

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused the content of this Circular to Shareholders in relation to the Proposed Amendment to the Clause of the Company’s Constitution (“Circular”) as it is an exempt document pursuant to Practice Note 18 of the Main Market Listing Requirements.

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



REACH ENERGY BERHAD
(Registration No. 201301004557 (1034400-D))
(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS
IN RELATION TO THE
PROPOSED AMENDMENT TO THE CLAUSE IN THE COMPANY’S CONSTITUTION

The Notice of Seventh Annual General Meeting (“**7th AGM**”) of Reach Energy Berhad (“**Reach Energy**”) to be conducted fully virtual at Banyan Function Room, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on **Wednesday, 5 August 2020 at 10.00 a.m.**, is sent together with this Circular.

You are requested to complete, sign and return the Proxy Form attached with the Notice of 7th AGM and deposit it at Boardroom Share Registrars Sdn Bhd’s office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan forty-eight (48) hours before the date and time for holding the meeting, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll, if you are not able to attend the 7th AGM. The completion and lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : Monday, 3 August 2020 at 10.00 a.m.
Date and time of AGM : Wednesday, 5 August 2020 at 10.00 a.m.

This Circular is dated 30 June 2020

DEFINITIONS

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

“Act”	:	The Malaysian Companies Act, 2016 as amended from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“Board”	:	The Board of Directors of Reach Energy Berhad
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“Director(s)”	:	Shall have the meaning given in Section 2 of the Capital Markets and Services Act, 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of the Company, its subsidiary or holding company
“Listing Requirements”	:	The Main Market Listing Requirements of Bursa Securities, as amended from time to time and any re-enactment thereof
“Major Shareholder(s)”	:	A person who has an interest or interests in one or more voting shares in a company and the number or aggregate number of those shares, is – (a) 10% or more of the total number of voting shares in the company; or (b) 5% or more of the total number of voting shares in the company where such person is the largest shareholder of the company. For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act
“Person(s) Connected”	:	Shall have the same meaning as defined in Chapter 1 of the Listing Requirements
“Proposal”	:	Proposed Amendment to the Clause in the Company’s Constitution
“Reach Energy” or “the Company”	:	Reach Energy Berhad (Registration No. 201301004557 (1034400-D))
“Reach Energy Group” or “the Group”	:	Collectively, Reach Energy and its subsidiaries
“Annual Report 2019”	:	Annual Report of Reach Energy issued for the financial year end 31 December 2019

TABLE OF CONTENTS

LETTER FROM THE BOARD TO THE SHAREHOLDERS OF REACH ENERGY IN RELATION TO THE PROPOSAL:

	Page
1. INTRODUCTION	4
2. DETAILS OF THE PROPOSED AMENDMENT	4
3. RATIONALE OF THE PROPOSED AMENDMENT	5
4. EFFECTS OF THE PROPOSED AMENDMENT	5
5. CONDITION OF THE PROPOSED AMENDMENT	5
6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM	5
7. DIRECTORS' STATEMENTS AND RECOMMENDATION	5
8. AGM	5
9. FURTHER INFORMATION	6

APPENDICES

APPENDIX I	7
APPENDIX II	8

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REACH ENERGY BERHAD
(Registration No. 201301004557 (1034400-D))
(Incorporated in Malaysia under the Companies Act, 1965)

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

30 June 2020

Board of Directors:

Tan Sri Dr. Azmil Khalili bin Dato' Khalid	<i>(Non-Independent Non-Executive Chairman)</i>
Ir. Shahul Hamid bin Mohd Ismail	<i>(Executive Director/Chief Executive Officer)</i>
Y.M. Tunku Datuk Nooruddin bin Tunku Dato' Sri Shahabuddin	<i>(Executive Director)</i>
Izlan bin Izhab	<i>(Senior Independent Non-Executive Director)</i>
Nik Din bin Nik Sulaiman	<i>(Independent Non-Executive Director)</i>
Ku Azhar bin Ku Akil <i>(Appointed on 4 May 2020)</i>	<i>(Independent Non-Executive Director)</i>
Ikram Iskandar bin Abd Rahim <i>(Appointed on 18 September 2019)</i>	<i>(Executive Director)</i>

To : The Shareholders of Reach Energy Berhad

Dear Sir/Madam,

PROPOSED AMENDMENT TO THE CLAUSE IN THE COMPANY'S CONSTITUTION ("PROPOSED AMENDMENT")

1. INTRODUCTION

The purpose of this Circular is to provide you with the relevant information of the Proposed Amendment and to seek your approval on the special resolution pertaining to the Proposed Amendment to be tabled at the forthcoming 7th AGM of the Company.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE SPECIAL RESOLUTION IN RELATION TO THE PROPOSAL TO BE TABLED AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED AMENDMENT

The Company wishes to amend the Clause in the Company's Constitution in its entirety with immediate effect. A copy of amendment to the Clause in the Company's Constitution proposed to be adopted is set forth in the Appendix II of this Circular.

3. RATIONALE OF THE PROPOSED AMENDMENT

The Proposed Amendment is to further enhance administrative efficiency.

4. EFFECTS OF THE PROPOSED AMENDMENT

The Proposed Amendment will not have any effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholdings of the Company and the Group.

5. CONDITION OF THE PROPOSED AMENDMENT

The Proposed Amendment is conditional upon the approval being obtained from the shareholders of the Company at the forthcoming 7th AGM to be convened.

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

None of the Directors, major shareholders and/or persons connected with them has any interest, direct or indirect, in the Proposed Amendment.

7. DIRECTORS' STATEMENTS AND RECOMMENDATION

The Board, having considered the Proposed Amendment, is of the opinion that the Proposed Amendment is in the best interest of the Company and the Group and hereby recommend the shareholders vote in favour on the special resolution pertaining to the Proposed Amendment at the 7th AGM to be convened.

8. AGM

The special resolution to vote on the Proposed Amendment is set out in the Notice of 7th AGM contained in Annual Report 2019 which was sent to you together with this Circular. The 7th AGM will be conducted fully virtual at Banyan Function Room, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 5 August 2020 at 10.00 a.m.

If you are unable to attend and vote in person at the 7th AGM, you should complete and return the Proxy Form enclosed with the Notice of 7th AGM, in accordance with the instructions printed therein, to Boardroom Share Registrars Sdn Bhd's office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for the 7th AGM, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking of the poll. The lodging of the Proxy Form will not preclude you from attending and voting in person at the 7th AGM should you subsequently wish to do so.

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9. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I in this Circular for further information.

Yours faithfully
For and on behalf of the Board
REACH ENERGY BERHAD

TAN SRI DR. AZMIL KHALILI BIN DATO' KHALID
Non-Independent Non-Executive Director

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FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of Reach Energy, and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which could make any statement herein false or misleading.

2. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) entered into by Reach Energy and/or its subsidiaries within the past 2 years immediately preceding the date of this Circular.

3. MATERIAL LITIGATIONS

Reach Energy Group is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which would have a material effect on the financial position of Reach Energy Group, and the Directors have no knowledge of any proceedings, pending or threatened against Reach Energy Group or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position of Reach Energy Group preceding the date of this Circular.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company during business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to the date of the AGM:-

- (a) the Constitution of Reach Energy; and
- (b) the Audited Financial Statements of Reach Energy for the past two (2) financial years ended 31 December 2018 and 31 December 2019.

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PROPOSED AMENDMENT TO THE CLAUSE IN THE COMPANY'S CONSTITUTION

“THAT the existing Clause 84 of the Constitution of the Company as follows be amended in its entirety and any further reference to Clause 84 through the Constitution of the Company be amended thereto in consequence: -

Clause 84 – Unless otherwise determine by the Company in general meeting and subject to the Listing Requirements, the number of Directors including a Managing Director, shall not be less than two (2).

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