



Headline : Deleum unit to buy 60% stake in NPSB  
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## **Deleum unit to buy 60% stake in NPSB**

PETALING JAYA: Deleum Bhd's wholly-owned subsidiary, Deleum Services Sdn Bhd, has proposed to acquire a 60% stake, or 594,000 shares, in Northern Primera Sdn Bhd (NPSB) for a total cash consideration of RM3.18mil.

In a statement to Bursa Malaysia, Deleum said the proposed acquisition, which was expected to be completed by the third quarter of this year, was expected to generate an additional revenue stream for the group through the existing business of NPSB, which is involved in providing services in integrated corrosion, inspection and mitigation, primarily using Sponge-Jet products.

At present, NPSB is the sole distributor of certain Sponge-Jet products in Malaysia and Indonesia.

"NPSB synergises with the Deleum group's business, particularly in the maintenance, repair and overhaul (MRO) segment as NPSB's existing customers are mainly the targeted customers of Deleum Rotary Services Sdn Bhd, another wholly-owned subsidiary of Deleum," it said.

Deleum added that the proposed acquisition could provide potential for the group to expand the scope of its MRO services from the existing rotating equipment services for generators, motors, pumps to other maintenance and repair services supply chain such as painting and blasting and corrosion prevention.

"With the sole distributorship of Sponge-Jet products in Malaysia and Indonesia obtained by NPSB, it provides a gateway for the Deleum group to venture into Indonesia market, which is in line with the group's business focus to establish an operational base within that region," Deleum noted.

The company said the proposed acquisition was not expected to have any material effect on its net assets, gearing, earnings and earnings per share for the financial year (FY) ending Dec 31, 2012.

Meanwhile, for the second quarter (Q2) ended June 30, 2012, Deleum's net profit grew 18.5% to RM8.75mil from a year earlier. That translated into an earnings per share of 5.83 sen for Q212.

The oil and gas company's revenue for Q212 grew 36.7% to RM110.2mil from a year ago. Deleum has proposed an interim dividend of five sen per share for the quarter in review.