



DELEUM

DELEUM BERHAD

17th ANNUAL GENERAL MEETING

19th May 2022, Thursday

FY2021: A YEAR OF RESILIENCE AND TRANSFORMATION



- ✓ Continued focus on core products and services & strengthening product lines and services offerings
- ✓ Driving business through transformation & growth
- ✓ Recognising sustainability as part of our business
- ✓ Streamlining the business and realigning strategies
- ✓ Driving efficiency and strengthening the bench

BUSINESS SEGMENTS

POWER AND MACHINERY

- Provision of gas turbine packages, aftersales support and services.
- Provision of printed circuit heat exchanger and operational spares.
- Provision of multi-phase pump solutions, after sales and spares.
- Provision of submersible motors & pumps, after sales and spares.
- Provision of thermal engineering products and solutions.
- Supply, installation, repair and maintenance of valves and flow regulators.

OILFIELD SERVICES

- Slickline and Well Services (SWS).
- Asset Integrated Solutions (AIS).
- Specialty Chemical and Well Stimulation (SCWS).

INTEGRATED CORROSION SOLUTION

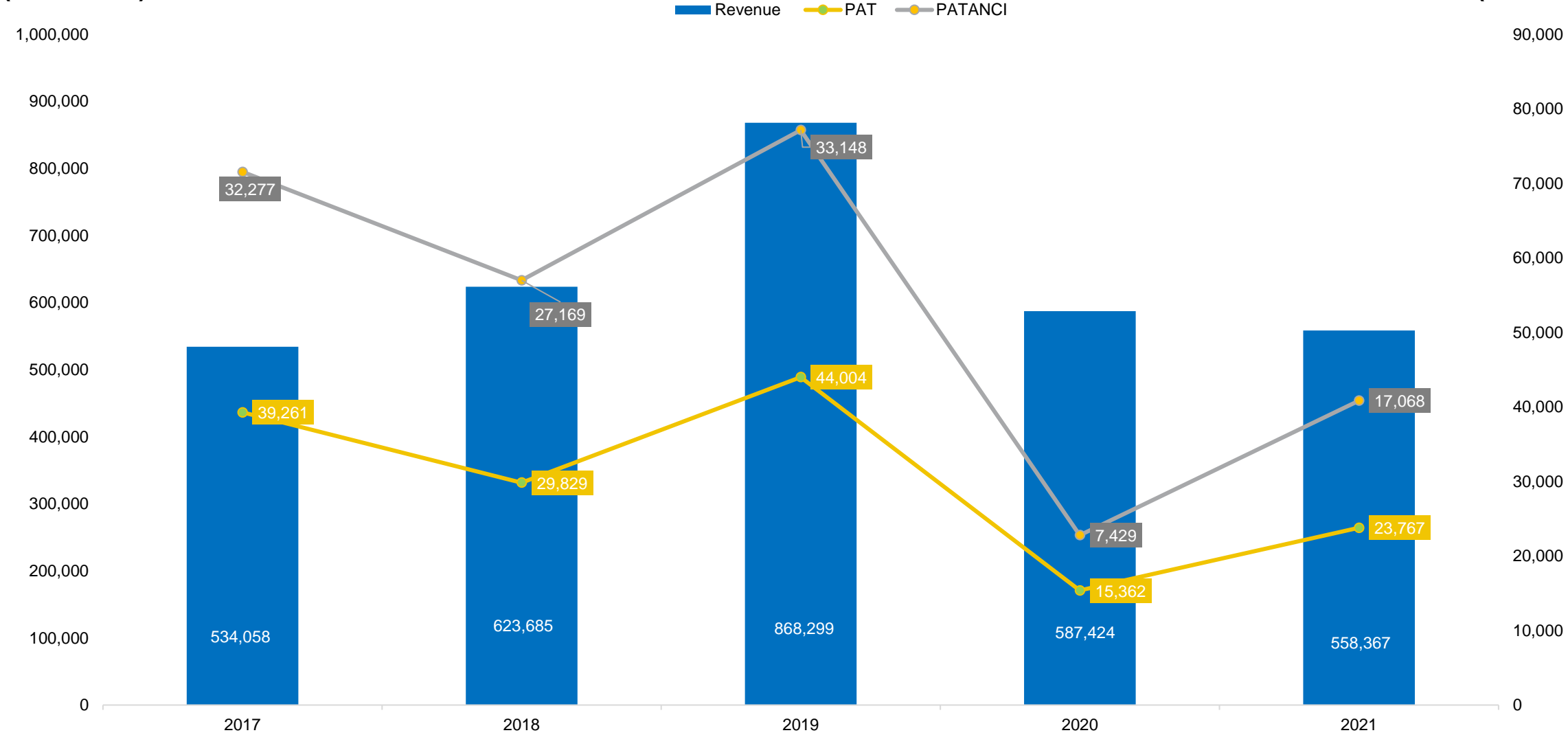
- Provision of low dust, environmentally friendly blasting technology for surface preparation.
- Coating removal by controlled induction heating.
- Passive fire protection services.
- Integrated maintenance, construction and modification services.
- Oil spillage combat equipment and services.



FY2021 FINANCIAL PERFORMANCE

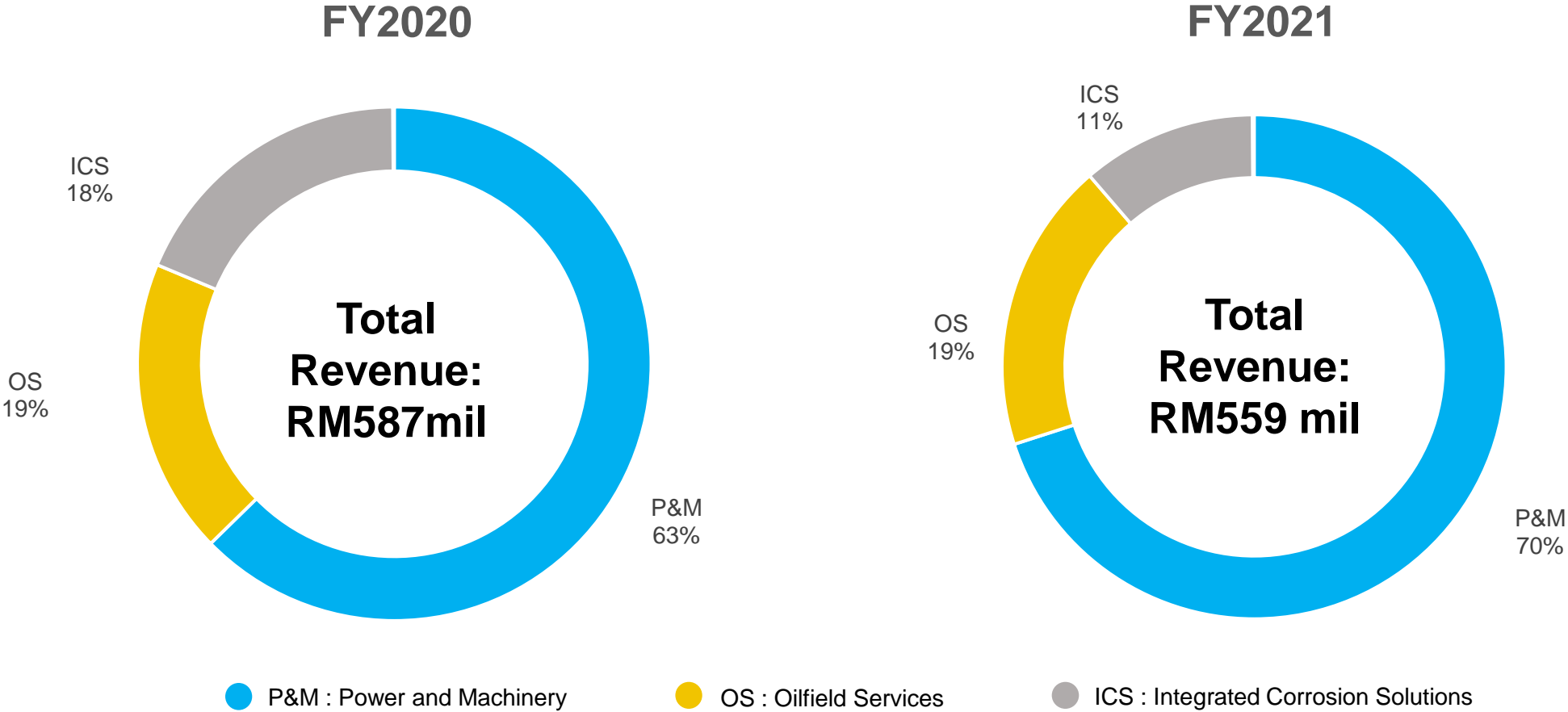
Revenue
(RM Million)

PAT/PATANCI
(RM Million)



PERFORMANCE ACROSS BUSINESS SEGMENTS

Revenue Breakdown by Segment





BUSINESS HIGHLIGHTS

DELEUM'S KEY INITIATIVES



Compliance and Governance

- ✓ Adopting best practices across the Group
- ✓ Advocating business ethics and compliance



Health, Safety and Environment

- ✓ High and consistent standard of safety for operational performance
- ✓ License to operate in the oil and gas industry



Service Quality and Operational Excellence

- ✓ Doing things right the first time
- ✓ Ensuring a pipeline of talent and bench strengths

CORPORATE COMPLIANCE

The Anti-Corruption Compliance Journey



THE ANTI-CORRUPTION COMPLIANCE JOURNEY

Educate — **Comply** — **Sustain**

Policies & Procedures - Webinar Series - Infographics - Videos - Survey - Anti Bribery Management System (ABMS)

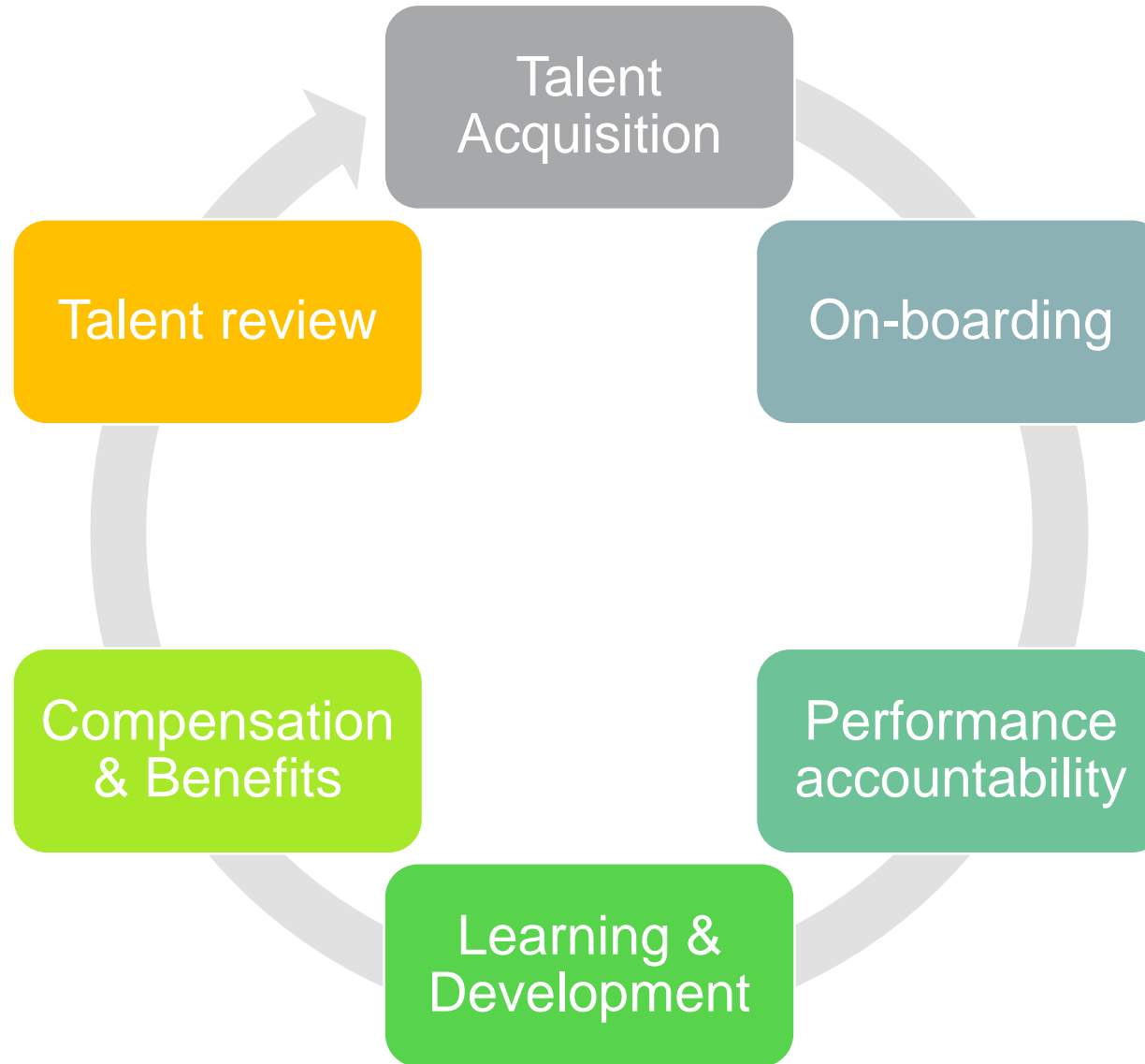
ZERO TOLERANCE AGAINST BRIBERY AND CORRUPTION

Please contact Corporate Compliance & Risk Department for any queries at groupcompliance.risk@deleum.com

Deleum's Integrity Day 2022



HUMAN CAPITAL STRATEGIES

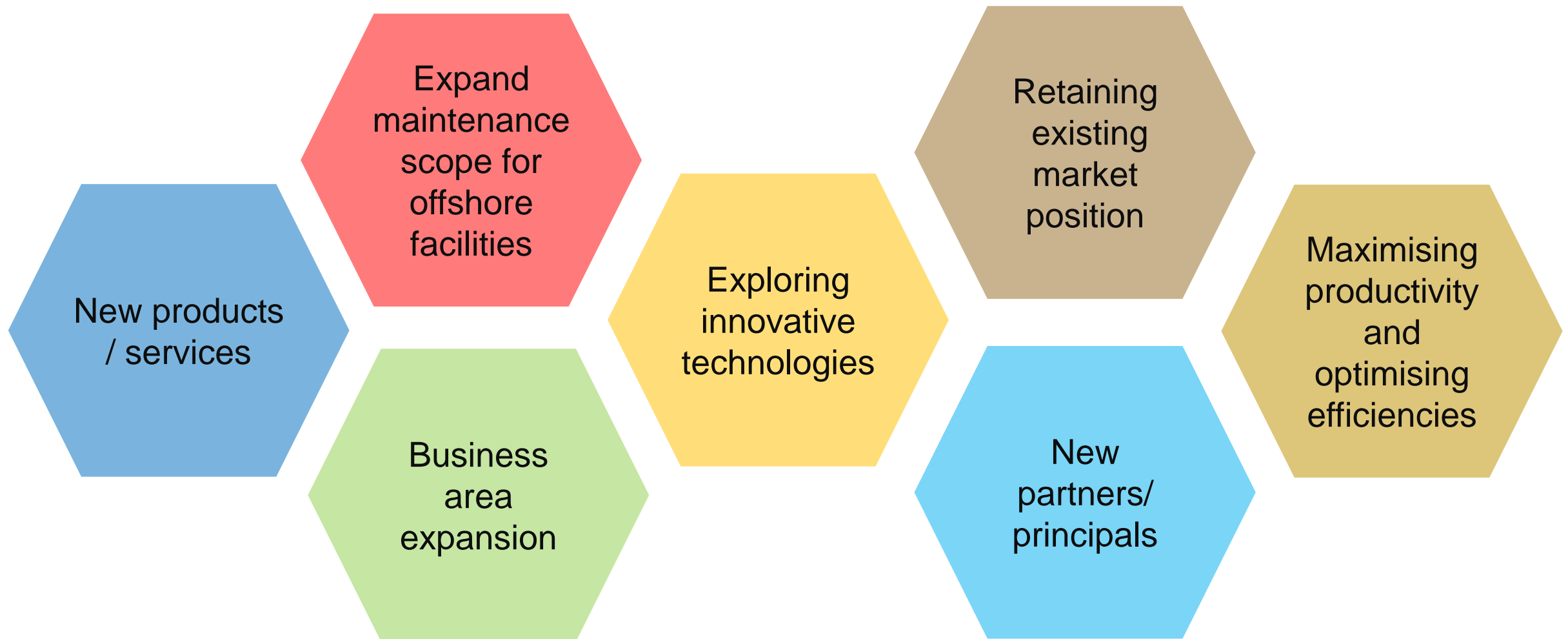




LOOKING AHEAD

ASPIRATIONS AND TARGETS

Journey towards becoming a Premier local Oil and Gas service company

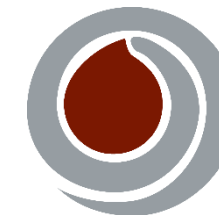


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PRE-SUBMITTED QUESTIONS FROM SHAREHOLDERS

Replies to be addressed verbally by GCEO during the AGM

Question:

- i. What cause of action for the Company to increase its market capitalisation?
- ii. What is the CAGR (Compound Annual Growth Rate) in term of net profit for the next 3 years?
- iii. Is there any plan for the Company to venture in new business areas?

Question:

- i. What is the total amount of contract secured in FY2021?
- ii. Total book order on hand and total bidding value?
- iii. Q4 FY2021 result is considered as "good" compared to other 3 quarters in FY 2021. Moving forward, will the FY2022 be better, similar or worse than previous FY2021?
- iv. Crude oil price is increase significantly this year. Is Deleum foresee the increase in the profit margin as well as the more work/order be secured in coming financial year (contract value on hand is shrinking)

Question:

There is a write off of "slow moving and obsolete stocks" in oilfield services and integrated corrosion solution segment in FY 2021.

Can you explain what is this and why there is a need to do the write off?

Question:

Quoted from the new CEO Mr Ramanrao in both BFM interview last year and The Edge Interview, inefficiency is happening in oil and gas industries as well as Deleum group.

My questions are:

- i. What is the inefficiency meant by Mr Ramanrao? Can you please describe the term inefficiency meant by you with examples and what problems have you found in Deleum group?
- ii. What are the strategies from you to address the inefficiency?
- iii. What plans are ongoing to improve the situation?

Question:

All the contracts secured by Deleum Primera are expiring in 2022. In The Edge Interview, it is understood that Deleum Primera is going to appeal to Petronas to lift up the license suspension in the coming months. My questions are:

- i. What is the expected timeline to know the result of suspension?
- ii. What is the success rate of lifting out the license suspension? Is there any uncertainty for not being lifted out?
- iii. Is Deleum Primera going to meet the timeline to renew existing contracts?

Question:

How many contracts were secured by Deleum in FY2021? Please elaborate in number of contracts and total contract values secured.

Question:

It is understood that PDSB has secured an order for the MERO3 FPSO project in Brazil in FY2021.

My questions are:

- i. What kinds of services/products provided by PDSB in the project?
- ii. How long the project is taking place?
- iii. The revenue contribution of the project in FY2021?
- iv. The contract value of the project.
- v. Why there was no announcement regarding the project secured on Bursa Malaysia?

Question:

In the prospect part of the Annual Report, it is known that all the 3 segments of Deleum Group are going to undertake geographical expansion. However, there were no solid/concrete plans explained in the annual report.

- i. Please describe the geographical expansion plans for every single segment and which market will be targeted for expansion.
- ii. What initiatives have been done for geographical expansion so far and what changes would be expected as a result of the initiatives?

Question:

Downstream business is being identified as key focus area of the group. My questions are:

- i. Are all the three segments of Deleum group going to penetrate into downstream business? What initiatives have been done in order to achieve the key focus area?
- ii. In the prospect part of the annual report, only OS segment is clearly mentioned that it will penetrate into downstream business. How does the OS segment achieve the objective since the services provided are more prone to upstream business?

Question:

It is understood that OS segment is currently exploring opportunities to expand its services with electro-mechanical tool and set & retrieve wellbore devices without explosives.

What are the solutions/benefits can be provided by the services to potential customers and what are the synergistic effects of the services to the OS segment?

Question:

USD/RM movement is sensitive to the operation of Deleum group. In the annual report, there would be a foreign exchange loss of RM 1.45 mil for every 10% appreciation of USD against RM. My questions are:

- i. What initiatives would be done in order to mitigate the profit margin erosion as a result of unfavourable foreign exchange movement of USD/RM in FY2022?
- ii. Does the group foresee a significant foreign exchange loss in FY2022 since the USD/RM has come to 1:4.32 as of to date?

Question:

How does the Board of Director view the prospect of Deleum group in FY 2022 in view of the ease of movement control restriction in Malaysia, reopening of border Malaysia as well as stable and sustained high Brent oil price since the beginning of FY2022?

Question:

In Q4 2021 when the movement control restriction in Malaysia was being lifted out, OS segment however, still registered an operating loss of RM3.63 mil after excluding the provision of doubtful debt made on its trade receivables of RM4.1 mil.

Please explain the reason of the operating loss made by the segment although 100% of workforces were allowed to operate and the quarantine measures were also being eased.

Question:

The operating loss for OS segment in FY2021 was RM3.64 mil after excluding all the provisions on trade receivables (RM4.1 mil), operating assets (RM3.2 mil) and slow-moving inventories (RM4.5 mil). It is worth noting that the performance of OS segment were inconsistent at the operating level since FY2019 after being awarded a slew of slickline contracts in FY2018. The situation is worrying and please explain why OS segment was loss-making again in FY2021.

Question:

What is the total order book and tender book as at to date as well as the composition of order book contributed by each segment

Question:

How is the progress of the partnership between Deleum Oilfield Services Sdn. Bhd and Midad Holding to expand business in Saudi Arabia? Is the geographical expansion effort still ongoing?

Question:

Shareholders have asked if we could consider giving door gifts to shareholders attending AGM.



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