



Headline : Deleum anticipates RM2 billion new jobs  
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# Deleum anticipates RM2b new jobs

**'Most are domestic projects with only minimal ones from Indonesia'**

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KUALA LUMPUR: Oil and gas services provider Deleum Bhd anticipates another RM2 billion worth of contracts by year-end to add to its existing order book of RM1.4 billion.

Group managing director Nan Yusri Nan Rahimy said after the company AGM yesterday that the projects secured thus far relate to its three core business segments — power and machinery, maintenance, repair and overhaul (MRO) and oilfield services.

"Most are domestic projects

with only minimal ones from Indonesia," he said.

Deleum is looking forward to establishing its regional presence by 2015, especially in neighbouring countries and parts of the Middle East as well.

"We are not going to rush these plans, they will have to be profitable and create value for us," said Nan Yusri, adding that the company might operate through agents or joint ventures in its overseas expansion plans.

Despite the expansion plans, the managing director maintains that Deleum will adhere to its dividend policy of distributing 50% of its annual net profit as gross dividend to shareholders.

Deleum has been consistent in its dividend payments over the past two years, with a dividend payout

ratio of 50.6% in the financial year ended Dec 31, 2012 (FY12) compared with 48% in FY11. In FY12, it declared a dividend of 15 sen per share or a total of RM22.5 million against 14 sen or RM14 million a year earlier.

The company's share price has been on an upward trend since May 3, rising almost 50% to RM3.20 yesterday from RM2.14.

On mergers and acquisitions, Nan Yusri said Deleum is having an ongoing discussion with NSE Resources Corp (M) Sdn Bhd to take up a 55% stake in NSE for a total consideration of up to RM23.1 million. NSE is involved in the speciality chemical and renewable energy sector.

"We have extended the subscription deadline until the end of September," he said.

Nan Yusri said the company's acquisition plans are to provide integrated services to its customers.

"With Deleum Primera Sdn Bhd, we are able to provide the full scope of products to our clients."

In October 2012, Deleum acquired a 60% stake in Northern Primera Sdn Bhd, now known as Deleum Primera Sdn Bhd, which further expanded its services offered in the MRO segment.

Moving forward, the company will continue to focus on service-related business or integrated solutions, said Nan Yusri.

"The year 2012 was tremendous for us. Although the level of activity in the first quarter was slow, which was probably due to election jitters, things have been picking up after the election," he said.