



HANDAL ENERGY BERHAD

Company Registration No. 200801015549 (816839-X)

(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twelfth (12th) Annual General Meeting of Handal Energy Berhad (“Handal” or “the Company”) will be held at Meeting Room 7, AC Hotel Kuantan City Centre, Jalan Teluk Sisek, 25000 Kuantan on Monday, 30 November 2020 at 2.00 p.m. for the purpose of transacting the following businesses:

AGENDA

1.	To receive the Audited Financial Statements for the financial year ended 30 June 2020 together with the Reports of the Directors and Auditors thereon.	(Please refer to Explanatory Note 1)
2.	To approve the payment of Directors’ fees of up to RM1,000,000 to be divided amongst the Directors in such manner as the Directors may determine for the period from 30 November 2020 until the conclusion of next Annual General Meeting of the Company.	(Ordinary Resolution 1)
3.	To approve the payment of Directors’ benefits comprising of meeting attendance allowances of RM1,000 per meeting for each Non-Executive Member and RM1,500 per meeting for the Chairman of each Committee for the period from 30 November 2020 until the conclusion of next Annual General Meeting of the Company.	(Ordinary Resolution 2)
4.	To re-elect YM Tengku Munawir Islahuddin Bin Tengku Noone Aziz who retires pursuant to Clause 125 of the Company’s Constitution.	(Ordinary Resolution 3)
5.	To re-elect the following Directors who retire pursuant to Clause 115 of the Company’s Constitution :	
	(a) Dato’ Mohammad Medan Abdullah	(Ordinary Resolution 4)
	(b) Ms. Jacqueline Fong Yean Yee	(Ordinary Resolution 5)
6.	To re-appoint Messrs Morison AAC PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	(Ordinary Resolution 6)
	As Special Business: To consider and, if thought fit, to pass the following resolutions:	
7.	Proposed Allocation of Employees’ Share Option Scheme (“ESOS”) Options to YM Tengku Munawir Islahuddin Bin Tengku Noone Aziz, the Executive Director of the Company	(Ordinary Resolution 7)
	“THAT, subject to the approvals of all relevant authorities or parties (where required) being obtained, the Board be and is hereby authorised at any time and from time to time throughout the duration of the ESOS, to offer and	

grant to YM Tengku Munawir Islahuddin Bin Tengku Noone Aziz, the Executive Director of the Company, options to subscribe for such number of new ordinary shares in Handal (“Handal Shares”) and if such options are accepted and exercised, to allot and issue such number of shares of new Handal Shares as may be required to be issued to him under the provisions of the By-Laws of the ESOS provided that his allocation is not more than 10% of the total Handal Shares of the Company made available under the ESOS, if he either singly or collectively through persons connected with him, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares);

AND THAT subject always to such terms and conditions of the ESOS as may, from time to time, be modified, varied and/ or amended in accordance with the provisions of the By-Laws governing and constituting the ESOS.”

8. **Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016**

(Ordinary Resolution 8)

“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 (“the Act”), Additional Temporary Relief Measures to Listed Corporations for COVID-19, issued by Bursa Malaysia Securities Berhad (“Bursa Securities”) on 16 April 2020 and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and 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 20% of the issued share capital of the Company for the time being (“20% General Mandate”) and that the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued.

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until 31 December 2021, as empowered by Bursa Securities pursuant to its letter dated 16 April 2020 to grant additional temporary relief measures to listed corporations, notwithstanding Section 76(3) of the Act, duly varied and adopted by the Directors of the Company pursuant to Section 76(4) of the Act.”

9. **Proposed New and Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Shareholders’ Mandate”)**

(Ordinary Resolution 9)

THAT, subject to compliance with all applicable laws, regulations and guidelines, approval be and is hereby given to the Company to enter into Recurrent Related Party Transactions of a revenue or trading nature with related parties as set out in Section 2.3 of the Circular to Shareholders dated 30 October 2020 for the purposes of Paragraph 10.09, Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), subject to the following:

- (i) the transactions are necessary for the day to day operations of the Company’s subsidiary in the ordinary course of business, at arm’s length, on normal commercial terms and are on terms not more favourable to the related party than those generally available to the public and not detrimental to minority shareholders of the Company;

- (ii) the mandate is subject to annual renewal. In this respect, any authority conferred by a mandate shall only 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 the meeting, the authority is renewed;
 - (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340 (2) of the Companies Act, 2016 (“the Act”) (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act); or
 - (c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

- (iii) disclosure is made in the annual report of the Company of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the mandate during the current financial year, and in the annual reports for the subsequent financial years during which a shareholder’s mandate is in force, where:

- (a) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1.0 million; or
- (b) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%,

whichever is the higher;

and amongst other, based on the following information:

- (a) the type of the Recurrent Related Party Transactions made; and
- (b) the names of the related parties involved in each type of the Recurrent Related Party Transactions made and their relationships with Handal Group.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

10. To transact any other ordinary business of the Company for which due notice shall have been given.

BY ORDER OF THE BOARD

Chong Voon Wah
(SSM PC No. 202008001343) (MAICSA 7055003)
Company Secretaries

Kuala Lumpur
Date: 30 October 2020

NOTES ON APPOINTMENT OF PROXY

1. A member entitled to attend and vote at the general meeting may appoint up to two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.
2. The Form of Proxy must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its officer, attorney or other person duly authorised in writing.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central 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.
5. The Form of Proxy or other instruments of appointment must be deposited at the office of the Company’s Share Registrar at 11th Floor, Menara Symphony, No. 5, Jalan Semangat (Jalan Professor Khoo Kay Kim), Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed 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 24 hours before the time appointed for the taking of the poll.
6. For the purpose of determining a member who shall be entitled to attend the meeting, only a member whose name appear in the Record of Depositors as at 23 November 2020 will be entitled to attend, speak and vote at the said meeting or appoint proxies to attend, speak and vote on his stead.
7. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out above will be put to vote by way of poll.

EXPLANATORY NOTES :

1. Audited Financial Statements for the Financial Year Ended 30 June 2020

The Agenda No. 1 is meant for discussion only as Section 340(1)(a) of the Companies Act, 2017 provide that the audited financial statements are to be laid in the general meeting and does not require a formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolution 1 : To Approve the Payment of Directors’ Fees to Non-Executive Directors

Section 230(1) of the Companies Act, 2016 requires the fees payable to Directors of the Company be approved at a general meeting. In this respect, the Board agreed, with the Remuneration Committee’s recommendation, for the payment of the Directors’ fees of up to RM1,000,000 and that the shareholders’ approval shall be sought at the Twelfth (12th) Annual General Meeting to approve the said payment of Directors’ fees for the period from 30 November 2020 until the conclusion of the next annual general meeting of the Company.

3. Ordinary Resolution 2 : Payment of Directors' Benefits (excluding Directors' fees) to Non-Executive Directors

The Directors' benefits payable comprises meeting attendance allowance of RM1,000 per meeting for each Member and RM1,500 per meeting for Chairman of each Committee which is calculated based on the current Board size and the number of scheduled Board and Board Committee meetings with effect from 30 November 2020 until the conclusion of the next annual general meeting of the Company.

4. Ordinary Resolution 7 : Proposed Allocation of Employees' Share Option Scheme ("ESOS") Options to YM Tengku Munawir Islahuddin Bin Tengku Noone Aziz, the Executive Director of the Company

The proposed Ordinary Resolution 7, if passed, will enable the Company to offer and grant to YM Tengku Munawir Islahuddin Bin Tengku Noone Aziz, the Executive Director of the Company, options to subscribe for new Handal Shares and if such options are accepted and exercised, to allot and issue such number of new Handal Shares as may be required to be issued to him under the Company's ESOS approved by the shareholders at the Extraordinary General Meeting held on 5 August 2019, in accordance with the provisions of the By-Laws governing the ESOS (as may be amended, varied or supplemented from time to time).

5. Ordinary Resolution 8 : Authority to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016

The proposed Ordinary Resolution 8, if passed, is a renewal of General Mandate to empower the Directors to issue and allot shares up to an amount not exceeding 20% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company.

Bursa Malaysia Securities Berhad ("Bursa Securities") has via their letter dated 16 April 2020 granted several additional temporary relief measures to listed corporations, amongst others, an increase in general mandate limit for new issues of securities to not more than 20% of the total number of issued shares of the Company for the time being ("20% General Mandate"). Pursuant to the 20% General Mandate, Bursa Securities has also mandated that the 20% General Mandate may be utilised by a listed corporation to issue new securities until 31 December 2021 ("Extended Utilisation Period") and thereafter, the 10% general mandate will be reinstated. Having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group, the Board would like to procure approval for the 20% General Mandate, inclusive of the Extended Utilisation Period, pursuant to Section 76(4) of the Companies Act, 2016 from its shareholders at the forthcoming AGM of the Company.

The 20% General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions.

The 20% General Mandate, unless revoked or varied by the Company in general meeting, will expire at the end of the Extended Utilisation Period, i.e. by 31 December 2021.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions.

As at the date of this Notice, no new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the Eleventh (11th) Annual General Meeting held on 26 November 2019 and which will lapse at the conclusion of the Twelfth (12th) Annual General Meeting.

6. Ordinary Resolution 9 : Proposed New and Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

The proposed Ordinary Resolution 9, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being carried out in the ordinary course of business of the Company and/or its subsidiaries and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next annual general meeting of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming Annual General Meeting.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed Ordinary Resolution 8 as stated in the Notice of Annual General Meeting of the Company for the details.