

**DELEUM BERHAD**

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

Minutes of the Nineteenth Annual General Meeting (“19<sup>th</sup> AGM”) 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 Thursday, 23 May 2024 at 10.00 a.m.

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Present : Board of Directors

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

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

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

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

YBhg Dato’ Izham bin Mahmud - *Non-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 72.
2. The number of proxies received appointing the Chairman was 36. The total number of proxies received was 55.

## **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 19<sup>th</sup> 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 24 April 2024 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 are 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 2023**

The Chairman then presented the Group’s Audited Financial Statements for the financial year ended 31 December 2023 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 2023, had in accordance with the Act, been properly laid and received.

**RESOLUTION 1:**

**5. RE-ELECTION OF DATO’ IZHAM BIN MAHMUD 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 Dato’ Izham bin Mahmud as Director of the Company in accordance with Clause 88 of the Company’s Constitution. The Chairman had shared that Dato’ Izham bin Mahmud was eligible for re-election and had confirmed his willingness to be re-elected.

**RESOLUTION 2:**

**6. RE-ELECTION OF MR RAMANRAO BIN ABDULLAH 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 Mr Ramanrao bin Abdullah as Director of the Company in accordance with Clause 88 of the Company’s Constitution. The Chairman shared that Mr Ramanrao bin Abdullah, who was eligible for re-election had confirmed his willingness to be re-elected.

**RESOLUTION 3:**

**7. 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 the period from the day after the 19<sup>th</sup> AGM until the next AGM of the Company to be held in 2025.

**RESOLUTION 4:**

**8. DIRECTORS' BENEFITS TO NON-EXECUTIVE DIRECTORS UP TO AN AMOUNT OF RM500,000**

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 RM500,000 from the period from the day after the 19<sup>th</sup> AGM until the next AGM of the Company to be held in 2025.

**RESOLUTION 5:**

**9. 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 6:**

**10. 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 6 ("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. The full text of the proposed ordinary resolution 6 was set out in the Notice of Meeting and was taken as read.

**RESOLUTIONS 7 AND 8:**

**11. PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE AND PROPOSED NEW SHAREHOLDERS’ MANDATE (“PROPOSED SHAREHOLDERS’ MANDATE”) FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SET OUT IN THE CIRCULAR TO SHAREHOLDERS DATED 24 APRIL 2024**

The meeting proceeded with the proposed ordinary resolutions 7 and 8 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(i) and 2.5(ii) of the Company’s Circular to Shareholders dated 24 April 2024. The full text of the proposed ordinary resolutions were set out in the Notice of Meeting and was taken as read.

**RESOLUTION 9:**

**12. 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 9 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 24 April 2024. The full text of the proposed ordinary resolution 9 was set out in the Notice of Meeting and was taken as read.

**13. ANY OTHER BUSINESS**

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

**14. 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 2023.

The GCEO’s presentation covered the following areas:

- (i) Overview of the oil and gas industry - global, region and local perspectives;
- (ii) Company’s achievement;
- (iii) Financial performance for 2023;
- (iv) Deleum’s Growth Strategies and way forward; and
- (v) Deleum’s Sustainability/ESG agenda;

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

## 15. 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 during the AGM via the online query box. The questions raised and answers provided are listed in Appendix I to the Minutes of the meeting.

The meeting proceeded to vote and was adjourned at 10.50 a.m. for the counting of votes.

## 16. DECLARATION OF THE RESULTS OF THE POLL

The meeting resumed at 11.20 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** Dato’ Izham bin Mahmud, 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** Mr Ramanrao bin Abdullah, 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** the payment of Directors’ fees to Non-Executive Directors up to an amount of RM1,500,000 for the period from the day after this Annual General Meeting to the next Annual General Meeting of the Company be hereby approved.”

**ORDINARY RESOLUTION 4:**

It was RESOLVED:

“**THAT** the payment of Directors’ benefits to Non-Executive Directors up to an amount of RM500,000 for the period from the day after this Annual General Meeting to the next Annual General Meeting of the Company be hereby approved.”

**ORDINARY RESOLUTION 5:**

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 6:**

**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 Act”), 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 Act 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 (“AGM”) of the Company or at the expiry of the period within which the next AGM 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 7:**

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

It was RESOLVED:

**“THAT** the mandate granted by the shareholders of the Company at the Eighteenth Annual General Meeting (“AGM”) held on 23 May 2023 pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, authorising the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.5(i) of the Circular to Shareholders dated 24 April 2024 with the related parties mentioned therein which are necessary for the Company and its subsidiaries day-to-day operations, be and is hereby renewed.

**THAT** the Company and its subsidiaries’ be and is hereby authorised to enter into the recurrent transactions with the related parties mentioned in Section 2.5(i) of the Circular to Shareholders dated 24 April 2024 provided that:

- (a) the transactions are in the ordinary course of business and on normal commercial terms which 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 of the Company; and
- (b) the disclosure will be made in the Annual Report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the Proposed Renewal of Shareholders’ Mandate during the financial year based on the type of Recurrent Related Party Transactions made, the names of the related parties involved in each type of Recurrent Related Party Transactions and their relationships with the Company.

**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 AGM of the Company at which this Proposed Renewal of 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 Proposed Renewal of Shareholders' Mandate."

**ORDINARY RESOLUTION 8:**

**PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE")**

It was RESOLVED:

**"THAT** approval be and is hereby given 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(ii) of the Circular to Shareholders dated 24 April 2024 which are necessary for the Company's and its subsidiaries' day-to-day operations provided that:

- a) the transactions are in the ordinary course of business and on normal commercial terms which 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 of the Company; and
- b) the disclosure will be made in the Annual Report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the Proposed New Shareholders' Mandate during the financial year based on the type of Recurrent Related Party Transactions made, the names of the related parties involved in each type of Recurrent Related Party Transactions and their relationships with the Company.

**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 Proposed New 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 Proposed New Shareholders' Mandate."

**ORDINARY RESOLUTION 9:**

**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 2023; 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.”

**17. CLOSURE**

There being no further business, the meeting was declared closed at 11.25 a.m. with a vote of thanks to the Chair.

**SIGNED AS A CORRECT RECORD,**

**CHAIRMAN**

Date:

## Appendix I

### QUESTIONS & ANSWERS – 19<sup>TH</sup> ANNUAL GENERAL MEETING

**Q1. Is the company giving any door gift 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. According to the Bloomberg report dated 30.08.23, it predicted that oil demand worldwide will peak in 2027 due to the increased market penetration of EV. My questions are:**

- a. **How does Deleum view the future of O&G industry in terms of worldwide and local perspective?**
- b. **What is Deleum's strategy plan in response to the changes especially Deleum involves in oil and gas business?**
- c. **Would Deleum adopt horizontal or vertical integration of business in response to the changes?**

A2. (a) *We are very positive about the Oil & Gas industry's future. Globally, the energy transition and the timing of peak oil is uncertain, driven in part by changing demands from developing countries and the rise of Artificial Intelligence. Furthermore, renewables are expected to complement, rather than replace, oil and gas.*

*Locally, natural gas is poised to play a significant role in Malaysia's energy landscape for years to come. Recent discoveries, including 19 successful explorations by PETRONAS, highlight a vibrant industry with substantial future opportunities.*

(b) *Deleum is actively seeking opportunities with various parties in its pursuit to become Malaysia's premier service company. To achieve this, Deleum intends to form strategic alliances, expand its product line organically, and acquire stakes in companies that have commercial prospects that we can be involved in.*

(c) *It depends on the opportunity but currently our primary focus is on horizontal integration. This approach allows us to diversify our offerings, tap into new markets, and achieve economies of scale, enhancing our competitive edge. We may explore vertical integration if the opportunity is commercially viable to the Group.*

**Q3. In the operational highlight of P&M segment, it is highlighted that PDSB also played a crucial role in the successful completion of the Kasawari Central Processing Platform (“CPP”). My questions are:**

- (d) What services provided by PDSB in Kasawari CPP project?**
- (e) Revenue contribution of the project to FY2023**

A3. (a) *Supply and delivery of Control Valves, Pressure Relief Valves and Pressure Regulators provided by PDSB.*

(b) *Total revenue of RM 8 million.*

**Q4. It is not mentioned the tender book order value for P&M segment. Please disclose the tender book value for this segment.**

A4. *The tender book of P&M segment stood at RM185.6 million as at 31 March 2024.*

**Q5. It is worth noting that the financial performance of OS segment has been disappointing since FY2018 and it is noted that OS segment still suffered operating loss after excluding all the impairment losses. My questions are:**

- a. What are the reasons for the operating loss? Does Deleum think the business segment is still relevant and profitable?**
- b. What strategies have been formulated in order to make the segment turnaround?**
- c. What is the profit/loss guideline of OS segment for FY2024?**

A5. a. *The operating loss in the OS segment is attributed to several factors: legacy contracts since 2018 with poor margins, increased costs due to a three-month shutdown in West Malaysia, and overall cost escalations including material and labor costs.*

b. *We see this segment as relevant and is a core business to the Group, providing crucial services like slickline operations and drilling to the Oil and Gas industry. Slickline services offer cost-effective solutions for routine maintenance and interventions, complementing advancements like electric line and coiled tubing. Additionally, drilling operations continue to evolve with innovations aimed at improving efficiency, safety, and environmental sustainability.*

*This has been our core business and the business landscape for this segment has been very competitive. To initiate a turnaround, we're focusing on increasing revenue streams through strategic bidding and partnerships, such as maintaining incumbency with better pricing and securing long-term contracts. We're also enhancing operational efficiency by implementing new technologies and reorganising teams to optimise service quality and efficiency. Additionally, we're implementing cost control measures like contract renegotiation and streamlining operations to reduce inefficiencies and optimize costs.*

- c. *The profit/loss guideline for the OS segment is targeted for a turnaround from the loss position in FY2023 to a positive. We are already seeing encouraging results from the strategies being formulated.*

**Q6. The financial performance of ICS segment is disappointing due to lack of significant contracts during FY2023. It might indicate that the segment is over reliant on single customer and Indonesia segment is still in infancy stage. My questions are:**

- a. What strategies have Deleum been made in order to prevent over reliance on single customer?**
- b. Any efforts have been made in order to expand the business segment in Indonesia?**
- c. The profit/loss guideline for the business segment in FY2024**

- A6. (a) *The ICS segment has been actively involved in bidding activities locally with multiple customers since its license was fully approved in March 2023. We are also bidding for work in Indonesia.*
- (b) *The ICS segment is actively pursuing potential partners on project-to-project basis while simultaneously engaging in bidding processes and interacting with both potential and previous customers in Indonesia.*
- (c) *Deleum is committed to transforming the segment from a loss-making entity into a profitable one and we will see a significant improvement in the second half of this year.*

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

- a. What are the product line expansion in the pipeline for FY2024?**
- b. What is the geographical expansion projects in the pipeline for FY2024?**
- c. Any bright spots/ further expansion opportunities for the current product lines in FY2024**

- A7. a. *We will continue to focus on our P & M segment while looking into drilling & evaluation, and completion & production enhancement.*
- b. *Geographical expansion will target Indonesia, Thailand, and Brunei.*
- c. *For Oilfield Services, we are expanding our Proprietary Chemical and Well Stimulation offerings to include production chemicals, sludge treatment, and wellbore clean-up chemicals. For Slickline services, we are introducing Digital Slickline, Well Conveyor tractors, and Asset Integrity Solutions (AIS) perforation technology. Additionally, our collaboration with Lat 60 continues with an ongoing proof of concept (POC) with customer until August 2024.*

**Q8. What is the total number of contracts and total contract values secured by the Company in FY2023?**

A8. *Value of works from new and extended contracts totaled about RM359.4 million as of 31 Dec 2023, consisting of 28 contracts.*

**Q9. Is there any renewable energy business plan/segment developed in the years to come?**

A9. *At present, Deleum is primarily focused on its core oil and gas operations. However, we are actively exploring opportunities in areas that align with our commitment to advancing our ESG and sustainability goals.*

*Deleum Oilfield Services Sdn. Bhd. has continued its collaboration with LatConnect 60 Ltd ("Lat60"), a satellite imagery and data analytics company. This collaboration entails promoting, marketing, and selling Lat60's advanced environmental monitoring system within the oil and gas industry. This includes area monitoring and identifying methane emissions from oil and gas facilities to control and minimize them.*

*Our investment in CRA Tubulars B.V is also part of Deleum's ESG initiative.*

*While no specific renewable energy business plan or segment has been developed yet, Deleum remains open to exploring potential ventures in this area in the future.*

**Q10. The questions regarding Deleum Oilfield Solutions (Thailand) Co. Ltd.:**

- a. **What is the services offered by the company in Thailand?**
- b. **How is the progress of the business development for the company?**
- c. **What are the strategies formulated in order to get more businesses in Thailand (e.g M&A, Joint venture, partnership etc)**

A10. (a) *Deleum Oilfield Solutions (Thailand) Co. Ltd. offers specialty chemicals, Lat Connect 60, and slickline services in Thailand.*

(b) *The progress of the business development for the company is still at the pursuit stage, with key opportunities currently being evaluated.*

(c) *Strategies formulated to secure more business in Thailand include exploring partnerships or joint ventures with local players and leveraging existing PTTEP work in Malaysia to extend services to PTTEP Thailand.*

**Q11. Can you explain the executive director's remuneration of RM1.7M in 2022 to RM2.3M in 2023? What is the reason for the ~30% increase (page 127 AR)?**

A11. *[This question was answered by the Chairman]*

*The rise in Executive Director's compensation from RM1.7M in 2022 to RM2.3M in 2023 is mainly attributed to performance bonus paid which correlates with the Group's substantial improved financial performance in 2022.*

**Q12. How was company business overview and also. Upcoming. Fuel subsidies might be removed by local government, does good profit revenue to company? What would a company gain from international trade?**

A12. *The company business overview was shared in my presentation earlier. Deleum is an upstream oil and gas service provider. The removal of fuel subsidies from the government will not have an impact on our business activities. For the shareholders' knowledge, the Group is embracing technology and forming strategic partnerships to drive future growth from the international market.*

**Q13. Please send me a copy of the printed 2023 Annual Report. Thank you.**

A13. *The printed hardcopy of our Annual Report will be delivered to you.*

**Q14. Power and Machinery segment's revenue surged 32.4% to RM667.9 million, and PBT rose 106.4% to RM99.3 million;**

(a) **How much of the improved profit is contributed from forex gain and fair value gain on forward forex contracts?**

(b) **Are the much improved results of the P&M segment sustainable?**

A14. (a) *Approximately 5% from the segment's profit was contributed from forex gain and fair value gain on forward forex contracts.*

(b) *Yes, the improved results of the P&M segment are definitely sustainable.*

**Q15. Why did ICS segment results report such a sharp drop in revenue, and big turn from profit to loss? Is this due to industry wide situations, or specific to the ICS segment?**

A15. *The drop in revenue was mainly due to the suspension from participating in Petronas tenders in 2021. Since its license was fully approved in March 2023, the segment has been actively involved in bidding activities locally with multiple customers, and we are also bidding for works in Indonesia.*

**Q16. Deleum's Slickline and Well Services are Malaysia's primary provider of slickline packages, supplying half of country's slickline demand in FY2023 (page 18). However, despite the prominent position, why is it not reflected in the margin or profit? This segment's returns seem to be less than satisfactory over the past few years.**

A16. *As explained in the pre-AGM questions and answers section, the operating loss in the OS segment is attributed to several factors: legacy contracts with poor margins, increased costs due to a three-month shutdown in West Malaysia, and overall cost escalations.*

*Deleum is working on increasing revenue streams through strategic bidding and partnerships, enhancing operational efficiency and implementing cost control measures.*



**Q17. Understand that Deleum is acquiring a 70% stake in PT OSA Industries Indonesia for US\$7 million (RM33.4 million) in order to expand into the Indonesian footprint.**

**(a) What is PT OSA Industries Indonesia FY2023 profit?**

**(b) Please share the potential of this acquisition.**

*A17. Our strategy of entering Indonesia by the acquisition of PT OSA Industries Indonesia and securing long-term services agreements will certainly position us well for continued growth.*

*Currently, we are undergoing the due diligence exercise. More information will be provided in due course.*

**Q18. It is good to see that the group's profit increased by 23% from RM51.6 million to RM63.3 million. However, the profit attributable to shareholders only increased by only 7% from RM42.5 million to RM45.7 million. (a) Are this due to subsidiaries that reported improved profit are mostly not wholly-owned? (b) Any plan to increase the stake in these not wholly owned subsidiaries to increase profit to shareholders?**

*A18. Yes, the improved profits are primarily contributed from non wholly-owned subsidiaries.*

*There are no plans at the moment to increase the stakes in those subsidiaries.*

**Q19. Deleum acquired minority stakes in LatConnect60 and Paradigm Technology Services BV for RM4.72 million.**

**(a) Are these two companies currently making profit?**

**(b) With minority stakes of 7.7%, is there operational synergy with these companies, or is this only considered as an investment?**

**(c) Tech startups are known for burning money fast, will there be a need to inject more money in the future?**

*A19. (a) Deleum did not acquire stakes in Paradigm but is collaborating with them for the use of their technology. Lat60 is at the development stage and continues with an ongoing proof of concept with customer.*

*(b) Yes, it is our operational strategy and considered as another investment.*

*(c) Currently there is no need to inject further money into the company. However, if the need arises, proper due diligence will be conducted on the viability of further investment.*

**Q20. Based on current positive market environment in oil & gas industry, can shareholders expect double digit growth in term of earnings this year? What is the challenges that the management foresee this year?**

*A20. We continuously monitor our revenue contribution and the profit. We see energy transition and sustainability as one of the key challenges in industry. We continuously*

*planned our growth strategies through strategic partnerships, infusion of technology and sustainability focused. We will strive for year-on-year growth in profitability.*

**Q21. 1) What is the forecast % net profit for the next two years.  
2) Dividend payout ratio for 2025 and subsequent years**

A21. *We cannot provide profit guidance but will strive for year-on-year growth in our profitability.*

*The dividend policy remains the same, at 50% of our annual net profit.*

**Q22. What's the latest orderbook in each segment and the contract duration to fulfil delivery?**

A22. *Our orderbook for each segment as of 31 March 2024 are approximately as follow:-*

- P&M segment - RM 355 mil*
- Oilfield segment - RM 240 mil*
- ICS segment - RM 1.0 mil*

*Generally, our contracts are with duration between 1-5 years to fulfil them.*

**Q23. What is the Grop competitive advantage over competitor? And how the group plan to increase its strength in competing over the coming years?**

A23. *Competition is inherent in each business segment. Having said that, these competitors are also potential strategic partners with whom we could explore potential synergies and pursue certain projects together. The group plans to increase its strength as demonstrated in my presentation earlier with focus on our core values with operational excellence, expansion and strategic alliances, innovation and technology infusion.*

**Q24. How much is the cost for this virtual AGM. Would Deleum be considering to have a physical AGM next year?**

A24. *The cost of this virtual AGM is approximately RM25,000. We will evaluate the mode of AGM in subsequent years.*