

THIS STATEMENT TO SHAREHOLDERS OF HIBISCUS PETROLEUM BERHAD IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has not perused this Statement prior to its issuance as it is an exempt document pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

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HIBISCUS PETROLEUM BERHAD

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

STATEMENT TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)

The Proposed Renewal of Share Buy-Back Authority as contained in this Statement will be tabled as a Special Business at the 13th Annual General Meeting (“**AGM**”) of the Company which will be held on a virtual basis, the details of which are as follows:

Date and time of the 13 th AGM	: Tuesday, 5 December 2023 at 9.30 a.m., or at any adjournment of the AGM
Broadcast venue of the 13 th AGM	: Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
Last date and time for lodging the Form of Proxy	: Sunday, 3 December 2023 at 9.30 a.m.

The Notice of the 13th AGM together with the Form of Proxy are set out in the Annual Report 2022/2023 of the Company and are available to be downloaded from the Company’s website at <https://www.hibiscuspetroleum.com/investor-relations/agm/> or Bursa Securities’ website at <https://www.bursamalaysia.com/>. For further information, please refer to the Notice of the 13th AGM and the Administrative Guide for the 13th AGM.

This Statement is dated 31 October 2023

DEFINITIONS

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

Act	:	Companies Act, 2016
AGM	:	Annual General Meeting
Board	:	Board of Directors
Bursa Securities	:	Bursa Malaysia Securities Berhad
Code	:	Collectively, the Malaysian Code on Take-Overs and Mergers 2016 and the Rules on Take-Overs, Merges and Compulsory Acquisitions
Director(s)	:	Director(s) of Hibiscus Petroleum
EGM	:	Extraordinary General Meeting
EPS	:	Earnings per share
FYE	:	Financial year ended/ending, as the case may be
Hibiscus Petroleum or Company	:	Hibiscus Petroleum Berhad
Hibiscus Petroleum Group or Group	:	Collectively, Hibiscus Petroleum and its subsidiaries
Hibiscus Petroleum Share(s) or Share(s)	:	Ordinary share(s) in Hibiscus Petroleum
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	20 October 2023, being the latest practicable date prior to the printing of this Statement
NA	:	Net assets
Proposed Renewal of Share Buy-Back Authority	:	Proposed renewal of the authority for Hibiscus Petroleum to purchase its own Shares of up to ten per centum (10%) of the total number of issued shares of our Company
Purchased Shares	:	Shares to be purchased by our Company pursuant to the Proposed Renewal of Share Buy-Back Authority
Prevailing Laws	:	Prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities
RM	:	Ringgit Malaysia

DEFINITIONS

Statement : This statement to shareholders dated 31 October 2023

Substantial Shareholders : Shall have the meaning given in Section 136 of the Act

VWAMP : Volume weighted average market price

All references to “**our Company**” in this Statement 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 Statement are to our shareholders who are entitled to attend and vote at our forthcoming AGM, 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 Statement are references to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Statement shall be a reference to Malaysian time, unless otherwise specified.

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

Certain statements in this Statement 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 Statement should not be regarded as a representation or warranty that our Group’s plans and objectives will be achieved.

TABLE OF CONTENTS

	Page
DEFINITION	i
LETTER TO OUR SHAREHOLDERS CONTAINING:	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	2
3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	6
4. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	7
5. APPROVAL REQUIRED	9
6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDER, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM	9
7. DIRECTORS' STATEMENT AND RECOMMENDATION	9
8. AGM	9
9. FURTHER INFORMATION	10
APPENDIX I: FURTHER INFORMATION	11
APPENDIX II: EXTRACT OF THE NOTICE OF THE 13TH AGM IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	12



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

31 October 2023

Board of Directors:

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

To: Our Shareholders

Dear Sir/Madam,

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

On 4 October 2023, our Company announced its intention to seek the approval of our shareholders for the Proposed Renewal of Share Buy-Back Authority at the forthcoming 13th AGM of our Company.

THE PURPOSE OF THIS STATEMENT IS TO PROVIDE OUR SHAREHOLDERS WITH THE RELEVANT INFORMATION ON THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AS WELL AS TO SET OUT THE RECOMMENDATION OF OUR BOARD AND TO SEEK OUR SHAREHOLDERS' APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY TO BE TABLED AT THE 13TH AGM OF OUR COMPANY TO BE HELD ON 5 DECEMBER 2023.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS STATEMENT BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AT OUR FORTHCOMING 13TH AGM.

2.0 DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

2.1 General

Our Shareholders had at our EGM held on 1 December 2022, granted approval for our Company to purchase its own shares of up to 10% of the total number of issued shares of our Company. The said mandate shall in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 13th AGM unless a fresh mandate is obtained from our shareholders.

Our Board proposes to seek approval from our shareholders for the Proposed Renewal of Share Buy-Back Authority. The Proposed Renewal of Share Buy-Back Authority is subject to compliance with Sections 112, 113 and 127 of the Act, the Listing Requirements and any applicable Prevailing Laws issued by the relevant authorities at the time of purchase.

Under Paragraph 12.07(3) of the Listing Requirements, the approval from our shareholders for the Proposed Renewal of Share Buy-Back Authority would be effective immediately upon the passing of the ordinary resolution at the forthcoming 13th AGM of our Company and shall be valid until:

- (i) the conclusion of the next AGM of our Company, being the 14th AGM following the 13th AGM at which such resolution was passed at which time it will lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the 14th AGM of our Company is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by our shareholders in a general meeting;

whichever occurs first.

The approval of our shareholders for the Proposed Renewal of Share Buy-Back Authority does not impose an obligation on our Company to purchase its own Shares. However, it will allow our Board to exercise the power of our Company to purchase its own Shares at any time within the abovementioned time period.

2.2 Maximum Number or Percentage of Hibiscus Petroleum Shares to be acquired

Under Paragraph 12.09 of the Listing Requirements, the maximum aggregate number of Shares which may be purchased by our Company or held as treasury shares shall not exceed 10% of the total number of issued Shares of our Company at any point in time.

As at the LPD, the total issued share capital of our Company is RM166,013,524.78 comprising 804,967,428 Shares. As such, the maximum number of Shares that may be purchased or held as treasury shares by our Company is 80,496,742 Shares, representing 10% of our total number of issued Shares, for illustrative purposes.

Purchases under the Proposed Renewal of Share Buy-Back Authority shall only be effected on the open market of Bursa Securities via its automated trading system and shall exclude any direct business transactions as defined in accordance with the rules of Bursa Securities. The Proposed Renewal of Share Buy-Back Authority shall be transacted through our Company's appointed stockbroker.

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

The maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the aggregate of the retained earnings of our Company at the time of purchase.

For illustrative purposes only, based on the latest audited financial statements of Hibiscus Petroleum for the FYE 30 June 2023, the retained earnings of our Company is RM109.0 million.

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

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

Our Board will ensure that our Company has sufficient retained earnings and funds available at our Company level prior to undertaking any share buy-back. As required under Section 112(2) of the Act, our Company will have to perform a solvency test to satisfy the following conditions:

- (i) that the Proposed Renewal of Share Buy-Back Authority would not result in our Company being insolvent and its capital being impaired at the date of the solvency statement; and
- (ii) that our Company will remain solvent after each share buy-back during the period of six months after the date of the declaration made by a majority of the Directors of our Company in accordance with Section 113(2) of the Act.

If funded through internally generated funds, the Proposed Renewal of Share Buy-Back Authority is not expected to materially impact our Company/Group's cash flow. If financed through external borrowings, our Board will ensure that our Company will have sufficient funds to repay such borrowings and that such repayment will not have a material effect on the cash flow of our Company/Group.

2.4 Treatment of Purchased Shares

In accordance with Section 127(4) of the Act, our Board may deal with the Purchased Shares at its discretion, in the following manner:

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

Pursuant to Section 127(7) of the Act, where such Purchased Shares are held as treasury shares, our Board may at its discretion:

- (i) resell the Purchased Shares or any of the Purchased Shares in accordance with the relevant rules of Bursa Securities;
- (ii) distribute the Purchased Shares as dividends to our shareholders, such dividends to be known as "share dividends";

- (iii) transfer the Purchased Shares or any of the Purchased Shares for the purposes of or under an employees' share scheme;
- (iv) transfer the Purchased Shares or any of the Purchased Shares as purchase consideration;
- (v) cancel the Purchased Shares or any of the Purchased Shares;
- (vi) sell, transfer or otherwise use the Purchased Shares for such other purposes as the minister charged with the responsibility for companies may by order prescribe; and/or
- (vii) in any other manner permitted by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force.

Under Section 127(8) of the Act, if the Purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any other distribution in cash or otherwise is suspended. In accordance with Section 127(9) of the Act, the treasury shares shall not be taken into account in calculating the number or percentage of Shares or of a class of shares in our Company for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, quorum for a meeting and result of a vote on resolution(s) at meetings.

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

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

2.5 Purchase and/or resale of Shares in the preceding 12 months

Our Company did not purchase any of its own Shares in the preceding 12 months.

As at the date of this Statement, no Shares were purchased, held as treasury shares, resold, transferred and/or cancelled by our Company.

2.6 Public Shareholding Spread

The Proposed Renewal of Share Buy-Back Authority will be carried out in accordance with the prevailing laws at the time of the purchase, including compliance with the public shareholding spread requirement under Paragraph 8.02(1) of the Listing Requirements.

Based on our Record of Depositors as at LPD, our Company's public shareholding spread was about 76% of the total number of issued Shares. Assuming that the Proposed Renewal of Share Buy-Back Authority is implemented in full (i.e., up to 10% of Hibiscus Petroleum Shares are purchased from public shareholders), the public shareholding spread will be reduced to about 73%.

Our Company will be mindful in implementing the Proposed Renewal of Share Buy-Back Authority and will not make any purchase of Shares if that would result in a breach of Paragraph 12.14 of the Listing Requirements, which provides that a listed corporation must not purchase its own shares on Bursa Securities if that purchase(s) will result in the listed corporation being in breach of the public shareholding spread requirement under Paragraph 8.02(1) of the Listing Requirements.

2.7 Potential advantages and disadvantages of the Proposed Renewal of Share Buy-Back Authority

The potential advantages of the Proposed Renewal of Share Buy-Back Authority to our Company are as follows:

- (i) enables our Company to purchase our Shares particularly when our Shares are undervalued, which would in turn, enhance investors' confidence;
- (ii) our Company may realise potential gains from the resale of the treasury shares, if the Purchased Shares which are retained as treasury shares are resold at higher prices;
- (iii) our Company may distribute any Shares held as treasury shares as share dividends to reward our shareholders, if of a reasonable size and/or to be utilised pursuant to any employees' share scheme;
- (iv) enables our Company to use its financial resources to enhance the value of shareholders' investment in our Company if there is no immediate use, by purchasing our Shares; and
- (v) enables our Company to use the treasury shares as purchase consideration in corporate transactions thereby reducing the financial outflow and/or preserving our working capital.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority to our Company are as follows:

- (i) as the Proposed Renewal of Share Buy-Back Authority can only be made out of retained earnings of our Company, it may result in the reduction of retained earnings available for distribution to our shareholders in the immediate future; and
- (ii) the Proposed Renewal of Share Buy-Back Authority may reduce the immediate financial resources of our Company and may result in our Group foregoing other investment opportunities that may be available in the future.

Nevertheless, these potential disadvantages are mitigated by the prospects that the financial capacity of our Group may increase, if the Purchased Shares held as treasury shares are resold at a higher price than their purchase price.

In addition, our Board does not expect the Proposed Renewal of Share Buy-Back Authority to give rise to any material disadvantage to our Company and our shareholders, as it will be implemented only after due consideration that there is adequate cash flow to fund our Group's working capital and other requirements prior to allocating the available resources for the Proposed Renewal of Share Buy-Back Authority. Our Board, in exercising any decision to purchase the Shares pursuant to the Proposed Renewal of Share Buy-Back Authority and any subsequent resale of treasury shares on Bursa Securities, will be mindful of the interest of our Company and our shareholders.

2.8 Implications of the Code

As at the LPD and based on our Register of Substantial Shareholders, the provisions on mandatory takeovers under the Code will not be triggered by any of our Substantial Shareholders solely by reason of the Proposed Renewal of Share Buy-Back Authority being carried in full.

It is the intention of our Company to implement the Proposed Renewal of Share Buy-Back Authority in a manner that will not result in any of our Company's Substantial Shareholders and/or persons acting in concert with them having to undertake a mandatory offer pursuant to the Code.

2.9 Historical share prices

The monthly highest and lowest prices of Hibiscus Petroleum Shares as traded on Bursa Securities during the last 12 months from October 2022 to September 2023 are set out below:

<u>Month</u>	Highest (RM)	Lowest (RM)
<u>2022</u>		
October	1.010	0.825
November	1.130	0.930
December	1.160	1.000
<u>2023</u>		
January	1.170	1.040
February	1.170	1.050
March	1.110	0.900
April	1.110	0.990
May	1.030	0.910
June	0.950	0.860
July	0.960	0.850
August	0.990	0.920
September	1.140	0.965

The last transacted price of Hibiscus Petroleum Shares on the LPD was RM2.87⁽¹⁾ per Share.

(Source: Bloomberg)

Note:

(1) *Hibiscus Petroleum completed its share consolidation exercise (consolidation of every 5 existing Hibiscus Petroleum Shares into 2 consolidated Shares) on 20 October 2023.*

3.0 RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority, if approved by our shareholders, will enable our Company to utilise any of its surplus financial resources, which are not immediately required for other uses, to purchase the Shares when appropriate and at prices which our Board views as favourable.

In addition to the potential advantages as set out in Section 2.7 of this Statement, the Proposed Renewal of Share Buy-Back Authority may effectively reduce the number of our Shares in issue carrying voting and participation rights. As such, in arriving at the EPS of our Group, the earnings of our Group would be divided by a reduced number of Shares. Depending on, amongst other factors, the current market price of our Shares, our shareholders may enjoy an increase in the value of their investment in our Company arising from the consequent increase in EPS.

4.0 EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The effects of the Proposed Renewal of Share Buy-Back Authority and the implications relating to the Code are as follows:

4.1 Issued share capital

Assuming that the maximum number of Hibiscus Petroleum Shares authorised under the Proposed Renewal of Share Buy-Back Authority are purchased and cancelled, the effects on the issued share capital of our Company as at the LPD are set out below:

	No. of Shares
Issued share capital as at the LPD	804,967,428
Less: Maximum number of Shares that may be purchased and cancelled under the Proposed Renewal of Share Buy-Back Authority	(80,496,742) ⁽¹⁾
After the Proposed Renewal of Share Buy-Back Authority	724,470,686

Note:

(1) Assuming sufficiency of retained earnings and that all Shares purchased are cancelled.

4.2 Consolidated NA, consolidated NA per Share and consolidated gearing

The effects of the Proposed Renewal of Share Buy-Back Authority on the consolidated NA per Share of Hibiscus Petroleum will depend on the number of Purchased Shares, the purchase prices of the Purchased Shares, the cost of funding to our Group to finance such purchases, if any, and/or any loss in interest income to our Group if internally generated funds are used. The effects will also be subject to whether the Purchased Shares are resold on Bursa Securities, cancelled, retained as treasury shares or distributed as share dividends to our shareholders.

For Purchased Shares which are retained as treasury shares, cancelled and/or distributed as share dividends, the consolidated NA per Share would increase if the purchase prices are less than the consolidated NA per Share at the point of purchase, and vice versa.

If the treasury shares are resold on Bursa Securities, the consolidated NA per Share upon the resale would increase if our Company realises a gain from the resale and vice versa.

The effects of the Proposed Renewal of Share Buy-Back Authority on the consolidated gearing of Hibiscus Petroleum will depend on the proportion of borrowings used to fund any purchase of the Purchased Shares. At this juncture, our Company has not determined whether to use any form of borrowings for purposes of the Proposed Renewal of Share Buy-Back Authority.

4.3 Consolidated earnings and consolidated EPS

The effects of the Proposed Renewal of Share Buy-Back Authority on the consolidated earnings and consolidated EPS of our Company will depend on, inter alia, the number of Purchased Shares, the purchase price of such Shares, the effective funding cost to our Company to finance the Purchased Shares or any loss in interest income of our Company and the proposed treatment of the Purchased Shares.

4.4 Working capital

The Proposed Renewal of Share Buy-Back Authority will result in cash outflow, thereby reducing the working capital of our Group, the quantum of which is dependent on the purchase prices of our Shares and the actual number of Purchased Shares and the cost of funding, if any. Our Board will take into consideration the interests of our Company and our shareholders as well as assess the working capital requirements of our Group prior to undertaking any share buy-back.

4.5 Directors' and substantial shareholders' shareholdings

Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full (i.e., up to 10% of the total number of issued Shares is purchased from shareholders other than the Directors' and substantial shareholders of our Company) and all such Purchased Shares are cancelled or retained as treasury shares, the pro forma effects of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the Directors' and substantial shareholders of our Company are set out in the table below:

	As at the LPD				After the Proposed Renewal of Share Buy-Back Authority			
	Direct No. of Shares	(1)%	Indirect No. of Shares	(1)%	Direct No. of Shares	(2)%	Indirect No. of Shares	(2)%
Directors								
Zainul Rahim bin Mohd Zain	-	-	-	-	-	-	-	-
YBhg Dato' Sri Roushan Arumugam	498,000	0.06	⁽³⁾ 14,992,280	1.86	498,000	0.07	⁽³⁾ 14,992,280	2.07
YBhg Dato' Dr Zaha Rina Zahari	1,800,000	0.22	-	-	1,800,000	0.25	-	-
Thomas Michael Taylor	-	-	-	-	-	-	-	-
Emeliana Dallan Rice-Oxley	-	-	-	-	-	-	-	-
Zaidah binti Ibrahim	-	-	-	-	-	-	-	-
Director and Substantial Shareholder								
Dr Kenneth Gerard Pereira	29,914,000	3.72	⁽⁴⁾ 49,209,040	6.11	29,914,000	4.13	⁽⁴⁾ 49,209,040	6.79
Substantial Shareholders								
Hibiscus Upstream Sdn Bhd	43,509,040	5.41	-	-	43,509,040	6.01	-	-
Polo Investments Limited	55,560,000	6.90	-	-	55,560,000	7.67	-	-
YBhg Datuk Michael Tang Vee Mun	4,024,440	0.50	⁽⁵⁾ 85,743,626	10.65	4,024,440	0.56	⁽⁵⁾ 85,743,626	11.84
Mettiz Capital Limited	-	-	⁽⁶⁾ 55,560,000	6.90	-	-	⁽⁶⁾ 55,560,000	7.67
Polo Resources Limited	-	-	⁽⁶⁾ 55,560,000	6.90	-	-	⁽⁶⁾ 55,560,000	7.67

Notes:

- (1) Computed based on the total number of 804,967,428 issued Shares as at LPD.
- (2) Computed based on the total number of 724,470,686 issued Shares after the Proposed Renewal of Share Buy-Back Authority.
- (3) Deemed interest by virtue of his interest in Littleton Holdings Pte Ltd pursuant to Section 8 of the Act.
- (4) Deemed interest by virtue of his interest in Hibiscus Upstream Sdn Bhd and Hibiscus Energy Sdn Bhd pursuant to Section 8 of the Act.
- (5) Deemed interest by virtue of his interest in Polo Investments Limited and Mettiz Capital Sdn Bhd pursuant to Section 8 of the Act.
- (6) Deemed interest by virtue of their interest in Polo Investments Limited pursuant to Section 8 of the Act.

5.0 APPROVAL REQUIRED

The Proposed Renewal of Share Buy-Back Authority is subject to the approval of our shareholders at the forthcoming 13th AGM.

6.0 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDER, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

Save for the proportionate increase in the percentage shareholdings and voting rights associated with the shareholdings as a consequence of the Proposed Renewal of Share Buy-Back Authority, none of our Directors, major shareholder, chief executive of our Company and/or persons connected to them, has any interest, direct and/or indirect, in the Proposed Renewal of Share Buy-Back Authority.

7.0 DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, after having considered and deliberated on all aspects of the Proposed Renewal of Share Buy-Back Authority, including the rationale and effects, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of our Company.

Accordingly, our Board recommends that you **VOTE IN FAVOUR** of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at our forthcoming 13th AGM.

8.0 AGM

The 13th AGM of our Company, the notice of which is set out in the Annual Report 2022/2023, will be conducted virtually at the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on 5 December 2023 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 resolution to give effect to the Proposed Renewal of Share Buy-Back Authority. An extract of the Notice of the 13th AGM setting out the ordinary resolution in respect of the Proposed Renewal of Share Buy-Back Authority is enclosed in Appendix I of this Statement.

If you are unable to attend and vote at the AGM, please complete and return the enclosed Form of Proxy for the AGM to the office of our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd 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, not later than forty-eight (48) hours before the time set for the AGM 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 AGM for further details. The completion and the return of the Form of Proxy will not preclude you from attending and voting at the virtual AGM should you subsequently decide to do so.

9.0 FURTHER INFORMATION

Please refer to the attached appendix 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

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

Our Directors have seen and approved this Statement and they collectively and individually accept full responsibility for the accuracy of the information given in this Statement. They confirm that, after making all reasonable enquiries to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in this Statement misleading.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of our Company at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia from Mondays to Fridays (except public holidays) from the date of this Statement up to the time stipulated for the holding of the 13th AGM:

- (i) our Constitution; and
- (ii) our audited consolidated financial statements for the past 2 financial years ended 30 June 2022 and 30 June 2023 respectively.

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

EXTRACT OF THE NOTICE OF THE 13TH ANNUAL GENERAL MEETING (AGM)

NOTICE IS HEREBY GIVEN THAT the 13th AGM of Hibiscus Petroleum Berhad (Hibiscus Petroleum or the Company) will be held via the virtual platform at the broadcast venue at Tricor Business Centre, Gemilang 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, 5 December 2023 at 9.30 a.m. or at any adjournment thereof, whichever is later, for the purpose of considering and if thought fit, to pass the following resolutions (with or without modifications):

ORDINARY RESOLUTION 12

PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY)

“THAT, subject to the Companies Act 2016 (the Act), the *Constitution* of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) (Listing Requirements) and all other applicable laws, rules, regulations, orders, guidelines and requirements, the Company be and is hereby authorised to purchase such number of the issued ordinary shares of the Company (Shares) as may be determined by the Board of Directors of Hibiscus Petroleum (Board) from time to time through Bursa Securities upon such terms and conditions as the Board may deem fit, necessary and expedient in the best interest of the Company, provided that:

- (a) the maximum aggregate number of Shares which may be purchased by the Company or held as treasury shares shall not exceed 10% of the total number of issued shares of the Company at any point in time;
- (b) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its Shares shall not exceed the total amount of retained profits of the Company; and
- (c) the authority conferred by this resolution will be effective immediately upon the passing of this resolution and shall continue to be in force until:
 - (i) the conclusion of the next AGM of the Company, being the 14th AGM following the 13th AGM at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
 - (ii) the expiration of the period within which the 14th AGM of the Company is required by law to be held; or
 - (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first, but shall not prejudice the completion of the purchase(s) by the Company of its own Shares before the aforesaid expiry date and in any event, in accordance with the provisions of Listing Requirements and/or any applicable laws, rules, regulations, orders, guidelines and/or requirements issued by Bursa Securities and/or any other relevant authorities.

THAT, upon completion of the purchase by the Company of its own Shares, the Board be and is hereby authorised to deal with the Shares so purchased (Purchased Shares) in their absolute discretion in the following manner:

- (a) cancel all or part of the Purchased Shares; or
- (b) retain all or part of the Purchased Shares as treasury shares; or
- (c) retain part of the Purchased Shares as treasury shares and cancel the remainder of the Purchased Shares; or
- (d) deal with the treasury shares in such other manner as allowed under the Act, Listing Requirements and/or applicable laws, rules, regulations, orders, guidelines and/or requirements of any relevant authorities.

AND THAT the Board be and is hereby empowered and authorised to take all such steps and do all acts, deeds and things (including the opening and maintaining of depository account(s) under the Securities Industry (Central Depositories) Act, 1991) 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 Board may consider necessary, expedient and/or relevant to finalise, implement, give full effect to and complete the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, terms, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant authorities or as the Board may in their discretion deem fit, necessary, expedient or relevant and to do all such acts and things the Board may consider necessary or expedient in the best interest of the Company."

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