

SHARE BUY-BACK POLICY

1. Purpose

This policy sets out the key principles and guidelines to govern any Share Buy-Back (“SBB”) undertaken by Hibiscus Petroleum Berhad (“Hibiscus” or the “Company”).

2. Key Principles

The Board of Directors of the Company (“Board”), in making the decision to repurchase ordinary shares of Hibiscus (“Shares”), will consider, inter-alia, the following:

- (i) the availability of retained earnings of the Company at the time of the purchase;
- (ii) the surplus funds available for SBBs after taking into account, amongst others, the funding of business operations, working capital, debt payments and dividend payout; and
- (iii) priority of funds is given to the Hibiscus Group’s organic and inorganic growth programmes which are value-accretive.

The shares purchased is expected to be held as treasury shares in the shorter-term. The decision on the treatment of the treasury shares e.g. whether to sell, or cancel or both, will be made by the Board at its discretion.

3. Compliance and Internal Controls

In undertaking any SBB, the Company will exercise discipline and ensure compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Companies Act 2016 and the Malaysian Code on Take-Overs and Mergers 2016.

In addition, the Company has instituted internal controls relating to the SBB which includes the formation of a SBB committee and formulating the process for execution of SBB as well as the associated limits of authority.

4. Authority of SBB

The authority from shareholders is effective immediately upon the passing of the Ordinary Resolution for the Proposed SBB. The aforesaid authority from shareholders will expire at the conclusion of the next Annual General Meeting (“AGM”) of the Company unless authority is further renewed by ordinary resolution passed at that AGM (either unconditionally or subject to conditions) or upon the expiration of the period within which the next AGM of the Company is required by law to be held, or if the authority is revoked earlier or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever occurs first.

This policy is dated 16 February 2023.