



HANDAL RESOURCES BERHAD

(Company No. 816839-X)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting of the Company will be held at the Awana Grand Ballroom, Awana Kijal Golf, Beach & Spa Resort, KM 28, Jalan Kemaman-Dungun, 24100 Kijal, Kemaman, Terengganu Darul Iman on Thursday, 30 May 2013 at 10 a.m. to transact the following business:

AS ORDINARY BUSINESS:-

- To receive the Audited Financial Statements for the financial year ended 31 December 2012 and the Reports of Directors and Auditors thereon. (Resolution 1)
- To re-elect Encik Muhammad 'Asri Bin Mohd Rafa'i who retires by rotation pursuant to Article 63 of the Company's Articles of Association. (Resolution 2)
- To re-elect Mr Joel Emanuel Heaney who retires by rotation pursuant to Article 63 of the Company's Articles of Association. (Resolution 3)
- To re-elect Dato' Mohsin Abdul Halim who retires pursuant to Article 63 of the Company's Articles of Association and Section 129 of the Companies Act, 1965 as Director of the Company to hold office until the next Annual General Meeting. (Resolution 4)
- To approve payment of Directors' fees. (Resolution 5)
- To re-appoint Messrs Sekhar & Tan as Auditors of the Company for the financial year ending 31 December 2013 and to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Directors. (Resolution 6)

AS SPECIAL BUSINESS:-

To consider and if thought fit, to pass, with or without modifications the following Ordinary Resolutions:

- AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** (Resolution 7)
"THAT pursuant to Section 132D of the Companies Act, 1965, and subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental and/or regulatory authorities (if any), the Directors be and are hereby empowered to issue new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per cent (10%) of the nominal value of the total issued and paid-up share capital of the Company at the time of issue AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." [Please refer Explanatory Note]
- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR PURCHASE OF OWN ORDINARY SHARES ("Proposed Renewal of Share Buy-Back Authority")** (Resolution 8)
"THAT subject always to the provisions of the Companies Act 1965 ("the Act"), the Company's Articles of Association, Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements and any other relevant authority, the Company be and is hereby authorised to purchase such number of ordinary shares of RM0.50 each in the Company, as may be determined by the Directors from time to time through Bursa Securities, upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that:-
I. the aggregate number of ordinary shares to be purchased shall not exceed ten per cent (10%) of the issued and paid-up ordinary share capital of the Company provided that the Company continues to maintain a shareholding spread that is in compliance with the requirements of the Bursa Securities Listing Requirements after the share purchase;
II. the maximum funds to be allocated by the Company for the purpose of the Proposed Share Buy-Back shall not exceed the retained profits of the Company at the time of purchase;
III. the Directors of the Company may decide in their discretion to retain the shares purchased as treasury shares and/or to cancel them and/or to resell them and/or to distribute them as share dividends;
AND THAT authority be and is hereby given to the Directors of the Company to act and to take all such steps and to do all things as are necessary or expedient to implement and finalise to give full effect to the Proposed Renewal Share Buy-Back Authority.
AND THAT such authority conferred by this resolution will commence immediately and shall continue to be in force until the conclusion of the next Annual General Meeting of the Company following the passing of this Ordinary Resolution, unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting."
[Please refer Explanatory Note]
- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("Proposed Renewal of Shareholders' Mandate")** (Resolution 9)
"THAT approval be and is hereby given to the Company's subsidiary, Handal Offshore Services Sdn Bhd ("HOSSB") to enter into recurrent related party transactions of a revenue and trading nature and to give effect to the specific recurrent related party transactions with the related party Excell Crane & Hydraulics Inc, as set out in Section 2.2.2 of the Circular to Shareholders dated 7th May 2013, which are necessary for the day to day operations of HOSSB, provided that the transactions are undertaken in the ordinary course of business, on arms length basis, on normal commercial terms which were not more favourable to the related party than those generally available to the public and were not detrimental to the minority shareholders of the Company; and disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year;
AND THAT such approval shall continue to be in force until:
a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed; or
b) the expiration of the period within the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act 1965 ("the Act") but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act; or
c) revoked or varied by resolution passed by the shareholders in general meeting,
whichever is the earlier,
AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate"
[Please refer Explanatory Note]
- To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

BY ORDER OF THE BOARD

LEONG OI WAH (MAICSA 7023802)
PAULINE LYE (MAICSA 0798723)
Secretaries

Kuala Lumpur
7 May 2013

Notes:

- The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- A proxy may but need not be a member of the Company and paragraphs (a) and (b) of Section 149(1) of the Act shall not apply.
- A member entitled to attend and vote is entitled to appoint not more than two (2) proxies. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy, failing which the appointment shall be invalid.
- To be valid, this form, duly completed must be deposited at the Share Registrar of the Company at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- Where a member of the company is an exempt authorised nominee as defined under the Depositories Act which holds ordinary shares in the company for multiple beneficial owners in one 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.
- Depositors who appear in the Record of Depositors as at 23 May 2013 shall be regarded as Members of the Company entitled to attend the Annual General Meeting or appoint a proxy to attend and vote on his behalf.

Explanatory Notes on Special Business :

Resolution 7

Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965

Ordinary Resolution No. 7 is proposed for the purpose of granting a general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Section 132D of the Companies Act, 1965, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the issued and paid-up share capital of the Company for the time being. The General Mandate, unless revoked or varied by the Company in General Meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

This General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares, for purpose of funding future investment, working capital and/or acquisitions.

The General Mandate is a renewal and was not utilised earlier.

Resolution 8

Please refer to the Circular on the Proposed Renewal of Share Buy-Back Authority dated 7th May 2013 for further information.

Resolution 9

Please refer to the Circular on the Proposed Renewal of Shareholders' Mandate dated 7th May 2013 for further information.