

CONVERTIBLE REDEEMABLE PREFERENCE SHARES – TRANCHE 2 (CRPS – T2)

CRPS HOLDER GUIDE
23 November 2020

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

*This guide comprises only a summary of the salient information on the CRPS-T2, as extracted from the full text of the circular to the shareholders of Hibiscus Petroleum dated 12 October 2020 (**Circular to Shareholders**) and listing circular in relation to the CRPS-T2 dated 20 November 2020 (**Listing Circular**). This guide should be read together with the more detailed information contained in the Circular to Shareholders and Listing Circular.*

KEY INFORMATION

Stock Name	HIBISCS-PA
Stock Code	5199PA
Listing Date	23 November 2020
Issue Date	19 November 2020
Maturity Date	18 November 2022
Issue Price	RM1.00
Conversion Price	RM0.48
Conversion Ratio	50 new Hibiscus Shares for every 24 CRPS-T2 held
Conversion Period	From Issue Date up to 6 market days prior to the Maturity Date (both dates inclusive)
Optional Conversion	Convertible into new Hibiscus Shares at the Conversion Price without payment of additional consideration by the CRPS-T2 holder, at any time during the Conversion Period
Mandatory Conversion	<p>Upon completion of an Acquisition at any time up to 30 days before the Maturity Date, the CRPS-T2 will be mandatorily converted on a pro-rata basis into new Hibiscus Shares at the Conversion Price based on the following formula:</p> $M = A / B \times O$ <p>M = Number of CRPS-T2 held by each CRPS-T2 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-T2 held by each CRPS-T2 holder</p>
Redemption Option	The Company has the option to redeem in whole or part the outstanding CRPS-T2 on 17 May 2022 (being the end of the 18 th month from 18 November 2020, i.e. the issue date of the first tranche of the CRPS) in one lump sum, at the Redemption Price by giving notice of not less than 30 days to the CRPS-T2 holders.

Redemption Upon Maturity All the outstanding CRPS-T2 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.

Redemption Price $R = [1 + (r \times U / 365)] - P$

R = Redemption price per CRPS-T2 (in RM)

r = 4.0% per annum

U = Number of days from the Issue Date to the CRPS-T2 redemption date

P = Dividends declared in respect of the CRPS-T2, if any (RM)

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

Preferential Dividend (non-cumulative) The Company may at its absolute discretion declare a targeted preferential dividend rate of 4.0% per annum based on the Issue Price of CRPS-T2 to be redeemed on the Maturity Date, payable on the Maturity Date.

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.

GLOSSARY

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

Hibiscus Shares Ordinary shares in Hibiscus Petroleum

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

PROCEDURES FOR OPTIONAL CONVERSION

1. If you wish to exercise your Optional Conversion rights into new Hibiscus Shares, please complete the **Conversion Notice** in accordance with the notes and instructions contained in the Conversion Notice, including specifying the number of CRPS-T2 that you wish to convert.

Thereafter, please send each completed and signed Conversion Notice with the relevant payments by ordinary post, courier or delivered by hand (at your own risk) to our Registrar for the CRPS-T2 at the following address:

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
Tel: +603 2783 9299
Fax: +603 2783 9222

or alternatively at:

Customer Service Centre
Unit G-3, Ground Floor
Vertical Podium, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

2. Any conversion notice submitted by you to the Company during the period(s) when the CRPS-T2 is suspended for trading on Bursa Malaysia Securities Berhad for purposes of any Mandatory Conversion will only be processed after completion of the said Mandatory Conversion.
3. The relevant new Hibiscus Shares will be credited into your Central Depository System account within 8 business days after your Conversion Notice is received by the Company. Thereafter, the notice of allotment of such new Hibiscus Shares will be despatched to you.
4. In the event the Company exercises the Redemption Option, the exercise of your Optional Conversion right in respect of your CRPS-T2 which are subject to the Redemption Option will prevail provided that you have exercised your Optional Conversion rights no later than 6 market days prior to the redemption date.

MANDATORY CONVERSION

At any time up to 30 days before the Maturity Date, upon completion of an Acquisition, the outstanding CRPS-T2 held by you will be mandatorily converted on a pro-rata basis into new Hibiscus Shares at the Conversion Price based on the formula set out above.

EXERCISE OF REDEMPTION OPTION BY THE COMPANY

1. The Company has the option to redeem in whole or part thereof the outstanding CRPS-T2 held by you on **17 May 2022** (i.e. the end of the 18th month from the issue date of the first tranche of the CRPS) at the Redemption Price by giving notice of not less than 30 days to you.
2. The Redemption Price for each CRPS-T2 to be redeemed is equal to:
RM1.00 + 4.0% per annum calculated from the Issue Date to redemption date (17 May 2022)
3. The redemption notice will state the entitlement date to be used to determine the identities of CRPS-T2 holders who are entitled to receive the Redemption Price payment.

REDEMPTION UPON MATURITY

1. All the outstanding CRPS-T2 held by you on **18 November 2022 (Maturity Date)** will be redeemed by the Company at the Redemption Price, subject to compliance with the Act.
2. The Company may at its absolute discretion declare a **targeted preferential dividend rate of 4.0% per annum** based on the Issue Price of CRPS-T2 to be redeemed. The preferential dividend, if declared, is payable on the Maturity Date and will not be applicable to CRPS-T2 that have been redeemed or converted before the Maturity Date.
3. The Redemption Price for each CRPS-T2 to be redeemed is equal to:
RM1.00 + 4.0% per annum calculated from the Issue Date to Maturity Date – Dividends declared in respect of the CRPS-T2 (if any)
4. For each CRPS-T2 redeemed by the Company on the Maturity Date, you will receive **RM1.00 plus a total return of 4.0% per annum on the CRPS-T2 (in the form of redemption premium and/or preferential dividend).**

ENQUIRY

For enquiries, kindly contact one of the following during office hours from 8.30 a.m. to 5.30 p.m. (Mondays to Fridays):

Head Office

Hibiscus Petroleum Berhad (Ms Doreen Hong)
2nd Floor, Syed Kechik Foundation Building
Jalan Kapas, Bangsar
59100 Kuala Lumpur
Tel: +603 2092 1300
Fax: +603 2092 1301
hpbcrops@hibiscuspetroleum.com

Registrar for the CRPS

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
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