

## NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of DELEUM BERHAD (the Company) will be held at Ballroom 1, First Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Thursday, 18 May 2017 at 10.00 a.m., for the following purposes:

Deleum Berhad (Company No. 715640-T)  
(Incorporated in Malaysia)

### AGENDA

#### AS ORDINARY BUSINESS:

- To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon.

Please refer to Explanatory Note A

- To re-elect Datuk Ir (Dr) Abdul Rahim bin Hashim who retires by rotation pursuant to Article 78 of the Company's Constitution and, being eligible, has offered himself for re-election.

(Ordinary Resolution 1)

- To re-appoint the following Directors to hold office from the date of this Annual General Meeting:

- Dato' Izhim bin Mahmud
- Datuk Vivekananthan a/l M.V. Nathan
- Datuk Ishak bin Imam Abas

(Ordinary Resolution 2)

(Ordinary Resolution 3)

(Ordinary Resolution 4)

Please refer to Explanatory Note B

- To approve the payment of Directors' fees of RM942,000 to Non-Executive Directors in respect of the financial year ended 31 December 2016. [2015: RM962,000]

(Ordinary Resolution 5)

- To approve the payment of Directors' fees and benefits to Non-Executive Directors up to an amount of RM1,750,000 from 1 January 2017 until the next Annual General Meeting of the Company.

(Ordinary Resolution 6)

Please refer to Explanatory Note C

- To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

(Ordinary Resolution 7)

#### AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following Resolutions, with or without modifications:

- AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 75 OF THE COMPANIES ACT 2016**

(Ordinary Resolution 8)

"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 Section 75 of the Companies Act 2016 to allot and issue not more than 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 AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Please refer to Explanatory Note D

- PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SET OUT UNDER SECTIONS 2.5(i)(1) AND 2.5(ii)(1)&(2) OF THE CIRCULAR TO SHAREHOLDERS DATED 26 APRIL 2017**

(Ordinary Resolution 9)

"THAT subject to Bursa Malaysia Securities Berhad Main Market Listing Requirements, 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 Sections 2.5(i)(1) and 2.5(ii)(1)&(2) of the Circular to Shareholders dated 26 April 2017 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:

- 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;
- 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
- 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."

Please refer to Explanatory Note E

- PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SET OUT UNDER SECTIONS 2.5(i)(2) AND 2.5(ii)(3)&(4) OF THE CIRCULAR TO SHAREHOLDERS DATED 26 APRIL 2017**

(Ordinary Resolution 10)

"THAT subject to Bursa Malaysia Securities Berhad Main Market Listing Requirements, 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 Sections 2.5(i)(2) and 2.5(ii)(3)&(4) of the Circular to Shareholders dated 26 April 2017 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:

- 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;
- 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
- 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."

Please refer to Explanatory Note E

- RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

(Ordinary Resolution 11)

"THAT subject to the passing of Ordinary Resolution 4, approval be and is hereby given to Datuk Ishak bin Imam Abas, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."

Please refer to Explanatory Note F

- RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

(Ordinary Resolution 12)

"THAT approval be and is hereby given to Datuk Chin Kwai Yoong, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."

Please refer to Explanatory Note F

- To transact any other business of which due notice shall have been given.

### BY ORDER OF THE BOARD

LEE SEW BEE (MAICSA 0791319)  
LIM HOOI MOOI (MAICSA 0799764)  
Company Secretaries  
Kuala Lumpur

26 April 2017

### Notes on Proxy

- A member of the Company entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the AGM. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds in respect of the number of ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (omnibus account), there is no limit to the number of proxies which an exempt authorised nominee may appoint in respect of each omnibus account it holds. Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, under its Common Seal or the hand of its duly authorised officer.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 2, Jalan Bangsar Utama 9, Bangsar Utama, 59000 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.

### Explanatory Notes to the Agenda

#### A. For Agenda Item 1

##### **To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon**

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 (the Act) for discussion only under this Agenda item. They do not require shareholders' approval and hence, will not be put for voting.

#### B. For Agenda Item 3

##### **Re-Appointment of Directors**

Agenda Item 3 relates to the re-appointment of Directors who are above 70 years old and who were re-appointed under the resolutions passed at the Eleventh AGM of the Company held on 24 May 2016 pursuant to Section 129 of the Companies Act 1965 which was then in force. Their re-appointment was for a term ending at the conclusion of this AGM. The proposed Ordinary Resolutions 2, 3 and 4, if passed, will approve and authorise the continuation of Dato' Izhim bin Mahmud, Datuk Vivekananthan a/l M.V. Nathan and Datuk Ishak bin Imam Abas as Directors to hold office from the date of this AGM onwards without limitation in tenure. They will then, moving forward, be subject to retirement by rotation and re-election in accordance with the Company's Constitution.

#### C. For Agenda Item 5

##### **To approve the payment of Directors' fees and benefits to Non-Executive Directors up to an amount of RM1,750,000 from 1 January 2017 until the next Annual General Meeting of the Company**

Pursuant to Section 230(1) of the Act which came into force on 31 January 2017, fees and benefits payable to the Directors of the Company will have to be approved at a general meeting.

The amount of up to RM1,750,000 under Ordinary Resolution 6 comprising Directors' fees and benefits to Non-Executive Directors of the Company is estimated for the period from 1 January 2017 until the next AGM of the Company to be held in 2018.

Directors' benefits comprises fixed meeting allowances payable to Independent Non-Executive Directors for attendance of Board and/or Board Committee meetings and the provision of company car, driver and club subscriptions for Non-Executive Chairman and Non-Executive Deputy Chairman of the Company.

The estimated amount of Directors' fees and benefits is based on the estimated number of scheduled meetings of Board and Board Committees, no change in the Non-Executive Directors' remuneration framework and no increase in fees to any Director for the financial year ending 31 December 2017 up to the next AGM of the Company in 2018.

#### D. For Agenda Item 7

##### **Authority to allot and issue shares pursuant to Section 75 of the Companies Act 2016**

The Company had at the Eleventh AGM held on 24 May 2016, obtained its shareholders' approval for the renewal of the general mandate for issuance of shares pursuant to Section 132D of the Companies Act 1965. The Company however did not issue any new shares pursuant to this mandate obtained as at the date of this notice.

The proposed Ordinary Resolution 8 is a renewal mandate for the issue of shares under Section 75 of the Act. If passed, it will give the Directors of the Company from the date of this AGM, authority to allot and issue shares not exceeding 10% of the total number of issued shares of the Company.

A renewal of this general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions and/or for issuance of shares as settlement of purchase consideration.

#### E. For Agenda Items 8 and 9

##### **Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature as set out under Sections 2.5(i)(1), 2.5(ii)(1)&(2), 2.5(i)(2) and 2.5(ii)(3)&(4) of the Circular to Shareholders dated 26 April 2017**

Please refer to the Circular to Shareholders dated 26 April 2017 accompanying the Company's Annual Report for the financial year ended 31 December 2016 for detailed information. The Ordinary Resolutions proposed under Agenda Items 8 and 9, if passed, will allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature pursuant to paragraph 10.09 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

#### F. For Agenda Items 10 and 11

##### **Retention of Independent Non-Executive Directors**

The Joint Remuneration and Nomination Committee and the Board of Directors have assessed the independence of Datuk Ishak bin Imam Abas and Datuk Chin Kwai Yoong, who have each served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years. Based on the assessment, the Board is satisfied that Datuk Ishak bin Imam Abas and Datuk Chin Kwai Yoong continue to be independent and the Board recommended that they continue to act as Independent Non-Executive Directors of the Company based on the following justifications:

- they are able to exercise independent and objective judgement and to act in the best interest of the Company, notwithstanding their tenure of service;
- they have met the independence guidelines set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- they have contributed sufficient time and efforts and exercised due care in all undertakings of the Company and have acted and carried out their fiduciary duties in the interest of the Company during their tenure as Independent Directors;
- they are independent of Management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company; and
- Datuk Ishak bin Imam Abas, having held various senior positions in the oil and gas industry before retirement, has vast experience and a depth of knowledge of the industry. Datuk Chin Kwai Yoong has extensive experience in audits of major companies which included oil and gas companies. Their in-depth knowledge of the industry, understanding of the Company's objectives, strategies and business operations and proven commitment, experience and competency will continue to benefit the Board in discharging its duties and providing advice and critical oversight to Management effectively.

The proposed Ordinary Resolutions which are in line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, will enable Datuk Ishak bin Imam Abas and Datuk Chin Kwai Yoong to hold office as Independent Non-Executive Directors until the conclusion of the next AGM of the Company.

### Members Entitled to Attend

For the purpose of determining a member who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 11 May 2017 and only a depositor whose name appears on this Record shall be entitled to attend this AGM or appoint proxy or proxies to attend and/or vote in his/her stead.