

DELEUM BERHAD

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

Minutes of the Extraordinary General Meeting the Company held fully virtual via online meeting platform of TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia on Thursday, 19 May 2022 at 11.50 a.m.

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| Present | : <u>Board of Directors</u> | |
| | YBhg Dato' Izham bin Mahmud | - <i>Non-Independent Non-Executive Chairman</i> |
| | YBhg Datuk Vivekananthan a/l M.V. Nathan | - <i>Non-Independent Non-Executive Deputy Chairman</i> |
| | Mr Ramanrao bin Abdullah | - <i>Group Chief Executive Officer ("GCEO")</i> |
| | Mr Lee Yoke Khai, Gary | - <i>Independent Non-Executive Director</i> |
| | Datuk Manharlal a/l Ratilal, George | - <i>Senior Independent Non-Executive Director</i> |
| In Attendance | : Ms Lee Sew Bee | - <i>Company Secretary</i> |
| | Ms Jayanthi a/p Gunaratnam | - <i>Group Chief Financial Officer ("GCFO")</i> |
| | <u>Representative from Wyncorp Advisory Sdn. Bhd.</u> | |
| | Mr Wong Yoke Nyen | - <i>Managing Director</i> |
| | Mr Michael Moh Jiun Haur | - <i>Director</i> |

Attendance of Shareholders (As per the Attendance Lists):

1. The number of shareholders logging in remotely at commencement of meeting was 100.
2. The number of proxies received appointing the Chairman was 7. The total number of proxies received was 16.

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 Extraordinary General Meeting ("EGM") through live

streaming. Thereafter, the Chairman introduced the members of the Board of Directors, the Company Secretary, the GCFO and the advisor from Wyncorp Advisory Sdn. Bhd. who were present at the meeting.

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 29 April 2022 was taken as read.

The Chairman informed that the EGM was a forum for dialogue with shareholders and invited all shareholders to enquire about the agenda and the resolutions to be tabled at the EGM. 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 EGM would be voted by poll which would be conducted electronically via the Remote Participation and Voting (“RPV”) facility provided by Tricor Investor and Issuance House Services Sdn. Bhd. (“Poll Administrator” or “TIH”), the appointed poll administrators, and would be verified by Asia Securities Sdn. Bhd. (“Scrutineers”), who had been appointed as the 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 would be announced after the Scrutineer had verified the poll results after the voting session was closed. The Poll Administrator was invited to explain the voting procedures through the RPV facility.

AS ORDINARY BUSINESS

RESOLUTION:

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

The Chairman informed that the full text of the Ordinary Resolution was set out in the Notice of meeting and the detailed information on the Proposed Share Buy-Back was set out in the Circular to Shareholders dated 29 April 2022. The motion was put to the meeting for consideration and the poll on this resolution was conducted after the meeting had deliberated on the resolution.

5. QUESTIONS & ANSWERS

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

The meeting proceeded to vote and was adjourned at 12.15 p.m. for the counting of votes.

6. DECLARATION OF THE RESULTS OF THE POLL

The meeting resumed at 12.25 p.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 as carried:

ORDINARY RESOLUTION:

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 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 2021; 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 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 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 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.”

7. CLOSURE

There being no further business, the meeting was declared closed at 12.35 p.m. with a vote of thanks to the Chair.

SIGNED AS A CORRECT RECORD,

CHAIRMAN

Date:

Appendix I

QUESTIONS & ANSWERS – EXTRAORDINARY GENERAL MEETING

Q1. Shareholder asked about the rationale of raising the agenda of share buy-back in the EGM.

A1. *The GCEO informed that Deleum Berhad's notice of AGM was circulated on 18 April 2022 while the intention to seek for the shareholders' approval for the proposed share buy-back authority was only resolved by the Board on 25 April 2022. The proposed share buy-back activity was not proposed as part of the AGM agenda. Hence, it has to be tabled in the EGM for the shareholders' approval. He added that the agenda would be inserted in the future AGM instead of EGM.*

Q2. Shareholder highlighted that in the Circular, it was understood that the share buy-back activity would be funded by borrowings. Shareholder requested for the justification of the move in view of the facts that Deleum group has a high cash pile of RM192 million as at 31 December 2021. What form of borrowings that would be used to fund the share buy-back (e.g. revolving credit, term loans or medium term note)? What was the nature of the borrowings (long or short term)? Was the interest rate to fund the share buy-back fixed or floating rate?

A2. *The GCEO clarified that as set out in Section 2.2 of the Circular to Shareholders in relation to the proposed share buy-back authority dated 29 April 2022, it was the Company's intention to use fund generated internally to finance the share buy-back. The share buy-back would only be financed by the borrowings in limited circumstances.*

Q3. (i) Shareholder stated that the benefit of the share buy-back activity was to improve the Earnings Per Share ("EPS") of the Company by reducing the number of ordinary shares. Shareholder asked if the share buy-back indicated that the Company had lost the organic growth factors to improve EPS in the future. What was the main reason of having share buy-back activity?

(ii) The trading liquidity of Deleum stock had been low. Had the share buy-back activity worsened the situation? How did the group view the situation?

A3. (i) *The GCEO explained that one of the reasons for having share buy-back activity was to allow the Company to take preventive measures against speculation, particularly when the shares are undervalued, which in turn would stabilise the demand for shares in the open market. The shares purchased whether to be held as treasury shares or subsequently cancelled would effectively reduce the number of shares carrying voting rights. Therefore, shareholders were likely to enjoy the increased value of their investment in the Company due to the increase in EPS. Share buy-back may be held as treasury shares and would be distributed to the shareholders via dividend or resell it or partially resell it in the open market with the intention of realising potential capital gain if the shares purchased are resold*

at prices higher than the purchase price. The shares purchased may also be used as incentive to motivate and retain key and relevant employees whose contributions are vital to the operations, long term growth and profitability of the Group. Any share buy-back would be implemented after in-depth consideration of the financial resources of the Company and the resultant impact on the shareholders. The proposed share buy-back authority was not expected to impact the future operations of the Group and its subsidiaries, so the assumption that this indicated that the Group losses its organic growth factor was incorrect.

- (ii) *The GCEO added that the Company has no control over the market trading activity. Any share buy-back implemented pursuant to share buy-back authority would inevitably reduce the number of shares available in the market. Under Section 2.5 of the Circular, the public shareholding spread of the Company was 39.64% as at 11 April 2022. In compliance with Rule 12.14 of the Listing Requirements, the Board will endeavour to ensure that the Company complies with the required public shareholding spread and shall not buy back the Company's own shares if the purchase would result in the public shareholding spread requirement not being met. Accordingly, the Company did not foresee or anticipate the proposed share buy-back authority upon implementation would have material adverse impact on the trading activity of the Company's shares as there would continue to be adequate public shares available for trading.*

Q4. Shareholder highlighted that if the share buy-back activity was being executed completely based on the plan, it could involve a huge amount of money and this was wholly funded by borrowings, depending on the number of shares being buy-back and the stock price.

- (i) Shareholder enquired how the group would execute the share buy-back activity. Whether it involves a large number of shares being buy-back?
- (ii) Was there any price ceiling mechanism for the activity? In other words, the share buy-back activity would stop after hitting certain price range.

A4. (i) *The GCEO explained that as set out in the Section 2.1 of the Circular, the proposed share buy-back authority upon approval of the shareholders would be for an aggregate amount of up to 10% of the total number of issued shares at any point in time subject to compliance with Section 113(5) and Section 127 of the Companies Act 2016 together with the Main Market Listing Requirements and any other applicable law at the time of purchase.*

As set out in 2.2 of the Circular, the actual number of shares purchased and the timing of purchase would depend on, among others, market conditions, sentiments of the stock market as well as the Company's financial resources and retained profits. At this junction, the Company would not be able to advise on the shares that need to be purchased as the implementation of the share buy-back was subject to the discretion and evaluation of the Board from time to time following in-depth consideration of the financial resources of the Company and the impact on the shareholders.

- (ii) *The GCEO explained that as set out in Section 2.4 of the Circular, the Company may only purchase its own shares at a price which is not more than fifteen percent (15%) above the weighted average market price of the Deleum Shares for the past five (5) Market Days immediately preceding the date of purchase.*

In the case of a resale or transfer of treasury shares, the Company may only resell the treasury shares on Bursa Securities or transfer the treasury shares at a price:

- (a) *not less than the weighted average market price of the Shares for the five (5) Market Days immediately before the date of the resale or transfer; or*
- (b) *at a discount of not more than five percent (5%) to the weighted average market price of the Shares for the five (5) Market Days immediately before the date of the resale or transfer provided that:*
- (i) *the resale or transfer takes place no earlier than thirty (30) days from the date of purchase; and*
- (ii) *the resale or transfer price is not less than the cost of purchase of the Shares being resold or transferred.*

For the reasons stated above, the share buy-back would not be subjected to any pre-determined absolute price.

Q5. Shareholder enquired the total number of shares repurchased before. He enquired what the basis for the share buy-back was and under what circumstances the share buy-back was to be made. He asked about the reason to incur financial resources to buy-back own shares when the Company could give it directly to shareholders.

A5. *The GCEO replied that there was no share buy-back implemented by the Company before. The rationale was set out under the Section 2.7 of the Circular as the share buy-back would only be implemented after in-depth consideration of the financial resources of the Company. The proposed share buy-back activity was to seek shareholders' approval to allow the Board to have the authority to make the decision when necessary.*