

DELEUM BERHAD

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

Minutes of the Eighteenth Annual General Meeting of the Company held virtually via live streaming from the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-02, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur and by Remote Participation and Voting (“RPV”) facilities through meeting platform at TIIH Online website at <https://tiih.online> on Tuesday, 23 May 2023 at 10.00 a.m.

Present : Board of Directors

YBhg Dato’ Izham bin Mahmud - *Non-Independent Non-Executive Chairman*

YBhg Datuk Vivekananthan a/l M.V. Nathan - *Non-Independent Non-Executive Deputy Chairman*

Mr Ramanrao bin Abdullah - *Group Chief Executive Officer (“GCEO”)*

YBhg Tan Sri Dato’ Seri Shamsul Azhar bin Abbas - *Senior Independent Non-Executive Director*

Mr Lee Yoke Khai, Gary - *Independent Non-Executive Director*

Datuk Manharlal a/l Ratilal, George - *Independent Non-Executive Director*

Datin Aisah Eden - *Independent Non-Executive Director*

In Attendance : Ms Suliana binti Rosli - *Company Secretary*

Ms Jayanthi a/p Gunaratnam - *Group Chief Financial Officer (“GCFO”)*

Representatives from PricewaterhouseCoopers PLT

Ms Soo Kwai Fong - *Partner*

Attendance of Shareholders (As per the Attendance Lists):

1. The number of shareholders logging in remotely at commencement of meeting was 88.
2. The number of proxies received appointing the Chairman was 26. The total number of proxies received was 39.

1. ADDRESS BY THE CHAIRMAN

The Chairman, on behalf of the Board of Directors, welcomed the shareholders, proxies, authorised representatives, and the members of the management team of the Company to the fully virtual Eighteenth Annual General Meeting (“AGM”) through live streaming. Thereafter, the Chairman introduced the members of the Board of Directors including the GCEO, the Company Secretary, the GCFO who were present at the broadcast venue. The Chairman also introduced the audit partner, PricewaterhouseCoopers PLT who joined the meeting virtually. The Chairman informed that the AGM was conducted in a fully virtual manner.

2. QUORUM

The Company Secretary confirmed that the quorum was present, i.e. at least three (3) members inclusive of those who had logged in at the start of the meeting, by proxy or representatives (for corporations), representing not less than one-third of the issued shares of the Company.

As the requisite quorum was present, the Chairman called the meeting to order.

3. NOTICE

The notice convening the meeting dated 20 April 2023 was taken as read.

The Chairman informed that the AGM was a principal forum for dialogue with shareholders and invited all shareholders to enquire about the agenda and the resolutions to be tabled at the AGM. The Chairman thereafter explained how questions may be raised during the meeting.

The Chairman advised that pursuant to Paragraph 8.29(A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the AGM would be voted by poll which would be conducted electronically via the RPV facility provided by Tricor Investor and Issuance House Services Sdn. Bhd. (“Poll Administrator” or “TIH”), the appointed poll administrators. The results to be verified by Asia Securities Sdn. Berhad. (“Scrutineers”), the appointed independent scrutineers. He further informed that voting on the resolutions could be done at any time throughout the meeting until the closure of the voting session and the result of the poll voting to be announced after the Scrutineer verified the poll results. The Poll Administrator was invited to explain the voting procedures through the RPV facility.

AS ORDINARY BUSINESS

4. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Chairman then presented the Group’s Audited Financial Statements for the financial year ended 31 December 2022 to the meeting. He informed that under

Section 340(1)(a) of the Companies Act 2016 (“the Act”), the audited financial statements were required to be laid before the meeting and did not require a resolution to be put to vote.

The Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2022, had in accordance with the Act, been properly laid and received.

RESOLUTION 1:

5. RE-ELECTION OF DATUK VIVEKANANTHAN A/L M.V. NATHAN AS A DIRECTOR OF THE COMPANY IN ACCORDANCE WITH CLAUSE 88 OF THE CONSTITUTION OF THE COMPANY

The meeting proceeded with the next item on the agenda which was the re-election of Datuk Vivekananthan a/l M.V. Nathan as Director of the Company in accordance with Clause 88 of the Company’s Constitution. The Chairman had shared that Datuk Vivekananthan a/l M.V. Nathan was eligible for re-election and had confirmed his willingness to be re-elected.

RESOLUTION 2:

6. RE-ELECTION OF DATUK MANHARLAL A/L RATILAL AS A DIRECTOR OF THE COMPANY IN ACCORDANCE WITH CLAUSE 88 OF THE CONSTITUTION OF THE COMPANY

The meeting proceeded with the next item on the agenda which was the re-election of Datuk Manharlal a/l Ratilal as Director of the Company in accordance with Clause 88 of the Company’s Constitution. The Chairman shared that Datuk Manharlal a/l Ratilal, who was eligible for re-election had confirmed his willingness to be re-elected.

RESOLUTION 3:

7. RE-ELECTION OF TAN SRI DATO’ SERI SHAMSUL AZHAR BIN ABBAS AS A DIRECTOR OF THE COMPANY IN ACCORDANCE WITH CLAUSE 86 OF THE CONSTITUTION OF THE COMPANY

The meeting proceeded with the next item on the agenda which was the re-election of Tan Sri Dato’ Seri Shamsul Azhar bin Abbas as Director of the Company in accordance with Clause 86 of the Company’s Constitution. The Chairman shared that Tan Sri Dato’ Seri Shamsul Azhar bin Abbas, who was eligible for re-election had confirmed his willingness to be re-elected.

RESOLUTION 4:

8. RE-ELECTION OF DATIN AISAH EDEN AS A DIRECTOR OF THE COMPANY IN ACCORDANCE WITH CLAUSE 86 OF THE CONSTITUTION OF THE COMPANY

The meeting proceeded with the next item on the agenda which was the re-election of Datin Aisah Eden as Director of the Company in accordance with Clause 86 of the Company's Constitution. The Chairman shared that Datin Aisah Eden, who was eligible for re-election had confirmed her willingness to be re-elected.

RESOLUTION 5:

9. DIRECTORS' FEES TO NON-EXECUTIVE DIRECTORS UP TO AN AMOUNT OF RM1,500,000

The meeting then proceeded with the next item on the agenda pertaining to the payment of Directors' fees to Non-Executive Directors up to an amount of RM1,500,000 from 24 May 2023 until the next AGM of the Company to be held in 2024.

RESOLUTION 6:

10. DIRECTORS' BENEFITS TO NON-EXECUTIVE DIRECTORS UP TO AN AMOUNT OF RM400,000

The meeting then proceeded with the next item on the agenda pertaining to the payment of Directors' benefits to Non-Executive Directors up to an amount of RM400,000 from 24 May 2023 until the next AGM of the Company to be held in 2024.

RESOLUTION 7:

11. RE-APPOINTMENT OF AUDITORS

The motion on the re-appointment of PricewaterhouseCoopers PLT as the Auditors of the Company until the conclusion of the next AGM and to authorise the Board of Directors to fix their remuneration was tabled. The Chairman informed that PricewaterhouseCoopers PLT had expressed their willingness to continue in office.

AS SPECIAL BUSINESS

RESOLUTION 8:

12. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("THE ACT")

The Chairman informed that the passing of the proposed ordinary resolution 7 (“Proposed Resolution”) would give authority to the Board of Directors to allot and issue ordinary shares not exceeding ten percent (10%) of the total number of issued shares of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit pursuant to Sections 75 and 76 of the Act. The Chairman further explained that there was no corporate exercise or event requiring an issue of shares under this proposed resolution at the point of time of reporting and the Proposed Resolution was tabled merely to facilitate any such occasions, when a need arises. Such authority shall continue to be in force until the conclusion of the next AGM of the Company.

RESOLUTIONS 9 AND 10:

13. PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SET OUT IN THE CIRCULAR TO SHAREHOLDERS DATED 20 APRIL 2023

The meeting proceeded with the proposed ordinary resolutions 9 and 10 on the agenda in relation to the Proposed Shareholders’ Mandate for the Company’s subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature with certain related parties as set out in Sections 2.5(1) and 2.5(2) of the Company’s Circular to Shareholders dated 20 April 2023. The full text of the proposed ordinary resolutions were set out in the Notice of Meeting and were taken as read.

RESOLUTION 11:

14. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN THE COMPANY

The meeting proceeded with the proposed ordinary resolution 11 on the agenda in relation to the Proposed Renewal of Share Buy-Back Authority of up to 10% of the total number of issued shares in the Company as set out in the Company’s Circular to Shareholders dated 20 April 2023. The full text of the proposed ordinary resolutions were set out in the Notice of Meeting and were taken as read.

15. ANY OTHER BUSINESS

The Chairman informed that no notice had been received to transact any other business at the Company’s AGM.

16. PERFORMANCE REPORT

The Chairman then invited the GCEO, Mr Ramanrao bin Abdullah to present the Group’s financial highlights and business activities for the financial year 2022.

The GCEO's presentation covered the following areas:

- (i) FY2022 Achievements;
- (ii) Business Segments comprising Power and Machinery, Oilfield Services, Integrated Corrosion Solution;
- (iii) FY2022 Financial Highlights;
- (iv) Dividend History;
- (v) Deleum's EESG Initiatives
- (vi) Deleum's Growth Strategies for 2023;

The GCEO's presentation slides would be uploaded to the Group's website.

17. QUESTIONS & ANSWERS

The GCEO addressed the questions received from the shareholders, which were submitted through the TIIH platform prior to the AGM and those received via the online query box. The questions raised and answers provided are listed in the Appendix I to the Minutes of the meeting.

The meeting proceeded to vote and was adjourned at 11.10 a.m. for the counting of votes.

18. DECLARATION OF THE RESULTS OF THE POLL

The meeting resumed at 11.25 a.m. when the results of the poll were ready. The results were projected on the screen, a copy of which is annexed to the minutes of the meeting.

The Chairman read out the results and declared the following Ordinary Resolution 1 to Ordinary Resolution 11 as carried:

ORDINARY RESOLUTION 1:

It was resolved:

“**THAT** Datuk Vivekananthan a/l M.V. Nathan, the Director retiring by rotation pursuant to Clause 88 of the Company's Constitution, being eligible and having offered himself for re-election, be hereby re-elected as Director of the Company.”

ORDINARY RESOLUTION 2:

It was resolved:

“**THAT** Datuk Manharlal a/l Ratilal, the Director retiring by rotation pursuant to Clause 88 of the Company's Constitution, being eligible and having offered himself for re-election, be hereby re-elected as Director of the Company.”

ORDINARY RESOLUTION 3:

It was resolved:

“**THAT** Tan Sri Dato’ Seri Shamsul Azhar bin Abbas, the Director retiring pursuant to Clause 86 of the Company’s Constitution, being eligible and having offered himself for re-election, be hereby re-elected as Director of the Company.”

ORDINARY RESOLUTION 4:

It was resolved:

“**THAT** Datin Aisah Eden, the Director retiring pursuant to Clause 86 of the Company’s Constitution, being eligible and having offered herself for re-election, be hereby re-elected as Director of the Company.”

ORDINARY RESOLUTION 5:

It was resolved:

“**THAT** the payment of Directors’ fees to Non-Executive Directors up to an amount of RM1,500,000 from 24 May 2023 until the next Annual General Meeting of the Company be hereby approved.”

ORDINARY RESOLUTION 6:

It was resolved:

“**THAT** the payment of Directors’ benefits to Non-Executive Directors up to an amount of RM400,000 from 24 May 2023 until the next Annual General Meeting of the Company be hereby approved.”

ORDINARY RESOLUTION 7:

It was resolved:

“**THAT** the retiring Auditors, PricewaterhouseCoopers PLT, having expressed their willingness to continue in office be hereby re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting **AND THAT** the Board of Directors be authorised to fix their remuneration.”

ORDINARY RESOLUTION 8:

AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

It was resolved:

“**THAT** subject always to the Companies Act 2016, the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and any other governmental/regulatory authorities, where such approval is necessary, full authority be and is hereby given to the Directors pursuant to Sections 75 and 76 of the Companies Act 2016 to allot and issue shares not more than ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit **AND THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is the earlier, unless such approval is revoked or varied by the Company at a general meeting.”

ORDINARY RESOLUTION 9:

PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SET OUT UNDER SECTION 2.5(1) OF THE CIRCULAR TO SHAREHOLDERS DATED 20 APRIL 2023

It was resolved:

“**THAT** approval be and is hereby given for the renewal of the Shareholders’ Mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.5(1) of the Circular to Shareholders dated 20 April 2023 which are necessary for day-to-day operations and are carried out in the ordinary course of business on terms which are not more favourable to the related parties than those generally available to the public and are undertaken on arms’ length basis and not to the detriment of minority shareholders;

AND THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in full force until:

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which this shareholders’ mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“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;

AND THAT the Board of Directors be and is hereby authorised to complete and do all such acts and things as it may consider expedient or necessary (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this mandate.”

ORDINARY RESOLUTION 10:

PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SET OUT UNDER SECTION 2.5(2) OF THE CIRCULAR TO SHAREHOLDERS DATED 20 APRIL 2023

It was resolved:

“**THAT** approval be and is hereby given for the renewal of the Shareholders’ Mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.5(2) of the Circular to Shareholders dated 20 April 2023 which are necessary for day-to-day operations and are carried out in the ordinary course of business on terms which are not more favourable to the related parties than those generally available to the public and are undertaken on arms’ length basis and not to the detriment of minority shareholders;

AND THAT the authority conferred by such mandate shall commence upon the passing of this resolution and continue to be in full force until:

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which this shareholders’ mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“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;

AND THAT the Board of Directors be and is hereby authorised to complete and do all such acts and things as it may consider expedient or necessary (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this mandate.”

ORDINARY RESOLUTION 11:

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES IN THE COMPANY

It was resolved:

THAT subject to the Companies Act 2016, the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Board of Directors of the Company be and are hereby authorised to purchase ordinary shares in the Company through Bursa Securities, provided that:

- (a) the aggregate number of ordinary shares purchased and/or held by the Company as treasury shares shall not exceed 10% of the total number of issued shares of the Company;
- (b) the maximum funds allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits of the Company based on the Company's audited financial statements for the financial year ended 31 December 2022; and
- (c) the authority conferred by this resolution shall continue to be in force until:
 - (1) the conclusion of the next annual general meeting of the Company, at which time the said authority shall lapse unless it is renewed by the passing of a resolution at that meeting, either unconditionally or subject to conditions; or
 - (2) the expiration of the period within which the next annual general meeting of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
 - (3) revoked or varied by a resolution passed by the shareholders in a general meeting of the Company,

whichever occurs first.

THAT the Board of Directors of the Company be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:

- (i) cancel all the shares so purchased; and/or
- (ii) retain part thereof as treasury shares and cancel the remainder; and/or
- (iii) retain the shares so purchased in treasury for distribution as dividend to the shareholders; and/or
- (iv) resell on the market of Bursa Securities; and/or
- (v) transfer the treasury shares or any of the said shares as purchase consideration; and/or
- (vi) in any other manner as prescribed by the Companies Act 2016.

AND THAT the Board of Directors of the Company be and are hereby authorised to take all such steps as are necessary and/or enter into any agreements, arrangements and instruments with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, variations and/ or amendments as may be imposed by the relevant authorities from time to time and to do all acts and things as the Board of Directors may deem fit,

necessary and expedient in the best interest of the Company to implement and/or to effect the purchase by the Company of its own shares.”

19. CLOSURE

As announced on 22 May 2023, there will be a change in the chairmanship of the Board, effective 1 June 2023. Chairman extended his gratitude to the esteemed Board and shareholders for their unwavering support during his tenure, and informed that he shall continue to serve as a director of the Company.

The Chairman expressed his utmost confidence in the appointment of Tan Sri Dato’ Seri Shamsul Azhar bin Abbas as the new chairman, considering his extensive experience primarily within the oil and gas sector.

There being no further business, the meeting was declared closed at 11.35 a.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD,

CHAIRMAN

Date:

Appendix I

QUESTIONS & ANSWERS – 18TH ANNUAL GENERAL MEETING

Q1. Is the company giving any doorgift to shareholders attending this AGM

A1. We have been diligently rewarding our shareholders through the payment of our dividends, in line with our dividend policy.

Q2. It is understood that DOSSB has been signing agency agreement with Latconnect60 (Lat60) in FY2022. My questions are:

(i) What is the product line that will be provided by DOSSB to leverage on the services offered by Lat60 to generate more businesses for Deleum group since the services provided by Lat60 seems irrelevant to the core business of Deleum group?

(ii) What solutions or benefits those services could be provided to potential customers and the synergistic effects of the OS segment?

A2. The Lat60 technology is an emission monitoring technology which allows us to monitor emission for methane, CO2 from offshore producing fields and this technology can be expanded to onshore as well. We have a technology partnership with Lat60, where we collaborate with them and showcase the technological expertise in Malaysia, Indonesia, Thailand and Australia in the areas of providing vital insights from Earth Observation data. This system is used to calibrate satellite data, which will contribute to DOSSB's involvement in Carbon capture, Utilisation and Storage (CCUS) development.

Q3. It is understood that DSSB has been commissioned to supply 3 gas turbine generators to support a large CCUS project by 2025. My questions are:

a. What is the contract value of the service?

b. What is the function of the gas turbine generators in the CCUS project?

c. How long the project is taking place?

d. The revenue contribution in FY2022

A3. The contract value for supplying 3 gas turbine generators for the CCUS project is between our principal and customer. This contract will contribute to Deleum's earnings from the sales of these generators and its after sales overhaul maintenance services after the generators are fully delivered and commissioned. The gas turbines generators are used to power up the CCUS platform. The project is expected to take 12 months to be completed. Order was only received at end of 2022, hence there was no revenue contribution in FY2022.

Q4. PDSB is awarded a 7-year contract for the supply of control valves in October 2022 and also secured the Master Service Agreement (MSA) with various customers which is valid until September 2024. My questions are:

- a. What is the contract value of both 7-year contract and MSA?**
- b. Why there was no announcement regarding the project secured on Bursa Malaysia? What is the minimum amount of the contract value to meet the materiality threshold that triggering announcement on Bursa Malaysia?**

A4. The 7-year Global Framework Agreement for Control Valve that PDSB was secured in Oct 2022 with PETRONAS participating companies. The Master Services Agreement is with Pengerang Refining & Petrochemical (PRefChem) and is until September 2024. Both these contracts do not have a firm contract value as it would depend on the purchase orders issued by the respective clients during the validity of the said contracts. Pursuant to Bursa Malaysia's Guideline, "a contract is deemed material if the value of the contract is expected to be 10% or more of the listed issuer's latest annual published consolidated revenue". Since there was no contract value, we were not able to establish the estimated contract value and hence no announcement was made.

Q5. DOSSB ventured into a new service line using Solids Control Equipment. My questions are:

- a. What kind of services that is provided by DOSSB using solid control equipment**
- b. What solutions or benefits those services could be provided to potential customers and the synergistic effects of the services to the OS segment**
- c. There are 4-5 types of solid control equipment, is DOSSB going to provide all these services**
- d. Does DOSSB has the expertise to provide the service**
- e. CAPEX requirement for FY2023**

A5. a. DOSSB provides services using solid control equipment to improve drilling fluid properties, lower mud dilution rate, and remove solids from the fluids.

b. These services are part of the total drilling fluids management, which expands DOSSB's Specialty Chemicals and Well Stimulation scope into mud chemicals and eventually into the whole drilling fluids segment. The use of solid control equipment provides potential customers with better drilling efficiency, such as improved wellbore stability, reduced formation damage, and reduced drilling time and costs.

c. DOSSB will provide a total package of solid control equipment.

d. With the support of an international service company as a technology partner, DOSSB will be able to provide these services.

e. No CAPEX is required for 2023, only maintenance and services to the current package.

Q6. 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?

A6. *DOSSB will continue to work together with Midad for any new opportunities which may arise in the Middle East.*

DOSSB has declined invitations from Midad Holding in the past to participate in small tenders that involved the supply of one or two packages to Saudi Aramco. The reason for declining is due to the belief that setting up a new operating base in a foreign country with only two operating packages may not be a viable and profitable option. Currently, DOSSB is still waiting for the right opportunity to participate in the Middle East.

Yes, Deleum is still looking into geographical expansion and will capitalise on opportunities which will be complement the Group's offerings.

Q7. All the questions are related to expansion plans. My questions are:

- a. **What are the product line expansion in the pipeline for FY2023?**
- b. **Serba Dinamik is mired in debt crisis and most of its contracts are expiring in the upcoming years. Since Deleum and Serba have similarities in expertise, is Deleum going to bid the contracts that were secured by Serba to move up the value chain of the supplier?**
- c. **What is the geographical expansion projects in the pipeline for FY2023?**

A7. a. *Deleum plans to expand its product line in FY2023 by expanding its current products and services offerings, which involves focus on solids control and filtration businesses in the oilfield services segment. We are also looking into M & A opportunities to further spur the Group's growth.*
b. *Deleum's business line is not the same as Serba Dinamik.*
c. *The geographical expansion plans for FY2023 include a focus on further expanding into Indonesia and Thailand.*

Q8. During FY2022 Deleum had received 51 complaints from customers which is much more than compliments totaling 19 cases. My questions are:

- a. **What kind of complaints received by Deleum during FY2022?**
- b. **How did Deleum group respond to the complaints? Any improvement plans or corrective actions implemented to prevent recurrence?**

A8. *The complaints received was in relation to service quality issues such as faulty equipment and troubleshooting skills. These complaints were recorded and analysed.*

To address the complaints, Deleum implemented corrective actions based on ISO 9001:2015 requirements. Service Quality Meetings (SQM) were held with clients, and Corrective and Preventive Action (CAPA) Forms were used to track actions.

Improvement initiatives included engaging subject matter experts, upgrading service quality and competencies, and launching the "DONE RIGHT - Do It Right The First Time" campaign to achieve operational excellence.

Deleum is committed to delivering high-quality products and services, implementing measures to prevent recurrence of such issues in the future.

Q9. It is worth noting that the financial performance of 4Q2022 is weaker than 4Q2021, after excluding the impairment made of RM4.1 mil of trade receivable and RM3.2mil in PPE in 4QFY2021.

- a. What are the reasons behind the operating margin made in 4Q2022 even though there is no major impairments made in FY2022?**
- b. In FY2023 is OS segment operating margin able to be improved to FY2018 and before level which registered a PBT margin of >10%**

A9. a. 4Q2022 operating margin was affected by lower activity levels in OS segment, higher operating expenses incurred by the group along with higher business activities and revenue achieved, as well as realised foreign exchange loss and fair value loss recorded on our forward foreign currency exchange contracts, against a gain in corresponding quarter. Nevertheless FY2022's profits has improved compared to FY2021.

b. As mentioned earlier, we are investing in people and processes, to improve our service quality and with the inclusion of solids control as a new product line. We anticipate to see margin improvement only at a later stage.

Q10. What is the total number of contracts and total contract values secured by the Company in FY2022?

A10. Values of work from new and extended contracts totaled about RM423.6 million as of 31 Dec 2022, consisting of 30 contracts.

Q11. The orderbook and tender book in ICS segment stood at RM3.9 mil and RM12.8 mil as at 31 December 2022.

Does that indicate that the financial performance of ICS segment in FY2023 would be much lower than FY2022?

Are low revenue and operating profit in ICS segment expected to persist to the first half of FY2023 at least in view of the low orderbook and tender book value?

A11. DTSSB's licence was suspended and they were unable to participate in tender bids, which resulted in the low Order Book values. The suspension was lifted in December 2022, and DTSSB has started to participate in tender bids. However, tender bids are also cyclical in nature.

We are confident that we can increase the Order Book. However, the process will take time. We anticipate that 2023 will remain challenging for the segment.

Notwithstanding that, we are seeing improvement with orders expected to come in for Indonesia in Q2.

Q12. LTSA secured by TSSB is expiring by 2023. My questions are:

- a. Is Petronas going to provide or renew such long-term contract to TSSB again?**
- b. Is there any tender activity taking place to renew the contract?**

A12. TSSB has a Master Service Agreement with PETRONAS instead of Long-Term Service Agreement and it is still valid until Sept 2024. TSSB will continue to work with PETRONAS in renewal of the agreements upon its expiry.

Q13. What is your forecast of the market cap over the next two years?

A13. Deleum cannot provide financial advice or speculate on market performance.

Q14. A question to the substantial shareholder Datuk Izham bin Mahmud, you recently sold your 20.356% stake held by Lantas Mutiara S/B to GCEO, Mr Ramanrao.

Does that indicate that you have intention to quit the business of Deleum group? Do you have any intention to further reduce your controlling stake in Deleum in the foreseeable future?

A14. [This question was answered by the Chairman]

The acquisition of my shares in Lantas Mutiara Sdn Bhd by Mr Ramanrao Abdullah, our GCEO, an industry veteran with proven track record, reflects his confidence and commitment in the Group which bodes well for the Group.

As a shareholder of the Company holding 14.13% indirect and 2.79% direct stake in the company and as a Board member, I am committed towards supporting the Company's growth and creating value for its stakeholders.

Presently, my family and I do not have any plans to further dispose our shareholding.

Q15. This year have more dividend?

A15. We will be paying dividend in accordance with Deleum's Dividend Policy.

Q16. Deleum reported Other Operating Gains amounted to RM1.53 million vs a loss of RM6.005 million in FY2021.

- (1) What are the operating gain and loss for FY2022 and 2021 respectively.**
- (2) Based on current operations, will the Deleum be reporting similar operating gains for FY2023?**

A16. Operating gain in FY2022 was mainly due to write back of impairment made for trade receivables upon collection made; while the operating loss in FY2021 was mainly due to the impairment made on trade receivable.

We will be reporting our results in accordance with Malaysian Financial Reporting Standards.

Q17. Contract Assets under Receivables increased by RM90.4 million in FY2022 due to unbilled amount on goods delivered and services performed (Note 20 - Page 231 of AR)

- (1) Which project and business segment are these unbilled amounts attributed to?**
- (2) What is the latest collections status and will the full amount be collected in FY2023?**

A17. (1) These unbilled amounts are mainly from the after sales services in the Power and Machinery segment.

(2) Approximately 98% contract assets have been billed to date. The amounts are expected to be fully collected in FY2023.

Q18. Please provide an update on the material litigations of which trial and hearing were fixed in March 2023 as detailed in Note 36 - pages 257 to 259 of the Annual Report.

A18. The court will deliver its decision on 24 May 2023.

Q19. What is the BOARD's expectations for the growth and profitability of our Co. going forward into the next financial year? What are the new factors that will positively or negatively impact our company and how is our Co. performing relative to our competitors?

A19. Deleum plans to expand its product line in FY2023 by expanding its current products and services offerings, which involves focus on the Oilfield Services and Integrated Corrosion Solution segments. We are also looking into M & A opportunities to further spur the Group's growth.

Q20. Our PPE (Property, Plant and Equipment) has been in declining trend, and it is about 30% less than FY2019 (page 3). Does this suggest we invested less on PPE? If so, why? Is there a change in business model/strategies?

A20. *We had an impairment of assets made in FY 2020 and 2021 in view of low utilisation of assets. These have resulted in lower Property, Plant and Equipment balances as compared to FY2019. We will invest in PPE based on contractual requirements and as and when necessary.*

Q21. Our OS (Oilfield Service) Segment is the largest service provider of slickline packages in Malaysia and with more than 50% of market share (page 20). Can management please explain, with such a dominant position, why OS segment profitability is so poor, making a loss in FY2021 and making only RM0.3 million profit out of RM119 million revenue in FY2022? Why are the operating margins for this segment so low?

A21. *In FY2021, OS segment results were affected by the pandemic which resulted in lower activities level across all business streams in the segment. With the lifting of movement restriction in FY2022, activities have started to pick up in the OS segment, we are spending on upgrading our equipment in preparation for works to come.*

The management is always on the lookout for opportunities to expand the OS segment and increase its profitability and margins.

Q22. How much does the company spend on this virtual AGM? Would the BOD kindly give e- wallet as a token of appreciation for taking time and effort to attend today's AGM. I would like to request a printed hard copy of the company annual report.

A22. *The cost of this virtual AGM is approximately RM20,000.*

We have been diligently rewarding our shareholders through the payment of our dividends, in line with our dividend policy.

The printed hardcopy of our Annual Report will be delivered to you.

Q23. Profits are at a 7-year high, as stated by CEO. Is it possible for Deleum's profit this year to exceed its 2014 profit of RM59m in 2014? How much correlation is there of profitability to oil price?

A23. *Management will monitor closely on the operating cost and continuously strive to achieve higher revenue and profitability for all segments.*

Close monitoring of oil price act as part of the mitigation action.

Q24. Can management explain on operating cash flow drops to 5 years low and what's your strategy moving forward?

A24. *Operating cash flow was low in FY2022 mainly due to increase in contract assets which the Group have yet to bill as at year end. The contract assets have subsequently been billed after year end. We endeavor for the balance to increase accordingly with the collections made in 2023.*

Q25. Many commentators and experts are predicting "peak oil" in the next 5-10 years. As Deleum is primarily involved in the O&G business, what are the strategies for the Deleum to ensure it continues to be relevant and profitable when the "peak oil" era arrives.

A25. *Deleum plans to expand its product line in FY2023 by expanding its current products and services offerings, which involves focus on solids control and filtration businesses in the oilfield services segment. We are also looking into M & A opportunities to further spur the Group's growth.*

Q26. What's management view regarding the renewable energy trend?

A26. *The management will review the feasibility and business opportunities of renewable energy trend.*

Q27. What is the latest orderbook of Deleum in group level?

A27. *The group's order book stands at RM551.9 million as of 30 April 2023.*