

## HANDAL RESOURCES BERHAD ("HANDAL" OR THE "COMPANY")

### PROPOSED PRIVATE PLACEMENT OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF HANDAL ("PROPOSED PRIVATE PLACEMENT")

(The terms used herein, unless the context otherwise stated, bear the same meaning as those defined in the earlier announcement in relation to the Proposed Private Placement.)

Reference is made to the earlier announcement dated 7 March 2019 in relation to the Proposed Private Placement.

Pursuant thereto, on behalf of the Board, UOBKH wishes to announce the following additional information in relation to the Proposed Private Placement with respect to Section 2.6 of the announcement dated 7 March 2019:-

#### 1. Utilisation of proceeds

Details of utilisation	Timeframe for utilisation	<--Amount of proceeds-->	
		Minimum Scenario RM'000	Maximum Scenario RM'000
Funding for potential new projects <sup>*1</sup>	Within 24 months	4,935	4,944
Estimated expenses	Upon completion	100	100
<b>Total</b>		<b>5,035</b>	<b>5,044</b>

**Note:-**

<sup>\*1</sup> Handal had tendered for projects in the oil and gas sector with a total expected contract value of RM125.00 million, the outcome of the aforementioned tendered projects is still unknown at this juncture. The proceeds earmarked for the funding for potential new projects will generally be utilised for capital expenditure which may include the purchase of additional equipment to enable Handal to carry out the increased volume of maintenance and services works and/ or purchase of offshore cranes to expand its fleet of rental cranes and related components as part of the overhaul, reconditioning and refurbishment of offshore pedestal cranes as well as general working capital which may be utilised for payment to suppliers and to defray project and administrative overheads.

As mentioned in the announcement dated 7 March 2019, the actual gross proceeds to be raised from the Proposed Private Placement is dependent on the issue price and the number of Placement Shares to be issued.

In the event the amount raised under the Minimum Scenario and Maximum Scenario is less than RM5.035 million and RM5.044 million respectively, the shortfall between actual capital expenditure to be incurred and total gross proceeds raised will be funded via internally generated cash/ bank borrowings. The exact quantum of capital expenditure to be incurred cannot be determined at this juncture.

As such, assuming Handal is able to place out the Placement Shares at an issue price higher than the indicative issue price of RM0.3153 (as illustrated in the announcement dated 7 March 2019), Handal will be able to raise proceeds in excess of RM5.035 million and RM5.044 million as stated above under the Minimum Scenario and Maximum Scenario, respectively. The additional proceeds raised will be channelled towards the funding for any potential new projects and accordingly, it will reduce Handal Group's reliance on internally generated cash/ bank borrowings to undertake any potential new projects.

**This announcement is dated 13 March 2019.**