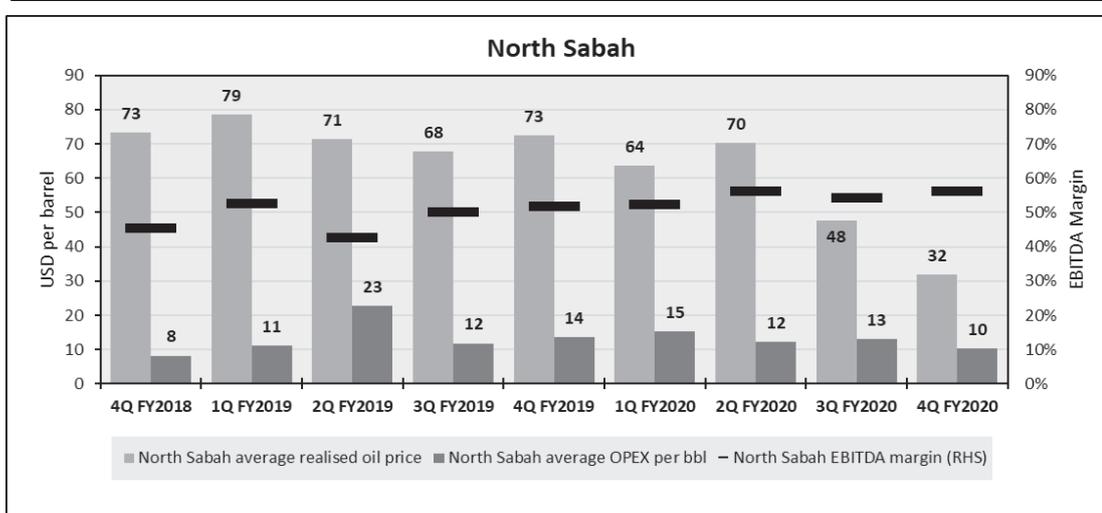
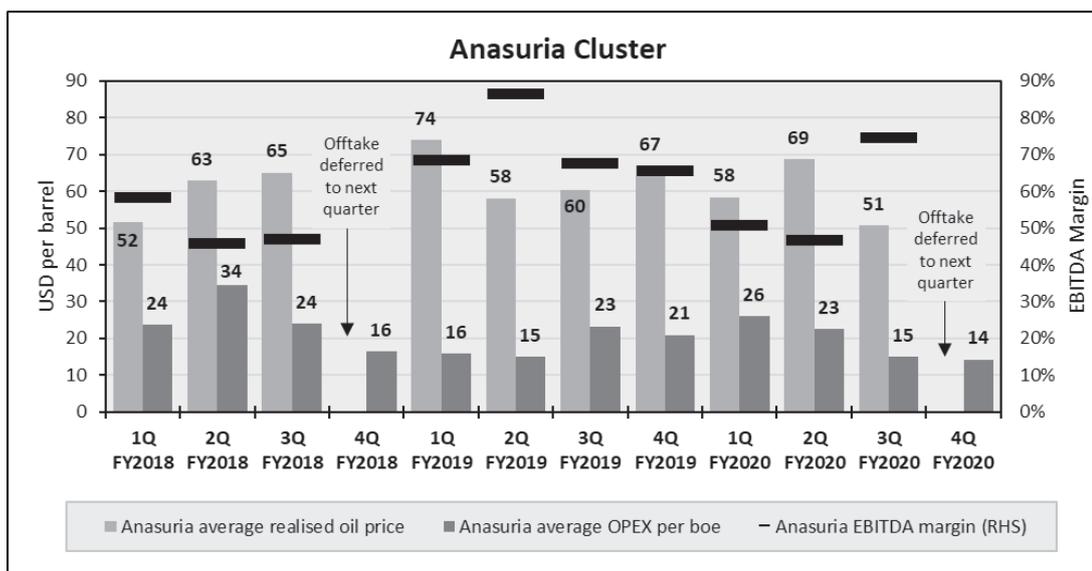
4. Movement of foreign exchange rates, mainly:
 - USD vs RM:
 - as our Company's revenues from the Anasuria and North Sabah assets are secured in USD;
 - as the base currency used for the Anasuria and North Sabah assets valuations is in USD; and
 - as the majority of our Company's operating costs in North Sabah are incurred in RM.
 - GBP vs USD:
 - as the majority of our Company's operating costs for the Anasuria asset are incurred in GBP.

5. Operational performance of the Anasuria and North Sabah asset, more specifically:
 - Production performance of the wells; and
 - Facilities' availability

6. Management of operational expenses for the Anasuria and North Sabah assets and general corporate overheads.

As joint operator of the Anasuria Cluster and the operator of the North Sabah oilfields, our Group continuously focuses on optimising asset performance, but it is equally important to note (from the information provided above) that our Group's performance is impacted daily by external macroeconomic factors over which our Group exerts minimal control.

Our Group has seen oil prices at various price levels, on some occasions lower and other times, higher than at the current time, but our Group has managed to remain profitable throughout these fluctuations. This is primarily because our Company's average unit production costs ("**UPC**") for both the Anasuria and North Sabah assets have been below the average realised oil price at the relevant times, as shown in the charts below. The careful management of costs to maintain low operational expenditure and the successful execution of production enhancement projects are, therefore, key towards achieving low unit production costs and the delivery of a continued healthy earnings before interest tax depreciation and amortisation ("**EBITDA**").



Note: North Sabah's EBITDA margins in 4Q of the FYE 30 June 2018 and 4Q of the FYE 30 June 2020 ("4Q FY2020") exclude the impact of negative goodwill of RM93.80 million and reversal of uncovered recoverable of RM78.20 million respectively.

Hibiscus Petroleum has activated various plans to mitigate the effects of low oil prices over the current calendar year 2020 period. Through the deferral of non-critical operating expenses activities and prudent management of general and administrative expenses, reductions in UPC at both the Anasuria and North Sabah assets have been implemented successfully for current year 2020. The average UPC achieved by the Anasuria and North Sabah assets in 4Q FY2020 were below the respective targets of USD18.50 per bbl of oil equivalent and USD15.00 per bbl respectively.

No major capital expenditure is planned for the Anasuria Cluster in the current calendar year 2020, while the North Sabah asset team has commenced their current calendar year 2020 drilling campaign with the St Joseph Minor and Major Sands Redevelopment project. Development capital expenditure for this campaign was optimised to ensure clear economic viability even with prevailing low crude prices.

A total of 2,627,473 bbls of crude oil were sold in the FYE 30 June 2020. Two offtakes initially planned for 4Q FY2020 (one each in AHUK and SEA Hibiscus Sdn Bhd) were deferred to the financial quarter ending 30 September 2020 in an attempt to realise higher oil prices. Crude oil production in 4Q FY2020 remained unaffected by the cost optimisation measures.

In the current environment of COVID-19 and low oil prices, the key focus of our Group is to mitigate risks posed by these events to ensure business continuity and safe operations.

6. EFFECTS OF THE PROPOSALS

The Proposed Amendments will not have any effect on our issued share capital, substantial shareholders' shareholdings, EPS, NA and gearing of our Group.

For illustrative purposes, the effects of the Proposed Private Placement of CRPS (which includes the Proposed Allotment to Dr. Kenneth) shall be based on the following 2 scenarios:

- Scenario 1** : Assuming full redemption of the entire 2,000,000,000 CRPS
- Scenario 2** : Assuming full conversion of the entire 2,000,000,000 CRPS into new Hibiscus Shares

6.1 Share capital

The proforma effects of the Proposed Private Placement of CRPS on the issued share capital of our Company as at LPD are as follows:

Scenario 1

	No. of Hibiscus Shares (‘000)	RM’000
Issued share capital as at the LPD	1,588,229	764,965
Assuming full redemption of the entire CRPS	-	-
Resultant share capital	1,588,229	764,965

Scenario 2

	No. of Hibiscus Shares (‘000)	RM’000
Issued share capital as at the LPD	1,588,229	764,965
Assuming full conversion of the entire CRPS	3,030,303	^(a) 1,937,600
Resultant share capital	4,618,532	2,702,565

Note:

- (a) For illustration purposes, assuming full conversion of the CRPS at the conversion price of RM0.66 after the deduction of the estimated expenses comprising placement fees, professional fees and regulatory fees incidental to the Proposed Private Placement of CRPS of RM62.40 million. The remaining estimated expenses of RM0.10 million for miscellaneous expenses, including marketing-related costs, are allocated to retained earnings.

Scenario 2

	Existing as at the LPD		After the Proposed Private Placement of CRPS		Assuming full conversion of the entire CRPS into new Hibiscus Shares	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
	No. of Hibiscus Shares (a)%	No. of Hibiscus Shares (a)%	No. of Hibiscus Shares (a)%	No. of Hibiscus Shares (a)%	No. of Hibiscus Shares (b)%	No. of Hibiscus Shares (b)%
Hibiscus Upstream	168,772,600	10.63	168,772,600	10.63	168,772,600	3.65
Dr. Kenneth	-	(c)168,772,600	-	(c)168,772,600	(b)75,757,575	1.64
Polo Investments Limited	138,900,000	8.75	138,900,000	8.75	138,900,000	3.01
Datuk Michael Tang Vee Mun	-	(d)141,900,000	-	(d)141,900,000	-	(d)141,900,000
Mettiz Capital Limited	-	(e)138,900,000	-	(e)138,900,000	-	(e)138,900,000
Polo Resources Limited	-	(e)138,900,000	-	(e)138,900,000	-	(e)138,900,000

Notes:

- (a) Based on the issued share capital of Hibiscus Petroleum of 1,588,228,791 Hibiscus Shares.
- (b) Based on the issued share capital of Hibiscus Petroleum of 4,618,531,821 Hibiscus Shares assuming full conversion of the entire 2,000,000,000 CRPS issued at a conversion price of RM0.66 for each CRPS.
- (c) Deemed interest by virtue of his interest in Hibiscus Upstream pursuant to Section 8 of the Act.
- (d) Deemed interest by virtue of his interest in Polo Investments Limited and Mettiz Capital Sdn Bhd pursuant to Section 8 of the Act.
- (e) Deemed interest by virtue of their interest in Polo Investments Limited pursuant to Section 8 of the Act.
- (f) Assuming 50,000,000 CRPS are issued and allotted to Dr. Kenneth under the Proposed Allotment to Dr. Kenneth and are fully converted into new Hibiscus Shares at the conversion price of RM0.66 per CRPS.

6.3 Earnings and EPS

The Proposed Private Placement of CRPS may result in an estimated maximum finance costs of approximately RM103.92 million^(a) for the duration of the CRPS for the FYE 30 June 2021 to our Group. This is based on the assumption that the entire 2,000,000,000 CRPS is issued in one tranche on 12 November 2020 and no amount is redeemed or converted up to the end of the FYE 30 June 2021. Such cost impact is expected to be partially reduced by potential income of approximately RM20.25 million from the investment of funds in the Trust Account as specified in **Section 2.1.2** (calculated at an estimated profit rate of 1.60% per annum) and the reversal of the corresponding deferred tax liability of approximately RM9.71 million relating to the Proposed Private Placement of CRPS for the FYE 30 June 2021. Accordingly, the net charge to earnings for FYE 30 June 2021 may amount to approximately RM73.96 million.

The EPS of our Group may be diluted as a result of the issuance of the new Hibiscus Shares upon the conversion of the CRPS. However, given its purpose, the Proposed Private Placement of CRPS is expected to enhance the future earnings of our Group as a result of the Permitted Utilisation. The future EPS of our Group may increase or decrease depending on the returns from deploying the proceeds raised from the Proposed Private Placement of CRPS and the number of new Hibiscus Shares to be issued upon the conversion of the CRPS.

Note:

- (a) *RM103.92 million consists of (i) the premium of 4.00% per annum applied on the issue price of the CRPS amounting to RM50.63 million, and (ii) the unwinding of discount on the liability component of the CRPS after deducting estimated expenses comprising placement fees, professional fees and regulatory fees incidental to the Proposed Private Placement of CRPS amounting to RM53.29 million, for the period from 12 November 2020 to 30 June 2021.*

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6.4

NA and Gearing

For illustrative purposes, the proforma effects of the Proposed Private Placement of CRPS on our consolidated NA and gearing based on our audited consolidated financial statements as at 30 June 2020 assuming the Proposed Private Placement of CRPS had been completed on that date, are as follows:

Scenario 1

	Audited as at 30 June 2020	Proforma – After the Proposed Private Placement of CRPS	After the Proforma and assuming full redemption of the entire CRPS
	RM'000	RM'000	RM'000
Share capital	764,965	764,965	764,965
Other reserves	98,230	98,230	98,230
CRPS - Equity Component	-	(1)(2)(3)95,386	(6)-
Retained earnings	358,112	(4)358,012	(6)(7)295,612
Shareholders' funds / NA	1,221,307	1,316,593	1,158,807
No. of shares in issue ('000)	1,588,229	1,588,229	1,588,229
NA per Hibiscus Share (RM)	0.77	0.83	0.73
Total interest-bearing borrowings (RM'000)	49,197	(1)(2)1,859,999	(6)49,197
Gearing ratio (times) ⁽⁵⁾	0.04	1.41	0.04

Notes:

- (1) The issuance of the CRPS is segregated into equity and liability components. The fair value of the liability component is arrived at by discounting the maximum redemption amount over the tenure of a 2-year period at a discount rate of 7.50% per annum. The discount rate is based on the benchmark rate of debt instruments which have the similar profile as the CRPS.
- (2) After deducting estimated expenses comprising placement fees, professional fees and regulatory fees incidental to the Proposed Private Placement of CRPS of RM62.40 million against the equity and liability components of the CRPS.
- (3) A deferred tax liability amounting to RM31.41 million (computed based on the statutory tax rate of 24.00%) is deducted from the equity component of the CRPS.
- (4) After deducting miscellaneous expenses for the Proposals of approximately RM0.10 million, including marketing-related costs.

- (5) Calculated based on total interest-bearing borrowings divided by shareholders' funds.
- (6) Reclassification of the equity component of the CRPS of approximately RM95.39 million to retained earnings and the accretion of finance costs of approximately RM189.20 million.
- (7) Retained earnings have not taken into consideration finance costs of approximately RM160.00 million if the entire CRPS is issued in one tranche and redeemed at maturity. The finance costs represent the premium applied on the issue price of the CRPS in the event of redemption upon maturity.

Scenario 2

	Audited as at 30 June 2020	Proforma – After the Proposed Private Placement of CRPS	After the Proforma and assuming full conversion of the entire CRPS into new Hibiscus Shares
	RM'000	RM'000	RM'000
Share capital	764,965	764,965	(6)2,702,565
Other reserves	98,230	98,230	98,230
CRPS - Equity Component	-	(1)(2)(3)95,386	(6)-
Retained earnings	358,112	(4)358,012	358,012
Shareholders' funds / NA	1,221,307	1,316,593	3,158,807
No. of shares in issue ('000)	1,588,229	1,588,229	4,618,532
NA per Hibiscus Share (RM)	0.77	0.83	0.68
Total interest-bearing borrowings (RM'000)	49,197	(1)(2)1,859,999	(6)49,197
Gearing ratio (times) ⁽⁵⁾	0.04	1.41	0.02

Notes:

- (1) The issuance of the CRPS is segregated into equity and liability components. The fair value of the liability component is arrived at by discounting the maximum redemption amount over the tenure of a 2-year period at a discount rate of 7.50% per annum. The discount rate is based on the benchmark rate of debt instruments which have the similar profile as the CRPS.
- (2) After deducting estimated expenses comprising placement fees, professional fees and regulatory fees incidental to the Proposed Private Placement of CRPS of RM62.40 million against the equity and liability components of the CRPS.

- (3) *A deferred tax liability amounting to RM31.41 million (computed based on the statutory tax rate of 24.00%) is deducted from the equity component of the CRPS.*
- (4) *After deducting miscellaneous expenses for the Proposals of approximately RM0.10 million, including marketing-related costs.*
- (5) *Calculated based on total interest-bearing borrowings divided by shareholders' funds.*
- (6) *Reclassification of the equity and liability components of the CRPS and the corresponding deferred tax liability to share capital assuming full conversion of the CRPS into new Hibiscus Shares.*

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6.5 Convertible securities

As at the LPD, save as disclosed below, we do not have any other existing convertible securities:

- (i) Outstanding of 2,193,880 RCPS. These RCPS are no longer convertible into new Hibiscus Shares as the conversion events in relation to the pre-listing events of our Company have lapsed and are no longer applicable. However, these RCPS remain to be redeemable at the option of the holders on any date after 25 July 2011, being the date of listing of our Company; and
- (ii) 317,645,623 Outstanding Warrants-C which have yet to be exercised.

The Proposals will not give rise to the adjustments of the exercise price of the Warrants-C as well as the number of Warrants-C, pursuant to the provisions of the deed polls for Warrants-C. Accordingly, the rights and obligations of the Warrants-C holders will remain unchanged.

7. INTER-CONDITIONALITY OF THE PROPOSALS

The Proposals are inter-conditional upon each other. The Proposed Allotment to Dr. Kenneth is conditional upon the Proposals, but not vice-versa.

The Proposals and Proposed Allotment to Dr. Kenneth are not conditional upon any other corporate exercise/scheme of our Company.

8. APPROVALS REQUIRED

The Proposed Private Placement of CRPS is subject to approvals being obtained from the following:

- (i) Bursa Securities, who had approved the following vide its letter dated 22 September 2020:
 - (a) admission to the Official List and the listing of up to 2,000,000,000 CRPS to be issued pursuant to the Proposed Private Placement of CRPS; and
 - (b) listing of up to 3,030,303,030 new Hibiscus Shares to be issued pursuant to the conversion of CRPS,

subject to, amongst others, the following conditions:

<u>No.</u>	<u>Conditions</u>	<u>Status of Compliance</u>
(a)	Hibiscus Petroleum, HLIB and CIMB must fully comply with the relevant provisions under the Listing Requirements;	Noted.
(b)	HLIB / CIMB to inform Bursa Securities upon the completion of the Proposed Private Placement of CRPS;	To be complied.
(c)	HLIB / CIMB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement of CRPS is completed; and	To be complied.
(d)	Hibiscus Petroleum to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of CRPS as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied.

- (ii) the clearance/endorsement of the Shariah Advisory Council of the Securities Commission Malaysia that the salient terms of the CRPS to be issued pursuant to the Proposed Private Placement of CRPS are in compliance with Shariah requirements, if required;
- (iii) our shareholders at the forthcoming EGM;
- (iv) the necessary consent of the holders of the RCPS; and
- (v) any other relevant authorities/parties, if required.

The Proposed Amendments are subject to approvals being obtained from the following:

- (i) our shareholders at the forthcoming EGM; and
- (ii) any other relevant authorities/parties, if required.

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

Save for the Proposed Specific Allotment to Dr. Kenneth, none of our Directors (including our Managing Director) and/or major shareholders and/or persons connected with them have any interest, direct and/or indirect, in the Proposed Private Placement of CRPS and the Proposed Amendments.

Save as disclosed below, none of our Directors and/or major shareholders and/or persons connected with them have any interest, direct and/or indirect, in the Proposed Allotment to Dr. Kenneth:

- (i) Dr. Kenneth is our Managing Director as well as a major shareholder of our Company; and
- (ii) Hibiscus Upstream who is a major shareholder of our Company, is also a person connected with Dr. Kenneth.

(Dr. Kenneth is referred to as the “**Interested Director**” while Hibiscus Upstream and Dr. Kenneth are collectively referred to as the “**Interested Major Shareholders**”)

As at the LPD, the shareholdings of the Interested Director and Interested Major Shareholders in our Company are as follows:

	Existing as at the LPD			
	Direct		Indirect	
	No. of Hibiscus Shares	(a)%	No. of Hibiscus Shares	(a)%
Hibiscus Upstream	168,772,600	10.63	-	-
Dr. Kenneth	-	-	(b)168,772,600	10.63

Notes:

(a) Based on our issued share capital of 1,588,228,791 Hibiscus Shares.

(b) Deemed interest by virtue of his interest in Hibiscus Upstream pursuant to Section 8 of the Act.

Accordingly, the Interested Director has abstained and will continue to abstain from all deliberations and voting on any resolutions pertaining to the Proposed Allotment to Dr. Kenneth at the relevant Board meetings.

The Interested Director and Interested Major Shareholders will also abstain from voting in respect of their direct and/or indirect shareholdings in our Company on the resolution pertaining to the Proposed Allotment to Dr. Kenneth to be tabled at our forthcoming EGM.

The Interested Director and Interested Major Shareholders will also ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolutions pertaining to the Proposed Allotment to Dr. Kenneth to be tabled at our forthcoming EGM.

10. DIRECTORS' RECOMMENDATION

Our Board, having considered all aspects of the Proposals (including the outlook of the oil and gas industry, prospects of our Group as well as the rationale and effects in respect of the Proposals) and after careful deliberation, is of the opinion that the Proposals are in the best interest of our Company. Accordingly, our Board recommends that you **VOTE IN FAVOUR** of the resolutions in relation to the Proposals to be tabled at our forthcoming EGM.

In respect of the Proposed Allotment to Dr. Kenneth, our Board (save for the Interested Director) is of the opinion that the Proposed Allotment to Dr. Kenneth is in the best interest of our Company. Accordingly, our Board (save for the Interested Director) recommends that you **VOTE IN FAVOUR** of the resolution in relation to the Proposed Allotment to Dr. Kenneth to be tabled at our forthcoming EGM.

11. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, our Board confirms that there is no outstanding corporate exercise/scheme which has been announced by our Company but not yet completed as at the date of this Circular.

12. TENTATIVE TIMETABLE

Barring any unforeseen circumstances, and subject to the required approvals being obtained, our Board expects the Proposals to be completed by the fourth quarter of calendar year 2020 assuming all the CRPS are placed out in a single tranche. The tentative timetable in relation to the implementation of the Proposals are as follows:

Events	Tentative Timetable
EGM to obtain the approval of our shareholders.	3 November 2020
Assuming full allotment and issuance of all the CRPS in a single tranche pursuant to the Proposed Private Placement of CRPS.	Mid-November 2020
Listing of and quotation for all the CRPS and completion of the Proposals.	Mid-November 2020

13. EGM

We will hold a fully virtual EGM, the notice of which is enclosed in this Circular at the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Tuesday, 3 November 2020 at 9:30 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the resolutions set out in the Notice of EGM.

If you are unable to attend and vote at the virtual EGM, please complete and return the enclosed Form of Proxy for the EGM to the office of our Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not later than forty-eight (48) hours before the time set for the EGM or at any adjournment thereof. The Form of Proxy should be completed strictly in accordance with the instructions contained therein. The Form of Proxy may also be electronically submitted via TIIH Online at <https://tiih.online>. Please refer to the Administrative Guide on the conduct of this EGM for further details. The completion and the return of the Form of Proxy will not preclude you from attending and voting at the virtual EGM should you subsequently decide to do so.

14. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
HIBISCUS PETROLEUM BERHAD

ZAINUL RAHIM BIN MOHD ZAIN
Non-Independent Non-Executive Chairman

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY

THAT the Constitution of our Company shall be altered, modified, added and/or deleted in the following manner:

- (i) the following definitions shall be inserted under Clause 9 after the definition of “Year”:

In relation to Clauses 9C, 9D, 9E, 9F, 9G and 9H, the following meanings shall apply to the respective defined terms unless the subject or context requires otherwise:

Words	Meaning
Acquisition(s)	Acquisition(s) of and/or investment(s) in producing oil and gas assets (whether directly or indirectly, through entities holding such assets or otherwise).
Adjustment	Any applicable adjustment of the Conversion Price, pursuant to Clause 9D.
Approved Principal Adviser	A licensed corporate finance adviser appointed by the Directors for purposes of Clause 9D.
Auditors	Any firm of approved company auditors, as defined under the Act, and may include the auditors for the time being of the Company.
Conversion Notice	A notice in writing by the subscriber(s), in the form set out in Clause 9H, to convert the number of CRPS specified in the notice into Conversion Shares.
Conversion Period	The period commencing from the Relevant Issue Date up to 6 Market Days prior to the Maturity Date (both dates inclusive).
Conversion Price	The conversion price for the first tranche of CRPS has been fixed at RM0.66, representing approximately 10% premium over the 5-day VWAMP of the Ordinary Shares on the Exchange up to 8 September 2020 (the last Market Day prior to the announcement made on 9 September 2020) of RM0.5972.

In the event that there are subsequent tranches of CRPS being placed out, the conversion price for the subsequent tranches of CRPS will be fixed at a premium of up to 10% over the 5-day VWAMP up to and including the Market Day immediately before the price-fixing date.

The number of new Ordinary Shares to be allotted and issued on each conversion shall be determined by dividing the aggregate Notional Value (as set out in Clause 9C(a) below) of the relevant CRPS by the Conversion Price. Any fractional entitlement shall be disregarded and be dealt with by the Board in such manner at its absolute discretion as it may deem fit, expedient and in the best interest of the Company. No refund or credit, whether in the form of CRPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY (CONT'D)

	<p>The Conversion Price shall be subject to adjustments from time to time, at the determination of the Board, in the event of any relevant alteration to the Company's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of this Constitution. The Company shall give notice in writing to the CRPS Holders of its intention to make such adjustments to the Conversion Price.</p>
Conversion Shares	<p>The new Ordinary Shares to be issued and credited as fully paid upon the conversion of the CRPS in accordance with this Constitution. Such new Ordinary Shares to rank pari passu in all respects with all other then existing Ordinary Shares (save and except that such new Ordinary Shares shall not be entitled to any dividends, rights, allotments and/or distributions the entitlement date of which is on or prior to the relevant date of issue of the Conversion Shares).</p>
CRPS	<p>The new Islamic convertible redeemable preference shares or conventional convertible redeemable preference shares in the capital of the Company, as may be decided and confirmed by the Board.</p>
CRPS Holder	<p>A person duly registered as a holder of issued and outstanding CRPS in the CRPS Register.</p>
CRPS Register	<p>(In the case of CRPS not listed on the Exchange) Company's register of CRPS and/or (in the case of CRPS listed on the Exchange) the Record of Depositors (as applicable).</p>
First Tranche Issue Date	<p>Such date on which the first tranche of the CRPS is issued by the Company.</p>
Independent Expert	<p>An established independent third party(ies) appointed by the Company, as defined and for the purposes specified, in Permitted Utilisation.</p>
Maturity Date	<p>The day which is the 2nd anniversary of the First Tranche Issue Date.</p>
Permitted Utilisation	<p>The net proceeds (after deducting all costs and expenses relating to the issuance of CRPS) raised from the issuance of the CRPS ("Net Proceeds") will be utilised in relation to Acquisitions (which will be Shariah compliant in the case of Islamic CRPS) including payment of associated transaction costs, transition costs and deposits for the Acquisition(s) (collectively referred to as the "Acquisition Costs").</p>

The qualifying parameters of such assets are as follows:

- (i) Payback period⁽¹⁾: ≤5 years
- (ii) Internal rate of return ("**IRR**")⁽²⁾: ≥12%

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY (CONT'D)

- (iii) Geographical location of the assets: South East Asia
- (iv) Maximum number of Acquisitions: 3

Notes:

- (1) *Payback period is the number of years required to achieve cash flow breakeven from the completion of the Acquisition, i.e. the number of years for the sum of the expected cash flows from the asset to equal to the total purchase consideration paid for the asset. This would be computed at the asset level based on Proved plus Probable ("2P") case production and cost profiles.*
- (2) *IRR is the discount rate for which the net present value of the expected cash flows from asset is equal to zero. This takes into consideration the total purchase consideration paid for the asset and would be computed at the asset level based on 2P case production and cost profiles.*
- (3) *The satisfaction of the qualifying parameters shall be at the point of determination by an Independent Expert prior to entering into the relevant binding primary definitive agreement for such acquisition and/or investment.*
- (4) *Any use of the Net Proceeds for transaction costs in relation to the Acquisitions and transition costs incurred up to the completion of the Acquisition shall not exceed 2.0% of the total consideration payable for the subject asset(s).*

Redemption Notice

Has the meaning ascribed in Clause 9C(k).

The Redemption Notice shall be in such form as from time to time approved by the Board and shall state the book closure date and/or the entitlement date (as applicable) to be used to determine the identities of the CRPS Holders entitled to receive the redemption payment.

Redemption Price

In relation to each CRPS, a price to be determined based on the following formula:

$$R = \left[1 + \left(r \times \frac{U}{365} \right) \right] \cdot P$$

R = Redemption price per CRPS (in RM)

r = 4.0% per annum

U = Number of days from the Relevant Issue Date to the redemption date of the CRPS

P = Dividends declared in respect of the CRPS, if any (in RM)

The amount by which "R" exceeds the Issue Price represents the redemption premium.

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY (CONT'D)

Relevant Issue Date	The date of issuance of the relevant tranche of CRPS.
Share Registrar	Tricor Investor & Issuing House Services Sdn Bhd with its address at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or such other party appointed by the Company to act as the share registrar for purposes of administering the CRPS.
VWAMP	Volume weighted average market price.

If any period of time is specified from a given day, or the day of a given act or event, it is to be calculated exclusive of that day and if any period of time falls on a day which is not a Business Day, then that period is to be deemed to only occur or expire (as may be applicable) on the next Business Day.

A reference to a “month” is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next succeeding calendar month or, where there is no date in the next calendar month numerically corresponding as aforesaid, the last day of such calendar month, and “months” and “monthly” shall be construed accordingly.

- (ii) Clause 9A shall be deleted in its entirety and replaced with the following new Clause 9A:

<u>Existing Clause 9A</u>	<u>New Clause 9A</u>
The share capital of the Company shall be divided into:	The share capital of the Company shall be divided into:
(a) Ordinary Shares; and	(a) Ordinary Shares;
(b) RCPS,	(b) RCPS; and
	(c) CRPS,
each to constitute separate classes of shares.	each to constitute separate classes of shares.

- (iii) the following new Clause 9C shall be adopted and inserted after Clause 9B:

Clause 9C	The CRPS shall be issued on the following terms and confer on their holders the rights specified below.
(a)	<u>Issue Price or Notional Value</u> The issue price for the CRPS shall be RM1.00 each.
(b)	<u>Form and Denomination</u> The CRPS will be issued in registered form and be constituted by this Constitution. The CRPS is a “ preference share ” for purposes of the Act. All features, terms and entitlements relating to the CRPS are applicable only to the fullest extent that such features, terms and/or entitlements are applicable or can be applied to preference shares under the Act.

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY (CONT'D)

(c) Issue Size

Up to RM2.0 billion. The CRPS may be placed out in single or multiple tranches.

(d) Allocation

The final allocation of the CRPS to the applicants will be subject to the discretion/approval of the Board.

(e) Board Lot

For the purpose of trading of the listed CRPS on the Main Market of the Exchange, a board lot of CRPS will be 100 CRPS or such other denomination permitted by the Exchange from time to time.

(f) Tenure

For each tranche of CRPS issued, the tenure will commence on the Relevant Issue Date up to the Maturity Date.

(g) Priority on Winding-Up or Liquidation

The CRPS shall rank in priority to the Ordinary Shares and the RCPS in any repayment of capital in the event of liquidation, dissolution or winding-up of the Company, provided that the CRPS shall not be entitled to participate in any surplus capital, assets or profits of the Company.

(h) Preferential Dividend (non-cumulative)

Prior to the Maturity Date, the Company may, at its absolute discretion and subject to the availability of distributable profits and compliance with the Act, declare a targeted non-cumulative preferential dividend rate calculated based on the issue price of the CRPS to be redeemed, which shall be payable on the Maturity Date:

$$D = r \times \frac{N}{365}$$

D = Targeted dividend rate (%)

r = 4.0% per annum

N = Number of days from the Relevant Issue Date to the Maturity Date of the CRPS

The actual preferential dividends, if declared, may be lower than the targeted preferential dividend rate depending on the availability of distributable profits.

The preferential dividend shall not be applicable to CRPS which are redeemed or converted before the Maturity Date.

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY (CONT'D)

(i) Conversion Right (Optional Conversion)

The CRPS shall be convertible into Conversion Shares at the Conversion Price without payment of additional consideration by the CRPS Holder, at the option of the CRPS Holder at any time during the Conversion Period, except that any Conversion Notice submitted by the CRPS Holders to the Company during the period(s) when the CRPS are suspended for trading on Bursa Securities or otherwise for purposes of any Mandatory Conversion will only be processed after completion of the said Mandatory Conversion.

To exercise its above conversion right, a duly completed and signed Conversion Notice must be deposited by the CRPS Holder at the office of the Share Registrar (at the sole risk of the CRPS Holder) in the form set out in Clause 9H.

Subject to full compliance by the CRPS Holder with the above and all other conditions of conversion, the Company shall, within eight (8) Business Days after its receipt of the relevant Conversion Notice, allot and issue the relevant Conversion Shares by procuring the crediting of such new Ordinary Shares into the Central Depository System account of the CRPS Holder and thereafter, the despatch of the notice of allotment of such new Ordinary Shares to the CRPS Holder.

In the event the Company exercises the Redemption Option, any exercise of the Conversion Right by the CRPS Holders in respect of their CRPS which are subject to the Redemption Option shall prevail and the Redemption Notice shall be disregarded in respect of such CRPS, provided that the CRPS Holders have exercised their Conversion Right no later than six (6) Market Days prior to the redemption date.

(j) Mandatory Conversion

Upon completion of an Acquisition at any time up to 30 days before the Maturity Date, the CRPS will be mandatorily converted into new Ordinary Shares at the Conversion Price on a pro-rata basis based on the following formula:

$$M = \frac{A}{B} \times O$$

M = Number of CRPS held by each CRPS Holder that are subject to mandatory conversion (rounded downwards to the nearest whole number)

A = Amount utilised for Acquisition Cost in relation to the subject Acquisition(s) which has been completed

B = Net Proceeds less amount utilised for Acquisition Cost in relation to all previously completed Acquisition(s)

O = Number of outstanding non-converted CRPS held by each CRPS Holder

In the event there are completed Acquisition(s), Mandatory Conversion will apply to all the CRPS in issue on a pro-rata basis, regardless of tranches.

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY (CONT'D)

(k) Redemption Option

The Company may, at the end of the 18th month from the First Tranche Issue Date, have the option to redeem in whole or part thereof the outstanding CRPS held by such holder in one lump sum, at the Redemption Price, by giving no less than 30 days prior written notice to the CRPS Holder ("**Redemption Notice**"), subject to compliance with the Act.

(l) Redemption Upon Maturity

All the outstanding CRPS shall be subject to redemption by the Company in one lump sum, at the Redemption Price, on the Maturity Date, subject to compliance with the Act.

The redemption premium of such CRPS shall be out of profits, or at our Company's absolute discretion, any other legally permitted source(s) and (in the case of Islamic CRPS) Shariah compliant source(s). For the avoidance of doubt, if there are insufficient profits at the time of redemption, our Company shall have no obligation to pay the redemption premium out of profits and our Company shall have the absolute discretion to pay such redemption premium out of any other legally permitted source(s) and (in the case of Islamic CRPS) Shariah compliant source(s).

The Redemption Upon Maturity will be triggered if there is no Mandatory Conversion or where there are any outstanding CRPS not converted into new Ordinary Shares.

In the event of Redemption Upon Maturity, the Company plans to apply the monies in the Trust Account towards payment of the Redemption Price. In the unlikely event that the Company may not have sufficient financial resources and/or solvency to pay the redemption premium component of the Redemption Price at the Maturity Date due to unforeseen circumstances, the Company proposes to mitigate any shortfall arising through utilisation of income generated from the investment of funds in the Trust Account, proceeds from Optional Conversion (which remains in the Trust Account), internally generated funds, proceeds from issuance of new Ordinary Shares and/or other legally permitted source(s) and (in the case of Islamic CRPS) Shariah compliant source(s) (as may be decided by the Board at its absolute discretion at the material time) as soon as practicable after the Maturity Date.

(m) Voting Rights

Other than any mandatory statutory or regulatory imposed voting rights which may be applicable, the CRPS Holders shall not be entitled to vote in person or by proxy or otherwise in any general meeting of the Company except:

- (i) on a proposal that affects the rights attached to the CRPS; and
- (ii) on a proposal to wind-up the Company.

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY (CONT'D)

In the event of the above, the CRPS Holders shall be entitled to vote at the relevant general meetings of the members of its class, and on a poll at such general meetings, be entitled to one (1) vote for each CRPS held.

For the avoidance of doubt, any issue of preference shares by the Company ranking equally with the CRPS shall not constitute or be deemed as a variation of the rights of the CRPS and/or the CRPS Holders.

(n) Maturity Date

The day which is the 2nd anniversary of the First Tranche Issue Date.

For the avoidance of doubt, (where applicable) all tranches of CRPS will be subject to the same Maturity Date.

(o) Listing Status

The CRPS shall be listed and quoted on the Main Market of the Exchange, subject to compliance with the Listing Requirements.

The Conversion Shares to be issued arising from the conversion of the CRPS shall be listed and quoted on the Main Market of the Exchange.

(p) Transferability

The CRPS are transferable.

(q) Trust Account

The Net Proceeds will be placed in an Islamic trust account ("**Trust Account**") to be maintained with a licensed bank by an independent custodian.

The monies in the Trust Account may only be released by the custodian for the following:

- (i) Permitted Utilisation at any time up to 30 days before the Maturity Date, subject to the applicable confirmation of the Independent Expert in relation to the relevant qualifying parameters; and
- (ii) Redemption of the CRPS or payment of CRPS dividends.

Pending utilisation, the funds in the Trust Account may be invested in the following:

- Islamic deposits with licensed Islamic financial institutions;
- Islamic banker acceptances, Islamic bills, Islamic money market instruments issued by licensed Islamic financial institutions;

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY (CONT'D)

- Islamic treasury bills, Islamic money market instruments and sukuk issued by Bank Negara Malaysia or the Government of Malaysia; and/or
- Islamic commercial papers and sukuk guaranteed by the Government of Malaysia.

All income earned from such investments will be remitted into the Trust Account. All balance monies (if any) remaining in the Trust Account, after the applicable redemption of the CRPS following the Maturity Date, shall be released to the Company.

(r) Ranking

The CRPS (regardless of tranches) shall rank *pari passu* among themselves and shall rank as to applicable dividends and payment of capital up to the Redemption Price in priority to the existing Ordinary Shares and RCPS.

Notwithstanding that the CRPS for all tranches shall rank *pari passu* among themselves, where the CRPS are issued in multiple tranches with different conversion prices and/or tenure, the CRPS for each tranche that are issued at different conversion prices will be given a separate identification by Bursa Securities for quotation and trading purposes (where applicable).

- (iv) the following new Clause 9D shall be adopted and be inserted after the new Clause 9C:

Clause 9D Adjustment to Conversion Price(s)

- (a) The Conversion Price(s) shall from time to time be adjusted, calculated or determined by the Directors in consultation with, and certified by, the Auditors or Approved Principal Adviser. The Conversion Price shall from time to time be adjusted as provided in this Clause 9D, in all or any of the following cases (subject always to the other provisions of this Clause 9D):
- (i) any consolidation or subdivision of Ordinary Shares by the Company;
 - (ii) an issue by the Company of Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves to its Members;
 - (iii) a capital distribution made by the Company to its Members whether on a reduction of capital (but excluding any cancellation of capital which is lost or unrepresented by available assets or involving any purchase by the Company of its own Ordinary Shares in accordance with the Act and all other applicable laws and regulations) or otherwise (excluding upon, or in relation to, any winding-up of the Company);
 - (iv) an offer or invitation made by the Company to its Members where they may acquire or subscribe for Ordinary Shares by way of rights; or

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY (CONT'D)

- (v) an offer or invitation made by the Company to its Members by way of rights where they may acquire or subscribe for securities convertible into Ordinary Shares or rights to acquire or subscribe for Ordinary Shares.
- (b) For the avoidance of doubt, no adjustment to the Conversion Price will be required in respect of any other event whatsoever (other than as expressly set out in paragraph (a) above), and such non-adjustment situations include, but are not limited to, the following:
 - (i) an issue of Ordinary Shares upon the exercise of any conversion rights attached to securities convertible into Ordinary Shares or upon exercise of any other rights; or
 - (ii) an issue of Ordinary Shares or other securities of the Company or rights to acquire or subscribe for Ordinary Shares to officers, including directors, or employees of the Company or any of its subsidiaries pursuant to any purchase or option schemes approved by the ordinary Members in general meeting; or
 - (iii) an issue by the Company of Ordinary Shares or of securities convertible into or rights to acquire or subscribe for Ordinary Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business; or
 - (iv) a special issue of Ordinary Shares or other securities by the Company required by any relevant authority which is effected to comply with the policy of the Government of Malaysia in relation to capital participation in industry; or
 - (v) any purchase by the Company of its own Ordinary Shares in accordance with the Act and all other applicable laws and regulations; or
 - (vi) the issue by the Company of Ordinary Shares or securities convertible into or with rights to acquire or subscribe for Ordinary Shares to Bumiputera investors pursuant to a special issue approved by the relevant authorities and the members of the Company at a general meeting of such members; or
 - (vii) any issue of shares by the Company (other than bonus or rights issues) where the aggregate issues of which in any twelve (12) month period do not exceed ten per cent (10%) of the then current issued share capital; or
 - (viii) any issue by the Company of new Ordinary Shares or of securities convertible into or rights to acquire or subscribe for Ordinary Shares pursuant to a private placement exercise (for the avoidance of doubt, whether or not exceeding 10% of the then issued and paid-up share capital); or

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY (CONT'D)

- (ix) an issue by the Company of securities convertible into rights to acquire or subscribe for Ordinary Shares as replacement for existing securities convertible into or rights to acquire or subscribe for Ordinary Shares; or
 - (x) any issue of additional CRPS or Conversion Shares, pursuant to the Proposed Private Placement of CRPS or this Constitution.
- (c) Any adjustment to the Conversion Price will be rounded down to the nearest one (1) sen. No adjustment to the Conversion Price shall be made unless it has been certified by the Auditors or Approved Principal Adviser. No adjustment will be made to the Conversion Price in any case in which the amount by which the same would be reduced would be less than one (1) sen and any adjustment which would otherwise then be required will not be carried forward.
- (d) Notwithstanding the provisions referred to in paragraph (a) and paragraph (c) above, in any circumstances where the Directors consider that adjustments to the Conversion Price as provided under Clause 9D hereof should not be made or should be calculated on a different basis or different date or that an adjustment to the Conversion Price should be made notwithstanding that no such adjustment is required under Clause 9D hereof, the Company may appoint the Auditors or Approved Principal Adviser to consider whether for any reason whatever the adjustment, calculation or determination to be made (or the absence of an adjustment, calculation or determination) is appropriate or inappropriate, as the case may be. If such Auditors or Approved Principal Adviser shall consider the adjustments, calculations or determination to be inappropriate, the adjustments shall be modified or nullified (or an adjustment, calculation or determination made even though not required to be made), in such manner as may be considered by such Auditors or Approved Principal Adviser to be in its opinion appropriate.
- (e) Whenever there is an adjustment to the Conversion Price as herein provided, the Company shall give notice to CRPS Holders within twenty one (21) days of such adjustment in accordance with the notice provisions under Clause 9E that the Conversion Price to be issued have been adjusted and setting forth the event giving rise to the adjustment to the Conversion Price prior to such adjustment, the adjusted Conversion Price to be issued and the effective date of such adjustment and shall at all times thereafter so long as any of the CRPS remains exercisable, make available for inspection at its registered office a signed copy of the certificate of the Auditors or Approved Principal Adviser certifying the adjustment to the Conversion Price and a certificate signed by a Director setting forth brief particulars of the event giving rise to the adjustment and the conversion price prior to such adjustment, the adjusted conversion price and the effective date of such adjustment.

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY (CONT'D)

- (f) If the Directors, Auditors and/or Approved Principal Adviser are unable to agree upon any adjustment required under these provisions, the Directors shall refer the adjustment to the decision of another Approved Principal Adviser or Auditors acting as experts and not arbitrators and whose decision as to such adjustment shall be final and conclusive (in the absence of manifest error) and no certification by the Auditors or Approved Principal Adviser shall in such circumstances be necessary.
- (g) In giving any certificate or making any adjustment hereunder, the Auditors and/or any Approved Principal Adviser shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decision shall be conclusive and binding on all persons having an interest in the CRPS, to the relevant extent.
- (v) the following new Clause 9E shall be adopted and be inserted after the new Clause 9D:

Clause 9EProvisions relating to Meetings of the CRPS Holders

1. The Company may and shall upon receipt of a request in writing of registered holders of not less than ten per centum (10%) of the CRPS for the time being subsisting convene a meeting of the CRPS Holders. Such meeting shall be held at such place in Malaysia and at such time as the Company shall determine or approve.
2.
 - (a) At least fourteen (14) days' notice or when the meeting is being convened for the purpose of passing a Special Resolution at least twenty one (21) days' notice (exclusive in each case of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the CRPS Holders in the manner provided in Clause 9F. Subject to the provisions of the Act and this Constitution, the notice shall specify the place, day and hour of the meeting and the general nature of the business to be transacted but it shall not be necessary except in the case of a Special Resolution to specify in the notice the terms of any resolution to be proposed. The accidental omission to give notice to or the non-receipt of notice by any of the CRPS Holders shall not invalidate the proceedings at any meeting.
 - (b) In relation to listed CRPS, the Company shall request the Depository in accordance with the Rules to prepare the Record of Depositors for the purpose of ascertaining the Depositors to whom notices of the meeting shall be given by the Company. Subject to the Security Industry (Central Depositories) (Foreign Ownership) Regulations, 1996 (where applicable), such Record of Depositors shall be the final record of all Depositors of listed CRPS who shall be deemed to be the CRPS Holders, eligible to be present and vote at such meetings.

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY (CONT'D)

- (c) In relation to unlisted CRPS, subject to paragraph (b) above, the CRPS Register shall be the final record of all CRPS Holders holding such unlisted CRPS.
 - (d) Clause 70A of the Constitution shall apply to the meetings of CRPS Holders.
3. No business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum is present at the commencement of business. At any meeting at least two (2) persons being CRPS Holders present in person or by proxy and holding in the aggregate of not less than twenty five per centum (25%) of the CRPS for the time being subsisting shall form a quorum (unless there is only one (1) CRPS Holder in relation to all then subsisting CRPS, whereupon such CRPS Holder shall constitute the required quorum) for the transaction of business except for the purpose of passing a Special Resolution. The quorum for passing a Special Resolution shall be at least two (2) persons being CRPS Holders present in person or proxy and holding in aggregate not less than fifty per centum (50%) of the CRPS for the time being subsisting, or at any adjourned meeting thereof, the quorum shall be two (2) persons being CRPS Holders whatever number of the subsisting CRPS so held (unless there is only one (1) CRPS Holder in relation to all then subsisting CRPS, whereupon such CRPS Holder shall constitute the required quorum). A Special Resolution duly passed at any meeting of CRPS Holders shall be binding on all CRPS Holders, whether or not they are present at the meeting. Any CRPS which have not been redeemed or converted but have been lodged for redemption or conversion shall not, unless and until they are withdrawn or rejected or declared by the Company to be void, confer the right to such CRPS Holder to attend or vote at, or join in convening or be counted in the quorum for any meeting of the CRPS Holders.
4. If within thirty (30) minutes after the time appointed for the meeting, a quorum is not present, the meeting, if convened upon the requisition of CRPS Holders, shall be dissolved. In any other case it shall stand adjourned to such day and time being not less than fourteen (14) days nor more than twenty one (21) days thereafter and to such place as may be appointed by the Chairman. At such adjourned meeting two (2) persons being CRPS Holders, whatever number of subsisting CRPS so held, present in person or by proxy shall be a quorum for the transaction of business including the passing of Special Resolutions. At least fourteen (14) days' notice (exclusive as aforesaid) of any adjourned meeting of CRPS Holders shall be given in the same manner as for an original meeting and such notice shall state that two (2) persons being CRPS Holders present in person or by proxy at the adjourned meeting whatever the number of CRPS held or represented by them will form a quorum.

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY (CONT'D)

5. A person nominated in writing by the Company shall preside as the Chairman at every meeting and if no such person is nominated or at any meeting no person nominated shall be present within fifteen (15) minutes after the time appointed for holding the meeting, the CRPS Holders present shall choose one (1) of their member to be Chairman and failing such choice the Company may appoint a Chairman. The Company, any of the Company's directors, the secretaries and solicitors and any other person authorised in that behalf by the Company may attend and be heard at any meeting.
6. The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
7. At any meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded by the Chairman or by any five (5) or more CRPS Holders present in person or by proxy whatever their holdings of CRPS or by one (1) or more CRPS Holders present in person or by proxy and holding or representing at least five per centum (5%) of the CRPS subsisting. Unless a poll is so demanded a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
8. If a poll is duly demanded it shall be taken in such manner as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
9. In the case of any equality of votes whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to the vote or votes (if any) to which he is entitled as a CRPS Holder or as a proxy.
10. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such time (not being more than fourteen (14) Business Days after the date of the meeting) and place as the Chairman directs.
11. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. The demand for a poll may be withdrawn.

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY (CONT'D)

12. On a show of hands every CRPS Holder who (being an individual) is present in person or (being a corporation) is present by its duly authorised representatives or by one (1) of its officers as its proxy shall have one vote. On a poll every CRPS Holder who is present in person or by proxy shall have one (1) vote for each CRPS he holds.
13. On a poll, votes may be given either personally or by proxy and a CRPS Holder entitled to more than one vote need not (if he votes) use all his votes or cast all the votes he uses in the same way.
14. The instrument appointing a proxy shall be in the usual common form or such other form as the Company may approve and shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney, duly authorised and such instrument shall be deemed to confer authority to demand or join in demanding a poll.
15. A person appointed to act as a proxy need not be a CRPS Holder and shall have the applicable meanings as ascribed to it in the Act.
16. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarised certified copy of such power or authority shall be deposited at the registered office of the Company or such other place as the Company shall approve not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting or for the taking of the poll at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months after the date named in it as the date of its execution.
17. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at least twenty four (24) hours before the commencement of the meeting or adjourned meeting or the taking of the poll at which the proxy is used.
18. In addition to any mandatory statutory or regulatory imposed voting rights which may be applicable, the CRPS Holders shall be entitled to vote in person or by proxy or otherwise in their own general meeting of its class on the following:
 - (i) a proposal that affects their rights attached to the CRPS; and
 - (ii) on a proposal to wind-up the Company,

with each CRPS entitling its holder to one (1) vote for each CRPS held. Section 91(1) to (4) of the Act shall apply accordingly.

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY (CONT'D)

19. A resolution passed at a meeting of the CRPS Holders duly convened and held in accordance with this Clause 9E shall be binding upon all the CRPS Holders whether present or not present at the meeting. The passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof, the intention being that it shall rest with the meeting to determine without appeal whether or not the circumstances justify passing such resolution.
20. In this Clause 9E, the expression "**Special Resolution**" means a resolution passed at a meeting of the CRPS Holders duly convened and held in accordance with the provisions contained herein and carried by a majority consisting of not less than three-fourths (3/4) of the persons voting thereat upon a show of hands or if a poll is duly demanded, by a majority consisting of not less than three-fourths (3/4) of the votes given on such poll. The expression "**Ordinary Resolution**" means any resolution which is not a Special Resolution.
21. Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Company and any such minutes as aforesaid if purporting to be signed by the Chairman of the meeting shall be conclusive evidence of the matters therein stated and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made and signed shall be deemed to have been duly held and convened and all resolutions passed or proceedings thereafter to have been duly passed and occurred.
22. Except where otherwise provided or is inconsistent with the express provisions of any law or this Constitution, all provisions under the Act or this Constitution governing or relating to general meetings of the Company shall apply correspondingly to meetings of the CRPS Holders (*mutatis mutandis*).
- (vi) the following new Clause 9F shall be adopted and be inserted after the new Clause 9E:

Clause 9F In the case of unlisted CRPS (being CRPS which are not at any time listed and quoted on the Main Market of the Exchange, for whatever reason), the following provisions shall apply:

(a) Board Lot

The Board Lot requirement is not relevant/applicable.

(b) Transfer of unlisted CRPS

Clause 34(2) of this Constitution will apply accordingly with regard to transfer of unlisted CRPS.

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY (CONT'D)

- (vii) the following new Clause 9G shall be adopted and be inserted after the new Clause 9F:

Clause 9G Notices to CRPS Holders shall be deemed to be given if served in the like manner (*mutatis mutandis*) as any notice to Members for the time being required to be given by law and this Constitution including, without limitation, Clause 175 of this Constitution).

- (viii) the following new Clause 9H shall be adopted and be inserted after the new Clause 9G:

Clause 9H In order to exercise its Optional Conversion right and convert the number of CRPS specified in the notice into Conversion Shares, a CRPS Holder must send a notice in writing (in, or materially and substantially in, the form set out below or any other form as may be notified by the Company from time to time) in accordance and subject to full compliance with the terms of this Constitution.

Conversion Notice



HIBISCUS PETROLEUM BERHAD

(Registration Number: 200701040290 (798322-P))

(Incorporated in Malaysia)

REGISTERED OFFICE: 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor.

CONVERSION NOTICE FOR CONVERTIBLE REDEEMABLE PREFERENCE SHARES ("CRPS")

FULL TITLE	:	CRPS allotted and issued on () pursuant to the Constitution of Hibiscus Petroleum Berhad (the " Company ")
CONVERSION PERIOD	:	The period commencing from the Relevant Issue Date up to 6 Market Days prior to the Maturity Date (both dates inclusive).
MATURITY DATE	:	The day which is the 2 nd anniversary of the date on which the first tranche of the CRPS is issued (" First Tranche Issue Date ").
CONVERSION PRICE	:	RM0.66 for the first tranche. In the event that there are subsequent tranches of CRPS being placed out and issued, the conversion price for the subsequent tranches of CRPS shall be such amount as may be fixed by the Company (at a premium of up to 10% over the 5-day VWAMP up to and including the Market Day immediately before the relevant price-fixing date of that particular tranche) for each subsequent tranche.
CONVERSION RIGHTS (OPTIONAL CONVERSION)	:	The CRPS shall be convertible into new Ordinary Shares at the Conversion Price without payment of additional consideration (but subject to payment of the relevant administrative expenses referred to below) by the CRPS Holder, at the option of the CRPS Holder at any time during the Conversion Period, except that any Conversion Notice submitted by the CRPS Holders to the Company during the period(s) when the CRPS are suspended for trading on Bursa Securities or otherwise for purposes of any Mandatory Conversion will only be processed after completion of the said Mandatory Conversion.

In the event the Company exercises the Redemption Option, any exercise of the Conversion Rights by the CRPS Holders in respect of their CRPS which are subject to the Redemption Option shall prevail and the Redemption Notice shall be disregarded in respect of such CRPS, provided that the CRPS Holders have exercised their Conversion Rights no later than 6 Market Days prior to the redemption date.

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY (CONT'D)

Terms defined in the Constitution of the Company but not specifically defined herein shall, unless the context requires otherwise, have the same meanings when used in this Conversion Notice.

PARTICULARS OF CRPS HOLDER

Name of CRPS Holder:

Old NRIC / Passport /
Armed Forces /
Police Personnel /
Company No:

New NRIC No.:

Address:

Telephone/
Contact No.:

Office :

All information given above must be as per the information in the records of the Company and/or Bursa Malaysia Depository Sdn. Bhd. ("Bursa Depository") (as may be applicable, depending on whether the relevant CRPS are listed on Bursa Securities or not)

**To : The Board of Directors
HIBISCUS PETROLEUM BERHAD ("Company")**

I/We, the undersigned, and in the case of unlisted CRPS, being the registered holder(s) of the CRPS specified below:

- i. confirm and declare that all information provided by me/us herein are true and correct;
- ii. confirm and declare that my/our aforesaid information is identical with the information in the records of Bursa Depository with regard to my/our Central Depository System (CDS) account and further agree and confirm that in the event the information aforesaid differs from the information in the Bursa Depository's records as mentioned earlier, the exercise of my/our rights hereunder may be rejected;
- iii. hereby convert _____ CRPS owned by me/us at the Conversion Price of _____ on the basis of each CRPS being equivalent to the value of RM1.00 towards satisfying the Conversion Price in accordance with the Constitution of the Company;
- iv. agree to accept all the Conversion Shares to be issued upon the conversion of the above CRPS subject to the Constitution of the Company;
- v. request and authorise you to instruct Bursa Depository to debit the quantity(ies) of the CRPS specified in the table below from my/our Securities Account(s) and where I am/we are entitled to receive Conversion Shares upon the exercise of my/our rights, to credit the relevant quantity of Conversion Shares into my/our CDS account as specified in the table below.

ACCOUNT FOR DEBITING CRPS	
No. of CRPS (Stock Code :)	CDS Account Number (ADA & Branch Code/Account No.)
<input type="text"/>	<input type="text"/>

ACCOUNT FOR CREDITING NEW ORDINARY SHARES	
No. of Shares (Stock Code :)	CDS Account Number (ADA & Branch Code/Account No.)
<input type="text"/>	<input type="text"/>

PROPOSED AMENDMENTS TO THE CONSTITUTION OF OUR COMPANY (CONT'D)

- vi. confirm that after the lodging of this Conversion Notice to the Company, I/we shall not dispose, transfer or charge the CRPS intended for the exercise of the Conversion Right herein, unless the exercise is rejected by the Company;
- vii. confirm that the CRPS intended for the exercise of the Conversion Right are or have been designated as "free securities" in my/our CDS Account(s);
- viii. authorise you to issue and allot the relevant Conversion Shares and despatch the notice of allotment in respect thereof within eight (8) Market Days after date of receipt of this Conversion Notice (subject to the requirements of the relevant authorities);

I/We declare and agree that I/we have complied with all exchange control requirements and other legal/regulatory requirements applicable to the above conversion of CRPS.

This notice is issued subject to the Constitution of the Company.

Signature / Common Seal of the Holder

Date

Notes:

1. If the relevant CRPS is not listed on Bursa Securities and a Certificate has been issued in relation to that CRPS, the Original CRPS Certificate(s) shall be surrendered to the Registrar (on behalf of the Company) together with this Conversion Notice.
2. No share certificate will be issued to the CRPS Holder as a result of any conversion of the CRPS.
3. Any fractional entitlement shall be disregarded and be dealt with by the Board in such manner at its absolute discretion as it may deem fit, expedient and in the best interest of the Company. No refund or credit, whether in the form of CRPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.
4. Bursa Depository does not recognise joint account holders. For the avoidance of doubt, if no Securities Account number is provided, any exercise or purported exercise of the Conversion Right shall be deemed to be invalid.
5. No CRPS Holder shall be allowed to instruct crediting of new ordinary shares into a Securities Account other than those from which the securities are to be debited.
6. A corporation completing this Conversion Notice is required to affix its Common Seal in accordance with its Constitution, a copy of which must be lodged with the Registrar.
7. All outstanding CRPS not converted by the Maturity Date will be redeemed by the Company at the Redemption Price, subject to compliance with the Act and the provisions of the Constitution of the Company.
8. The CRPS Holder shall pay a total administrative fee of RM20 (exclusive of any applicable tax as may be announced by the Malaysian Government from time to time based on the prescribed rate for the time being applicable) (cash or cheque) or internet bank transfer to the Registrars bank account No.564481407506 maintained with Malayan Banking Berhad made payable to Tricor Investor & Issuing House Services Sdn Bhd being the possessing fee for debiting and crediting of each CDS account in relation to each conversion transaction.

REGISTRAR AND TRANSFER OFFICE: Tricor Investor & Issuing House Services Sdn Bhd
 Registration Number: 197101000970 (11324-H)
 Telephone: (60) 3 2783 9234 Fax: +6(03) 2783 9222
 Office: Unit 32-01, Level 32, Tower A, Vertical Business Suite Avenue,
 Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur,
 Malaysia

ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and the Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Circular. They confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular misleading.

2. CONSENTS AND CONFLICTS OF INTEREST**2.1 HLIB**

HLIB, being the Joint Principal Adviser for the Proposals and Joint Bookrunner for the Proposed Private Placement of CRPS, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

HLIB hereby declares that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Joint Principal Adviser for the Proposals and Joint Bookrunner for the Proposed Private Placement of CRPS to our Company.

2.2 CIMB

CIMB, being the Joint Principal Adviser for the Proposals and Joint Bookrunner for the Proposed Private Placement of CRPS, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

CIMB, its related and associated companies, as well as its holding company, CIMB Group Holdings Berhad and the subsidiaries and associated companies of its holding company ("**CIMB Group**"), form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction services businesses. CIMB Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to CIMB's role as the Joint Principal Adviser for the Proposals and Joint Bookrunner for the Proposed Private Placement of CRPS. In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with any member of our Group or our shareholders or their affiliates or any other entity or person, hold long or short positions in securities issued by our Company or any of our affiliates, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of our Company and our affiliates. This is a result of the businesses of the CIMB Group generally acting independently of each other, and accordingly there may be situations where parts of the CIMB Group and/or its customers now have or in the future, may have interest in or take actions that may conflict with the interests of our Company.

CIMB hereby declares that it is not aware of any conflict of interest that exists or is likely to exist in relation to its role as the Joint Principal Adviser for the Proposals and Joint Bookrunner for the Proposed Private Placement of CRPS.

ADDITIONAL INFORMATION (CONT'D)

2.3 Affin Hwang IB

Affin Hwang IB, being the Joint Bookrunner for the Proposed Private Placement of CRPS, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Affin Hwang IB hereby declares that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Joint Bookrunner for the Proposed Private Placement of CRPS to our Company.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, including those pending or threatened against our Group.

4. MATERIAL COMMITMENTS

Save as disclosed below, as at 30 June 2020, being the date of the latest audited consolidated financial results of our Company, our Group does not have any other material commitments incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial position of our Group:

	<u>RM'000</u>
Approved and contracted for:	
▪ Group's capital commitments	92,051
▪ Share of a joint operation's capital commitments	<u>9,946</u>
Total capital commitments approved and contracted for	101,997
Share of a joint operation's other material commitments	<u>38,078</u>
	<u>140,075</u>
Approved but not contracted for:	
▪ Group's capital commitments	28,339
▪ Share of a joint operation's capital commitments	<u>692</u>
Total capital commitments approved but not contracted for	29,031
Share of a joint operation's other material commitments	<u>3,147</u>
	<u>32,178</u>

5. CONTINGENT LIABILITIES

As at 30 June 2020, being the date of the latest audited consolidated financial results of our Company, there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial position of our Group.

ADDITIONAL INFORMATION (CONT'D)

6. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies of them are available for inspection during normal business hours at our registered office at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of our EGM:

- (i) the Constitution of our Company;
- (ii) our audited consolidated financial statements for the FYE 30 June 2019 and FYE 30 June 2020; and
- (iii) the letters of consent referred to in **Section 2** of this Appendix.



HIBISCUS PETROLEUM BERHAD
Registration Number: 200701040290 (798322-P)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Hibiscus Petroleum Berhad (“**Hibiscus Petroleum**” or “**Company**”) will be held via a fully virtual platform at the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (“**Broadcast Venue**”) on Tuesday, 3 November 2020 at 9:30 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, to pass the following resolutions (with or without modifications):

ORDINARY RESOLUTION 1

PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 2,000,000,000 NEW CONVERTIBLE REDEEMABLE PREFERENCE SHARES (“CRPS”) BY WAY OF PRIVATE PLACEMENT EXERCISE TO RAISE UP TO RM2.00 BILLION (“PROPOSED PRIVATE PLACEMENT OF CRPS”)

“**THAT** subject to the passing of the Special Resolution on the proposed amendments to the Constitution of the Company to facilitate the issuance of the CRPS and approvals being obtained from all relevant authorities, approval be and is hereby given to the Directors of the Company (“**Directors**”) to allot and issue:

- (a) up to 2,000,000,000 new CRPS pursuant to the Proposed Private Placement of CRPS; and
- (b) such number of new ordinary shares in Hibiscus Petroleum (“**Hibiscus Shares**”), credited as fully paid up, upon the conversion of the CRPS,

THAT the approval hereby granted to the Directors to allot and issue the new CRPS and the new Hibiscus Shares pursuant to the conversion of the CRPS by the CRPS holders, shall remain in full force and effect as long as any CRPS remain convertible in accordance with its terms of issue;

THAT the Directors be and are hereby authorised to allocate the CRPS to the applicants in a fair and reasonable manner, on a basis to be determined by the Directors at their absolute discretion;

THAT the CRPS shall rank pari passu among themselves and shall rank as to applicable dividends and payment of capital up to the redemption price in priority to the existing redeemable convertible preference shares and Hibiscus Shares;

THAT the new Hibiscus Shares to be issued pursuant to the conversion of the CRPS shall rank pari passu in all respects with the then existing Hibiscus Shares save and except that such new Hibiscus Shares shall not be entitled to any dividends, rights, allotments, and/or other distributions, the entitlement date of which is prior to the relevant date of issue of the new Hibiscus Shares;

THAT the fractional entitlements arising from the conversion of the CRPS, if any, shall be disregarded and be dealt with by the Directors at their absolute discretion in such manner as they may deem fit, expedient and in the best interest of the Company;

AND THAT the Directors, be and are hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or agreements (including, without limitation, the affixing of the Company’s common seal, where necessary) as the Directors may consider necessary, expedient or relevant to give effect to and complete the Proposed Private Placement of CRPS and with full power to assent to any

conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Directors may deem necessary or expedient in the best interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Private Placement of CRPS.”

ORDINARY RESOLUTION 2

PROPOSED SPECIFIC ALLOTMENT AND ISSUANCE OF A MINIMUM OF 8,000,000 AND UP TO 50,000,000 CRPS AT AN ISSUE PRICE OF RM1.00 PER CRPS TO DR. KENNETH GERARD PEREIRA (“DR. KENNETH”) (“PROPOSED ALLOTMENT TO DR. KENNETH”)

“**THAT**, subject to the passing of Ordinary Resolution 1 and Special Resolution, and subject to the approval of and in compliance with any conditions as may be imposed by the relevant authorities, approval be and is hereby given for the Company to allot and issue a minimum of 8,000,000 and up to 50,000,000 CRPS at an issue price of RM1.00 per CRPS to Dr. Kenneth as elaborated in the circular to shareholders dated 12 October 2020 pursuant to the Proposed Private Placement of CRPS;

AND THAT the Directors (save for Dr. Kenneth) be and are hereby authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or agreements (including, without limitation, the affixing of the Company’s common seal, where necessary) as the Directors (save for Dr. Kenneth) may consider necessary, expedient or relevant to give effect to and complete the Proposed Allotment to Dr. Kenneth and with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Directors (save for Dr. Kenneth) may deem necessary or expedient in the best interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Allotment to Dr. Kenneth as part of the Proposed Private Placement of CRPS.”

SPECIAL RESOLUTION

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY TO FACILITATE THE ISSUANCE OF THE CRPS (“PROPOSED AMENDMENTS”)

“**THAT** subject to the passing of Ordinary Resolution 1 above, the Proposed Amendments as set out in **Appendix I** of the Company’s circular to shareholders dated 12 October 2020 be and are hereby approved;

AND THAT the Directors, be and are hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or agreements (including, without limitation, the affixing of the Company’s common seal, where necessary) as the Directors may consider necessary, expedient or relevant to give effect to and complete the Proposed Amendments and with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to do all acts, deeds and things and to take all such steps as the Directors may deem necessary or expedient in the best interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Amendments.”

BY ORDER OF THE BOARD

Tai Yit Chan (MAICSA 7009143) (SSM PC No. 202008001023)
Tan Ai Ning (MAICSA 7015852) (SSM PC No. 202008000067)
Secretaries

Selangor Darul Ehsan
12 October 2020

Notes:

1. *In light of the Coronavirus (“COVID-19”) pandemic and in line with the Guidance and Frequently Asked Questions (“FAQs”) on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, the EGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Voting (“RPV”) facilities. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd (“TIIH”) as the Poll Administrator for this EGM to facilitate the RPV via TIIH Online website at <https://tiih.online>. The procedures for members to register, participate and vote remotely via the RPV facilities are provided in the Administrative Guide for this EGM.*
2. *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016, which requires the Chairman of the meeting to be present at the main venue. Members/proxies are **NOT** to be physically present at the Broadcast Venue on the day of this EGM.*
3. *For purposes of determining who shall be entitled to attend this meeting in accordance with Clauses 72(b) and 72(c) of the Company’s Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 23 October 2020 and only Depositors whose name appear on such Record of Depositors shall be entitled to attend, speak (in the form of real time submission of typed texts) and vote via RPV at this meeting.*
4. *A member shall be entitled to appoint up to two (2) proxies to attend and vote at the meeting via RPV. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy appointed to attend and vote at the meeting via RPV shall have the same right as a member to speak (in the form of real time submission of typed texts) at the meeting.*
5. *A proxy or attorney or a duly authorised representative may, but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*
6. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act, 1991 (Exempt Authorised Nominee) which holds Ordinary Shares in the Company for multiple beneficial owners in one (1) securities account (Omnibus Account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. Where the Exempt Authorised Nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
7. *A member who has appointed a proxy or attorney or authorised representative to attend and vote at this EGM via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at <https://tiih.online>.*

Please follow the procedures for RPV set out in the Administrative Guide.

8. *For members who are individual persons, the appointment of a proxy may be made in hard copy form or by electronic means.*

*For members who are not individual persons (e.g. corporate member, exempted authorised nominee, etc.), the appointment of a proxy **MUST** be made in hard copy form only.*

Proxy Forms must be submitted in the following manner, not less than forty-eight (48) hours before the time appointed for holding this EGM or adjourned meeting provided that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy has been duly completed by the member(s):

- i) *In hard copy form (applicable for all members)*
 - (a) *To be valid, the Form of Proxy duly completed must be deposited at the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd's address at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.*
 - (b) *If the Form of Proxy is signed under the hands of an appointor or his attorney duly authorised (or if the appointor is a corporation, the Form of Proxy must be executed under its common seal or under the hands of an officer or attorney duly authorised), it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If the Form of Proxy is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed in the Form of Proxy.* - ii) *Via Tricor Online System (TIH Online) (applicable for members who are individual persons only). The Proxy Form can be electronically submitted via TIH Online at <https://tiah.online>. Please follow the procedures set out in the Administrative Guide.*
9. *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of this EGM will be put to vote by way of poll. Independent Scrutineers will be appointed to verify the poll results.*

PERSONAL DATA POLICY

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

FORM OF PROXY



Hibiscus Petroleum Berhad
Registration Number: 200701040290 (798322-P)

CDS Account No.:

*I/We _____

I.C. No. / Passport No. / Registration No. / Company No. _____

of _____

being a member of **HIBISCUS PETROLEUM BERHAD** (“**HIBISCUS PETROLEUM**” or “**Company**”)

hereby appoint _____

I.C. No. / Passport No. _____

of _____

or failing him/her _____, I.C. No. / Passport No. _____

of _____

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy, to vote for me/us on my/our behalf at the Extraordinary General Meeting (“**EGM**”) of the Company to be held via a fully virtual platform at the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Tuesday, 3 November 2020 at 9:30 a.m. or at any adjournment thereof, whichever is later, on the following resolutions (with or without modifications) referred to in the Notice of the EGM by indicating an “**X**” in the space provided below:

RESOLUTIONS	FOR	AGAINST
Ordinary Resolution 1 - Proposed Private Placement of CRPS		
Ordinary Resolution 2 - Proposed Allotment to Dr. Kenneth		
Special Resolution - Proposed Amendments		

Dated this _____ day of _____ 2020

Signature / Common Seal	
Number of Shares held	

For appointment of two proxies, percentage of shareholdings to be represented by the proxies			
	No. of Shares	Percentage	
Proxy 1			%
Proxy 2			%
Total		100	%



Notes:

1. *In light of the Coronavirus (“COVID-19”) pandemic and in line with the Guidance and Frequently Asked Questions (“FAQs”) on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, the EGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Voting (“RPV”) facilities. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd (“TIIH”) as the Poll Administrator for this EGM to facilitate the RPV via TIIH Online website at <https://tiih.online>. The procedures for members to register, participate and vote remotely via the RPV facilities are provided in the Administrative Guide for this EGM.*
2. *The broadcast venue is strictly for the purpose of complying with Section 327(2) of the Act, which requires the Chairman of the meeting to be present at the main venue. Members/proxies are **NOT** to be physically present at the broadcast venue on the day of this EGM.*
3. *For purposes of determining who shall be entitled to attend this meeting in accordance with Clauses 72(b) and 72(c) of the Company’s Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 23 October 2020 and only Depositors whose name appear on such Record of Depositors shall be entitled to attend, speak (in the form of real time submission of typed texts) and vote via RPV at this meeting.*
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5. *A proxy or attorney or a duly authorised representative may, but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*
6. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which is exempted from compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act, 1991 (Exempt Authorised Nominee) which holds Ordinary Shares in the Company for multiple beneficial owners in one (1) securities account (Omnibus Account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. Where the Exempt Authorised Nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
7. *A member who has appointed a proxy or attorney or authorised representative to attend and vote at this EGM via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at <https://tiih.online>.*

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*For members who are not individual persons (e.g. corporate member, exempted authorised nominee, etc.), the appointment of a proxy **MUST** be made in hard copy form only.*

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- i) *In hard copy form (applicable for all members)*
- (a) *To be valid, the Form of Proxy duly completed must be deposited at the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd's address at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.*
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- ii) *Via Tricor Online System (TIIH Online) (applicable for members who are individual persons only). The Proxy Form can be electronically submitted via TIIH Online at <https://tiih.online>. Please follow the procedures set out in the Administrative Guide.*
9. *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of this EGM will be put to vote by way of poll. Independent Scrutineers will be appointed to verify the poll results.*

PERSONAL DATA POLICY

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



Fold this flap for sealing

Then fold here

AFFIX
STAMP

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

1st fold here
