

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has only perused the contents of the proposed new shareholders mandate for recurrent related party transactions of a revenue or trading nature on a limited review basis pursuant to the provisions of Practice Note 18 of Bursa Securities Main Market Listing Requirements. Bursa Securities has not perused the contents of the proposed renewal of the existing shareholders' mandate of this Circular and proposed Statement to shareholder in relation to the proposed renewal of share buy-back authority prior to its issuance as it is prescribed as exempt document pursuant to Practice Note 18 of Bursa Securities Main Market Listing Requirements.

Bursa Securities takes no responsibility for the contents of this Circular/Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular/Statement.



DELEUM BERHAD

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

PART A

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

- I. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**
- II. PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

PART B

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY ("PROPOSED SHARE BUY-BACK AUTHORITY")

(COLLECTIVELY KNOWN AS THE "PROPOSALS")

The Proposals in relation to the above will be tabled as Special Business at Deleum Berhad ("**the Company**")'s Nineteenth Annual General Meeting ("**19th AGM**") which will be conducted 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.

The Notice of the 19th AGM which sets out the resolutions to consider the abovementioned proposals together with the Proxy Form and Administrative Guide set out in the Annual Report 2023 is available on the Company's website at www.deleum.com/agm2024.

If you are unable to attend and vote at the meeting, you may complete the Proxy Form and deposit it at our Company's Registered Office at No. 2, Jalan Bangsar Utama 9, Bangsar Utama, 59000 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time set for the 19th AGM or any adjournment thereof. The Proxy Form can also be submitted electronically via TIIH Online website at <https://tiih.online>. Please follow the procedures set out in the Administrative Guide for the 19th AGM.

This Circular is dated 24 April 2024

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	: The Companies Act 2016, or any statutory modification, amendment or re-enactment thereof for the time being in force
AGM	: Annual General Meeting
Bursa Securities	: Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
Board	: The Board of Directors of Deleum
Caterpillar	: Caterpillar Inc.
CMSA	: Capital Markets and Services Act 2007 including any amendments that may be made from time to time
Code	: Malaysian Code on Take-Overs and Mergers 2016, including any amendments that may be made from time to time
Constitution	: Constitution of Deleum Berhad
Deleum or Company	: Deleum Berhad [200501033500 (715640-T)]
Deleum Group or Group	: Deleum and its subsidiaries as defined in Section 4 of the Act
Deleum Shares or Shares	: Ordinary shares in the Company
Directors	: Has the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon a director of the Company, its subsidiary or holding company or a chief executive of the Company, its subsidiary or holding company
Dresser Italia	: Dresser Italia S.r.l
DSSB	: Deleum Services Sdn. Bhd. [197601002358 (28307-K)], a wholly-owned subsidiary of Deleum
DOSSB	: Deleum Oilfield Services Sdn. Bhd. [197801001244 (38274-D)], a wholly-owned subsidiary of DSSB
EPS	: Earnings Per Share
Listing Requirements	: Main Market Listing Requirements of Bursa Securities and any amendments that may be made from time to time
Lat60	: LatConnect 60 Ltd
LPD	: 25 March 2024, being the latest practicable date prior to the printing of this Circular

DEFINITIONS (CONT'D)

Major Shareholder(s)	: A person who has an interest or interests in one or more voting shares in a corporation and the number or the aggregate number of those shares, is 10% or more of the total number of voting shares in the corporation; or 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation. For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act It also includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of the Company (as defined above) or any other company which is its subsidiary or holding company
Market Day	: A day on which the stock market of Bursa Securities is open for trading in securities, which may include a Surprise Holiday
NA	: Net Assets
NP Holding	: Nuovo Pignone Holding S.p.A.
Person(s) Connected	: As defined in Chapter 1 Rule 1.01 of the Listing Requirements
PDSB	: Penaga Dresser Sdn. Bhd. [198201002012 (81758-M)], a 51% owned subsidiary of DSSB
Proposed New Shareholders Mandate	: Proposed new shareholders mandate for Deleum Group to enter into recurrent related party transactions of a revenue or trading nature set out in Part A Section 2.5(ii) of this Circular which are necessary for the day-to-day operations of the Group
Proposed Renewal of Shareholders Mandate	: Proposed renewal of existing shareholders’ mandate for Deleum Group to enter into recurrent related party transactions of a revenue or trading nature set out in Part A Section 2.5(i) of this Circular which are necessary for the day-to-day operations of the Group
Proposed Share Buy-Back Authority	: Proposed renewal of authority to the Company to purchase its own shares up to ten per centum (10%) of its total number of issued shares in accordance with Section 127 of the Act and the requirements of Bursa Securities and/or any other relevant authority
Proposed Shareholders’ Mandate	: Proposed New Shareholders Mandate and Proposed Renewal of Shareholders’ Mandate
Prevailing Laws	: Prevailing laws, orders, requirements, guidelines, rules and regulations issued by any relevant authorities
Purchased Shares	: Deleum Shares to be purchased by the Company pursuant to the Proposed Share Buy-Back Authority
Recurrent Related Party Transactions or RRPTs	: A related party transaction which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of the Group
Record of Depositors	: A record maintained by Bursa Depository pursuant to its rules, including any amendment thereof
Related Party(ies)	: A Director, Major Shareholder or person connected with such Director or Major Shareholder
RM and sen	: Ringgit Malaysia and sen, respectively

DEFINITIONS (CONT'D)

SC	:	Securities Commission Malaysia
Share Buy-Back	:	Purchase by the Company of the Shares pursuant to the Proposed Share Buy-Back Authority;
Substantial Shareholders	:	Persons who has an interest or interests in one or more voting Shares in the Company and the number or the aggregate number of those Shares is not less than 5% of the total number of all the voting Shares in the Company
Surprise Holiday	:	A day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year.
STICO	:	Solar Turbines International Company
TSSB	:	Turboservices Sdn. Bhd. [198701007131 (165849-A)], a 74% owned subsidiary of DSSB

Words denoting the singular shall, where applicable, include the plural and vice-versa and words denoting the masculine gender shall, where applicable, include the feminine gender, neuter gender and vice versa. Reference to persons shall include corporations.

Any reference to a time of day shall be a reference to Malaysian time, unless otherwise stated. Any reference to any statute is a reference to that statute as for the time being amended or re-enacted and any subsequent amendment thereof.

All references to “you” and “your” in this Circular are to the shareholders of the Company.

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PART A

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED
SHAREHOLDERS' MANDATE**



DELEUM BERHAD

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

Registered Office:

No. 2, Jalan Bangsar Utama 9
Bangsar Utama
59000 Kuala Lumpur
Malaysia

24 April 2024

Board of Directors

Tan Sri Dato' Seri Shamsul Azhar bin Abbas (*Independent Non-Executive Chairman*)
Datuk Vivekananthan a/l M.V. Nathan (*Non-Independent Non-Executive Deputy Chairman*)
Ramanrao bin Abdullah (*Group Chief Executive Officer*)
Dato' Izham bin Mahmud (*Non-Independent Non-Executive Director*)
Lee Yoke Khai (*Senior Independent Non-Executive Director*)
Datuk Manharlal a/l Ratilal (*Independent Non-Executive Director*)
Datin Aisah Eden (*Independent Non-Executive Director*)

To : The Shareholders of Deleum

Dear Sir/Madam,

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the Eighteenth AGM ("18th AGM") of the Company held on 23 May 2023, the Company obtained a mandate from its shareholders for the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions.

In accordance with the Listing Requirements, the aforesaid authority is subject to annual renewal and will lapse at the conclusion of the forthcoming AGM, unless renewed by the shareholders of Deleum.

On 26 February 2024, the Company announced its intention to seek the shareholders' approval for the Proposed Shareholders' Mandate at its forthcoming AGM.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AS SPECIAL BUSINESS AT THE FORTHCOMING AGM OR AT ANY ADJOURNMENT THEREOF.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS STATEMENT TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTIONS BY WAY OF POLL TO GIVE EFFECT TO THE PROPOSAL TO BE TABLED AT THE FORTHCOMING AGM OR ANY ADJOURNMENT THEREOF.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Paragraph 10.09 and Practice Note 12 of the Listing Requirements

Pursuant to paragraph 10.09(2) of the Listing Requirements and Practice Note 12, the Company may seek a shareholders' mandate for RRPTs, subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the Company's annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year, where the aggregate value is equal to or more than the threshold prescribed under paragraph 10.09(1) of the Listing Requirements;
- (c) the circular to shareholders by the Company for the shareholders' mandate shall include information as may be prescribed by Bursa Securities;
- (d) in the meeting to obtain shareholders' mandate, the interested directors, major shareholders or interested Persons Connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, shall abstain from voting on the resolution approving the transactions. An interested director or interested major shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transactions; and
- (e) the Company will immediately announce to Bursa Securities when the actual value of the RRPTs entered into by the Company exceeds the estimated value of the RRPTs disclosed in the Circular by 10% or more inclusive of any information as may be prescribed by Bursa Securities.

2.2 Validity Period

The Proposed Shareholders' Mandate, if approved by shareholders at the forthcoming AGM, will take effect from the date of the passing of the ordinary resolution proposed at the AGM and the authority conferred under the Proposed Shareholders' Mandate shall only continue to be in force until:

- (a) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of 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.

It is anticipated that the Deleum Group would, in the ordinary course of business, enter into RRPTs and that such RRPTs will occur with some degree of frequency and could arise at any time and from time to time. In view of the time-sensitive, confidential and frequent nature of such RRPTs, the procurement of the Proposed Shareholders' Mandate with the classes of Related Parties, as set out in Section 2.5, will allow the Group to enter into RRPTs provided such transactions are entered into at arms' length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders.

2.3 The Principal Activities of Deleum Group

The principal activity of Deleum is investment holding whilst its subsidiaries are principally involved in the provision of gas turbines packages and related services, oilfield equipment and services, servicing of rotating equipment, integrated corrosion and inspection services, predominantly for the oil and gas industry.

The nature of businesses of the Deleum Group is primarily in the following segments:

Power and Machinery - Mainly consisting of the sale of gas turbines and related parts, gas turbine overhaul, maintenance and technical services, including complete installation turnkey for new installations, package renewals and retrofit projects; supply and commission combined heat and power plants; supply, install, repair and maintenance of valves, flow regulators and other production related equipment; repair, servicing maintenance and overhaul of motors, generators, transformers and pumps.

Oilfield Services - Mainly consisting of the provision of slickline equipment and services, integrated wellhead maintenance services, well intervention services, cased hole logging services, drilling and completions services, subsurface engineering services, specialty chemicals and well stimulation services.

Integrated Corrosion Solution - Mainly consisting of the provision of integrated corrosion and inspection services, blasting technology, maintenance, construction and modification maintenance activities, services for tanks, vessels, structures and piping.

The subsidiaries involved in the Proposed Shareholders' Mandate are as follows:

Subsidiary of Deleum	Equity Interest (%)	Principal Activities
DSSB	100	Provision of gas turbine packages, maintenance and technical services, combined heat and power plants, and production related equipment, and services predominantly for the oil and gas industry.
DOSSB	100	Provision of wireline equipment and services, integrated wellhead maintenance services, oilfield chemicals, drilling equipment and services, and other oilfield related products and services for the oil and gas industry
TSSB	74	Provision of gas turbine overhaul and technical services and supply of gas turbine parts to the oil and gas and general industry.
PDSB	51	Supply, repair, maintenance and installation of valves and flow regulators for the oil and gas and power industry.

2.4 The Principal Activities of the Related Parties

The Proposed Shareholders' Mandate will apply to the following Related Parties:

Related Party	Principal Activities
STICO	Selling and providing STICO's gas turbine products and parts, and aftermarket support services including but not limited to repair, overhaul, maintenance, troubleshooting, inspection, supply of service parts and overhaul.

Related Party	Principal Activities
Dresser Italia	Manufacturer/Producer of control valves and safety valves.
Caterpillar	Manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives for applications in three main product segments - Construction Industries, Resource Industries and Energy & Transportation. Caterpillar also provides financing and related services through its Financial Products segment.
NP Holding	Investment holding.
Lat60	New-Space technology company that generates vital insights from earth observation data. Its primary business is provision of earth observation and data analytics services.

2.5 Information on RRPTs

The Proposed Shareholders' Mandate would cover transactions entered into at arms' length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders.

i) Proposed Renewal of Shareholders' Mandate

	Related Parties	Nature of Interest	Company in the Deleum Group involved	Nature of Transactions	Estimated Value as per last mandate (RM'000)	Actual Value transacted as at 25 March 2024 (RM'000)	Estimated Value for the validity of the Proposed Shareholders' Mandate (RM'000)
(1)	STICO	Note (1)	TSSB	Provision of gas turbine overhaul and technical services and support and gas turbine parts by STICO and/or its related parties to TSSB	450,000	380,176	480,000
				Provision of manpower and general services by TSSB to STICO and/or its related parties of STICO	10,500	6,787	10,500

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	Related Parties	Nature of Interest	Company in the Deleum Group involved	Nature of Transactions	Estimated Value as per last mandate (RM'000)	Actual Value transacted as at 25 March 2024 (RM'000)	Estimated Value for the validity of the Proposed Shareholders' Mandate (RM'000)
(2)	Dresser Italia	Note (2)	PDSB	Purchases of valves and spare parts by PDSB from Dresser Italia and/or its related parties	150,000	34,831	150,000
				Provision of painting and services of valves by PDSB to related parties of Dresser Italia	3,500	331	3,000
				Training & Certification fees charged by related parties of Dresser Italia to PDSB	1,000	43	1,000
				Sales of valves and spare parts by PDSB to related parties of Dresser Italia	4,000	0	3,500

Note (1): STICO holds 26% of the issued share capital of TSSB. Caterpillar and its affiliates are Persons Connected to STICO. STICO is a 100% wholly-owned subsidiary of Caterpillar. Neither Caterpillar nor STICO have any equity interest in Deleum. None of the directors nominated by STICO to sit on the Board of TSSB is a director on the Board of Deleum or any of its other subsidiaries.

Note (2): Dresser Italia holds 49% of the issued share capital of PDSB. NP Holding and its affiliates are Persons Connected to Dresser Italia. Dresser Italia is a 100% wholly-owned subsidiary of NP Holding. Neither NP Holding nor Dresser Italia have any equity interest in Deleum. None of the directors nominated by Dresser Italia to sit on the Board of PDSB is a director on the Board of Deleum or any of its other subsidiaries.

The abovementioned estimated values are based on best estimates by the management after taking into account historical trends and projected business volume during the validity of the Proposed Renewal of Shareholders' Mandate. The actual transacted value may vary from the estimates shown above.

ii) Proposed New Shareholders' Mandate

	Related Parties	Nature of Interest	Company in the Deleum Group involved	Nature of Transactions	Estimated Value for the validity of the Proposed Shareholders' Mandate (RM'000)
(1)	Datuk Vivekananthan a/l M.V. Nathan	Note (3)	DOSSB	Provision of Monitoring Methane Emission (via Satellite and Data Fusion) services and technical support by Lat60 and/or its related parties to DOSSB.	15,000

Note (3): Datuk Vivekananthan a/l M.V. Nathan, the Non-Independent Non-Executive Deputy Chairman and major shareholder of the Company, is deemed interested by virtue of his directorship and shareholding in Lat60.

The abovementioned estimated values are based on best estimates by the management after taking into account the projected business volume during the validity of the Proposed New Shareholders' Mandate. The actual transacted value may vary from the estimates shown above.

2.6 Deviation from Mandate

The actual value of the RRPTs from the date on which the existing shareholders' mandate was obtained at the last AGM of the Company i.e. 23 May 2023 up to 25 March 2024 being the LPD prior to printing of this Circular did not exceed by 10% or more of the estimated value as approved under the mandate granted to the Company at the last AGM.

2.7 Review Procedures for the RRPTs

To ensure that such RRPTs are undertaken at arms' length and on normal commercial terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders, the transactions with the Related Parties shall be determined based on prevailing rates or prices according to their usual commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms. Consideration will also be given to the expertise required, quality of product, level of service and other related factors. Whenever possible, at least two other contemporaneous quotes with unrelated third parties for similar products/services and/or quantities will be used as comparison to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.

The following review procedures have also been implemented:

- (a) A list of Related Parties is established and maintained by the Company Secretary and is referred to by the business units and/or departments within the Group in determining whether any transacting party is a Related Party and whether such transaction is a RRPT.
- (b) RRPTs are monitored to ensure that they are within the estimated value of the RRPTs disclosed in the existing shareholders' mandate. If the actual value of the RRPTs entered into by the Company and its subsidiaries exceeds the estimated value of the RRPTs disclosed in the existing shareholders' mandate by ten percent (10%) or more, the Company will make an announcement to Bursa Securities.
- (c) All RRPTs will be reviewed by the Audit Committee on a quarterly basis. The Audit Committee, may as it deem fit, request for additional information pertaining to the transactions from independent sources or advisers;
- (d) Disclosure will be made in the Company's annual report on the breakdown of the aggregate value of transactions made pursuant to the shareholders' mandate during the financial year and in the annual reports for the subsequent financial year during which a shareholders' mandate is in force, amongst others, based on the following information: (i) type of the transactions made; and (ii) the names of the Related Parties involved in each type of the transactions made and their relationship with the Group; and
- (e) An interested director, interested major shareholders or interested person connected with a director or major shareholders; and where it involves the interest of an interested person connected with a director or major shareholders, such shareholders or major shareholders and the interested person, shall abstain from voting on the resolutions approving the transactions. An interested director or interested major shareholder must ensure that persons connected to the interested director or interested major shareholder abstain from voting on the resolutions approving the transactions.

2.8 Thresholds for Approval

All transactions, regardless of whether they are RRPTs or not, are approved in accordance with the Delegation of Authority Guidelines of the Company and/or its subsidiaries (“the DAG”) which governs the day-to-day operations and transactions. It provides overall authority limits to be adhered to and the levels of authority of the management team up to the Group Chief Executive Officer.

Approval of all transactions including RRPTs are based on the nature of the transaction, amounts and authority levels as prescribed in the DAG. All sales and purchases require the prior approval of the authorised approver upon review by the relevant business unit or department.

2.9 Amount Due and Owing to Deleum Group by Related Parties

As at the financial year ended 31 December 2023, there is no amount due and owing by Related Parties to the Deleum Group which has exceeded the credit term.

3. AUDIT COMMITTEE STATEMENT

The Audit Committee of the Company is of the view that the RRPTs entered and to be entered into are in the best interests of the Company, are fair, reasonable and on normal commercial terms and are not detrimental to the interests of the minority shareholders. The Audit Committee of the Company is also of the view that the procedures mentioned in Section 2.7 above, which are reviewed whenever the need arises to align with the Listing Requirements, the Act and any other applicable laws are sufficient to monitor, track and identify RRPTs in a timely and orderly manner. These procedures put in place are to ensure that the RRPTs 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.

4. RATIONALE AND BENEFITS FOR THE PROPOSED SHAREHOLDERS’ MANDATE

The RRPTs entered or to be entered into by the Deleum Group are intended to meet the Group’s day-to-day business needs at the best possible terms and to enhance the Group’s ability to explore beneficial business opportunities.

As such, the rationale for and benefits of the Proposed Shareholders’ Mandate to the Deleum Group are as follows:

- (a) to facilitate transactions with Related Parties which are in the ordinary course of business of the Group, are undertaken at arms’ length, normal commercial terms and on prices which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the interests of minority shareholders;
- (b) to enable the Group to transact with Related Parties in an expeditious manner to meet business needs for the supply and/or provision of goods and services which are necessary for its day-to-day operations particularly business needs which are time sensitive in nature;
- (c) the Group has established relationships with the Related Parties which are partners of the Group. They are internationally renowned corporations and OEMs. TSSB, PDSB and DOSSB tap into their respective expertise and resources to provide services to the customer base, thereby contributing to the earnings and performance of the Group. Therefore, it is in the interests of the Group to transact with such Related Parties to enhance its competitiveness, competence and capabilities. Also, these partnerships would provide the opportunities to explore and penetrate new markets; and
- (d) to eliminate the need to announce and/or convene separate general meetings from time to time to seek shareholders’ approval for entering into the RRPTs, as required pursuant to Chapter 10 of the Listing Requirements and thereby enable resources, costs and time to be channelled towards achieving the Group’s business objectives.

5. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to the approval of the shareholders of Deleum at the forthcoming AGM to be convened.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed below, none of the other Directors or Major Shareholders of the Company and Persons Connected with them has any interest, direct and indirect in the Proposed Shareholders Mandate.

Datuk Vivekananthan a/l M.V. Nathan, a Director and Major Shareholder of the Company, is interested in the Proposed New Shareholders' Mandate as he is a Director and Shareholder of Lat60. He has abstained and shall continue to abstain from all deliberations and voting at the Board meeting of the Company pertaining to the relevant RRPT contemplated under the Proposed New Shareholders' Mandate in which he is deemed interested.

Datuk Vivekananthan a/l M.V. Nathan shall abstain from voting in respect of his direct and indirect shareholdings, deliberating or approving the relevant resolution approving the Proposed New Shareholders' Mandate in which he is deemed interested, at the forthcoming AGM.

Datuk Vivekananthan a/l M.V. Nathan shall undertake to ensure that Persons Connected to him (as defined in the Listing Requirements), if any, will abstain from deliberating, approving or voting on the ordinary resolutions to approve the Proposed New Shareholders' Mandate at the forthcoming AGM.

The direct and indirect interests of Datuk Vivekananthan a/l M.V. Nathan in the Company as at LPD are set out below:

Name of interested Director	No. of Shares			
	Direct	%	Indirect	%
Datuk Vivekananthan a/l M.V. Nathan	43,402,600	10.81	81,740,900*	20.36

Note:

* Deemed interested by virtue of his shareholdings in Lantas Mutiara Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

7. AGM

The 19th AGM of the Company will be 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. for the purpose of considering and if thought fit, passing, inter alia, the resolutions to approve and give effect to the Proposed Shareholders' Mandate under Special Business in the Notice of the 19th AGM which is available on the Company's website at www.deleum.com/agm2024.

If you are unable to attend and vote at the 19th AGM and wish to appoint a proxy instead, you should complete and return the Proxy Form in accordance with the instructions printed thereon. The Proxy Form can be submitted electronically via TIIH Online website at <https://tiih.online> or deposited with the Company's Registered Office 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 the 19th AGM or any adjournment thereof. Please follow the procedures set out in the Administrative Guide for the 19th AGM.

Please refer to the Notice of the 19th AGM and the Administrative Guide for further information on the meeting.

8. DIRECTORS' RECOMMENDATION

i. Proposed Renewal of Shareholders' Mandate

The Board having taken into consideration all relevant aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interests of the Deleum Group, is fair, reasonable and on normal commercial terms and not detrimental to the interests of the minority shareholders. Accordingly, the Board recommends that you vote in favour of the ordinary resolutions pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

ii. Proposed New Shareholders' Mandate

The Board (save for Datuk Vivekananthan a/l M.V. Nathan who is deemed interested in the Proposed New Shareholders' Mandate), having taken into consideration all relevant aspects of the Proposed New Shareholders' Mandate, is of the opinion that the Proposed New Shareholders' Mandate is in the best interests of the Deleum Group, is fair, reasonable and on normal commercial terms and not detrimental to the interests of the minority shareholders. Accordingly, the Board (save for Datuk Vivekananthan a/l M.V. Nathan who is deemed interested in the Proposed New Shareholders' Mandate) recommends that you vote in favour of the ordinary resolutions pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming AGM

9. FURTHER INFORMATION

Shareholders are advised to refer to Appendix I of this Circular for further information.

Yours faithfully,
For and on behalf of the Board
DELEUM BERHAD

TAN SRI DATO' SERI SHAMSUL AZHAR BIN ABBAS
Independent Non-Executive Chairman

PART B

**STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE BUY-
BACK AUTHORITY (“PROPOSED SHARE BUY-BACK AUTHORITY”)**



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

Registered Office:
No. 2, Jalan Bangsar Utama 9
Bangsar Utama
59000 Kuala Lumpur
Malaysia

24 April 2024

Board of Directors

Tan Sri Dato' Seri Shamsul Azhar bin Abbas (*Independent Non-Executive Chairman*)
Datuk Vivekananthan a/l M.V. Nathan (*Non-Independent Non-Executive Deputy Chairman*)
Ramanrao bin Abdullah (*Group Chief Executive Officer*)
Dato' Izham bin Mahmud (*Non-Independent Non-Executive Director*)
Lee Yoke Khai (*Senior Independent Non-Executive Director*)
Datuk Manharlal a/l Ratilal (*Independent Non-Executive Director*)
Datin Aisah Eden (*Independent Non-Executive Director*)

To : The Shareholders of Deleum

Dear Sir/Madam,

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

At the Eighteenth AGM ("18th AGM") of the Company held on 23 May 2023, the Company obtained a mandate from its shareholders for the authority to enable the Company to purchase its own Shares for an aggregate amount of up to ten percent (10%) of the total number of issued shares.

In accordance with the Listing Requirements, the aforesaid authority is subject to annual renewal and will lapse at the conclusion of the forthcoming AGM, unless renewed by the shareholders of Deleum.

On 26 February 2024, the Company announced its intention to seek the shareholders' approval for the Proposed Renewal of Share Buy-Back Authority ("Proposed Share Buy-Back Authority") at the forthcoming AGM of the Company which will be held on 23 May 2024, or any adjournment thereof. The Proposed Share Buy-Back Authority is subject to compliance with Section 113(5) and Section 127 of the Act, Listing Requirements and any Prevailing Laws at the time of purchase.

Further details of the proposal are set out in the ensuing sections.

THE PURPOSE OF THIS STATEMENT IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSAL AND TO SEEK YOUR APPROVAL ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK AUTHORITY TO BE TABLED AS SPECIAL BUSINESS AT THE FORTHCOMING AGM OR ANY ADJOURNMENT THEREOF.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS STATEMENT TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION BY WAY OF POLL TO GIVE EFFECT TO THE PROPOSAL TO BE TABLED AT THE FORTHCOMING AGM OR ANY ADJOURNMENT THEREOF.

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2. DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

2.1 Details of the Proposed Share Buy-Back Authority

The Board is proposing to seek the shareholders' approval for the renewal of authority for the Company to purchase the Shares for an aggregate amount of up to ten percent (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 Act, Listing Requirements and any Prevailing Laws at the time of purchase.

Based on the Company's issued Shares of 401,553,500 as at the LPD, the maximum number of Deleum Shares which may be purchased by the Company pursuant to the Proposed Share Buy-Back Authority shall not exceed 40,155,350 of Deleum Shares in aggregate. However, the actual number of Deleum Shares to be purchased and the timing of any purchase will depend on the market conditions and sentiments of stock market, the availability of financial resources and retained profits of the Company. In addition, the Board will ensure that the purchase of Deleum Shares will not result in the Company's public shareholding spread falling below the minimum public shareholding spread of twenty-five percent (25%) of the issued and paid-up share capital.

The Proposed Share Buy-Back Authority, once approved by the shareholders, shall take effect from the passing of the ordinary resolution pertaining thereto at the forthcoming AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at the general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders in general meeting.

whichever occurs first.

The Proposed Share Buy-Back Authority does not impose an obligation on the Company to purchase the Shares. Rather, it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

2.2 Funding for the Proposed Share Buy-Back Authority

In accordance with the Listing Requirements, the Proposed Share Buy-Back Authority, if exercised, must be made wholly out of retained profits of the Company. Therefore, the maximum amount of funds to be utilised for the Proposed Share Buy-Back Authority shall not exceed the aggregate of the retained profits of the Company. Based on the audited financial statements of the Company for the financial year ended 31 December 2023, the retained profits of the Company were RM18,638,918.00.

The Company intends to use internally generated funds to finance the Proposed Share Buy-Back Authority subject to compliance with Section 127 of the Act and any Prevailing Laws at the time of purchase. Notwithstanding this, in the event that the Proposed Share Buy-Back Authority (or any part of it) is to be financed through external borrowings, the Board will ensure that the Company has sufficient funds to repay such external borrowings.

The Proposed Share Buy-Back Authority is not expected to have a material impact on the cash flow position of the Company.

2.3 Status and Treatment of Purchased Shares

Pursuant to the provisions of Section 127(4) and (7) of the Act, our Board may deal with the Purchased Shares in the following manner:

- (a) Cancel the Purchased Shares; or

- (b) Retain the Purchased Shares as treasury shares, which is referred to as “treasury shares” in the Act; or
- (c) Retain part of the Purchased Shares as treasury shares and cancel the remainder; or
- (d) Distribute the treasury shares as share dividends to shareholders; or
- (e) Resell the treasury shares or any of the said shares in accordance with the Listing Requirements; or
- (f) Transfer the treasury shares or any of the said shares as purchase consideration; or
- (g) Cancel the treasury shares or any of the said shares; or
- (h) Deal with the Purchased Shares in any other manner as may be permitted by the applicable laws and/or regulations in force from time to time.

As at the date of this Statement, the Board has yet to make any decision with regard to the treatment of the Purchased Shares and will take into consideration the effects of such treatment on the Group in arriving at its decision. An immediate announcement will be made to Bursa Securities and the relevant authorities in respect of the Board's decision on the treatment of the Purchased Shares in compliance with the Listing Requirement and the Act.

In the event that the Purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in other distributions whether cash or otherwise would be suspended. The treasury shares shall not be taken into account in calculating the number or percentage of Shares or of a class of shares in the Company for any purposes including the determination of substantial shareholdings, take-overs, notices, the requisitioning of meetings, the quorum for meetings and the result of votes on the resolution at a meeting of members.

2.4 Purchase/ Resale/ Transfer Price

Pursuant to Rule 12.17 of the Listing Requirements, the Company may only purchase the Shares at a price which is not more than fifteen percent (15%) above the weighted average market price of the Shares for the past five (5) Market Days immediately preceding the date of purchase.

The Board may decide to cancel the Purchased Shares if the cancellation of the said shares is expected to enhance the EPS of the Group and thereby in the long term, have a positive impact on the market price of Deleum Shares. The Board may also decide to retain them as treasury shares for resale if higher values can be realised or to be distributed as share dividends.

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.

2.5 Public Shareholding Spread

Pursuant to Rule 8.02(1) of the Listing Requirements, a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders. Bursa Securities may accept a percentage lower than the 25% if it is satisfied that such lower percentage is sufficient for a liquid market in such securities.

Based on the Record of Depositors of the Company as at LPD, the public shareholding spread of the Company was 39.84% of the total number of issued Shares. 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 Shares if the purchase would result in the public shareholding spread requirement not being met.

2.6 Implications Relating to the Code

Pursuant to Rule 4 of the Code, a person and any parties acting in concert with him will be required to make a mandatory offer for the remaining Deleum Shares not already owned by him/her/them if his/her/their stake in the Company is increased to beyond 33% or if his/her/their shareholdings is between 33% and 50% and increases by another 2% in any six (6) months period.

However, an exemption from mandatory offer obligation may be granted by the SC under the Code subject to the parties acting in concert complying with the conditions stipulated in the Code.

The Company intends to implement the Proposed Share Buy-Back Authority in the manner that will not result in any of the shareholders having to undertake a mandatory offer pursuant to the Code. In this respect, the Board will be mindful of the requirements of the Code when implementing the Proposed Share Buy-Back Authority.

2.7 Rationale/ Potential Advantages and Disadvantages of Share Buy-Back

The Proposed Share Buy-Back Authority, if renewed, will enable Deleum to utilise any of its surplus financial resources, which is not immediately required for other uses, to purchase the Shares from the market.

Any Share Buy-Back, if implemented pursuant to the Proposed Share Buy-Back Authority, is likely to potentially benefit Deleum and its shareholders in the following manner:

- (a) To allow the Company to take preventive measures against speculation particularly when the Shares are undervalued which would in turn stabilise the supply and demand of its Shares in the open market and thereby supporting its fundamental values;
- (b) Purchased Shares, whether to be held as treasury shares or subsequently cancelled, will effectively reduce the number of Shares carrying voting rights. Therefore, shareholders are likely to enjoy an increase in the value of their investment in the Company due to the increase in the Company's EPS; or
- (c) The Purchased Shares may be held as treasury shares and distributed to shareholders as share dividends and/or resell or partially resell in the open market with the intention of realising a potential capital gain if the Purchased Shares are resold at price(s) higher than their purchase price(s).
- (d) The Purchased Shares may be used to incentivise key and relevant employees whose contributions are vital to the operations, long-term growth and profitability of the Group, and to motivate and retain such employees.

The potential disadvantages of the Share Buy-Back to the Company and its shareholders are as follows:

- (a) The Proposed Share Buy-Back Authority, if exercised, is expected to temporarily reduce the financial resources of the Group and may represent an opportunity cost to the Group in respect of its ability to undertake other investment opportunities and/or to earn any income that may be derived from other alternative use of such funds such as deposits in interest bearing instruments; and
- (b) The Proposed Share Buy-Back Authority, if exercised, must be made wholly out of the retained earnings of the Company, it may result in the reduction of financial resources available for distribution to the shareholders in the form of cash dividends as the funds are utilised to purchase the Shares.

Nevertheless, the Board is of the view that the exercise of the Proposed Share Buy-Back Authority is not expected to have any potential material disadvantage to the Company and its shareholders as it will be implemented only after in-depth consideration of the financial resources of the Company and the resultant impact on the shareholders. The Board will be mindful of the interest of the Company and its shareholders in undertaking the Proposed Share Buy-Back Authority and in the subsequent cancellation of the Purchased Shares.

2.8 Purchase, Resale and Cancellation of Shares Made in Previous Twelve (12) Months

There were no purchase, resale, transfer or cancellation of shares made by Deleum in the previous twelve (12) months preceding the date of this Statement.

3. EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

3.1 Share Capital

The effect of the exercise of the Proposed Share Buy-Back Authority on the issued share capital of the Company will depend on whether the Purchased Shares are cancelled or retained as treasury shares. The Proposed Share Buy-Back Authority will result in a reduction of the issued shares capital of the Company if the Purchased Shares are cancelled.

In the event the Proposed Share Buy-Back Authority is carried out in full and all the Purchased Shares are cancelled, the present issued share capital of the Company will be reduced by the number of Shares so cancelled as follows:-

	<u>No. of Shares</u>
Existing share capital as at LPD	401,553,500
Assuming all the Purchased Shares pursuant to the Proposed Share Buy Back Authority are cancelled	(40,155,350)
Resultant ordinary issued share capital	<u>361,398,150</u>

Alternatively, if the Company retains the Purchased Shares as treasury shares, it will not have any effect on the total issued and paid-up share capital of the Company. However, the rights attached to the Purchased Shares as to voting, dividend and participation in other distribution and otherwise will be suspended as long as they are retained as treasury shares.

3.2 Earnings and EPS

The effects of the exercise of the Proposed Share Buy-Back Authority on the earnings and EPS of Deleum will depend on the purchase price of such Shares, the number of Purchased Shares, the effective funding cost to the Group to finance the Purchased Shares or any loss in interest income to the Company and the proposed treatment of the Purchased Shares.

The reduction in the number of Deleum Shares applied in the computation of the EPS pursuant to the Proposed Share Buy-Back Authority may generally, all else being equal, have a positive impact on the consolidated EPS for the financial year when the Proposed Share Buy-Back Authority is implemented.

Should the Company choose to hold the Purchased Shares as treasury shares and resell the Shares subsequently, the effect on the EPS of the Group will depend on the actual selling price, the number of treasury shares resold, and the effective gain or interest saving arising from the exercise.

If the Shares so purchased are cancelled, the Share Buy-Back will increase the EPS of the Group provided that the income foregone and interest expenses incurred on the Purchase Shares is less than the EPS before Share Buy-Back.

3.3 Net Assets (“NA”)

The effect of the exercised of the Proposed Share Buy-Back Authority on the consolidated NA of the Group will depend on the purchase price and the number of Shares purchased and the treatment of the Purchased Shares. In the event that the resale price is higher than the purchase price, there will be an increase in the consolidated NA, and vice versa.

If the treasury shares are distributed as share dividends, the consolidated NA would decrease by any associated costs incurred in the distribution of the treasury shares.

3.4 Working Capital

The effect of the exercised of the Proposed Share Buy-Back Authority is likely to reduce the working capital of the Group, the quantum of which will depend on the actual number of Deleum Shares purchased and the price paid and any associated costs incurred for the purchase of the Shares. In the event that the treasury shares are subsequently resold on the stock market, the working capital of the Group will increase upon the receipt of the proceeds of the resale.

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3.5 Directors' and/or Substantial Shareholders' Shareholdings

The effect of the exercised of the Proposed Share Buy-Back Authority in full on the shareholdings of the Directors and Substantial Shareholders as at LPD, are set out as follows:

	Number of Shares held as at LPD*			After Proposed Share Buy-Back [^]		
	Direct	%	Indirect	Direct	%	Indirect
<u>Directors</u>						
Dato' Izham bin Mahmud	11,200,000	2.79	56,725,698 ⁽¹⁾	11,200,000	3.10	56,725,698 ⁽¹⁾
Datuk Vivekananthan a/l M.V. Nathan	43,402,600	10.81	81,740,900 ⁽²⁾	43,402,600	12.01	81,740,900 ⁽²⁾
Ramanrao bin Abdullah	-	-	81,740,900 ⁽³⁾	-	-	81,740,900 ⁽³⁾
<u>Substantial Shareholders</u>						
Lantas Mutiara Sdn. Bhd.	81,740,900	20.36	-	81,740,900	22.62	-
Hartapac Sdn. Bhd.	48,165,418	11.99	-	48,165,418	13.33	-
Datuk Vivekananthan a/l M.V. Nathan	43,402,600	10.81	81,740,900 ⁽²⁾	43,402,600	12.01	81,740,900 ⁽²⁾
Datin Che Bashah @ Zaiton binti Mustaffa	32,365,698	8.06	-	32,365,698	8.96	-
IM Holdings Sdn. Bhd.	24,360,000	6.07	-	24,360,000	6.74	-
Dato' Izham bin Mahmud	11,200,000	2.79	56,725,698 ⁽¹⁾	11,200,000	3.10	56,725,698 ⁽¹⁾
Reshad Rao bin Ramanrao	-	-	81,740,900 ⁽⁴⁾	-	-	81,740,900 ⁽⁴⁾
Zoena binti Ramanrao	-	-	81,740,900 ⁽⁴⁾	-	-	81,740,900 ⁽⁴⁾
Ramanrao bin Abdullah	-	-	81,740,900 ⁽³⁾	-	-	81,740,900 ⁽³⁾
Datin Sian Rahimah Abdullah	-	-	48,165,418 ⁽⁵⁾	-	-	48,165,418 ⁽³⁾
Faye Miriam Abdullah	-	-	48,165,418 ⁽⁵⁾	-	-	48,165,418 ⁽³⁾
Hugh Idris Abdullah	-	-	48,165,418 ⁽⁵⁾	-	-	48,165,418 ⁽³⁾
Farid Riza Izham	-	-	24,360,000 ⁽⁶⁾	-	-	24,360,000 ⁽⁴⁾
Faidz Raziff Izham	-	-	24,360,000 ⁽⁶⁾	-	-	24,360,000 ⁽⁴⁾
Hana Sakina Izham	-	-	24,360,000 ⁽⁶⁾	-	-	24,360,000 ⁽⁴⁾

Notes:

* Based on the 401,553,500 total number of issued shares of the Company.

^ Assuming the Proposed Share Buy-Back Authority is implemented in full, i.e. up to 10% of total number of issued shares of the Company, the Purchased Shares are held as treasury shares and that the Directors and the substantial shareholders' shareholdings in Deleum remain unchanged.

(1) Deemed interested by virtue of his shareholdings in IM Holdings Sdn. Bhd. pursuant to Section 8 of the Act and shares held by his spouse.

(2) Deemed interested by virtue of his shareholdings in Lantas Mutiara Sdn. Bhd. pursuant to Section 8 of the Act.

(3) Deemed interested by virtue of the shareholdings of his children in Lantas Mutiara Sdn. Bhd. via Integrity Strategic Sdn. Bhd. pursuant to Section 8 of the Act.

(4) Deemed interested by virtue of his/her shareholdings in Lantas Mutiara Sdn. Bhd. via Integrity Strategic Sdn. Bhd. pursuant to Section 8 of the Act.

(5) Deemed interested by virtue of his/her shareholdings in Hartapac Sdn. Bhd. pursuant to Section 8 of the Act.

(64) Deemed interested by virtue of his/her shareholdings in IM Holdings Sdn. Bhd. pursuant to Section 8 of the Act.

4. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save for the consequential increase in the percentage of shareholdings and/or voting rights of the Directors and substantial shareholders of the Company as a result of the decrease in the total number of issued Shares after the exercise of the Proposed Share Buy-Back Authority, none of the Directors and/or Substantial Shareholders and/or persons connected to them have any interest, either direct or indirect in the Share Buy-Back and the subsequent resale of treasury shares, if any, in the future.

5. APPROVAL REQUIRED

The Proposed Share Buy-Back Authority is conditional upon the approval of the shareholders of the Company being obtained at the forthcoming AGM to be convened or any adjournment thereof.

6. HISTORICAL SHARE PRICES

The following table sets out the monthly highest and lowest prices of Deleum Shares traded on Bursa Securities for the preceding twelve (12) months from April 2023 up to March 2024:

Month	Highest (RM)	Lowest (RM)
April 2023	1.030	0.915
May 2023	0.945	0.885
June 2023	0.925	0.880
July 2023	0.965	0.890
August 2023	0.930	0.890
September 2023	1.180	0.910
October 2023	1.110	0.945
November 2023	1.020	0.930
December 2023	0.985	0.935
January 2024	1.130	0.940
February 2024	1.320	1.020
March 2024	1.440	1.210

The last transacted price of Deleum Shares as at LPD is RM1.37.

(Source: Bloomberg Finance L.P.)

7. AGM

The 19th AGM of the Company will be 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., or at any adjournment thereof for the purpose of considering and if thought fit, passing the resolution to approve and give effect to the Proposed Share Buy-Back Authority at the AGM. The Notice of the AGM, Proxy Form and Administrative Guide are available on the Company's website at www.deleum.com/agm2024.

If you are unable to attend and vote at the 19th AGM and wish to appoint a proxy instead, you should complete and return the Proxy Form in accordance with the instructions printed thereon. The Proxy Form can be submitted electronically via TIIH Online website at <https://tiih.online> or deposited with the Company's Registered Office 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 the 19th AGM or any adjournment thereof. Please follow the procedures set out in the Administrative Guide for the 19th AGM.

Please refer to the Notice of the 19th AGM and the Administrative Guide for further information on the meeting.

8. DIRECTORS' RECOMMENDATION

The Board, having taken into consideration all relevant aspects of the Proposed Share Buy-Back Authority, is of the opinion that the Proposed Share Buy-Back Authority is in the best interests of the Deleum Group. Accordingly, the Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-Back Authority to be tabled at the forthcoming 19th AGM.

9. FURTHER INFORMATION

Shareholders are advised to refer to Appendix I for further information.

APPENDIX I – FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular/Statement has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. MATERIAL LITIGATION

Save as disclosed below, as at 25 March 2024 (being the LPD), Deleum Group has not engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant and our Board is not aware of any proceedings, pending or threatened, against the Deleum Group or any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Deleum Group

The material litigation below relates to Deleum Technology Solutions Sdn. Bhd., an 86.67% owned indirect subsidiary of Deleum, and does not relate to Deleum and its other subsidiaries.

a) **High Court of Kuala Lumpur (Civil Suit No. WA-22NCC-544-11/2020) brought by Deleum Technology Solutions Sdn. Bhd. (“Plaintiff”) against Mazrin bin Ramli & 9 Others (“Defendants”)**

The Plaintiff has commenced the above legal proceedings against the Defendants by way of a Writ of Summons dated 5 November 2020 for, *inter alia*, breaches of fiduciary duty, knowing receipt and dishonest assistance in relation to an alleged fraudulent scheme involving its employees, suppliers, contractors and employees of a client. The sum claimed by the Plaintiff in its Statement of Claim dated 5 November 2020 is RM19,876,389.87.

Following the winding up of Defendant No. 8 and the conclusion of a forensic investigation in March 2023 by Virdos-Lima Consultancy (M) Sdn. Bhd. (report dated 19 March 2023), DTS filed an application to amend its Statement of Claim on 12 April 2023 which has been allowed by the Court and the amended Statement of Claim was filed on 25 September 2023. Pursuant to the amended Statement of Claim, the Plaintiff has claimed that it has suffered loss and damage in the total sum of RM34,374,589.31. The amended Defence by Defendant No. 1 – Defendant No. 4 was filed on 18 October 2023 and the Plaintiff has filed its amended reply on 15 December 2023.

During the case management on 30 November 2023, the Court fixed a case management on 28 February 2024 for the amended Statement of Claim when the Court had proceeded to fix the next Case Management date on **17 April 2024** for the Plaintiff and Defendant to update the court on the status of the filing of the Common Bundle of Documents and for directions on List of Witnesses to be filed. The trial date has been scheduled for **15 July 2024 to 19 July 2024**.

Pursuant to the Recusal Application filed by the 6 Defendants on 9 March 2021, Plaintiff has, on 1 April 2022, vide its solicitors, Messrs. Ranjit Singh & Yeoh, filed an application for leave to apply for a committal order against Defendant No. 1 to Defendant No. 4, Syarifuddin bin Abdul Wahab, a director of Defendant No. 8, and Zul Hafizi bin Zainal Karib, a director of Defendant No. 10, for having committed contempt of Court.

During the Hearing on 21 November 2022, in relation to the Plaintiff's Application for Leave to Apply for an Order of Committal against all the above and dismissed the same against Zul Hafizi bin Zainal Karib, a director of Defendant No. 10, with no order as to cost.

Pursuant to the above, the Plaintiff have filed an Application for an Order of Committal against all of the above except for Zul Hafizi bin Zainal Karib, a director of Defendant No. 10.

APPENDIX I – FURTHER INFORMATION

During the case management for the Application on 30 November 2023, the Court has fixed a hearing date for the contempt application on 23 January 2024 which has been rescheduled to **15 April 2024** at the request of the Defendants.

3. MATERIAL CONTRACTS

There are no material contracts (including contracts not reduced into writing), not being contracts entered into in the ordinary course of business, which have been entered into by the Company and/or its subsidiaries within two (2) years preceding the date of this Circular.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company following the publication of this Circular from Mondays to Fridays (except public holidays) during normal business hours up to and including the date of the AGM:

- (i) The Constitution of Deleum;
- (ii) The audited consolidated financial statements of Deleum and its subsidiaries for the past two (2) financial years ended 31 December 2022 and 2023; and
- (iii) The relevant cause papers in respect of material litigation referred to in Item 2 of Appendix I.

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