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Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused this Circular prior to its issuance as it is prescribed as exempt document pursuant to Practice Note 18 of Bursa Securities Main Market Listing Requirements.

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DELEUM BERHAD

Registration No. 200501033500 (715640-T)
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS
IN RELATION TO THE
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE
OR TRADING NATURE**

The Resolutions in respect of the above will be tabled as Special Business at Deleum Berhad's Seventeenth Annual General Meeting ("17th AGM") to be held fully virtual via the online meeting platform of TIH Online website at <https://tjih.online> or <https://tjih.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia on Thursday, 19 May 2022 at 10.00 a.m.

This Circular together with the Notice of the 17th AGM, Proxy Form, Administrative Guide which are set out in the Annual Report 2021 are available on the Company's website at www.deleum.com/agm2022.

The Proxy Form should be deposited with the Company's Registered Office at No. 2, Jalan Bangsar Utama 9, Bangsar Utama, 59000 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time set for the 17th AGM or any adjournment thereof. The Proxy Form can also be submitted electronically via TIH Online website at <https://tjih.online>. Please follow the procedures set out in the Administrative Guide for the 17th AGM.

This Circular is dated 18 April 2022

DEFINITIONS

Unless where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	The Companies Act 2016, or any statutory modification, amendment or re-enactment thereof for the time being in force
AGM	:	Annual General Meeting
Bursa Securities	:	Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
Board	:	The Board of Directors of Deleum
Caterpillar	:	Caterpillar Inc.
Constitution	:	Constitution of Deleum Berhad
Deleum or Company	:	Deleum Berhad [200501033500 (715640-T)]
Deleum Group or Group	:	Deleum and its subsidiaries as defined in Section 4 of the Act
Deleum Shares	:	Ordinary shares in the Company
Director(s)	:	Has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon a director of the Company, its subsidiary or holding company or a chief executive of the Company, its subsidiary or holding company
Dresser Italia	:	Dresser Italia S.r.l.
DSSB	:	Deleum Services Sdn. Bhd. [197601002358 (28307-K)], a wholly-owned subsidiary of Deleum
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
Major Shareholder(s)	:	A person who has an interest or interests in one or more voting shares in a corporation and the number or the aggregate number of those shares, is 10% or more of the total number of voting shares in the corporation; or 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation. For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act

It also includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of the Company (as defined above) or any other company which is its subsidiary or holding company

DEFINITIONS (CONT'D)

NP Holding	:	Nuovo Pignone Holding S.p.A.
Person(s) Connected	:	As defined in Chapter 1 Paragraph 1.01 of the Listing Requirements
PDSB	:	Penaga Dresser Sdn. Bhd. [198201002012 (81758-M)], a 51% owned subsidiary of DSSB
Proposed Shareholders' Mandate	:	Proposed Renewal of Shareholders' Mandate for the Deleum Group to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group
Recurrent Related Party Transactions or RRPTs	:	A related party transaction which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of the Group
Related Party(ies)	:	A Director, Major Shareholder or person connected with such Director or Major Shareholder
RM	:	Ringgit Malaysia
STICO	:	Solar Turbines International Company
TSSB	:	Turboservices Sdn. Bhd. [198701007131 (165849-A)], a 74% owned subsidiary of DSSB

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DELEUM BERHAD

Registration No. 200501033500 (715640-T)
(Incorporated in Malaysia)

Registered Office:
No. 2, Jalan Bangsar Utama 9
Bangsar Utama
59000 Kuala Lumpur
Malaysia

18 April 2022

Board of Directors

Dato' Izham bin Mahmud (*Non-Independent Non-Executive Chairman*)
Datuk Vivekananthan a/l M.V. Nathan (*Non-Independent Non-Executive Deputy Chairman*)
Ramanrao bin Abdullah (*Group Chief Executive Officer*)
Datuk Ishak bin Imam Abas (*Independent Non-Executive Director*)
Lee Yoke Khai (*Independent Non-Executive Director*)
Datuk Manharlal a/l Ratilal (*Senior Independent Non-Executive Director*)

To : The Shareholders of Deleum

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

At the Sixteenth AGM of the Company held on 23 June 2021, the Company obtained a mandate from its shareholders for the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions.

In accordance with the Listing Requirements, the aforesaid authority is subject to annual renewal and will lapse at the conclusion of the forthcoming AGM, unless renewed by the shareholders of Deleum.

On 17 March 2022, the Company announced its intention to seek the shareholders' approval for the Proposed Shareholders' Mandate at its forthcoming AGM.

The purpose of this Circular is to provide you with the details of the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolutions pertaining to the Proposed Shareholders' Mandate to be tabled as Special Business at the forthcoming AGM.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Paragraph 10.09 and Practice Note 12 of the Listing Requirements

Under Paragraph 10.09(2) of the Listing Requirements, the Company may seek a shareholders' mandate for RRPTs, subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the Company's annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year, where the aggregate value is equal to or more than the threshold prescribed under paragraph 10.09(1) of the Listing Requirements;
- (c) the circular to shareholders by the Company for the shareholders' mandate shall include information as may be prescribed by Bursa Securities;
- (d) in the meeting to obtain shareholders' mandate, the interested directors, major shareholders or interested Persons Connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, shall abstain from voting on the resolution approving the transactions. An interested director or interested major shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transactions; and
- (e) the Company will immediately announce to Bursa Securities when the actual value of the RRPTs entered into by the Company exceeds the estimated value of the RRPTs disclosed in the Circular by 10% or more inclusive of any information as may be prescribed by Bursa Securities.

2.2 Validity Period

The Proposed Shareholders' Mandate, if approved by shareholders at the forthcoming AGM, will take effect from the date of the passing of the ordinary resolution proposed at the AGM and the authority conferred under the Proposed Shareholders' Mandate shall only continue to be in force until:

- (a) the conclusion of the next 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 that date is required to be held pursuant to Section 340(2) of the Act (but must 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 general meeting;

whichever is the earlier.

It is anticipated that the Deleum Group would, in the ordinary course of business, enter into RRPTs and that such RRPTs will occur with some degree of frequency and could arise at any time and from time to time. In view of the time-sensitive, confidential and frequent nature of such RRPTs, the procurement of the Proposed Shareholders' Mandate with the classes of Related Parties, as set out in Section 2.5, will allow the Group to enter into RRPTs provided such transactions are entered into at arms' length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders.

2.3 The Principal Activities of the Deleum Group

The principal activity of Deleum is investment holding whilst its subsidiaries are principally involved in the provision of gas turbines packages and related services, oilfield equipment and services, servicing of rotating equipment, integrated corrosion and inspection services, predominantly for the oil and gas industry.

The nature of businesses of the Deleum Group is primarily in the following segments:

Power and Machinery - Mainly consisting of the sale of gas turbines and related parts, gas turbine overhaul, maintenance and technical services, including complete installation turnkey for new installations, package renewals and retrofit projects; supply and commission combined heat and power plants; supply, install, repair and maintenance of valves, flow regulators and other production related equipment; repair, servicing maintenance and overhaul of motors, generators, transformers and pumps.

Oilfield Services - Mainly consisting of the provision of slickline equipment and services, integrated wellhead maintenance services, well intervention services, cased hole logging services, drilling and completions services, subsurface engineering services, specialty chemicals and well stimulation services.

Integrated Corrosion Solution - Mainly consisting of the provision of integrated corrosion and inspection services, blasting technology, maintenance, construction and modification maintenance activities, services for tanks, vessels, structures and piping.

The subsidiaries involved in the Proposed Shareholders' Mandate are as follows:

Subsidiary of Deleum	Equity Interest (%)	Principal Activities
DSSB	100	Provision of gas turbine packages, maintenance and technical services, combined heat and power plants, and production related equipment, and services predominantly for the oil and gas industry.
Subsidiary of DSSB	Equity Interest (%)	Principal Activities
TSSB	74	Provision of gas turbine overhaul and technical services and supply of gas turbine parts to the oil and gas and general industry.
PDSB	51	Supply, repair, maintenance and installation of valves and flow regulators for the oil and gas and power industry.

2.4 The Principal Activities of the Related Parties

The Proposed Shareholders' Mandate will apply to the following Related Parties:

Related Party	Principal Activities
STICO	Selling and providing STICO products and aftermarket support services including but not limited to repair, overhaul, maintenance, troubleshooting, inspection, supply of service parts and overhaul.

Related Party	Principal Activities
Dresser Italia	Manufacturer/Producer of control valves and safety valves.
Caterpillar	Manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives for applications in three main product segments - Construction Industries, Resource Industries and Energy & Transportation. Caterpillar also provides financing and related services through its Financial Products segment.
NP Holding	Investment holding.

2.5 Information on RRPTs

The Proposed Shareholders' Mandate would cover transactions entered into at arms' length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders.

	Related Parties	Nature of Interest	Company in the Deleum Group involved	Nature of Transactions	Estimated Value as per last mandate (RM'000)	Actual Value transacted as at 22 March 2022 (RM'000)	Estimated Value for the validity of the proposed mandate (RM'000)
(1)	STICO	Note (1)	TSSB	Provision of gas turbine overhaul and technical services and support and gas turbine parts by STICO and/or its related parties to TSSB	400,000	218,265	400,000
				Provision of manpower and general services by TSSB to STICO and/or its related parties of STICO	10,500	1,670	10,500

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	Related Parties	Nature of Interest	Company in the Deleum Group involved	Nature of Transactions	Estimated Value as per last mandate (RM'000)	Actual Value transacted as at 22 March 2022 (RM'000)	Estimated Value for the validity of the proposed mandate (RM'000)
(2)	Dresser Italia	Note (2)	PDSB	Purchases of valves and spare parts by PDSB from Dresser Italia and/or its related parties	60,000	15,000	90,000
				Provision of painting and services of valves by PDSB to related parties of Dresser Italia	2,000	950	2,500
				Training & Certification fees charged by related parties of Dresser Italia to PDSB	300	0	500
				Sales of valves and spare parts by PDSB to related parties of Dresser Italia	300	65	1,000

Note (1): STICO holds 26% of the issued share capital of TSSB. Caterpillar and its affiliates are Persons Connected to STICO. STICO is a 100% wholly-owned subsidiary of Caterpillar. Neither Caterpillar nor STICO have any equity interest in Deleum. None of the directors nominated by STICO to sit on the Board of TSSB is a director on the Board of Deleum or any of its other subsidiaries.

Note (2): Dresser Italia holds 49% of the issued share capital of PDSB. NP Holding and its affiliates are Persons Connected to Dresser Italia. Dresser Italia is a 100% wholly-owned subsidiary of NP Holding. Neither NP Holding nor Dresser Italia have any equity interest in Deleum. None of the directors nominated by Dresser Italia to sit on the Board of PDSB is a director on the Board of Deleum or any of its other subsidiaries.

The abovementioned estimated values are based on best estimates by the management after taking into account historical trends and projected business volume during the validity of the Proposed Shareholders' Mandate. The actual transacted value may vary from the estimates shown above.

2.6 Deviation from Mandate

The actual value of the RRPTs from the date on which the existing mandate was obtained at the last AGM of the Company i.e. 23 June 2021 up to 22 March 2022 being the latest practicable date prior to printing of this Circular did not exceed by 10% or more of the estimated value as approved under the mandate granted to the Company at the last AGM.

2.7 Review Procedures for the RRPTs

To ensure that such RRPTs are undertaken at arms' length and on normal commercial terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders, the transactions with the Related Parties shall be determined based on prevailing rates or prices according to their usual commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms. Consideration will also be given to the expertise required, quality of product, level of service and other related factors. Whenever possible, at least two other contemporaneous quotes with unrelated third parties for similar products/services and/or quantities will be used as comparison to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other

unrelated third parties for the same or substantially similar type of products/services and/or quantities.

The following review procedures have also been implemented:

- (a) Where the Related Parties' products and services are proprietary in nature, the prices of these products/services are negotiated specifically between the proprietor and purchaser based on the usual commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms/considerations to ensure that the RRPTs are not detrimental to the Group;
- (b) All RRPTs entered into pursuant to the Proposed Shareholders' Mandate will be recorded for review by the Audit Committee at least once a year;
- (c) All RRPTs will be reviewed by the Audit Committee on a quarterly basis. The Audit Committee, may as it deem fit, request for additional information pertaining to the transactions from independent sources or advisers; and
- (d) Where any member of the Audit Committee is interested in any transactions, that member shall abstain from all deliberations and also voting on any matter relating to any decisions to be taken by the Audit Committee with respect to such transactions.

2.8 Thresholds for Approval

All transactions, regardless of whether they are RRPTs or not, are approved in accordance with the Delegation of Authority Guidelines of the Company and/or its subsidiaries ("the DAG") which governs the day-to-day operations and transactions. It provides overall authority limits to be adhered to and the levels of authority of the management team up to the Group Chief Executive Officer.

Approval of all transactions including RRPTs are based on the nature of the transaction, amounts and authority levels as prescribed in the DAG. All sales and purchases require the prior approval of the Heads of Business Units upon review by the relevant functions.

The approval process and limits in accordance with the DAG is summarised as follows:

Issuance of Purchase Orders in respect of the RRPTs of TSSB in accordance with the DAG requires the approval of the Chief Executive Officer for amounts up to RM35 million, of the Group Chief Operating Officer or Group Chief Financial Officer for amounts up to RM40 million and of the Group Chief Executive Officer for amounts up to RM50 million. Amounts exceeding RM50 million and up to RM70 million require the endorsement of the Group Chief Executive Officer and approval of the Deputy Chairman. Amounts in excess of RM70 million require the endorsement of the Group Chief Executive Officer together with the Deputy Chairman and the approval of the Chairman.

Issuance of Purchase Orders in respect of the RRPTs of PDSB in accordance with the DAG requires the approval of the Senior Manager-Operations jointly with General Manager for any amounts.

2.9 Amount Due and Owing to the Deleum Group by Related Parties

As at the financial year ended 31 December 2021, there is no amount due and owing to the Deleum Group which has exceeded the credit term.

3. AUDIT COMMITTEE STATEMENT

The Audit Committee of the Company is of the view that the RRPTs entered and to be entered into are in the best interests of the Company, are fair, reasonable and on normal commercial terms and are not detrimental to the interests of the minority shareholders and that the procedures mentioned in Section 2.7 above, which are reviewed annually, are sufficient to monitor, track and identify RRPTs in a timely and orderly manner. These procedures put in place are to ensure that the RRPTs are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

4. RATIONALE AND BENEFITS FOR THE PROPOSED SHAREHOLDERS' MANDATE

The RRPTs entered or to be entered into by the Deleum Group are intended to meet the Group's day-to-day business needs at the best possible terms and to enhance the Group's ability to explore beneficial business opportunities.

As such, the rationale for and benefits of the Proposed Shareholders' Mandate to the Deleum Group are as follows:

- (a) to facilitate transactions with Related Parties which are in the ordinary course of business of the Group, are undertaken at arms' length, normal commercial terms and on prices which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interests of minority shareholders;
- (b) to enable the Group to transact with Related Parties in an expeditious manner to meet business needs for the supply and/or provision of goods and services which are necessary for its day-to-day operations particularly business needs which are time sensitive in nature;
- (c) the Group has established relationships with the Related Parties which are partners of the Group. They are internationally renowned corporations and OEMs. TSSB and PDSB tap into their respective expertise and resources to provide services to the customer base, thereby contributing to the earnings and performance of the Group. Therefore, it is in the interests of the Group to transact with such Related Parties to enhance its competitiveness, competence and capabilities. Also, these partnerships would provide the opportunities to explore and penetrate new markets; and
- (d) to eliminate the need to announce and/or convene separate general meetings from time to time to seek shareholders' approval for entering into the RRPTs, as required pursuant to Chapter 10 of the Listing Requirements and thereby enable resources, costs and time to be channelled towards achieving the Group's business objectives.

5. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to the approval of the shareholders of Deleum at the forthcoming AGM to be convened.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save for STICO and Dresser Italia being the Major Shareholders of TSSB and PDSB respectively, none of the Directors and Major Shareholders of Deleum and Persons Connected to the Directors and Major Shareholders are interested in the Proposed Shareholders' Mandate. The Proposed Shareholders' Mandate is sought pursuant to Paragraph 10.09 of the Listing Requirements.

The nature of interests of the interested Major Shareholders are set out in Section 2.5 of this Circular. The interested Major Shareholders and Persons Connected to them, if any, will abstain from voting on the ordinary resolutions deliberating or approving the Proposed Shareholders' Mandate at the forthcoming AGM and have undertaken that they will ensure that Persons Connected to them (as defined in the Listing Requirements), if any, will abstain from deliberating, approving or voting on the ordinary resolutions to approve the Proposed Shareholders' Mandate at the forthcoming AGM.

7. AGM

The 17th AGM of the Company will be held fully virtual via the online meeting platform of TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia on Thursday, 19 May 2022 at 10.00 a.m. or at any adjournment thereof for the purpose of considering and if thought fit, passing, inter alia, the resolutions to approve and give effect to the Proposed Shareholders' Mandate under Special Business in the Notice of the 17th AGM which is available on the Company's website at www.deleum.com/agm2022.

If you are unable to attend and vote at the 17th AGM and wish to appoint a proxy instead, you should complete and return the Proxy Form in accordance with the instructions printed thereon. The Proxy Form can be submitted electronically via TIIH Online website at <https://tiih.online> or deposited with the Company's Registered Office at No. 2, Jalan Bangsar Utama 9, Bangsar Utama, 59000 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time appointed for the 17th AGM or any adjournment thereof. Please follow the procedures set out in the Administrative Guide for the 17th AGM.

Please refer to the Notice of the 17th AGM and the Administrative Guide for further information on the meeting.

8. DIRECTORS' RECOMMENDATION

The Board, having taken into consideration all relevant aspects of the Proposed Shareholders' Mandate, is of the opinion that the Proposed Shareholders' Mandate is in the best interests of the Deleum Group, is fair, reasonable and on normal commercial terms and not detrimental to the interests of the minority shareholders. Accordingly, the Board recommends that you vote in favour of the ordinary resolutions pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

9. FURTHER INFORMATION

9.1 RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

9.2 MATERIAL LITIGATION

Save as disclosed below, as at 22 March 2022 (being the latest practicable date), Deleum Group has not engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant and our Board is not aware of any proceedings, pending or threatened, against the Deleum Group or any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Deleum Group.

All the material litigation below relates to Deleum Primera Sdn Bhd, a 60% owned indirect subsidiary of Deleum, and does not relate to Deleum and its other subsidiaries.

1. **High Court of Kuala Lumpur (Civil Suit No. WA-22NCVC-508-08/2020) brought by Synergy Spectacular Sdn Bhd (“Plaintiff”) against Deleum Primera Sdn Bhd (“Defendant”)**

The Plaintiff has commenced the above legal proceedings against the Defendant wherein it is alleged, *inter alia*, that the Defendant had unlawfully terminated the agreement entered into between parties for the supply and delivery of Cargo Handling Equipment (“CHE”) by the Plaintiff to the Defendant, and wherein there had been severe and protracted delay in delivery of the CHE by the Plaintiff.

By a Writ of Summons and Statement of Claim dated 21 August 2020, the Plaintiff commenced the above legal proceedings against the Defendant concerning the alleged unlawful termination of the CHE Project contract dated 11 October 2018 by the Defendant, claiming for *inter alia* Judgment for the amount of RM1,400,500.00, being the total sum from invoices allegedly outstanding, and damages in the amount of RM874,500.00 arising from the Defendant’s alleged refusal to accept delivery of the CHE.

The Orders and/or relief sought by the Plaintiff against the Defendant, are as follows:

- (a) A Declaration that the termination of the CHE Project contract dated 11 October 2018 by the Defendant, was unlawful;
- (b) Judgment for the sum of RM1,400,500.00, being the total sum from invoices allegedly outstanding;
- (c) Damages in the amount of RM874,500.00 due to the Defendant’s alleged refusal to accept delivery of the CHE;
- (d) General damages;
- (e) Late payment charges of 1.5% per month, from the date of the Writ of Summons until full settlement of all outstanding invoices;
- (f) Interest at the rate of 5% per annum on the Judgment sum from the date of Judgment until full settlement;
- (g) Costs; and
- (h) Any other relief deemed fit by the High Court.

The Suit proceeded for Trial on 27 - 28 September and 28 October 2021 and on 20 January 2022, the following Decision was delivered by the Court:

1. The Plaintiff’s claim is dismissed;
2. The Defendant’s counterclaim is dismissed, save for the declaration sought by the Defendant, namely for a declaration that the termination of the CHE Project by the Defendant was lawful and valid, which declaration was granted; and
3. The Plaintiff and the Defendant shall bear its own costs.

The Plaintiff has filed their appeal at the Court of Appeal on 17 February 2022.

2. **High Court of Kuala Lumpur (Civil Suit No. WA-22NCVC-768-11/2020) brought by Synergy Spectacular Sdn Bhd (“Plaintiff”) against Deleum Primera Sdn Bhd (“Defendant”)**

The Plaintiff had commenced the above legal proceedings against the Defendant, wherein it is alleged, *inter alia*, that the Defendant had failed to make payment for certain works carried out by the Plaintiff, for which the Defendant had engaged the Plaintiff.

The Writ of Summons and Statement of Claim, both dated 23 November 2020, were served on the Defendant on 26 November 2020. The Defendant has filed its Memorandum of Appearance dated 9 December 2020 and Defence dated 7 January 2021. The Plaintiff thereafter filed its Reply to Defence dated 21 January 2021.

The Plaintiff's solicitors have, on 25 January 2021, served on the Defendant's solicitors an Amended Writ and Statement of Claim, both dated 22 January 2021, to:

- (i) amend the original claim sum from RM1,568,048.66 to an amended claim sum of RM2,184,584.45; and
- (ii) withdraw their claim for a declaration and injunction as the amended claim sum has rendered the declaration and injunction as no longer applicable.

The amendments have been sought on the basis that Invoice No. SS/CWR/BAP A Standby dated 3 November 2020 for the amount of RM616,535.79 became due and payable on 3 December 2020 (i.e. after the filing of their suit on 23 November 2020). Therefore, the Plaintiff has included the invoice amount in the total sum claimed.

The said amendment is to regularise the Plaintiff's claim and the same would not jeopardise the rights of the Defendant.

Pursuant to the Amended Writ & Statement of Claim, both dated 22 January 2021, the Plaintiff has sought for the following relief:

- (a) Judgment for the sum of RM2,184,584.45 being the total sum from invoices allegedly outstanding;
- (b) Interest at the rate of 5% per annum on the Judgment sum from the date of Judgment until full settlement;
- (c) Costs; and
- (d) Any other relief deemed fit by the High Court.

Pursuant to the Case Management on 21 July 2021, the suit is fixed for Trial on 22, 23 and 29 September 2022.

3. High Court of Kuala Lumpur (Civil Suit No. WA-22NCC-544-11/2020) brought by Deleum Primera Sdn Bhd ("Plaintiff") against Deleum Primera's employees, suppliers, contractors and employees of a client ("Defendants")

The Plaintiff has commenced the above legal proceedings against the Defendants by way of a Writ of Summons dated 5 November 2020 for, *inter alia*, breaches of fiduciary duty, knowing receipt and dishonest assistance in relation to an alleged fraudulent scheme involving its employees, suppliers, contractors and employees of a client. The sum claimed by the Plaintiff in its Statement of Claim dated 5 November 2020 is RM19,876,389.87.

On 9 November 2020, the Plaintiff further obtained a Forthwith Delivery Up Order and a Mareva (Freezing) Order, on an ex-parte basis, against the Defendants.

On 9 December 2020, Defendant No. 9 has succeeded in setting aside the Plaintiff's ex-parte Forthwith Delivery Up Order and ex-parte Mareva (Freezing) Order and was awarded damages in the total sum of RM47,168.42 on 25 May 2021 which has been paid by the Plaintiff in July 2021. Pursuant thereto, the Plaintiff appealed against this High Court decision but subsequently, withdrew its appeals on 22 November 2021.

Pursuant to a hearing on 13 January 2022, the Kuala Lumpur High Court has dismissed the application by the Plaintiff for inter-partes Forthwith Delivery Up Order and inter-partes Mareva (Freezing) Order against Defendant No. 9 and Defendant No. 10 with costs of RM15,000.00 for each application.

On the applications by Defendant No. 1 to Defendant No. 8 and Defendant No. 10 to set aside the Plaintiff's ex-parte Forthwith Delivery Up Order and ex-parte Mareva (Freezing) Order against them, as well as for the Plaintiff's inter-partes Forthwith Delivery Up Order and inter-partes Mareva (Freezing) Order against all the Defendants, the Kuala Lumpur High Court has made the following findings on 27 January 2022:

- i) that the Plaintiff's applications for inter-partes Forthwith Delivery Up Order and inter-partes Mareva (Freezing) Order against Defendant No. 1 to Defendant No. 5, Defendant No. 7 and Defendant No. 8 are allowed with costs in the cause;
- ii) that the Plaintiff's application for inter-partes Forthwith Delivery Up Order and inter-partes Mareva (Freezing) Order against Defendant No. 6 is dismissed with costs of RM5,000.00 for each application, subject to allocatur fee;
- iii) that the applications by Defendant No. 1 to Defendant No. 8 to set aside the Plaintiff's ex-parte Forthwith Delivery Up Order and ex-parte Mareva (Freezing) Order against them are dismissed with costs of RM10,000.00 for each application, subject to allocatur fee; and
- iv) that the application by Defendant No. 10 to set aside the Plaintiff's ex-parte Forthwith Delivery Up Order and ex-parte Mareva (Freezing) Order against them is dismissed with costs of RM5,000.00 for each application, subject to allocatur fee.

On 9 March 2021, 6 of the Defendants applied to recuse the presiding Judge from hearing the matter ("Recusal Applications") which was dismissed by the High Court with costs of RM15,000.00 payable by each set of the relevant Defendants' Counsel to the Plaintiff. The relevant Defendants' verbal application for a stay of execution was also dismissed by the High Court.

After the dismissal of the Recusal Applications, 5 of the Defendants lodged an appeal to the Court of Appeal ("the Recusal Appeals") where the hearing was scheduled on 1 December 2021.

Pending the disposal of the Recusal Appeals, 4 of the Defendants in the Recusal Applications applied to the High Court to stay all the proceedings pending the disposal of the Recusal Appeals which was dismissed by the High Court on 20 April 2021 with costs of RM8,000.00 payable to the Plaintiff.

On the same date, the said 4 Defendants filed a motion at the Court of Appeal to stay all the proceedings before the High Court pending the disposal of the Recusal Appeals ("the Stay Motion"). On 30 April 2021, the Court of Appeal allowed the Stay Motion ("the Stay Decision"). In light of the Stay Decision, 4 of the Defendants agreed to withdraw their application to strike out the Plaintiff's claim which was filed on 20 November 2020. On 3 May 2021, the High Court decided to adjourn all the proceedings pending the disposal of the Recusal Appeals.

On 1 December 2021, the Court of Appeal ordered for the Recusal Appeals to be struck out with costs of RM5,000.00 for each appeal, subject to allocatur fees, be made to the Plaintiff by 31 December 2021 which has been settled by the Defendants.

During a case management on 21 May 2021, 4 of the Defendants disputed the extraction of some data from their devices (“Disputed Data”), and they are to produce the Disputed Data by way of affidavit so that the relevant parties may address on the issue of relevancy of the Disputed Data. On 30 June 2021, Plaintiff informed the High Court that they have provided their justification for the extraction of the Disputed Data and on 28 July 2021 the High Court allowed the Disputed Data to be released to the Plaintiff.

On 8 October 2021, the services of the legal firm, Messrs. Lim Chee Wee Partnership, was terminated and the legal firm of Messrs. Ranjit Singh & Yeoh, has been appointed henceforth. The Notice of Change of Solicitors has been filed accordingly by Messrs. Ranjit Singh & Yeoh on 10 November 2021.

On 27 January 2022, Defendant No. 8 has withdrawn its application to strike out the suit before the Kuala Lumpur High Court which was filed on 20 November 2020 with cost of RM2,000.00 being awarded to the Plaintiff, subject to allocatur fee.

During the Case Management on 23 February 2022, the following ancillary applications have been withdrawn by the respective parties and are thus struck out without cost:

- i) Defendant No. 1 to Defendant No. 4 have withdrawn their Security for Costs application which was filed on 27 January 2021;
- ii) Defendant No. 1 to Defendant No. 4 have withdrawn their application to disqualify PwC Consulting Associates (M) Sdn Bhd which was filed on 8 March 2021; and
- iii) Defendant No. 7 has withdrawn its application to strike out the Plaintiff’s claim which was filed on 26 November 2020.

The next case management will be held on 13 May 2022 to discuss the following ancillary applications:

- i) Applications for Summary Judgement on their Counterclaim which were filed by Defendant No. 9 and Defendant No.10; and
- ii) Applications to strike out the Plaintiff’s Statement of Claim which were filed by Defendant No. 6 and Defendant No.10.

9.3 MATERIAL CONTRACTS

There are no material contracts (including contracts not reduced into writing), not being contracts entered into in the ordinary course of business, which have been entered into by the Company and/or its subsidiaries within two (2) years preceding the date of this Circular.

9.4 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company following the publication of this Circular from Mondays to Fridays (except public holidays) during normal business hours up to and including the date of the AGM:

- (i) The Constitution of Deleum; and
- (ii) The audited consolidated financial statements of Deleum and its subsidiaries for the past two (2) financial years ended 31 December 2020 and 2021.

Yours faithfully,
For and on behalf of the Board
DELEUM BERHAD

DATO' IZHAM BIN MAHMUD
Non-Independent Non-Executive Chairman