

Notice of Annual General Meeting**Handal Resources Berhad**
(816839-X)

NOTICE IS HEREBY GIVEN THAT the Second Annual General meeting of the Company will be held at Lot PT 7358, Kawasan Perindustrian Telok Kalong, 24007 Kemaman, Terengganu Darul Iman on Wednesday, 16 June 2010 at 10.00 a.m., to transact the following business:

As Ordinary Business:

- To receive the Audited Financial Statements for the financial year ended 31 December 2009 and the Reports of Directors and Auditors thereon. **RESOLUTION 1**
- To declare a single tier first and final dividend of RM0.02 per share in respect of the financial year ended 31 December 2009. **RESOLUTION 2**
- To approve payment of the Directors' Fees of RM126,000 for the year ended 31 December 2009. **RESOLUTION 3**
- To re-elect the following Directors retiring by rotation pursuant to Article 68 of the Company's Articles of Association:
 - Dato' Mohsin Abdul Halim **RESOLUTION 4**
 - Mallek Rizal Bin Mohsin **RESOLUTION 5**
 - Joel Emanuel Heaney **RESOLUTION 6**
 - Zahari Bin Hamzah **RESOLUTION 7**
 - Lokman Razani Bin Abdul Razak **RESOLUTION 8**
 - Chau Sik Cheong **RESOLUTION 9**
- To re-appoint Messrs. GEP Associate as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **RESOLUTION 10**

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**
"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." **RESOLUTION 11**
- PROPOSED SHAREHOLDERS' RATIFICATION FOR THE RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

"THAT all the recurrent related party transactions entered into by the Company and its subsidiary, Handal Offshore Services Sdn Bhd ("HOSSB") with the related parties, Handal Fabrication Sdn Bhd and Excell Crane & Hydraulics Inc, as set out in Section 2.2.3 (a) of the Circular to Shareholders dated 24 May 2010, from the listing date of the Company, 30 July 2009, up to the date of the Second Annual General Meeting, which were undertaken in the ordinary course of business, on arms length basis, on normal commercial terms which were not more favorable to the related party than those generally available to the public and were not detrimental to the minority shareholders of the Company, be hereby approved and ratified.

THAT all the actions taken and the execution of all necessary documents by the Directors of the Company as they had considered expedient or deemed fit in the interest of the Company, be hereby approved and ratified.

AND THAT subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to HOSSB to enter into RRP's of a Revenue or Trading Nature as set out in Section 2.2.3 (b) of the Circular to Shareholders dated 24 May 2010 with the specific related parties mentioned therein which are necessary for the Group's day to day operations, subject to the following:

- That the RRP's of a revenue or trading nature entered into are in the ordinary course of business, they are at arm's length basis and on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- That the proposals are subject to annual renewal and that such approval shall continue to be in force until:
 - The conclusion of the next Annual General Meeting ("AGM") of the Company; or
 - The expiration of the period within the next AGM of the Company subsequent to the date it 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
 - 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 RRP's contemplated and/or authorised by this Ordinary Resolution." **RESOLUTION 12 (Please refer Explanatory Note)**

8. PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

As Special Business to consider and if thought fit, to pass the following Special Resolution:

"THAT, the existing clause 104 of the Company's Articles of Association be amended to read as follows:

Any dividend or other money payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or, if several persons are entitled in consequence of the death or bankruptcy of the holder, to any one of such persons or to such persons and such address as such persons may by writing direct or by directly crediting the dividend entitlement into the member's bank account as provided to the Depository from time to time. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or such person as the holder may direct and payment of the cheque or the direct crediting to the member's bank account shall be a good discharge to the Company. Every such cheque or warrant shall be sent or directly credited at the risk of the person entitled to the money represented thereby. Where the members have provided to the Depository the relevant contact details for purposes of electronic notifications, the Company shall notify them electronically once the Company has paid the cash dividends out of its accounts." **SPECIAL RESOLUTION 13**

- To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

Notice of Dividend Entitlement and Payment

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the members at the Second Annual General Meeting to be held on Wednesday, 16 June 2010 a single tier first and final dividend of RM0.02 per share in respect of the financial year ended 31 December 2009 will be paid on **30 July 2010**.

The entitlement date for the dividend payment is **30 June 2010**.

A depositor shall qualify for entitlement to the dividend only in respect of:

- Shares transferred into the Depositor's Securities Account before 4.00 p.m. on **30 June 2010** in respect of transfers; and
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

Leong Oi Wah (MAICSA 7023802)

Wang Sheau Wei (MAICSA 7033274)

Secretaries

Kuala Lumpur

24 May 2010

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, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor 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 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 is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, it may appoint one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

Explanatory Notes on Special Business:**Resolution 11****Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965**

Ordinary Resolution No. 12 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 is new and 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.

Resolution 12

Please refer to the Circular dated 24 May 2010 for further information.

Resolution 13**Proposed Amendments to Articles of Association**

The proposed amendments to the Articles of Association of the Company is to facilitate the implementation of the electronic dividend payment system by Bursa Securities.