DELEUM

Synergy in Motion

ANNUAL REPORT 2025

OUR MISSION

To Achieve Superior Growth and Returns for our Stakeholders and to be the Best in Class

OUR VISION

To be the Premier Service Company in the Energy Industry and to grow our regional footprint

OUR CORE VALUES

Service Quality

—

Competence
Done Right
Excellence

Health, Safety & Environment

—

Prevention
Adherence
Preparedness

Integrity

—

Honesty
Ethics
Trust
Compliance

Sustainability

OUR CORE BUSINESS

Power and Machinery

- Provision of Gas Turbine Generator & Compressor new packages, after-sales support and services.
- Provision of Printed Circuit Heat Exchanger, after sales services and spares.
- Provision of Multi-Phase Pump solutions, after sales services and spares.
- Provision of Submersible Motor, Sea Water Lift Pump packages, after sales services & spares.
- Provision of Absorbent for Sulphur and Mercury Removal Unit application.
- Provision of Heat & Thermal Engineering products and solutions.
- Supply, installation, repair and maintenance of valves and flow regulators.

Oilfield Integrated Services

- Slickline and Well Services.
- Asset Integrated Solutions.
- Chemical Research and Development.
- Pumping Well Stimulation.
- Solid Control Equipment & Services.
- Cementing and Casing Accessories.
- Fishing and Drilling Equipment.
- Wellbore and Fluids Management.
- Well Control Services.
- Provision of low dust and environmentally friendly blasting technology for surface preparation.
- Coating removal by controlled induction heating.
- Passive fire protection services.
- Integrated maintenance, construction, and modification services.
- Oil spillage combat equipment and services.

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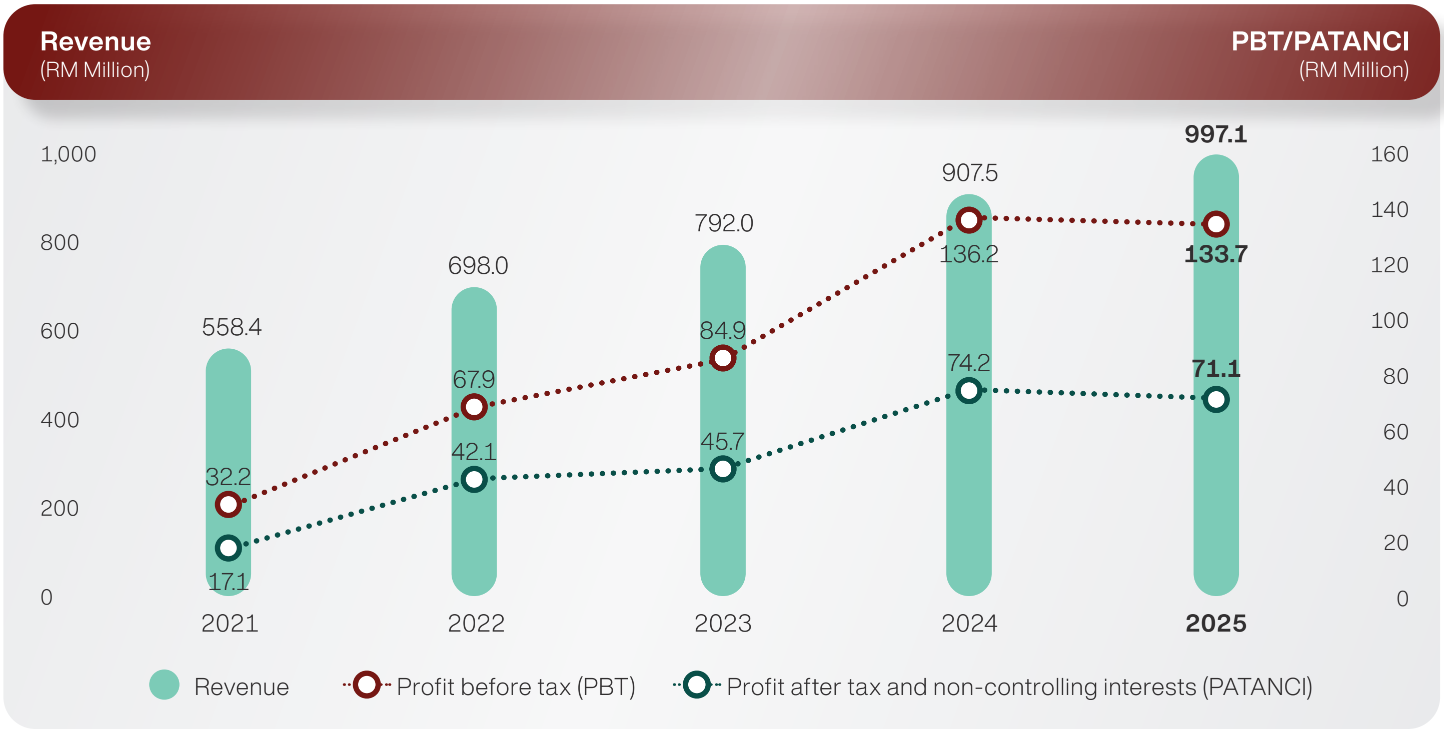
Financial Highlights

For the Financial Years Ended 31 December 2021-2025

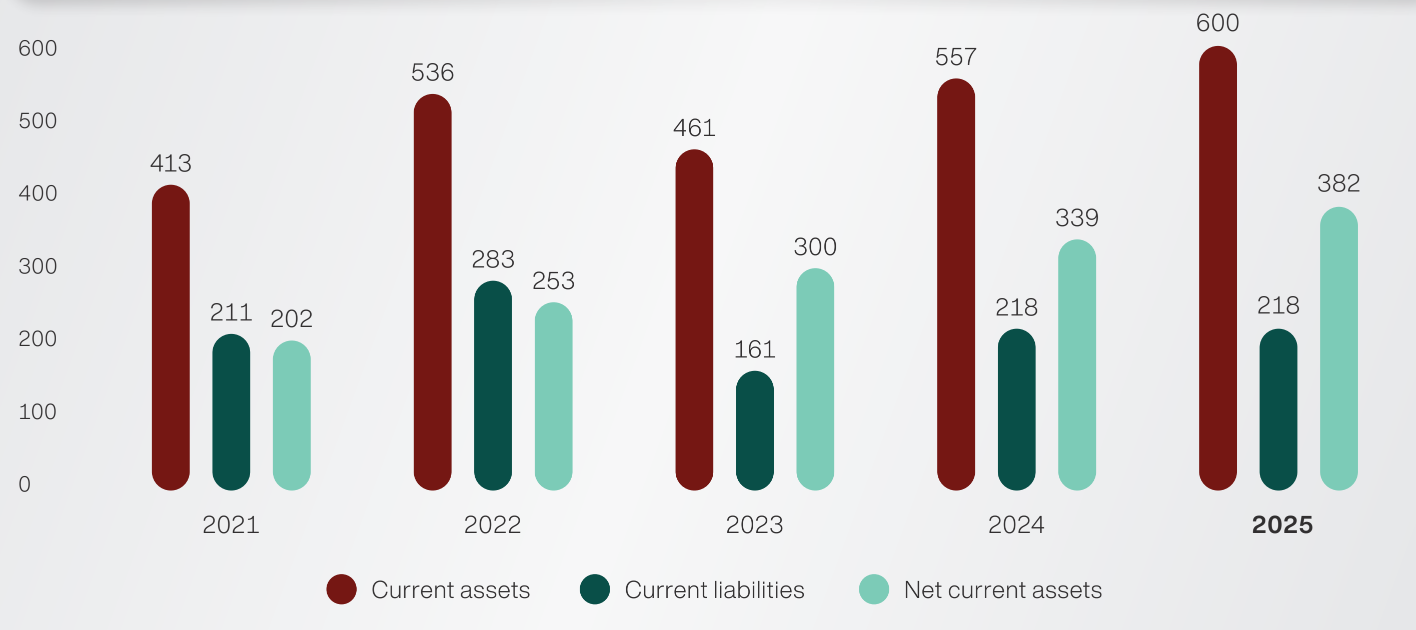
	2021 (RM'000)	2022 (RM'000)	2023 (RM'000)	2024 (RM'000)	2025 (RM'000)
Revenue	558,367	698,049	791,991	907,478	**997,146**
Gross profit	107,388	143,717	165,282	235,448	**263,756**
Earnings before interest, tax, depreciation and amortisation	66,405	99,735	112,993	160,262	**160,593**
Share of associate's results	5,633	5,308	4,643	6,161	**3,879**
Share of joint venture's results	1,345	1,147	1,064	770	**825**
Profit before tax	32,152	67,891	84,917	136,210	**133,725**
Profit after tax	23,767	51,242	63,351	100,955	**100,947**
Non-controlling interests	(6,699)	(9,100)	(17,616)	(26,800)	**(29,860)**
Profit after tax and non-controlling interests	17,068	42,142	45,735	74,155	**71,087**
Number of shares ('000)	401,554	401,554	401,554	401,554	**401,554**



FINANCIAL RATIOS	2021	2022	2023	2024	2025
Return on equity (%)	4.8	10.8	11.1	16.0	**14.3**
Return on total assets (%)	2.8	5.9	7.4	10.1	**8.6**
Gearing ratio (%)	8.5	2.3	0.6	3.3	**7.7**
Net asset per share (RM)	0.89	0.97	1.03	1.15	**1.24**
Dividend per share (Sen)	2.20	5.25	5.70	9.30	**9.30**
Dividend yield (%)	4.4	5.8	6.0	6.7	**7.7**

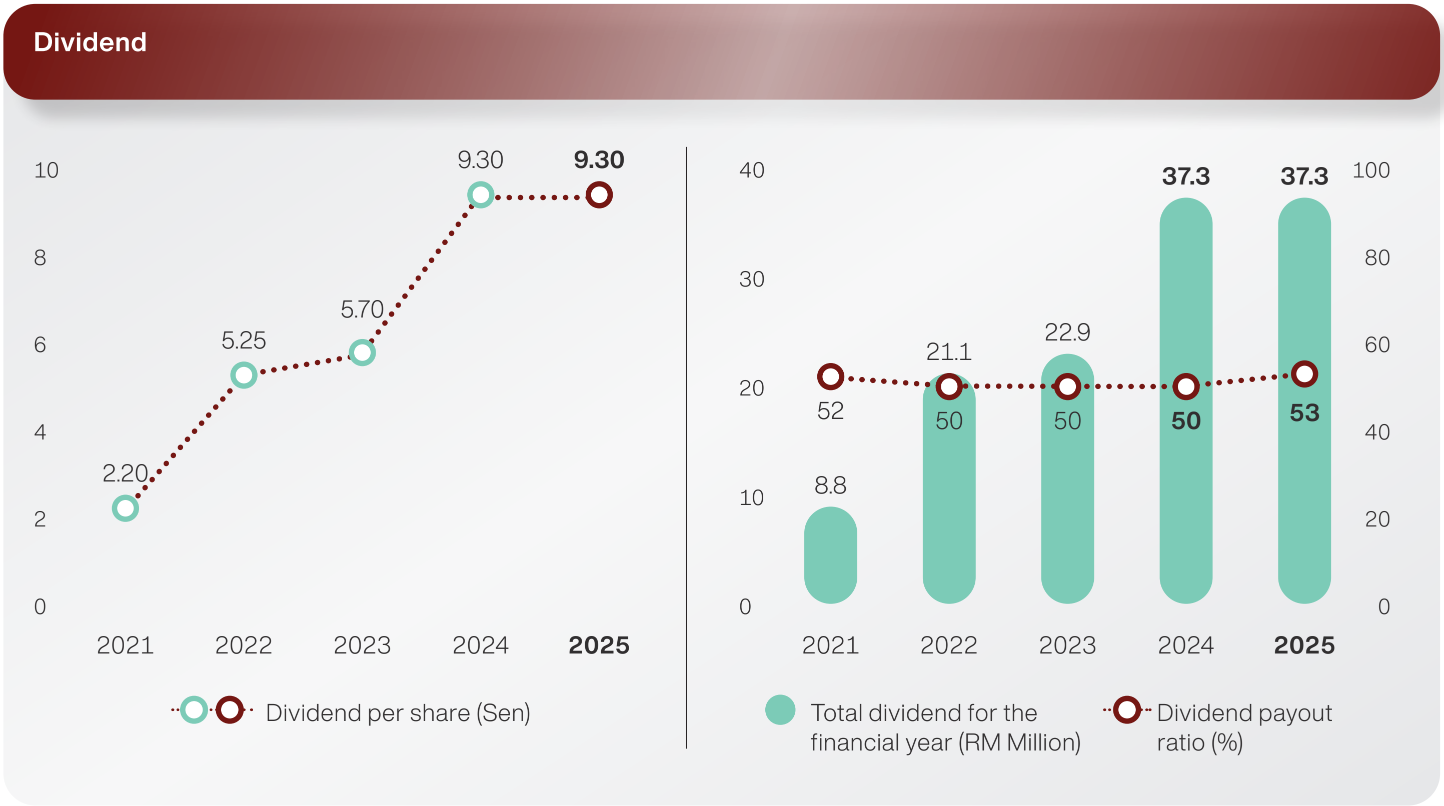
Property, Plant and Equipment
(RM Million)

Net Current Assets
(RM Million)



Financial Highlights

For the Financial Years Ended 31 December 2021-2025



Corporate Information

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

Lee Yoke Khai
Senior Independent Non-Executive Director

Dato' Izham bin Mahmud
Non-Independent Non-Executive Director

Datuk Manharlal a/l Ratilal
Independent Non-Executive Director

Datin Aisah Eden
Independent Non-Executive Director

Syed Feizal bin Syed Mohammad
Independent Non-Executive Director

Kathirithamby Sivasankar
Alternate Director to Datuk Vivekananthan a/l M.V. Nathan

Audit Committee

Datuk Manharlal a/l Ratilal
(Chairman)

Lee Yoke Khai

Datin Aisah Eden

Joint Remuneration and Nomination Committee

Datin Aisah Eden
(Chairperson)

Datuk Manharlal a/l Ratilal

Lee Yoke Khai

Board Risk and Investment Committee

Lee Yoke Khai
(Chairman)

Datuk Vivekananthan a/l M.V. Nathan

Datin Aisah Eden

Company Secretaries

Suliana binti Rosli
(SSM PC No. 202008000912)
(MAICSA 7057610)

Mohd Shahid bin Zainol Abidin
(SSM PC No. 202008003065)
(MAICSA 7069754)

Registered Office / Head Office

No. 2, Jalan Bangsar Utama 9
Bangsar Utama
59000 Kuala Lumpur, Malaysia
Tel : 603-2295 7788
Fax : 603-2295 7777
Email : info@deleum.com
Website : www.deleum.com

Share Registrars

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor, Malaysia
Tel : 603-7890 4700
Fax : 603-7890 4670

Stock Exchange Listing

Bursa Malaysia Securities Berhad
Main Market
Stock Code: 5132

Auditors

PricewaterhouseCoopers PLT
Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
P.O. Box 10192
50706 Kuala Lumpur, Malaysia
Tel : 603-2173 1188
Fax : 603-2173 1288

Principal Bankers

HSBC Bank Malaysia Berhad

Standard Chartered Bank Malaysia Berhad

Malayan Banking Berhad

Group Corporate Structure

As At 31 March 2026

DELEUM

- 100% DELEUM SERVICES SDN. BHD.
  - 100% DELEUM OILFIELD SERVICES SDN. BHD.
  - 100% DELEUM CHEMICALS SDN. BHD.
  - 100% DELCOM HOLDINGS SDN. BHD.
    - 26.67% DELEUM TECHNOLOGY SOLUTIONS SDN. BHD.
  - 100% *DELEUM ROTARY SERVICES SDN. BHD.
  - 90% TURBOSERVICES SDN. BHD.
  - 70% PT OSA INDUSTRIES INDONESIA
  - 60% DELEUM TECHNOLOGY SOLUTIONS SDN. BHD.
  - 51% PENAGA DRESSER SDN. BHD.
  - 49% DELEUM SERVICES (SARAWAK) SDN. BHD.
  - 49% DELEUM SERVICES (SABAH) SDN. BHD.
  - 49% DELEUM OILFIELD SOLUTIONS (THAILAND) CO. LTD.
  - 32% MALAYSIAN MUD AND CHEMICALS SDN. BHD.
- 100% DEFLOW SOLUTIONS SDN. BHD.
- 80.55% TURBOSERVICES OVERHAUL SDN. BHD.

Subsidiary
Associate
Joint Venture

* In Members' Voluntary Liquidation

Profiles of Directors

Tan Sri Dato' Seri Shamsul Azhar bin Abbas

Independent Non-Executive Chairman

Gender **Male** | Age **73** | Nationality

Board Committees
None

Tan Sri Dato' Seri Shamsul Azhar bin Abbas was appointed to the Board on 9 June 2022.

He joined Petroliam Nasional Berhad ("PETRONAS") in 1975 and served in various capacities during his 40 years tenure with the organisation including his last held position as President and Chief Executive Officer of PETRONAS from 2010 to 2015.

During the tenure of his leadership, he guided PETRONAS in undertaking strategic landmark projects (both for PETRONAS and Malaysia), such as the Pengerang Integrated Refinery and Petrochemical Project (RAPID), the Bintulu Train 9 project, the construction of 2 PETRONAS Floating Liquefied Natural Gas (LNG) facilities and Malaysia's first Regasification terminal in Malacca.

He was the President/Chief Executive Officer of MISC Berhad from 1 July 2004 until 31 December 2008 and was its Chairman from February 2010 to August 2011. He also served as Pro-Chancellor of Universiti Teknologi PETRONAS, a member of the Board of Trustees of the Razak School of Government and the Chairman of the National Trust Fund of Malaysia. He was the Chairman of MMC Corporation Berhad and MMC Ports Holdings Sdn. Bhd. from 16 July 2015 to 31 August 2020. He retired as the Chairman of Sapura Energy Berhad on 7 May 2022.

Other than the Company, he is also a Senior Independent Non-Executive Director of Enra Group Berhad.

He has no conflicts of interest or potential conflict of interest, including any interest in any competing business with Deleum Berhad or its subsidiaries. He has no family relationship with any Director and/or major shareholder of the Group. Additionally, he has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years, nor has he been subject to any public sanctions or penalties imposed by relevant regulatory bodies during the year.

He attended all thirteen (13) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2025.

Datuk Vivekananthan a/l M.V. Nathan

Non-Independent Non-Executive Deputy Chairman

Gender **Male** | Age **84** | Nationality

Board Committees
Board Risk and Investment Committee

Datuk Vivekananthan a/l M.V. Nathan was appointed to the Board on 21 December 2005. He is one of the co-founders of Deleum Services.

He joined ESSO Malaysia in the Instrumentation and Electrical Engineering Services Department in 1962 and undertook assignments at ESSO refineries in Malaysia and Thailand. He then worked for Mobil Refinery, Singapore and subsequently was the Project Engineer with Avery Laurence (S) Pte. Ltd. on various first ever offshore projects in Brunei, Thailand and Indonesia. He had also attended training with Yokogawa Electric Works in Japan. He later joined Teledyne Inc. and was based in USA for training in management before being promoted as Marketing Director of its Far East Operations.

In 1982, together with his founding partners, Datuk Vivekananthan successfully spearheaded Deleum Services' venture into the oil and gas industry. He was appointed as the Managing Director and later re-designated as President of Deleum Services. He was the Deputy Executive Chairman of Deleum Berhad until his retirement on 31 May 2010 and subsequently became the Non-Executive Deputy Chairman.

He is an Honorary Member of the Malaysian Gas Association since May 2016 after having served as its Council Member from 2004 until May 2016. Previously, he also served as a Director of Malaysian Philharmonic Orchestra and a member of the Board of Trustees of Dewan Filharmonik PETRONAS since November 2014 until his resignation on 15 July 2022.

Other than the Company, he is not a Director of any other public company or listed issuer.

He has no conflicts of interest or potential conflict of interest, including any interest in any competing business with Deleum Berhad or its subsidiaries. He has a family relationship with Mr. Kathirithamby Sivasankar, who is his cousin and serves as his alternate director. Other than this, he has no family relationship with any other Director and/or major shareholder of the Group. Additionally, he has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years, nor has he been subject to any public sanctions or penalties imposed by relevant regulatory bodies during the year.

He attended twelve (12) of the thirteen (13) Board of Directors' meetings of the Company held during the financial year ended 31 December 2025.

Profiles of Directors

Ramanrao bin Abdullah

Group Chief Executive Officer

Gender **Male** | Age **62** | Nationality

Board Committees
None

Mr. Ramanrao bin Abdullah was appointed as Group Chief Executive Officer of Deleum on 1 July 2021 and appointed as Director to the Board on 8 July 2021.

He holds a Bachelor of Accounting from University of Malaya and a Master in Business Administration from University of Leicester, United Kingdom. He is a member of the Institute of Chartered Accountants in England and Wales (ICAEW).

Mr. Ramanrao has built a career in the oil and gas industry spanning more than 31 years, all of which have been with Halliburton. His various roles in the company included those in the Finance, Business Development and Operation workstreams before assuming the position of Chief Executive Officer of Halliburton Asia Pacific in 2014. Following this, he was appointed to a newly created role as Vice President of Business Development for Asia Pacific and Asian National Oil Companies for their Global Operations in 2018.

Prior to his career in the energy sector, he was a practicing accountant in an audit firm in Bath, England for six years.

A leading figure in the industry, Mr. Ramanrao previously served on the Research Advisory Council (RAC) of Universiti Teknologi PETRONAS (UTP) and continues his association with the university as an Adjunct Lecturer since 2019. He previously also served as a member of the Advisory Council for Society of Petroleum Engineers (SPE) Asia Pacific.

Mr. Ramanrao also currently serves as a Council Member of Malaysian Gas Association (MGA), an Executive Committee Member of the International Petroleum Technology Conference (IPTC) 2027 and an Advisory Committee Member for Offshore Technology Conference (OTC) Asia 2026.

Mr. Ramanrao's extensive experience in both the corporate and regulatory framework of the oil and gas industry, not just in Malaysia and regionally but also globally, as well as his training as a chartered accountant, has equipped him with a comprehensive range of diverse competencies relevant to this sector.

Other than the Company, he is not a Director of any other public company or listed issuer.

Mr. Ramanrao is the father of Zoena binti Raman Rao and Reshad Rao bin Ramanrao, major shareholders of the Company. He has no conflicts of interest or potential conflict of interest, including any interest in any competing business with Deleum Berhad or its subsidiaries. Additionally, he has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years, nor has he been subject to any public sanctions or penalties imposed by relevant regulatory bodies during the year.

He attended all thirteen (13) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2025.

Lee Yoke Khai

Senior Independent Non-Executive Director

Gender **Male** | Age **68** | Nationality

Board Committees
Board Risk and Investment Committee (Chairman); Joint Remuneration and Nomination Committee; Audit Committee

Mr. Lee Yoke Khai was appointed to the Board on 15 March 2019.

He is a Fellow of the Institute of Chartered Accountants Australia and a member of the Malaysian Institute of Accountants and Malaysian Association of Certified Public Accountants.

He holds a Bachelor of Economics (Accounting) from Monash University, Australia. Mr. Lee started his career with Price Waterhouse Melbourne, Australia as an Audit Assistant in 1978 and joined Price Waterhouse Malaysia (currently known as PricewaterhouseCoopers PLT) ("PwC") in 1981. He was an Audit Partner of PwC from 1991 until his retirement in 2018.

During his tenure with PwC, he was the partner responsible for the East Malaysian practice, and involved in the listing of various companies on Bursa Malaysia Securities Berhad. He was the Risk Management Partner in 2006 until 2012, responsible for the overall risk management strategy for the firm. In 2012, he was elected to the Oversight Board with oversight over the management of the firm and served until 2016.

Mr. Lee was also the Leader of the Technology group and Emerging Markets group during his career with PwC. In 1999, he was appointed Leader of the Global Risk Management unit for Malaysia and led a number of significant assignments in risk management and internal audit for large corporations.

Mr. Lee has extensive experience within the audit profession covering a wide range of industrial and commercial operations in Malaysia and Australia. He served as an Engagement Leader on large multinational corporations in various sectors including plantations, upstream and downstream oil and gas, information technology, construction and property development, manufacturing and services industries. In addition, he has experience in investigations, share valuations and due diligence.

Other than the Company, he is not a Director of any other public company or listed issuer.

He has no conflicts of interest or potential conflict of interest, including any interest in any competing business with Deleum Berhad or its subsidiaries. He has no family relationship with any Director and/or major shareholder of the Group. Additionally, he has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years, nor has he been subject to any public sanctions or penalties imposed by relevant regulatory bodies during the year.

He attended all thirteen (13) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2025.

Dato' Izham bin Mahmud

Non-Independent Non-Executive Director

Gender **Male** | Age **85** | Nationality

Board Committees
None

Dato' Izham bin Mahmud was appointed to the Board on 21 December 2005.

He holds a Bachelor of Science Degree (Honours) in Economics from Queen's University Belfast, UK and a Master of Arts (Economics Development) from Vanderbilt University, USA. He is one of the co-founders of Deleum Services.

Dato' Izham joined the Federal Treasury in 1965 and attained the level of Principal Assistant Secretary and was subsequently seconded to the Malacca State Development Corporation as General Manager in 1972. In 1974, he embarked on his banking career and joined Aseambankers Malaysia Berhad as General Manager and was later promoted to Managing Director in 1979, a position he held until his retirement in 1996. During this period, he served as a Director of various subsidiaries of the Maybank Group and Cagamas Berhad.

He joined Deleum Services as its Chairman upon retirement and was subsequently appointed Executive Chairman in 2000. He was the Executive Chairman of Deleum Berhad until his retirement on 31 May 2010 and subsequently became the Non-Executive Chairman, a position he held until his redesignation to Non-Independent Non-Executive Director on 1 June 2023. He previously also served on the Boards of RHB Capital Berhad, RHB Bank Berhad, Renong Berhad, Opus Berhad, AMMB Holdings Berhad and AmInvestment Bank Berhad.

Other than the Company, he is not a Director of any other public company or listed issuer.

Dato' Izham is the husband of Datin Che Bashah @ Zaiton binti Mustaffa and the father of Farid Riza Izham, Faidz Raziff Izham and Hana Sakina Izham, who are major shareholders of the Company. He has no conflicts of interest or potential conflict of interest, including any interest in any competing business with Deleum Berhad or its subsidiaries. Additionally, he has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years, nor has he been subject to any public sanctions or penalties imposed by relevant regulatory bodies during the year.

He attended twelve (12) of the thirteen (13) Board of Directors' meetings of the Company held during the financial year ended 31 December 2025.

Datuk Manharlal a/l Ratilal

Independent Non-Executive Director

Gender **Male** | Age **66** | Nationality

Board Committees
Audit Committee (Chairman); Joint Remuneration and Nomination Committee

Datuk Manharlal a/l Ratilal was appointed to the Board on 1 October 2020.

He holds a Master in Business Administration from Aston University in Birmingham, United Kingdom and a Bachelor of Arts (Honours) in Accountancy from the City of Birmingham Polytechnic (now known as Birmingham City University).

Datuk Manharlal was attached with RHB Investment Bank Berhad for 18 years, concentrating in corporate finance, where he was involved in advisory work in mergers and acquisitions, and the capital markets. He served as the Executive Vice President and Group Chief Financial Officer of PETRONAS, a member of the Board and Executive Leadership Team of PETRONAS, and sat on the boards of several subsidiaries of PETRONAS until his retirement in late 2018.

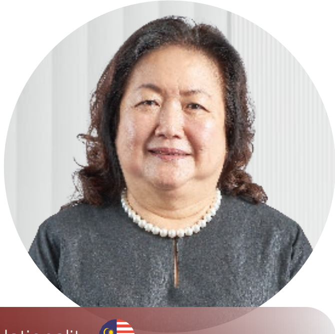
Other than the Company, he is also an Independent Non-Executive Director of Hong Leong Investment Bank Berhad, Hong Leong Bank Berhad and Genting Berhad.

He has no conflicts of interest or potential conflict of interest, including any interest in any competing business with Deleum Berhad or its subsidiaries. He has no family relationship with any Director and/or major shareholder of the Group. Additionally, he has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years, nor has he been subject to any public sanctions or penalties imposed by relevant regulatory bodies during the year.

He attended all thirteen (13) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2025.

Profiles of Directors

Datin Aisah Eden



Independent Non-Executive Director

Gender **Female** | Age **66** | Nationality

Board Committees
Joint Remuneration and Nomination Committee (Chairperson); Audit Committee; Board Risk and Investment Committee

Datin Aisah Eden was appointed to the Board on 30 June 2022.

Datin Aisah holds a Master of Business Administration in General Management from University of Exeter, United Kingdom and a Bachelor of Law (Honours) from Chelmer Institute of Higher Education (now known as Anglia Ruskin University, Essex, United Kingdom). She is a Barrister at Law. She was called to the Bar at Lincoln's Inn, London in 1986.

Datin Aisah joined Sarawak Electricity Supply Corporation ("SESCO") in 1984 and served in various leadership positions during her tenure with SESCO and Sarawak Energy Berhad. Her last held position was as an Executive Vice President, Corporate Services of Sarawak Energy Berhad from 2015 to August 2019.

During the tenure of her leadership, she led and drove Sarawak Energy Berhad's focus on the social and environmental impact of hydro power development towards the global best practices viz the International Hydropower Association Sustainability Assessment Protocol. She also served as the Deputy President of the United Nations Global Compact Malaysia Steering Committee from 2018 to June 2019.

Over the span of 35 years' service with SESCO and Sarawak Energy Berhad, Datin Aisah has gained extensive corporate experience covering a wide range of board, corporate-legal, strategic human resource, retail, shared services, sustainability, corporate social responsibility (CSR), government relations, managing brand and reputation.

Other than the Company, she is not a Director of any other public company or listed issuer.

She has no conflicts of interest or potential conflict of interest, including any interest in any competing business with Deleum Berhad or its subsidiaries. She has no family relationship with any Director and/or major shareholder of the Group. Additionally, she has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years, nor has she been imposed to any public sanctions or penalties by relevant regulatory bodies during the year.

She attended all thirteen (13) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2025.

Syed Feizal bin Syed Mohammad

Independent Non-Executive Director

Gender **Male** | Age **61** | Nationality

Board Committees
None

Tn. Syed Feizal bin Syed Mohammad was appointed to the Board on 17 March 2026.

He holds a Master of Business Administration from Charles Sturt University, Australia, and a Bachelor of Science in Electrical Engineering from the University of Nebraska–Lincoln, USA. He has also obtained a Certificate in Climate Finance from the CFA Institute, USA.

Tn. Syed Feizal began his career with TECHNIP Malaysia in 1988 and served the organisation for over 27 years until 2015. Throughout his tenure, he held various technical and leadership positions, with his last position as Senior Vice President, Malaysia.

Subsequently, he served as Chief Executive Officer and Board Member of MMC Engineering Group Berhad and BIV Global (M) Sdn. Bhd. from 2016 to 2019, where he led major infrastructure and power initiatives, including the 1,200 MW cogeneration project for PETRONAS RAPID Johor, MRT1 in transport and Langat Water Project in water supply.

Thereafter, he expanded his international exposure by serving as Asia Special Representative at Fleet Energy Inc. from February 2019 to January 2020, an independent global trading company involved in crude oil, refined products, LNG and petrochemicals, with operations in Dubai, Cairo and Russia. Thereafter, he was appointed as Executive Director and Board Member of IBC Industrial Co., Ltd., Thailand from July 2020 to February 2021, where he played a key role in supporting the company's planned expansion into Malaysia particularly in onshore gas pipeline and industrial plant construction.

He was later appointed as Group Chief Executive Officer of MSM Malaysia Holdings Berhad, a position he held from February 2021 until his resignation on 3 July 2025, where he was responsible for the Group's overall strategic direction, transformation and turnaround in financial performance and operations.

He currently serves as Senior Advisor and Director of Consolidated Food Group (M) Sdn. Bhd., as well as Senior Advisor at Alvarez & Marsal (SE Asia) Pte. Ltd., a leading business and financial global consulting group.

Other than the Company, he is not a Director of any other public company or listed issuer.

He has no conflicts of interest or potential conflict of interest, including any interest in any competing business with Deleum Berhad or its subsidiaries. He has no family relationship with any Director and/or major shareholder of the Group. Additionally, he has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years, nor has he been subject to any public sanctions or penalties imposed by relevant regulatory bodies during the year.

Kathirithamby Sivasankar

Alternate Director to Datuk Vivekananthan a/l M.V. Nathan

Gender **Male** | Age **74** | Nationality

Board Committees
None

Mr. Kathirithamby Sivasankar ("Mr. Siva") has been appointed as an Alternate Director to Datuk Vivekananthan a/l M.V. Nathan on 2 January 2025.

Mr. Siva holds a Bachelor of Commerce degree from the University of Melbourne. He is both a Chartered Accountant and a Certified Public Accountant, with over 25 years of global leadership experience in risk management within publicly listed and multinational companies. He is renowned for developing robust risk management models that enhance shareholder value and strengthen corporate governance.

During his 15-year tenure with Ernst & Young, spanning Australia, Asia, and the United Kingdom, Mr. Siva gained extensive expertise in audit, management consultancy, change management, and business recovery. He is recognised as an industry leader in Business Continuity Planning, equipping companies to proactively manage crises, build resilience, and safeguard earnings and brand value.

Mr. Siva participates as a public policy advocate, influencing political, economic, and social reforms to promote equity and social justice.

He has no conflicts of interest or potential conflict of interest, including any interest in any competing business with Deleum Berhad or its subsidiaries. He has a family relationship with Datuk Vivekananthan a/l M.V. Nathan, who is his cousin and for whom he serves as Alternate Director. Other than this, he has no family relationship with any other Director and/or major shareholder of the Group. Additionally, he has not been convicted of any offences (other than traffic offences, if any) within the past five (5) years, nor has he been subject to any public sanctions or penalties imposed by relevant regulatory bodies during the year.

He attended three (3) Board of Directors' meetings of the Company held during the financial year ended 31 December 2025, upon invitation by the Board.

Profiles of Key Senior Management

Jayanthi a/p Gunaratnam
Group Chief Financial Officer

Gender **Female** | Age **53** | Nationality

Date of Appointment:
1 January 2015

Academic/Professional Qualifications:
- Bachelor of Accountancy (Honours), Universiti Utara Malaysia
- Member of Malaysian Institute of Accountants (MIA)

Working Experience:
- Joined Deleum in 2001, and has held various positions, the last being General Manager of Finance, Administration and Procurement.

Azman bin Jemaat @ Hassan
Chief Executive Officer
Penaga Dresser Sdn. Bhd.

Gender **Male** | Age **59** | Nationality

Date of Appointment:
1 March 2018

Academic/Professional Qualifications:
- Bachelor of Mechanical Engineering, University of Wollongong, Australia

Working Experience:
- Joined Penaga Dresser Sdn. Bhd. in 2013 as General Manager and the last position held was the Chief Operating Officer of Penaga Dresser Sdn. Bhd.

Mohammad Kamal bin Md Yosof
Chief Executive Officer
Deleum Technology Solutions Sdn. Bhd.

Gender **Male** | Age **60** | Nationality

Date of Appointment:
1 July 2022

Academic/Professional Qualifications:
- Bachelor of Civil Engineering, Southern Illinois University, USA

Working Experience:
- Joined Deleum Technology Solutions Sdn. Bhd. in 2021 as Chief Operating Officer.
- Prior to joining Deleum Technology Solutions Sdn. Bhd., he had more than 30 years working experience in Oil & Gas industry.

Zamani bin Abd Ghani
Chief Executive Officer
Deleum Services Sdn. Bhd.

Gender **Male** | Age **54** | Nationality

Date of Appointment:
4 June 2024

Academic/Professional Qualifications:
- Bachelor of Engineering (Mechanical), University of Wollongong, Australia

Working Experience:
- Joined Deleum Services Sdn. Bhd. on 4 June 2024 as Chief Executive Officer.
- Prior to joining Deleum Services Sdn. Bhd., he served as the Chief Executive Officer at OGPC Sdn. Bhd.

Sheikh Muzafar Shahrizan bin Mustafah

Chief Executive Officer
Deleum Oilfield Services Sdn. Bhd.

Gender **Male** | Age **49** | Nationality

Date of Appointment:
26 May 2025

Academic/Professional Qualifications:
- Master in Business Administration, Putra Business School, University Putra Malaysia
- Bachelor of Electrical Engineering - Mechatronics, University Technology Malaysia

Working Experience:
- Joined Deleum Oilfield Services Sdn. Bhd. on 26 May 2025 as Chief Executive Officer.
- Prior to joining Deleum Oilfield Services Sdn. Bhd., he had 24 years of international and domestic upstream oil and gas experience, served as Chief Strategy Officer at Neu Dimension Sdn. Bhd. overseeing Slickline, Eline, Coiled Tubing, and related services, and worked with global companies including Schlumberger across the Middle East, Europe, and Asia.

Agung Cahyono

Chief Executive Officer
PT OSA Industries Indonesia

Gender **Male** | Age **54** | Nationality

Date of Appointment:
1 July 2025

Academic/Professional Qualifications:
- Bachelor of Engineering in Electronics Engineering, Institute Technology of Sepuluh November (ITS), Indonesia

Working Experience:
- Joined PT OSA Industries Indonesia on 1 July 2025 as Chief Executive Officer.
- Prior to joining PT OSA Industries Indonesia, he held senior leadership positions at several reputable organisations, including Schlumberger Oilfield Services, PT Elnusa Drilling Services, PT Chartered Oiltech Indonesia (DOJO – Dahana Oiltech Join Operation), PT Perforindo Teknika Nusantara (Owen Oil Tools-Indonesia), PT Truelogs Geo Energi, and most recently, TGT Diagnostics Sdn. Bhd.

Suliana binti Rosli

Senior General Manager - Group Corporate Services/ Company Secretary

Gender **Female** | Age **51** | Nationality

Date of Appointment:
7 November 2022

Academic/Professional Qualifications:
- Bachelor of Laws, University of Hull, United Kingdom
- Associate Member of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)

Working Experience:
- Joined Deleum in 2022 as General Manager - Group Corporate Services.
- Prior to joining Deleum, she served as the Senior Legal Manager and Company Secretary for HSS Engineers Berhad.

Save as disclosed, none of the Key Senior Management members above have:
- Any directorship in public companies and listed issuers in Malaysia.
- Any family relationship with any Director and/or major shareholder of Deleum Berhad.
- Any conflict of interest or potential conflict of interest, including any interest in any competing business with Deleum Berhad or its subsidiaries.
- Any conviction for any offences (other than traffic offences, if any) within the past five (5) years.
- Any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year 2025.

Message from the Chairman

Dear Valued Shareholders,

On behalf of the Board, I am pleased to present Deleum Berhad's Annual Report for the financial year ended 31 December 2025 ("FY2025").

FY2025 was marked by steady operational delivery amidst a measured and cautious industry environment. Oil prices remained moderate for much of the year, although geopolitical developments and supply-side pressures led to heightened volatility and a sharp increase in prices toward the end of the period and into early 2026. Global economic uncertainty also continued to influence operating conditions across the sector. Despite these challenges, the Group sustained its performance through disciplined execution, effective coordination across business units and a continued emphasis on service reliability. These efforts underscore the Group's commitment to supporting our customers' operational requirements while navigating evolving market, regulatory and industry dynamics.

FINANCIAL PERFORMANCE

Within this operating environment, the Group remained focused on disciplined execution across its scope of work. For FY2025, the Group recorded revenue of RM 997.1 million, representing an increase of 9.9% compared with RM907.5 million in the previous year. Profit attributable to equity holders of the Company stood at RM71.1 million, a decrease of 4.1% from RM74.2 million in FY2024. Despite higher gross profit in line with an increase in revenue, the overall results were lower mainly due to higher operating expenses with the inclusion of PT OSA Industries expenses upon acquisition by the Group during the year, and net foreign exchange losses coupled with lower contribution from our associate company.

Performance during the year was supported by sustained activity levels and continued contributions from both the Power and Machinery ("P&M") and Oilfield Integrated Services ("OIS") segments. Further details on segmental performance are set out in the Management Discussion and Analysis section of this Annual Report.

As at 31 December 2025, the Group maintained a sound financial position, with shareholders' equity of RM496.3 million and cash balances of RM242.2 million, providing a stable foundation to support ongoing operations and future commitments.

DIVIDENDS

Deleum remains mindful of the importance of delivering steady returns to shareholders while preserving financial flexibility required to support the Group's long-term strategy. For FY2025, a total dividend of 9.30 sen per share was declared and paid, comprising a first interim dividend of 4.00 sen per share paid on 30 September 2025, followed by a second interim dividend of 5.30 sen per share paid on 30 March 2026.

The total dividend distribution for the year amounted to RM37.3 million, representing a payout ratio of 52.5%, surpassing the Group's dividend policy of 50%.

SYNERGY IN MOTION: ADVANCING CAPABILITY, CULTURE AND GOVERNANCE

During the year, the Group continued to strengthen its service capabilities, supported by the adoption of technologies that enhance operational efficiency and enable greater collaboration. In line with our Annual Report theme, *Synergy in Motion,* the Group deepened cross segment coordination, leveraged shared expertise, and fostered stronger integration across its operational teams. These efforts have enabled the Group to deliver consistent value to customers while improving internal effectiveness and execution.

Tan Sri Dato' Seri Shamsul Azhar bin Abbas
Chairman

Developing a capable and future ready workforce remained an important focus during the year, as the Group continued to invest in employee capability and leadership development to support reliable and consistent service delivery. Governance also remained central to the Group's approach, with continued enhancements to transparency, accountability and compliance through strengthened risk management practices, reinforced internal controls and enhanced alignment with Bursa Malaysia's sustainability reporting requirements. Throughout the year, all decisions continued to be guided by the Group's Code of Business Conduct and core ethical values.

Safety remained a key emphasis across all operations. In FY2025, the Group achieved 9.21 million manhours without a Lost Time Injury ("LTI"), equivalent to 1,399 LTI free days, underscoring the effectiveness of its safety management systems and the collective vigilance demonstrated across the workforce. Several external recognitions further reinforced the Group's commitment to maintaining high safety standards and operational integrity.

Operational delivery progressed steadily across all business units, supported by stable demand, disciplined project management and close coordination with customers. The Group remained focused on reliability, efficiency and execution excellence, ensuring that contractual obligations were fulfilled and customer operations were supported effectively throughout the year.

Regionally, the Group's operations in Indonesia continued to perform in line with expectations, contributing positively to both revenue and profitability. This progress further strengthened Deleum' s presence in the Southeast Asian market and supported the Group's broader regional growth aspirations. Further details of the Group's operational performance are set out in the Management Discussion and Analysis section of this Annual Report.

AWARDS AND RECOGNITION

During the year, the Group received several external recognitions that reflect its continued emphasis on strong governance, operational discipline, and sustainable value creation. Deleum was recognised at the National Corporate Governance and Sustainability Awards (NACGSA) 2025, placing among Malaysia's Top 50 public listed companies and accorded an Overall Excellence recognition, supported by a four-star rating across assessment categories.

The Group was also recognised at The Edge Malaysia Centurion Club Corporate Awards 2025, where it was named Centurion of the Year, becoming the first energy company to receive this honour among public listed companies with a market capitalisation below RM1 billion. Additional awards for Highest Growth in Profit After Tax Over Three Years and Highest Return to Shareholders Over Three Years further underscore the Group's ability to deliver sustained performance and long-term shareholder value.

OUTLOOK FOR FY2026

The oil and gas industry is expected to remain stable yet competitive, albeit within a more volatile operating environment. Oil prices have spiked entering FY2026, influenced by tighter supply conditions and ongoing geopolitical developments, which continue to contribute to heightened market uncertainty. In this environment, disciplined cost management, operational efficiency and service quality will remain critical. Against this backdrop, the Group will continue to focus on innovation and cost optimisation, while strengthening its regional presence through strategic partnerships. At the same time, we will further integrate sustainability considerations across our operations to meet evolving stakeholder expectations and regulatory requirements.

APPRECIATION

On behalf of the Board of Directors, I extend our sincere appreciation to all our stakeholders. To our shareholders, thank you for your continued support and confidence in Deleum. To the Management team and leaders, FY2025 presented meaningful challenges, and I thank you for your commitment and leadership in delivering on our obligations to customers.

To our employees, thank you for your professionalism, dedication and continued emphasis on safety and operational excellence which remain fundamental to the Group.

I would also like to record my appreciation to my fellow Board members for their guidance, counsel and continued support over the year. In this regard, I would like to welcome Tn. Syed Feizal bin Syed Mohammad, who joined the Board as an Independent Non-Executive Director subsequent to the financial year. I look forward to his contributions and insights as part of the Board.

The Board would also like to record its appreciation to En. Ainul Azhar bin Ainul Jamal, who resigned on 30 November 2025. We thank him for his valuable contributions, guidance and dedicated service to the Board throughout his tenure.

As we look ahead, I remain confident in the Group's strategic direction, supported by the strength of our people and guided by our long-term commitment to enhance operational capabilities, develop innovative solutions and deliver enduring value for all our stakeholders

Yours sincerely,

Tan Sri Dato' Seri Shamsul Azhar bin Abbas
Chairman
31 March 2026

Management Discussion and Analysis

INTRODUCTION

The global oil and gas industry experienced a year of relative stability in 2025, with Brent crude prices fluctuating between USD59 and USD82 per barrel amidst uneven global economic recovery, supply adjustments by OPEC+ and broader market uncertainty. Despite these conditions, overall industry activity levels in the region remained relatively steady.

Industry investment during the year continued to be directed primarily towards sustaining production reliability, asset integrity and operational continuity. Operators generally maintained prudent capital discipline, with expenditure focused on essential maintenance activities and brownfield developments. Ongoing efforts to enhance operational efficiency, including the increased adoption of digital tools and automation, were observed across the industry as part of routine asset and workforce management practices.

Considerations relating to emissions management and the longer-term energy transition remained part of industry planning in 2025. Continued emphasis on natural gas and LNG as key components of the energy mix supported steady demand for associated upstream and support services. Investments in lower-emission and decarbonisation-related initiatives progressed selectively and remained measured.

In Malaysia, the operating landscape remained favourable throughout the year. The industry continued to benefit from sustained capital expenditure by major operators, ongoing development and maintenance programmes, and continued demand for integrated oilfield services.

Overall, these conditions provided a stable and supportive backdrop for the Group's operations during the year, enabling it to maintain operational focus and execute its activities within a consistent industry environment.

OVERVIEW OF OPERATIONS

Deleum continues to strengthen its position within Malaysia's oil and gas landscape by delivering reliable, fit-for-purpose solutions that meet the evolving operational needs of its customers. With more than four decades of industry experience, the Group's reputation is built on strong technical capability, consistent service quality, and a proven track record of disciplined execution. These core strengths remain fundamental to fostering long-term partnerships and sustaining customer trust.

The Group's operations continue to be anchored by its two core business segments: Power and Machinery ("P&M") and Oilfield Integrated Services ("OIS"). Both segments play an integral role in supporting customer requirements across the value chain, contributing to the Group's operational performance and long-term resilience. Further details on the performance of each segment are presented in the respective sections of this report.

During the year, the Group achieved a significant strategic milestone with the acquisition of a 70% equity interest in PT OSA Industries Indonesia, expanding its presence within Southeast Asia and strengthening its valve maintenance and aftermarket capabilities. The acquisition also enhances the Group's ability to support customers operating across the region, while positioning it to capture future growth opportunities.

The Group continued to advance its digitalisation efforts following the implementation of the Enterprise Resource Planning system and the Deleum Integrated Management System. These platforms have supported improvements in process efficiency, quality assurance and governance controls, while enabling greater collaboration across business units.

Overall, the Group remained operationally resilient throughout FY2025, supported by ongoing project activities, long-term service agreements and steady customer demand for integrated maintenance and well services. As Deleum progresses into FY2026, the Group will remain focused on driving operational excellence, maintaining disciplined execution and strengthening its regional capabilities to support sustainable growth.

FINANCIAL INDICATORS

Deleum recorded revenue of RM997.1 million for the financial year under review, representing a 9.9% increase from RM907.5 million in the previous financial year. The growth was driven by steady contributions from the P&M segment, complemented by stronger performance from the OIS segment.

Profit attributable to equity holders for FY2025 declined marginally by 4.1% to RM71.1 million compared to RM74.2 million previously, mainly due to higher operating expenses arising from the consolidation of PT OSA Industries Indonesia following its acquisition by the Group during the year, net foreign exchange losses and lower contributions from an associate company. These factors offset the higher gross profit achieved in line with increased revenue.

The Group's joint venture, Turboservices Overhaul Sdn. Bhd., which undertakes gas turbine overhaul and repair works, recorded a higher year-on-year contribution, supported by improved gross margins. Meanwhile, the Group's share of results from its associate, Malaysian Mud and Chemicals Sdn. Bhd. declined by 37.0% to RM3.9 million from RM6.2 million in the prior year, following lower throughput in its liquid mud and dry bulk business.

LIQUIDITY AND CAPITAL RESOURCES

The Group generated a strong operating cash inflow of RM132.9 million in FY2025, lifting its cash balance to RM242.2 million as at 31 December 2025, compared to RM199.3 million previously.

The healthy cash position enhances the Group's financial flexibility, enabling it to support ongoing operations, meet working capital requirements, and pursue strategic growth opportunities as they arise.

GEARING RATIO

The Group's gearing ratio increased to 7.7% in FY2025, from 3.3% in the previous financial year, primarily due to the drawdown of bank borrowings during the financial year.

Despite the increase, Deleum continues to adopt a prudent approach to financial management and capital structure, maintaining a strong balance sheet and preserving financial resilience while retaining sufficient flexibility to capitalise on growth and investment opportunities as they arise.

Comprehensive details of the Group's borrowings and their respective maturity profiles are set out in the Financial Statements for FY2025.

PERFORMANCE GUARANTEES

As at 31 December 2025, the Group has provided guarantees totalling RM61.0 million (FY2024: RM56.2 million) to third parties in respect of operating requirements, utilities, and maintenance contracts.

CAPITAL MANAGEMENT

The Group adopts a disciplined and prudent approach to capital management to ensure financial flexibility and long-term stability. Capital is managed through an appropriate mix of debt and equity, to support operational requirements, fund planned capital expenditure, meet financing obligations, pursue strategic opportunities, and deliver sustainable returns to shareholders.

The Group conducts regular reviews of its capital structure to ensure alignment with prevailing market conditions, risk appetite, and strategic priorities. Throughout FY2025, the Group maintained a healthy balance sheet, supported by disciplined cashflow management, prudent leverage, while continuing to strengthen operational efficiency and financial resilience, and preserving the capacity to pursue value-accretive opportunities.

CAPITAL COMMITMENTS AND FUNDING SOURCES

As at 31 December 2025, Deleum's total authorised capital commitments for property, plant, and equipment amounted to RM109.5 million (FY2024: RM63.2 million), of which RM38.0 million (FY2024: RM6.1 million) had been contracted for but not yet incurred.

The remaining RM71.5 million (FY2024: RM57.1 million) represents authorised but uncontracted capital expenditure, including RM0.5 million (FY2024 : RM0.9 million) attributable to the Group's share of joint venture commitment. These commitments primarily relate to general contractual requirements and the purchase of equipment to support ongoing operations.

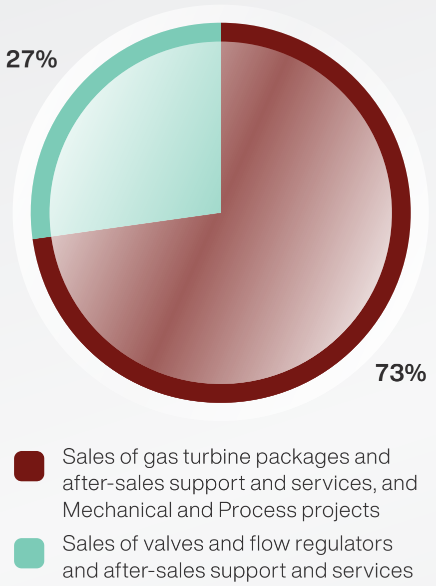
Management Discussion and Analysis

SEGMENTAL PERFORMANCE

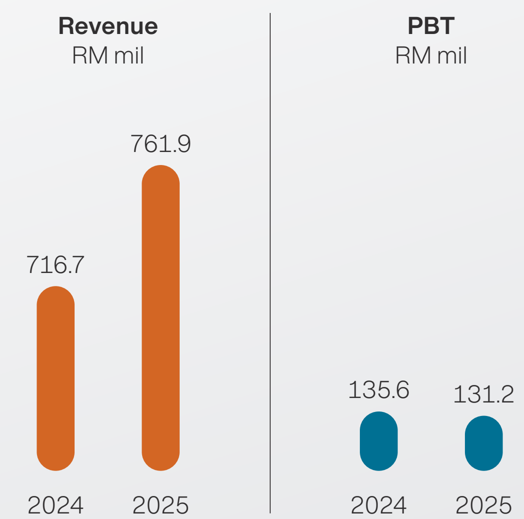
POWER AND MACHINERY ("P&M")

The P&M segment operates primarily through its key subsidiaries, namely Deleum Services Sdn. Bhd. ("DSSB"), Turboservices Sdn. Bhd. ("TSSB"), Penaga Dresser Sdn. Bhd. ("PDSB"), and PT OSA Industries Indonesia ("PT OSA").

FY2025 Revenue Breakdown



Performance Highlights



Overall segment performance

In FY2025, the P&M segment recorded a modest increase in revenue to RM761.9 million compared to RM716.7 million in the previous year. The growth was mainly driven by higher activity levels in control and safety valves and flow regulators services, increased gas turbines field service representatives' call-out activities, commission income from the Mechanical and Process business, as well as revenue contributions from PT OSA following the completion of its acquisition. This was partially offset by lower sales of turbine parts and repairs, exchange engines and commission income from gas turbines sales. Despite achieving higher gross profit in line with revenue growth, segment profitability declined marginally by 3.2% to RM131.2 million (FY2024: RM135.6 million). The lower profit was mainly attributable to higher operating expenses from PT OSA commensurate with its revenue contribution, net foreign exchange losses, fair value losses on forward foreign currency exchange contracts and amortisation of intangible assets during the year.

DSSB's activities during the year were supported by recurring sales and project-based deliveries. The business secured new equipment orders under its existing Global Frame Agreement for various offshore development programmes. A key milestone was the receipt of orders for Solar Turbines' Titan 250 gas turbine packages, which are planned for future delivery under an ongoing development initiative. These orders represent an expansion of DSSB's capability into higher-capacity turbine models and strengthen its long-term service and maintenance opportunities. In addition, DSSB delivered three units of Printed Circuit Heat Exchangers and secured orders for two additional units scheduled for delivery in FY2026. Revenue contribution from multiphase pump technology remained minimal during the year; however, several proposals are currently under customer evaluation, with conversion timelines typically extending beyond one year.

TSSB continued to strengthen its position as a preferred provider of gas turbine maintenance and aftermarket services. During the year, the business secured multiple long term service agreements with domestic and regional operators, reflecting sustained confidence in its technical capability, service reliability and experience in supporting critical rotating equipment. Throughout FY2025, TSSB executed a wide scope of maintenance, overhaul and upgrade activities, including control system retrofits and turbine package installation at upstream facilities. The delivery of 34 exchange engines during the year underscores continued demand for lifecycle maintenance support. Supply chain constraints, particularly extended lead times for OEM components and spare parts, remained a challenge. These risks were effectively managed through early procurement planning, close coordination with principals and proactive engagement with customers to manage schedules effectively.

PDSB recorded a strong performance during the year, driven by increased aftermarket activity, particularly during major turnaround programmes undertaken by large end users. Higher demand for control valve and safety valve servicing across both upstream and downstream facilities contributed to the improvement in results. During the year, PDSB secured a three-plus-two year Integrated Valve Maintenance Contract, further strengthening its portfolio of recurring service arrangements. The business also supported several turnaround campaigns in Sarawak and commenced preparatory works for a major downstream turnaround scheduled for 2026 in Pengerang, including the supply of valves, spare parts, and servicing support.

To support future growth, PDSB continued to expand its product and service capabilities to encompass a broader range of valve types, including ball, gate, and butterfly valves, as well as pipeline components such as pipes and fittings. These initiatives enhance its ability to deliver a more comprehensive suite of solutions, strengthening its competitiveness in both maintenance and replacement markets. Competitive pressure remained particularly intense in the commodity valve segment due to the presence of multiple local suppliers. PDSB addressed these challenges through differentiated technical proposals, strengthened customer engagement and consistent delivery reliability.

PT OSA contributed positively to the P&M segment following its consolidation into the Group. The company is an established valve solutions provider with operations based in Cikarang, Indonesia, supported by a total workforce of over 90 personnel. Its core activities include valve supply, servicing and maintenance, supported by certified repair and reconditioning capabilities. PT OSA holds ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certifications, together with the necessary industry authorisations to undertake approved valve repair and certification works. These credentials reinforce its technical credibility and strengthen the Group's regional service capabilities.

The business maintains a strong market presence in Indonesia with an estimated 11% share of the control valve segment and approximately 5% in pressure relief valves. Its operational scale, established customer base, and technical capabilities broaden the Group's regional reach while complementing PDSB's service offerings. The integration of PT OSA enhances cross-border technical collaboration, strengthens the Group's valve maintenance capabilities across Southeast Asia and supports the expansion of recurring aftermarket service opportunities within the region.

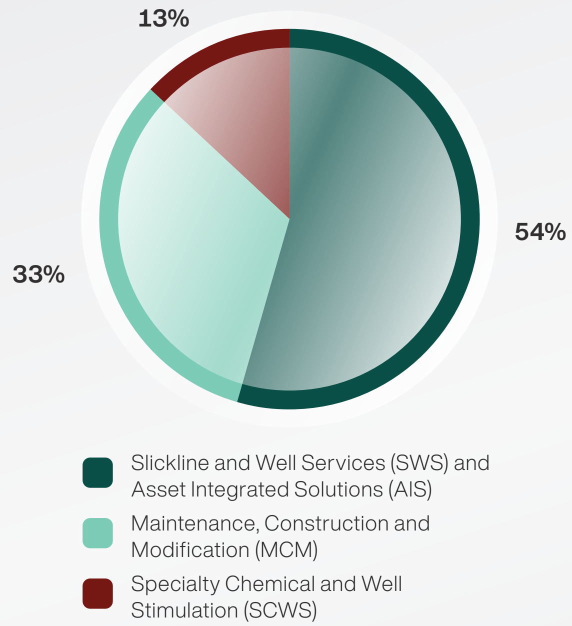
Order Book and Tender Book

As at 31 December 2025, the segment's order book stood at RM1,657.3 million, with a tender book of RM424.3 million, providing healthy revenue visibility for the upcoming periods.

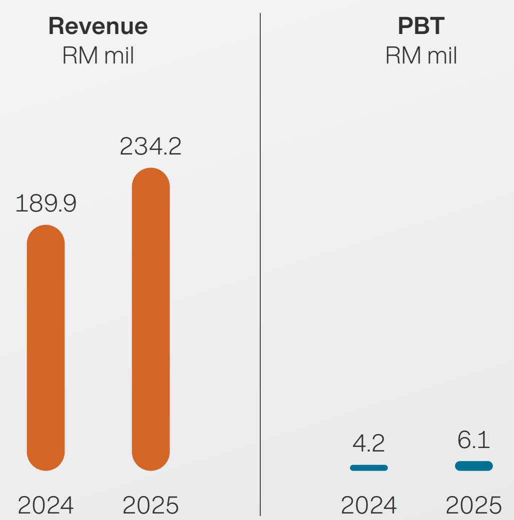
OILFIELD INTEGRATED SERVICES ("OIS")

The OIS segment operates principally through its core subsidiaries — Deleum Oilfield Services Sdn. Bhd. ("DOSSB"), Deleum Chemicals Sdn. Bhd. ("DCSB"), and Deleum Technology Solutions Sdn. Bhd. ("DTSSB").

FY2025 Revenue Breakdown



Performance Highlights



Management Discussion and Analysis

Overall segment performance

Revenue for the OIS segment increased by 23.4% to RM234.2 million, compared with RM189.9 million in the previous year. In line with the stronger top-line performance, PBT rose by 47.0% to RM6.1 million (FY2024: RM4.2 million).

The improved performance was driven by higher activity levels across Maintenance, Construction, and Modification ("MCM") projects, specialty chemicals and well stimulation services, as well as increased slickline operations in both East and West Malaysia.

The segment's growth in FY2025 reflects sustained momentum built over recent years, with several business units transitioning from the planning stage into execution and scaling phases.

DOSSB recorded higher activity levels, supported by new contract awards and recurring well intervention services. During the year, six new slickline contracts were secured across various operators, alongside extensions for selected existing scopes.

The unit also expanded its service offerings through the introduction of SEDaR™, which digitalises slickline operations via real-time data transmission, enhancing job visibility and operational decision-making. In addition, the deployment of braided line services and the Energen Box, a portable hydrogen-assisted power solution designed to improve energy efficiency during well intervention activities, further strengthened operational capabilities and broadened the service portfolio.

Activity levels for Asset Integrated Solutions ("AIS") remained stable during the year, although certain scopes were impacted by operatorship transitions across selected upstream assets. Notwithstanding these developments, AIS continued to support customers through cased-hole logging, well intervention and subsurface services. Service delivery was further enhanced through the integration of SEDaR™ digital data capabilities, improving operational coordination and execution efficiency.

Solid Control operations remained active throughout the year, with performance reflecting the prevailing industry dynamics of rig availability and the utilisation of existing onboard equipment. During the period, proactive equipment change-outs were undertaken to strengthen operational readiness. The unit continued supplying shaker screens to both service providers and end users, positioning the business to respond efficiently to an anticipated increase in rig activity and utilisation levels.

The Specialty Chemical and Well Stimulation ("SCWS") unit provides a comprehensive suite of chemical and well stimulation solutions that support production enhancement, flow assurance, pipeline and tank cleaning, well pumping, as well as analysis and consultancy services. The Group's in-house research and development facility continues to drive innovation in new chemical formulations enabling the unit to respond effectively to evolving customer requirements.

Waste management treatment activities recorded significant growth during the year, with solid control waste processing volumes increasing substantially. Monthly throughput expanded from approximately 50m^3 at pilot skid stage to over 1,000 m^3 per month at current operating levels, reflecting successful scale-up and operational stabilisation. DCSB further expanded its operational footprint in East Malaysia, securing additional opportunities in Sarawak, while continuing to explore potential entry into selected regional markets.

DCSB further strengthened its technology portfolio through its partnership with PETRONAS Technology Ventures for the commercialisation of SolidClenz™, enabling broader deployment across Southeast Asia and the Middle East. In parallel, the unit commenced research and development efforts focused on flow assurance solutions for high pourpoint crude systems, expanding the longer-term innovation pipeline. Strategic initiatives during the year included capacity expansion, operational readiness for higher volume activities and the establishment of a more structured operating platform to support opportunities within the production chemicals market.

DTSSB continued to advance its MCM activities throughout FY2025, focusing on operational delivery under its multi year contract portfolio.

The unit made steady progress across ongoing work scopes, supported by strengthened project planning, improved workflow coordination and the mobilisation of dedicated resources across project locations, including the deployment of skilled local talent to fulfil contract obligations efficiently. The establishment of regional facilities further enhanced responsiveness to operational requirements, while the integration of digital tools improved job visibility, progress monitoring and field coordination. These initiatives position DTSSB to effectively manage the increasing volume of MCM activities, with a continued emphasis on safety, quality and timely execution.

Order Book and Tender Book

As at 31 December 2025, the OIS segment's order book and tender book amounted to RM855.9 million and RM421.7 million respectively, providing visibility on near-term revenue and supporting continued operational activity.

JOINT VENTURE AND ASSOCIATE COMPANY

Deleum's joint venture ("JV") with Solar Turbines International Company, known as Turboservices Overhaul Sdn. Bhd., provides repair and overhaul services for a wide range of Solar Turbines equipment in Malaysia. Deleum holds an 80.55% equity stake in the JV, while Solar Turbines owns the remaining stake.

Malaysian Mud and Chemicals Sdn. Bhd., a 32%-owned associate of the Group, operates a bulking installation in Labuan, offering dry and liquid bulking services to offshore oil and gas companies.

MITIGATING BUSINESS RISKS

At Deleum, the Group strives to balance value creation with prudent risk management. This includes identifying and mitigating adverse risks inherent in its operating environment, continuously monitoring business risk exposure, and implementing proactive measures to manage potential impact across the Group.

Through a structured Enterprise Risk Management Framework and relevant governance policies, the Group has identified and assessed key business risks that may affect its ability to achieve strategic objectives.

The Group's mitigation strategies and responses to these risks are set out below, presented in no particular order of priority.

Strategic

Strategic risks arise from decisions made by the Board and Management in pursuing the Group's business objectives, taking into account market dynamics and external factors such as commodity price fluctuations, evolving customer requirements, foreign exchange exposure, sustainability expectations, and overall economic conditions.

Potential Impact on Value

- Adverse effects on revenue growth and profitability.
- Loss of market share where competitors respond more effectively to evolving market conditions.
- Increased costs or operational inefficiencies arising from suboptimal strategic decisions.
- Reputational damage and erosion of customer confidence.
- Heightened environmental and social expectations, potentially affecting customer and investor sentiment, as well as regulatory confidence.

Mitigation Strategies and Opportunities

- Execute the Group's strategic plan with a focus on diversification, strategic partnerships, geographic expansion, innovation, service excellence, integrity, and sustainability.
- Drive growth in new segments while strengthening core business lines to enhance resilience and earnings stability.
- Actively pursue opportunities in new service areas and markets to broaden the revenue base.
- Foster innovation and continuous improvement to ensure service relevance and alignment with evolving customer expectations.
- Closely monitor market trends, macroeconomic developments and sustainability-related opportunities to remain competitive.
- Maintain a strong financial position to preserve flexibility and resilience during periods of market volatility.

Management Discussion and Analysis

Project and Operations

The Group's ability to meet its contractual obligations depends on robust processes, competent personnel, and reliable systems. Maintaining an appropriate balance between cost discipline and the delivery of service excellence remains an ongoing operational priority.

Potential Impact on Value

- Customer dissatisfaction arising from service quality issues or rework requirements.
- Project delays or cost overruns adversely affecting margins and profitability.
- Contractual disputes, legal exposure, or financial penalties.
- Constraints in resources or resistance to change management, limiting innovation and long-term performance.

Mitigation Strategies and Opportunities

- Proactively manage costs, cash flow, and working capital to safeguard operational continuity and financial resilience.
- Maintain transparent and structured engagement with customers and principals to align expectations and optimise value delivery.
- Enhance vendor and subcontractor performance through disciplined procurement and vendor management practices.
- Conduct comprehensive project risk assessments and implement timely mitigating measures.
- Drive operational excellence through streamlined processes, continuous improvement initiatives, and responsible cost management.

Financial

The Group's financial performance may be impacted by fluctuations in market demand, potential asset impairments, cash flow volatility, foreign exchange movements, and changes in operating costs.

Potential Impact on Value

- Earnings volatility or financial loss.

Mitigation Strategies and Opportunities

- Diversify products and service offerings to broaden revenue streams.
- Actively pursue new business opportunities to support sustainable growth.
- Manage foreign currency exposure in accordance with the Board approved hedging policy to mitigate volatility risks.
- Implement Board-approved cost management measures, and reinforce a culture of cost discipline across the Group.

Health and Safety

The nature of the Group's operations exposes employees, contractors and third-party personnel to inherent health and safety risks. Any adverse event may result in operational disruption, regulatory enforcement action, financial penalties, and reputational damage.

Potential Impact on Value

- Workplace injuries or fatalities.
- Regulatory enforcement actions or legal consequences arising from non-compliance.
- Heightened regulatory and customer scrutiny.
- Reputational damage and erosion of stakeholder confidence.

Mitigation Strategies and Opportunities

- Uphold strong governance oversight through the Health, Safety and Environment ("HSE") Committee and Board Risk and Investment Committee.
- Regularly review and enhance HSE standards, procedures, and guidelines to ensure alignment with regulatory and customer requirements.
- Implement continuous training, awareness programmes, and emergency preparedness exercises to reinforce a strong safety culture.
- Conduct periodic audits, drills with structured improvement initiatives to strengthen compliance regulatory and customer expectations.

Environmental and Climate Change

Growing concerns surrounding climate change, the transition to a lower carbon economy and heightened expectations for responsible resource management present potential operational, financial, and compliance risks to the Group.

Potential Impact on Value

- Physical damage to assets and disruption to operations and supply chains.
- Exposure to environmental liabilities, regulatory enforcement actions, and potential financial penalties.
- Increased compliance, transition, and adaptation costs associated with evolving environmental requirements.

Mitigation Strategies and Opportunities

- Enhance energy efficiency and reduce greenhouse gas emissions through continuous process optimisation initiatives.
- Manage hazardous waste in strict compliance with regulatory requirements through certified personnel registered with and recognised by the Department of Environment.
- Integrate climate-related risk assessments into enterprise-wide and operational risk management frameworks.
- Strengthen organisational resilience by supporting customers with environmental solutions, including emissions monitoring tools, oil recovery technologies, and sustainable surface preparation methods.
- Maintain an ISO 14001:2015 certified Environmental Management System to reinforce environmental management and compliance.

Management Discussion and Analysis

Business Ethics Compliance and Regulatory

Risks may arise from breaches of ethical standards, non-compliance with applicable laws and regulations, inadequate internal controls, or misconduct by employees, contractors or external parties.

Potential Impact on Value

- Reputational damage and loss of stakeholder trust.
- Reduced investor confidence, potentially affecting market valuation.
- Strained relationships with suppliers, principals, and key stakeholders.
- Decline in employee morale.

Mitigation Strategies and Opportunities

- Uphold the Group's commitment to the Anti-Bribery Management System (ABMS) guided by the T.R.U.S.T Principles.
- Ensure strict adherence to all applicable policies and procedures, including the Code of Business Conduct, Anti-Bribery and Corruption Policy, and the Gift, Hospitality, Donation and Sponsorship Procedure.
- Reinforce compliance through the ISO 37001:2016 Anti-Bribery Management System framework.
- Foster a strong speak-up culture supported by an accessible and confidential whistleblowing channel for employees and external parties.
- Proactively monitor regulatory developments through dedicated corporate functions and align internal controls and processes accordingly.
- Conduct periodic audits and independent reviews to ensure continuous compliance alignment with policies, procedures, and prescribed standards.

Human Capital

The Group faces human capital risks associated with attracting and retaining key talent, developing critical competencies, ensuring succession readiness, and sustaining a workforce aligned with evolving business strategies and operational demands.

Potential Impact on Value

- Knowledge gaps and reduced productivity arising from employee turnover.
- Leadership gaps resulting from inadequate succession planning.
- Diminished innovation stemming from limited diversity or insufficiently inclusive practices.
- Lower operational performance due to gaps in training and capability development.

Mitigation Strategies and Opportunities

- Implement structured succession planning for critical roles to ensure leadership continuity and organisational stability.
- Strengthen talent management practices to cultivate creativity, adaptability, and a resilient high-performance culture.
- Continuously benchmark hiring strategies against industry best practices to enhance competitiveness in attracting and retaining key talent.
- Expand targeted training and development programmes to upskill and reskill employees in alignment with evolving business priorities.
- Uphold equal opportunity principles across all talent management processes to promote fairness, diversity, and inclusion.

Digital and Cyber

The evolving threat landscape exposes the Group to cybersecurity risks, including data breaches, unauthorised access, and system disruptions.

Potential Impact on Value

- Business disruption and data loss.
- Impairment of critical systems, affecting operational continuity and service delivery.
- Reputational damage and erosion of stakeholder trust.
- Legal exposure from data breaches.

Mitigation Strategies and Opportunities

- Enforce ICT and Cybersecurity Policies consistently across the Group to ensure robust governance oversight.
- Integrate the ERP system fully into operations to enhance digital enablement, strengthen process controls, and safeguard the integrity, confidentiality, and availability of critical data.
- Continuously enhance cybersecurity controls, threat monitoring, and incident response capabilities across the IT landscape.
- Conduct regular cybersecurity awareness training to cultivate a digitally vigilant and risk-aware workforce.
- Perform periodic self-assessments, data recovery simulations, and independent penetration testing to validate system resilience.
- Leverage secure cloud technologies with advanced protection features to strengthen infrastructure, security and scalability.

VISION FOR THE FUTURE

Looking ahead, the operating landscape is expected to remain uncertain, shaped by evolving industry dynamics, geopolitical developments, and continued volatility in global energy markets. These factors are likely to influence oil price stability, supply chain conditions, and the pace of investment across the industry. In this environment, customers are expected to remain focused on operational reliability, production optimisation, and disciplined capital expenditure.

Against this backdrop, the Group will continue to prioritise cost efficiency, while strengthening its technical capabilities and ensuring effective execution of its integrated solutions.

While the Group's growing regional presence presents opportunities for expansion, the outlook for FY2026 and beyond remains dependent on external market developments. Accordingly, the Group will continue to navigate these uncertainties with prudence, while positioning itself for sustainable long-term growth.

Sustainability Statement

ABOUT THIS STATEMENT

Introduction

Deleum Berhad ("Deleum" or "the Group") is committed to enhancing its Environmental, Economic, Social, and Governance ("EESG") disclosures by presenting this Sustainability Statement for FY2025.

For a holistic view of Deleum's sustainability approach, this Statement should be read together with the Message from the Chairman, Management Discussion and Analysis, Statement on Risk Management and Internal Control, Corporate Governance Overview Statement, and Financial Statements included in this Annual Report.

Reporting Scope and Boundary

This Statement covers Deleum's operations within Malaysia, Indonesia, and Thailand, where the Group holds controlling interests or management control. It includes all subsidiaries and the joint venture entity, where applicable. For workforce-related data, coverage extends to all entities, including the associate company. However, greenhouse gas ("GHG") emissions reporting is limited to operations under the Group's operational control. Overall, the scope remains focused on core operational activities relevant to the Group's business model.

Reporting Approach

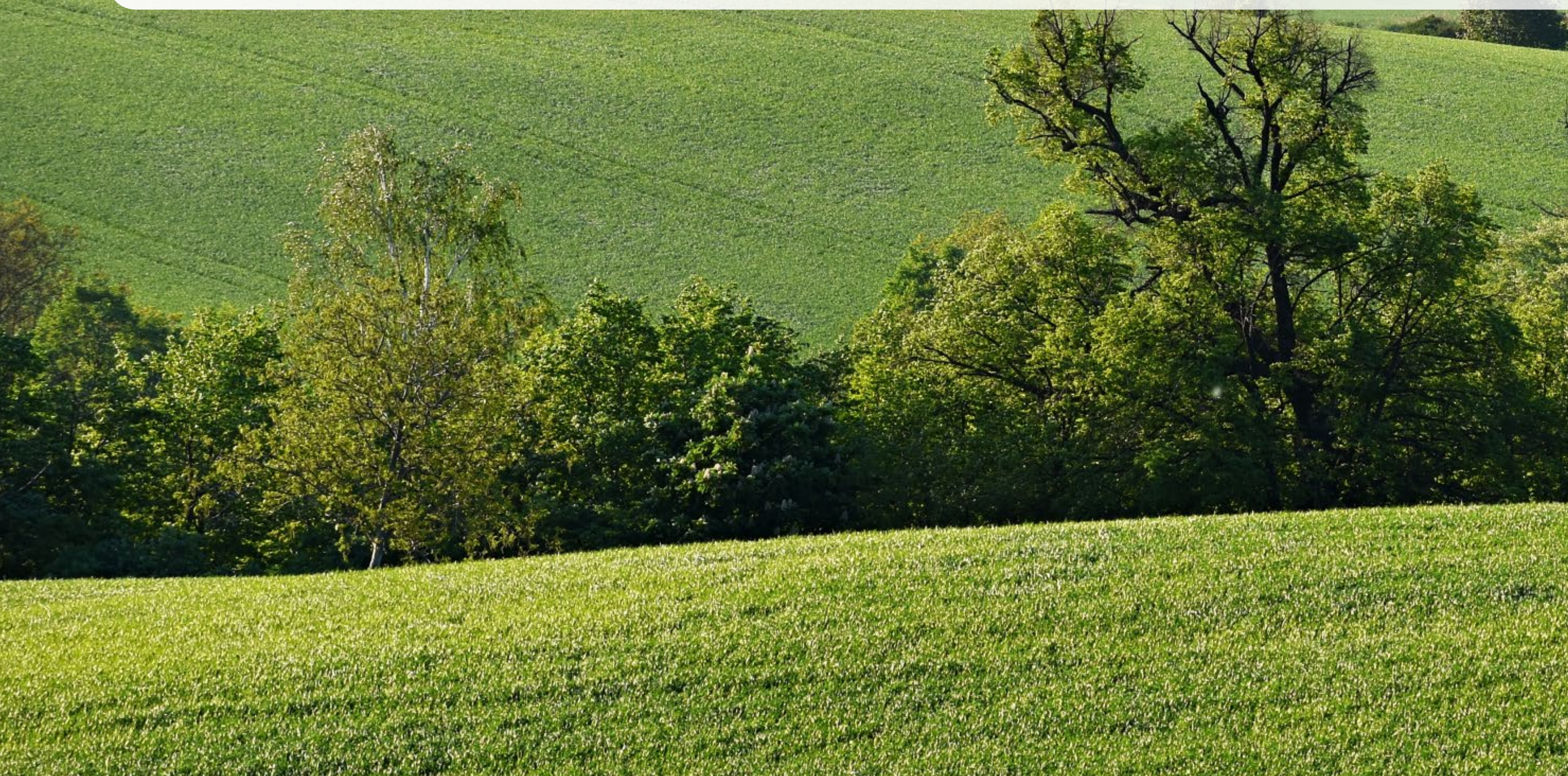
The preparation of this Statement is guided by the sustainability reporting principles of inclusiveness, sustainability context, materiality, and completeness. These principles are applied together with the qualitative characteristics of accuracy, balance, clarity, reliability, and timeliness to support transparent and meaningful disclosure.

This Statement also references the International Financial Reporting Standards ("IFRS") S1 and IFRS S2 issued by the International Sustainability Standards Board ("ISSB") to enhance the transparency and decision usefulness of disclosures relating to sustainability-related risks and opportunities ("SRRO") and climate-related risks and opportunities ("CRRO"). These standards have been used as guidance in strengthening alignment with emerging global reporting expectations.

In line with Bursa Malaysia Securities Berhad ("Bursa Malaysia")'s Main Market Listing Requirements ("MMLR"), transition reliefs are available for issuers listed on the Main Market, allowing phased implementation of certain disclosures. This approach ensures compliance while maintaining data quality and integrity.

Reporting Framework and Standards

This Sustainability Statement has been prepared in accordance with the Global Reporting Initiative Standards ("GRI Standards"). Other frameworks and guidelines referenced in the preparation of this Statement include:



- National Sustainability Reporting Framework ("NSRF")
- Bursa Malaysia Sustainability Reporting Guide
- IFRS Sustainability Disclosure Standards – IFRS S1 and IFRS S2
- Task Force on Climate-related Financial Disclosure ("TCFD")
- FTSE Russell FTSE4Good Criteria
- United Nations Sustainability Development Goals ("UNSDGs")

Reporting Period and Cycle

This Sustainability Statement presents data for FY2025, covering the period from 1 January to 31 December 2025. The Group has included relevant data spanning three years (FY2023-FY2025) where applicable. This approach enables the presentation of trendlines, offering insights into general performance trends for key material topics.

Assurance

In the pursuit of strengthening the credibility of our reporting, we have appointed a third-party to provide a limited assurance on the Scope 1 and Scope 2 GHG emissions. The independent Limited Assurance Report by British Standards Institution ("BSI") Malaysia is appended at the end of this Report.

Board of Directors' Approval

Deleum Berhad's Board of Directors ("the Board") acknowledges its responsibility to ensure the integrity of this Statement. It is the Board's opinion that this Sustainability Statement appropriately and sufficiently addresses all material matters that impact the Group's ability to create value and present a fair view of the Group's performance for FY2025.

This Statement is made following the Board's approval on 26 March 2026.

Forward-Looking Statement

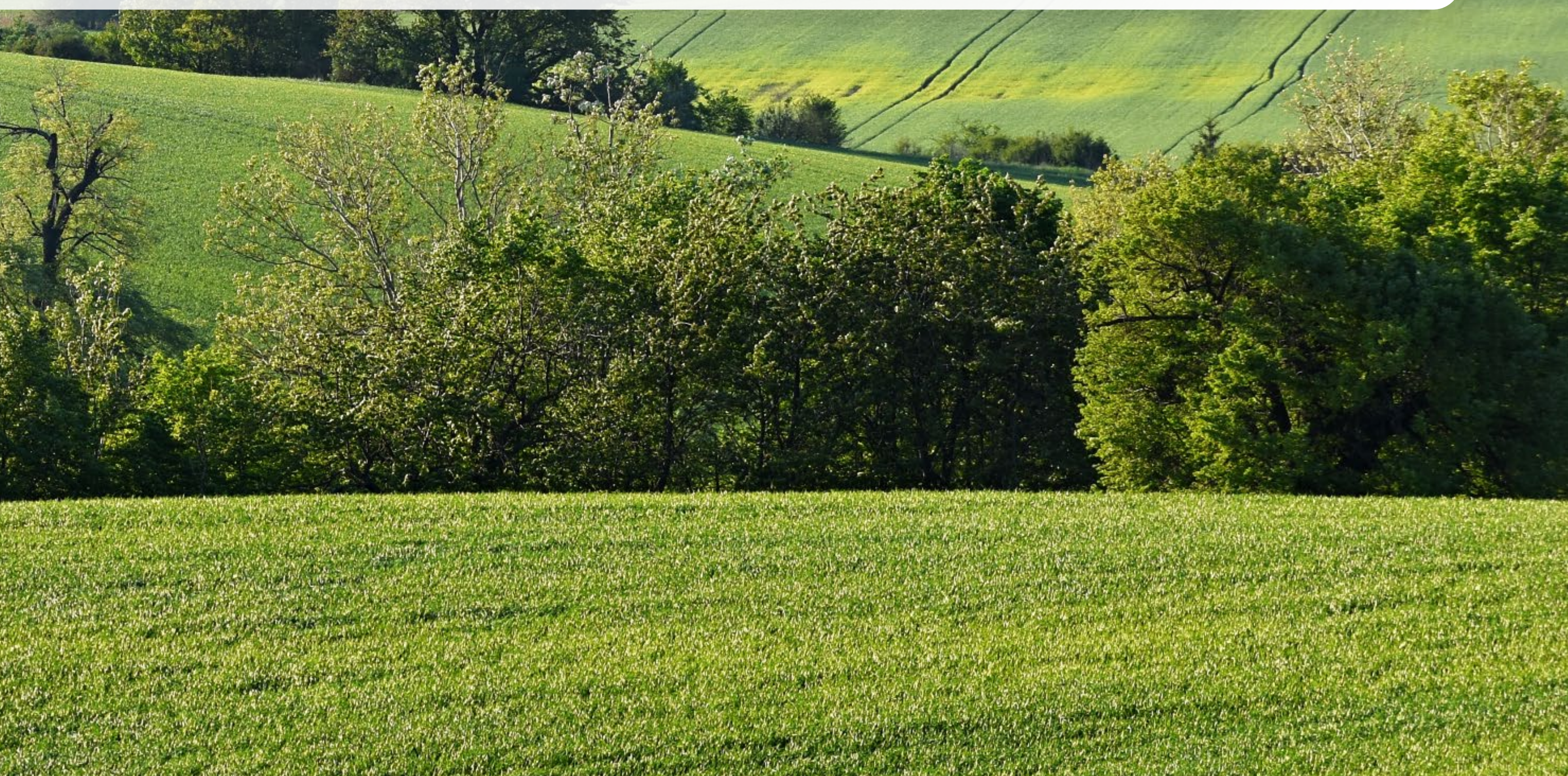
This Statement contains forward-looking statements such as targets, prospects, future plans, and reasonable assumptions regarding expected or future performances based on presently available data, information and current operating environmental conditions.

Readers are advised not to place undue reliance on these statements as our business and expectations are subject to risks and uncertainties beyond our control. Actual results may vary significantly from those expressed or implied in these forward-looking statements.

Feedback

We welcome and encourage our stakeholders to share constructive feedback on this Statement through the following contact:

Desmond Ooi
General Manager, Corporate Compliance, Sustainability, and Risk ("CCSR")
CCSR@deleum.com



Sustainability Statement

2025 SUSTAINABILITY SNAPSHOT

Economic
Ensuring equitable economic interests of stakeholders.

Value Created FY2025
- Group revenue increased by 9.9% to RM997.1 million compared to RM907.5 million in FY2024.
- Group profit before tax reduced by 1.8% to RM133.7 million compared to RM136.2 million in FY2024.
- Dividend payout of RM37.3 million to its shareholders, amounting to 52.5% of Group's profit after tax and non-controlling interest, surpassing the 50% dividend policy.
- RM125.7 million for employee remuneration and benefits.
- Achieved 88% of Customer Satisfaction Index, surpassing the 70% target.

Environmental
Safeguarding environmental wellbeing through climate action and responsible resource management.

Value Created FY2025
- GHG intensity per workforce reduced by 7.1% to 1.3 tCO_2e from 1.4 tCO_2e in FY2024.
- GHG intensity per revenue (RM million) remained stable at 2.1 tCO_2e consistent with FY2024.
- Zero spillage incidents were recorded, with no environmental penalties during the year.
- 0.1 megalitres of rainwater were harvested at operational facilities.
- 400 mangrove sapling trees and 300 seedlings in Kemaman, Terengganu.
- Over 40 freshwater terrapins were conserved while 135 individuals participated in educational awareness programmes conducted in collaboration with a local Non-Profit Organisation ("NPO").

Social
Respecting, supporting and upholding fundamental human rights of people in the areas where the Group operates.

Value Created FY2025
- Achieved zero work-related fatalities and lost-time injuries.
- Reinforced human rights awareness among employees through the Code of Business Conduct ("COBC") training.
- Total workforce increased by 26.2% to 1,671 from 1,324 in FY2024.
- Recruited 827 new personnel, while the voluntary turnover rate declined to 3.5% from 9.4% in FY2024.
- Invested RM3.4 million in learning and development, representing an increase of 30.8% from RM2.6 million in FY2024.
- Contributed approximately RM470,000 to community initiatives, benefiting 1,841 individuals.

Governance
Upholding ethical business practices and high standards of ethics, integrity, and compliance.

Value Created FY2025
- Zero number of confirmed incidents of corruption recorded during the year.
- No fines, penalties, or settlements incurred in relation to corruption.
- Zero substantiated complaints concerning breaches of customer privacy or loss of customer data.
- All new suppliers underwent environmental policy evaluations as part of the pre-qualification process.

AWARDS AND HONOURS

The Edge Malaysia Centurion Club Corporate Awards 2025

Centurion of the Year Award

Highest Growth in Profit After Tax Over Three Years (Energy sector)

Highest Return to Shareholders Over Three Years (Energy sector)

National Corporate Governance and Sustainability Awards (NACGSA) 2025

Overall Excellence Award, placing 30th among Malaysia's Top 50 public-listed companies.

Sustainability Statement

MESSAGE FROM LEADERSHIP

Ramanrao Abdullah
Group Chief Executive Officer

Navigating an Evolving Energy Landscape

The global energy sector is undergoing a significant transformation, driven by decarbonisation efforts, evolving regulatory requirements and rapid technological advancements. These developments require organisations to remain agile and forward-looking. For Deleum, this evolving landscape presents an opportunity to strengthen our approach by anticipating emerging risks, embracing innovation, and delivering solutions that reinforce our position within the Oil and Gas Services and Equipment ("OGSE") industry.

Strengthening Our Sustainability Commitment

As the world advances toward the goals reaffirmed at the 30th United Nations Climate Change Conference (COP30), Malaysia is accelerating its sustainability agenda through the NSRF and the upcoming Climate Change Bill. These developments, alongside global commitments, reinforce the urgency for industry players like Deleum to take decisive action. In response, the Group has embedded SRRO and CRRO into our enterprise risk framework. Building on this foundation, our Sustainability Roadmap 2025-2029 and Decarbonisation Plan outline a clear pathway towards achieving Carbon Neutrality by 2035, aligned with global and national Net Zero aspirations by 2050.

Advancing Technology and Operational Performance

Deleum's recent accomplishments reflect a shared belief across our organisation that innovation and technology, when anchored in purpose, create lasting value for our customers, our people, and our industry.

A key milestone during the year was the successful 5,400-foot tractor run delivered through the Slickline Electronic Data for Real-time Monitoring ("SEDaR™") Campaign, marking Malaysia's first deployment of this state-of-the-art well intervention capability in collaboration with our technology partner. This achievement was further reinforced by the advanced slickline pilot, which demonstrated significant improvements in operational performance, safety, and decision-making through digital intelligence and real-time data. These breakthroughs highlight not only our technological advancement but also the ingenuity, dedication, and commitment of our teams.

Our commitment to meaningful innovation extends beyond operational boundaries. Through SC-Dsludge, we continue to transform waste into value by recovering oil from sludge, enabling customers to reduce their environmental footprint while improving operational efficiency. In FY2025, this solution delivered tangible outcomes in oil recovery, demonstrating the effectiveness of our waste-to-value approach. Our momentum was further strengthened by the development grant secured to advance our Modular Sludge Treatment System for offshore deployment. This initiative also received industry recognition at the Malaysia Oil & Gas Services Exhibition and Conference and Oil & Gas Asia 2024 ("MOGSEC / OGA"), where we were named first runner-up in the Innovation Awards.

Together, these milestones reinforce Deleum's position as a forward-thinking partner committed to innovation that enhances resilience, elevates operational performance, and supports our customers in navigating a rapidly evolving energy landscape.

Environmental Stewardship

At Deleum, our decarbonisation strategy focuses on solutions that deliver meaningful impact and reflect our continued progress in managing GHG emissions. During the year, we advanced initiatives aimed at improving operational efficiency, reducing emissions and enhancing fuel performance in support of our broader environmental objectives. One such initiative involves the deployment of hydrogen-based technology, which has contributed to improved fuel efficiency and a reduction in Scope 1 emissions. These results demonstrate how targeted innovation can translate into practical and measurable improvements in the way we operate.

We are also strengthening our energy transition pathway by expanding the role of renewable energy across our operations. Our first solar panel installation at Penaga Dresser Sdn. Bhd. ("PDSB") in Kemaman contributed 33% to the site's energy mix in FY2025. This important first step lays the foundation for a wider rollout, as we progressively extend solar panel deployment to other selected locations and continue transitioning our operational footprint towards cleaner energy sources.

Our environmental efforts extend beyond emissions alone. We are strengthening our approach to resource circularity through waste segregation, recycling, and improved data management across the Group. Through the Own Your Own Waste ("OYOW") programme, we achieved our target of diverting at least 10% of general waste from disposal, contributing directly to Scope 3 emissions reductions. Looking ahead, this programme will be progressively rolled out across all sites by 2029, reinforcing the Group's commitment to responsible consumption and sustainable waste practices. This progress reflects not only the impact of the programme but also the dedication and collective ownership demonstrated by our people.

By prioritising high-impact initiatives such as operational optimisation, renewable energy adoption, low-carbon solutions, and resource circularity, we continue to position the Group as a responsible and forward-looking energy solutions partner. Our commitment remains clear, which is to decarbonise with purpose, invest in initiatives that create meaningful value, and build a more resilient and sustainable organisation for the years ahead.

Respecting Human Rights and Building Resilience

Our licence to operate depends on the trust and confidence of our stakeholders. At Deleum, we recognise that respecting human rights and fostering resilient communities are fundamental to sustaining this trust.

To uphold these principles, we initiated a Social Risk Assessment ("SRA") to identify, evaluate, and mitigate potential social risks affecting our workforce and surrounding communities. The assessment identified key risks requiring attention and appropriate mitigation actions were implemented across four key areas: labour and working conditions, responsible security, community outreach, and supply chain management. These measures support fair labour practices, a safe working environment, meaningful community engagement, and responsible sourcing across our operations.

To strengthen business resilience, we conducted an integrated Emergency Preparedness and Response Plan ("EPRP") and Business Continuity Plan ("BCP") exercise on 11 December 2025 at the Asian Supply Base in Labuan and Deleum Head Office in Kuala Lumpur. The exercise simulated real-time scenarios to test emergency response, damage control, crisis communications, stakeholder engagement, and business recovery processes. It also demonstrated effective protocol integration and cross-functional coordination with local authorities. This initiative reinforces our commitment to safeguarding operations and ensuring business continuity in the face of potential disruptions.

Integrity Remains Our Foundation

Integrity remains central to Deleum's culture and governance. Over the years, we have consistently reinforced this commitment through initiatives that promote ethical conduct, accountability, and transparency across our operations and supply chain.

This year, Integrity Day in Labuan brought together employees, suppliers, and key stakeholders under the theme "Integrity Beyond Horizons", reaffirming our zero-tolerance stance on bribery and corruption. The event featured engagement with the Malaysian Anti-Corruption Commission ("MACC") and highlighted our ongoing progress toward the implementation of the ISO 37001:2016 Anti-bribery Management System ("ABMS"), further reinforcing the Group's compliance framework and empowering our people to champion integrity across our operations.

Through these continued efforts — past and present — we remain steadfast in embedding integrity into every aspect of our business, ensuring that strong governance forms the foundation of sustainable growth and enduring stakeholder trust.

Celebrating Our Achievements

In FY2025, the Group received several recognitions that reflect our disciplined execution and a consistent commitment to long-term value creation. Deleum was named Centurion of the Year at The Edge Malaysia Centurion Club Corporate Awards, becoming the first company from the energy sector to receive this distinction among 519 public-listed companies with a market capitalisation below RM1 billion. This achievement, together with awards for Highest Growth in Profit After Tax and Highest Return to Shareholders over Three Years, reflects our strategy and the dedication of our teams across the Group.

Our ongoing efforts to uphold strong governance and embed sustainability into strategic and operational decision-making were further recognised at the National Corporate Governance and Sustainability Awards organised by the Minority Shareholders Watch Group, where we attained an overall four-star rating across the ASEAN Corporate Governance Scorecard, the Malaysian Code on Corporate Governance and the Sustainability Scorecard. This affirmation reinforces the progress we are making in integrating environmental, social, and governance considerations into the way we strengthen responsible and ethical business practices.

We remain committed to continuously enhancing our EESG practices through sound governance and responsible leadership. During the year, the Group maintained its position in the FTSE4Good Bursa Malaysia Index Series, including the FTSE4Good Bursa Malaysia Shariah Index, ranking within the top 25% of the FBM EMAS Index among public listed companies. These achievements collectively reflect the confidence of our stakeholders and reinforce our commitment to responsible business that supports stronger stakeholder confidence and transparency.

Building Strength and Expanding Horizons

As we look ahead, we recognise that the sustainability landscape is becoming more complex and interconnected, with rising expectations for transparency, accountability, and value chain engagement. The introduction of IFRS S1 and IFRS S2 signals a significant shift in the global reporting environment, establishing a more consistent and decision useful foundation for sustainability related disclosures. In anticipation of these developments, the Group is enhancing its internal processes, strengthening data quality, and aligning our reporting practices with these emerging requirements.

A key strategic focus moving forward will be our continued progress in measuring and disclosing Scope 3 emissions, which are increasingly material to our climate impact. As expectations intensify across supply chains, we will begin by building structured supplier management practices and internal data integration, laying the foundation for more comprehensive value chain transparency in the years ahead.

We are equally mindful of the broader challenges shaping the sustainability agenda including evolving climate risks, growing regulatory complexity, and the pace of technological advancement. These trends will influence the operating environment and require organisations to strengthen governance, build resilience, and integrate sustainability more deeply into their long-term strategies.

Acknowledgments

Our commitment to sustainability is more than a goal — it is a shared responsibility that continues to gain strength. Every milestone and recognition affirms that we are creating meaningful impact while aligning with globally recognised standards.

As we advance positive changes across all business divisions, we celebrate the people who make it possible. Their passion, resilience, and dedication remain the driving force behind our progress and the foundation of a sustainable future. Together, we are shaping a legacy of integrity, innovation, and growth.

Sustainability Statement

SUSTAINABILITY SYNERGY AT DELEUM

Sustainability Roadmap 2025-2029

Our aspirations are anchored on four pillars and supported by a phased approach across all horizons.

Economic	Environmental	Social	Governance
Revenue Growth and Regional Expansion	Achieve Carbon Neutrality by 2035 and Net Zero by 2050	Develop a Healthy and Future-ready Workforce and Enhance Community Resilience by 2029	Be a Future-ready Company for EESG by 2029

The Roadmap reflects Deleum's commitment to embedding sustainability into the core of our business strategy and operations. Guided by best practices and aligned with IFRS S1 and IFRS S2, the roadmap sets a clear direction to integrate SRRO and CRRO into governance, Enterprise Risk Management ("ERM"), and strategic decision-making.

This approach ensures that we:
- Incorporate sustainability and climate considerations into long-term planning and strategies
- Identify and manage material risks and opportunities across EESG dimensions
- Enhance transparency through robust disclosures on governance, strategy, risk management, and performance
- Prepare for scenario analysis and resilience testing under different climate pathways
- Develop and track internal metrics and targets to monitor progress

Adoption of IFRS S1 and IFRS S2

The Roadmap also outlines the phased adoption of IFRS S1 and IFRS S2, ensuring that sustainability- and climate-related disclosures are integrated into our governance and reporting processes in alignment with the NSRF. Full compliance will be achieved in line with Bursa Malaysia's requirements for Group 2 issuers, beginning with climate-related disclosures in January 2026 and progressing toward full adoption for the annual reporting period ending 31 December 2028. Our metrics and targets are primarily developed internally, with selected metrics measured using GRI Standards.

To support readiness for future reporting requirements, the Group has also strengthened processes relating to sustainability governance, risk management, and performance tracking. Progress against internally developed initiatives, including assigned metrics and targets is reviewed regularly and reported to both management and the Board of Directors. At the same time, we continue to disclose indicators in line with IFRS S2, the GRI Standards, and FTSE4Good requirements to enhance transparency and meet evolving stakeholder and regulatory expectations.

SUSTAINABILITY FRAMEWORK

This Roadmap is anchored in our Sustainability Framework, which reflects our mission, vision, and core values – Service Quality, Health, Safety and Environment, and Integrity, contributing to the UNSDGs. It is further supported by 17 material matters grouped into three focus areas, ensuring that our actions create lasting value for stakeholders.

Our Sustainability Roadmap 2025-2029 translates these principles into actionable strategies across four EESG pillars:

- **Economic:** Catalysing Prosperity
- **Environmental:** Protecting and Preserving the Environment
- **Social:** Helping People
- **Governance:** Embracing Good Governance

SUSTAINABILITY FRAMEWORK

MISSION To Achieve Superior Growth and Returns for our Stakeholders and to be the Best in Class

VISION To be the Premier Service Company in the Energy Industry and to grow our regional footprint

3 CORE VALUES

Service Quality
- Competence
- Done Right
- Excellence

Health, Safety & Environment
- Prevention
- Adherence
- Preparedness

Integrity
- Honesty
- Ethics
- Trust
- Compliance

SUSTAINABILITY ROADMAP

Sustainability Impacts	17 Material Matters: Focus Area 1 *(Very High)*	Focus Area 2 *(High)*	Focus Area 3 *(Moderate)*
Economic *Catalysing Prosperity*	• Economic Performance • Customer & Product Responsibility	• Innovation & Technology	
Environmental *Protecting and Preserving Environment*	• GHG Emissions	• Energy Management • Water and Waste Management • Climate Change Resilience	• Biodiversity
Social *Helping People*	• Health & Safety	• Human Rights & Labour Practices • Human Capital Development	• Diversity & Inclusion • Community Outreach
Governance *Embracing Good Governance*	• Corporate Governance • Business Ethics • Cyber and Information Security	• Supply Chain Management	

UNSDG

VALUE CREATION

- Business Growth
- Shareholders return
- Profitability

Sustainability Statement

STRATEGIC COMMITMENTS	MATERIAL MATTERS	INITIATIVES
Economic Sustainability Aspiration: Revenue Growth and Regional Expansion		
Enhancing sustainable and responsible corporate performance to create long-term value for stakeholders	**Economic Performance**	• Organic and non-organic revenue growth
Ensuring customer satisfaction and driving continuous quality improvement through adherence to established standards	**Customer and Product Responsibility**	• Maintain ISO 9001 certification for the Quality Management System • Achieve certification of the ISO29001 Petroleum, Petrochemical, and Natural Gas Industries • Service quality initiatives
Pursuing technological advancement and innovative strategies to support growth and expansion	**Innovation and Technology**	• Technology and operational enhancements • Collaboration and partnerships • Digital transformation initiatives
Environmental Sustainability Aspiration: Achieve Carbon Neutrality by 2035 and Net Zero by 2050		
Preserving and protecting the environment for present and future generations through climate action and resource efficiency	**GHG Emissions** **Energy Management** **Water and Waste Management**	• GHG emissions for Scope 1 and Scope 2 • GHG emissions for Scope 3 • General waste management • Scheduled waste management • Water management
Empowering internal stakeholders with knowledge and expertise in climate and sustainability-related matters	**Climate Change Resilience**	• Sustainability and climate change awareness programmes and capability building for internal stakeholders
Integrating physical and transition risks, as well as opportunities, that impact the business model, operations, and financial planning		• Adoption of TCFD / IFRS S2 frameworks
Conserving biodiversity and restoring ecosystems through sustainable practices and strategic initiatives	**Biodiversity**	• Long-term collaborations / partnerships in habitat restoration

STRATEGIC COMMITMENTS	MATERIAL MATTERS	INITIATIVES
Social Sustainability Aspiration: Develop a Healthy and Future-ready Workforce by 2029		
Striving to enhance workers' health, safety, and wellbeing	**Health and Safety**	• Health and wellbeing programmes. • Health, safety, and environment ("HSE") culture and capability building
Upholding human rights and fair labour practices by implementing policies and programmes that ensure zero violations across Deleum and its value chain	**Human Rights and Labour Practices**	• Human rights awareness education • Social Risk Assessment
Employment and job creation to promote economic and financial sustainability	**Human Capital Development**	• Internship programmes
Fostering growth, training, and the development of human capital		• Deleum learning and development programmes
Implementing diversity and inclusion programmes within Deleum	**Diversity and Inclusion**	• Unconscious bias programmes
Ensuring diverse voices are heard and valued		• Employee engagement programmes
Social Sustainability Aspiration: Enhance Community Resilience by 2029		
Supporting local communities through social, cultural and educational initiatives	**Community Outreach**	• Community investment guideline • Long-term collaborations / partnerships in STEM education and training / health and wellbeing programme for community outreach
Governance Sustainability Aspiration: Be a Future-ready Company for EESG by 2029		
Strengthening governance practices across the sustainability spectrum	**Corporate Governance**	• Independent assurance for GHG emissions reporting • Adoption of IFRS S1 and S2 • Incorporation of sustainability- and climate-related targets into the OKRs of Key Senior Management
Respecting the law and actively preventing corruption across Deleum's operations	**Business Ethics**	• Enhance employee awareness on Anti-Bribery and Corruption ("ABC")-related topics and whistleblowing channel
Maintaining robust ABMS in alignment with international best practices		• ISO 37001 Anti-Bribery Management System
Maintaining a resilient, secure and adaptable cyber and information security framework, aligned with industry best practices	**Cyber and Information Security**	• Cybersecurity risk management strategy
Building a responsible and sustainable supply chain through long-term relationships built on integrity, transparency, and respect	**Supply Chain Management**	• Supplier EESG Assessment • Sustainability awareness programmes for suppliers

Sustainability Statement

OUR SUSTAINABILITY COMMITMENTS

Deleum's sustainability aspirations set for short-, medium-, and long-term targets provide a clear direction for our strategic goals for each of the pillars, while our sustainability commitments reinforce our dedication to achieving these goals.

OUR SUSTAINABILITY GOVERNANCE

Our sustainability governance structure adopts a top-down approach, encompassing sustainability, climate issues, compliance and risk governance. All our sustainability progress is reported quarterly to the Management Compliance and Risk Committee ("MCRC"), the Board Risk and Investment Committee ("BRIC"), and the Board of Directors ("Board").

The Board holds the ultimate responsibility for guiding Deleum's strategic direction in sustainability. This responsibility is delegated to the respective Board Committees, and they are kept informed about sustainability- and climate-related matters through quarterly meetings and training programmes.

To enhance governance capabilities, sustainability targets are incorporated into Key Senior Management's OKRs, which are evaluated annually for performance remuneration.

The MCRC, led by the Group Chief Executive Officer ("GCEO") and including C-suite executives as well as Senior Management, plays a pivotal role in supporting the Board in strategically managing significant sustainability- and climate-related risk matters.

To enhance the overall sustainability management, there is a dedicated sustainability unit within the Corporate Compliance, Sustainability, and Risk ("CCSR") department to lead sustainability strategies and oversee day-to-day implementation.

Our sustainability governance structure is outlined as follows:

Board of Directors

Oversees the inculcation of a strong sustainability culture, addressing economic, environmental, social, and governance topics, including issues relating to climate change.

For more details on our Board members, please refer to pages 7 to 11 of this Annual Report or visit our corporate website at www.deleum.com

Audit Committee

- Reviews the adequacy of the Group's internal control systems and processes.
- The committee is chaired by an Independent Non-Executive Director.

Board Risk and Investment Committee

- Provides leadership guidance on Deleum's risk profile, priorities, controls, targets and initiatives, policies, risk assessment processes, and results, as delegated by the Board.
- Ensures the integration of sustainability strategies, priorities, goals, targets, and initiatives, including matters relating to climate change-related risks within Deleum's ERM Framework.
- Oversees and monitors Deleum's sustainability performance against targets.
- The committee is chaired by a Senior Independent Non-Executive Director.

Joint Remuneration and Nomination Committee

- Reviews, oversees, and makes recommendations to the Board on succession planning and the appointment of members of the Board, Board Committees, Board Committee Chairmen, the GCEO, and Key Senior Management.
- Reviews the annual self-assessment of the Board and the performance evaluation of Key Senior Management based on agreed sustainability-linked OKRs.
- The committee is chaired by an Independent Non-Executive Director.

Group Chief Executive Officer

- Serves as the Chairman of MCRC.
- Responsible for the overall implementation of sustainability strategies, priorities, goals, targets, and initiatives, including matters relating to climate change.

Management Compliance and Risk Committee

- A management-level sustainability committee responsible for the overall implementation of sustainability strategies, priorities, goals, targets, and initiatives, including matters relating to climate change.
- Assesses sustainability-related risks, including those relating to climate change.
- Oversees the Working Group in ensuring timely and proactive progress in sustainability management.
- The Head of CCSR serves as the Secretariat to the MCRC.

Quarterly Reporting

Corporate Compliance, Sustainability, and Risk Department

- Coordinates with and provides support to the BRIC, MCRC, and Working Group on the management of material matters.
- Coordinates with and provides support to the Working Group in the day-to-day implementation of sustainability initiatives and data consolidation.
- Consolidates sustainability reports and data from the Working Group for the MCRC.
- Undertakes the materiality assessment process, coordinates third-party assurance and monitors environmental, social, and governance ("ESG") rating.

Quarterly Reporting

Business Units and Corporate Resources Functions ("Working Group")

- The Working Group is led by the respective Heads, supported by their appointed Sustainability Champions.
- Develops plans and timelines for sustainability initiatives.
- Manages the implementation of sustainability strategies, priorities, goals, targets, and initiatives, including climate change-related matters.
- Reports on sustainability performance against its targets
- Sustainability Champions play a key role in implementing and promoting sustainability good practices within their respective Business Units ("BUs") and Corporate Resources functions.

Sustainability Statement

OUR EESG-LINKED POLICIES AND PROCEDURES

- Dividend Policy
- Quality Policy
- Promotion Policy
- Policy Statement on Human Right and Labour Standards
- Learning and Developing Policy
- Climate Change Policy
- Environmental Policy
- Enterprise Risk Management Framework and Policy
- Health, Safety, and Environment Policy
- Sustainability Framework and Policy
- Anti-Bribery Management System Manual
- Anti-Bribery and Corruption Policy
- Code of Business Conduct
- Cybersecurity Policy
- Personal Data Policy
- Whistleblowing Policy and Procedure
- Group Procurement Policy
- Artificial Intelligence Policy
- Robotic Process Automation ("RPA") Policy

INTEGRATING EESG INTO ENTERPRISE RISK MANAGEMENT ("ERM")

Recognising the critical role of sustainability and ethical principles in evaluating and addressing risks that could impact the long-term sustainability and reputation of the Group, we maintain a robust ERM framework aligned with the guidelines of the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") and ISO 31000:2018 Risk Management.

Our ERM framework integrates sustainability- and climate-related risks alongside corporate strategy, financial, human capital, health and safety, cybersecurity, technology, and operational risks. These risks are actively managed by the designated risk owners, ensuring alignment with our risk tolerance thresholds. Further evaluation and deliberation take place at both the MCRC and BRIC levels. To ensure accountability and the implementation of proactive mitigation strategies, BRIC convenes quarterly to evaluate the effectiveness of our management of sustainability- and climate-related risks.

In FY2025, we implemented several proactive measures to further integrate sustainability- and climate-related matters into our risk management framework and practices, including:

- Conducting mandatory structured meetings with a unified committee under MCRC and BRIC overseeing sustainability, risk, and compliance governance to support the sustainability agenda and ensure seamless reporting.
- Initiating regular internal sustainability progress reporting for deliberation by MCRC and BRIC.
- Establishing centralised data collection for sustainability indicators.
- Evaluating and consolidating sustainability risks, including corruption, carbon emissions, human rights, cyber and information security, health and safety, into a comprehensive enterprise-wide risk heat map. MCRC, BRIC, and the Board review and assess the risk heat map on a quarterly basis.
- Implementing a limited assurance process for GHG emissions (Scope 1 and Scope 2) to ensure the accuracy and reliability of the reported data.
- Assessing CRRO, with the transition risks assessments commencing in FY2025 and the physical risks planned for the following year.
- Assessing SRRO topics identified as "very high" in importance in alignment with the IFRS Sustainability Disclosure Standards.

At Deleum, we proactively identify, analyse, and manage risks and opportunities that materially impact our ability to create value. To provide an overview, we have mapped the material matters as discussed on pages from 39 to 41 to their corresponding risks and opportunities as follows:

MATERIAL MATTERS	RISKS	OPPORTUNITIES
Economic		
Economic Performance	• The Group's financial performance and strength directly impact both business continuity and investment opportunities	• Sustainable financial performance attracts investors and delivers long-term value for all stakeholders
Customer and Product Responsibility	• Failure to meet customers' expectations can significantly impact trust and loyalty, potentially resulting in contract termination, contractual liabilities, and financial losses	• Regular customer engagements facilitate continuous improvement to meet customer's expectations
Innovation and Technology	• Reliance on obsolete technology and failure to innovate could lead to a loss of competitive edge and missed growth opportunities	• Technology and innovation can unlock new opportunities for growth and operational efficiency through technology and operational enhancements
Environmental		
GHG Emissions	• Regulatory penalties and reputational damage may occur if emissions data is not available or reported inaccurately	• Enhancing energy efficiency and market competitiveness through low-carbon innovations in achieving energy efficiency and reducing carbon emissions
Energy Management	• Rising energy costs and the introduction of carbon tax may adversely impact financial profitability	• Engaging in cost savings and improved resilience through energy efficiency and renewable energy adoption
Water and Waste Management	• Failure to adhere to waste management regulations and poor water stewardship can compromise our commitment to environmental responsibility • Unforeseen challenges such as evolving regulations, water scarcity, or poor waste disposal practices can pose significant risks to the Group's reputation and finances	• Reducing waste and improving resource efficiency can save operational costs • Effective water management to reduce operating expenditure and promote water conservation practices
Climate Change Resilience	• Failure to comply with current and upcoming climate regulations, representing a significant transition risk can lead to environmental damage and penalties • Despite climate adaptation and mitigation efforts aimed at protecting our assets, physical risks pose threats to business operations and financial stability	• Securing a position in the low-carbon solutions market to capitalise on the rising demand for low-carbon products and services • Effective mitigation and adaptation strategies to ensure business continuity
Biodiversity	• Inadequate consideration of biodiversity in our operations poses the potential for environmental harm, regulatory penalties, and reputational damage	• Participating in Corporate Social Responsibility ("CSR") initiatives for biodiversity conservation to dedicate efforts to environmental protection and contribute to preserving biodiversity

Sustainability Statement

MATERIAL MATTERS	RISKS	OPPORTUNITIES
Social		
Health and Safety	· Unsafe workplaces may lead to accidents, injuries, legal penalties, and reputational damage, ultimately disrupting productivity	· A strong safety culture and a positive working environment enhance employee wellbeing and productivity, while also safeguarding Deleum's reputation
Human Rights and Labour Practices	· Discriminatory employment practices may severely damage the Group's reputation and employee morale · Violations of human rights practices may result in regulatory penalties, adversely affecting employee retention and workplace culture	· A work culture that is inclusive, diverse and empowering not only attracts talent but also fosters diverse perspectives, enhancing the overall quality of decision-making. Strong human rights practices reinforce Deleum's reputation as a responsible employer
Human Capital Development	· Insufficient training and a lack of skilled employees may result in inefficiencies and reduced productivity	· Developing talent and cultivating a high-performance culture enables us to attract and retain top industry talent
Diversity and Inclusion	· Discrimination may undermine both employee morale and their ability to be productive	· A commitment to diversity and inclusion not only drives innovation and improves business outcomes but also creates an environment where diverse talent thrives and boosts employee retention
Community Outreach	· Business activities that adversely affect communities may jeopardise our social licence to operate	· Ongoing engagements through community programmes strengthen our relationship with local communities
Governance		
Corporate Governance	· Non-compliance with corporate governance standards may raise ethical concerns, reduce transparency, and damage our reputation, posing a risk to our business	· Compliance with the Malaysian Code on Corporate Governance to promote ethical conduct, transparency, and accountability in our business
Business Ethics	· Failure to uphold strong business ethics may compromise integrity, foster corruption issues and ultimately tarnish the Group's reputation	· Upholding strong ethical standards fosters a trust-based environment and elevating our Group's reputation as a reliable partner
Cyber and Information Security	· Cyber threats may lead to operational disruption, regulatory consequences, loss of trust, and reputational harm	· Implementing a robust cyber and information security framework enhances business continuity by minimising the risk of data breaches and operational disruptions
Supply Chain Management	· Operational continuity may be at risk if suppliers and contractors do not align with Deleum's ethical principles and safety culture	· Establishing robust procurement governance attracts and retains credible and capable suppliers and contractors

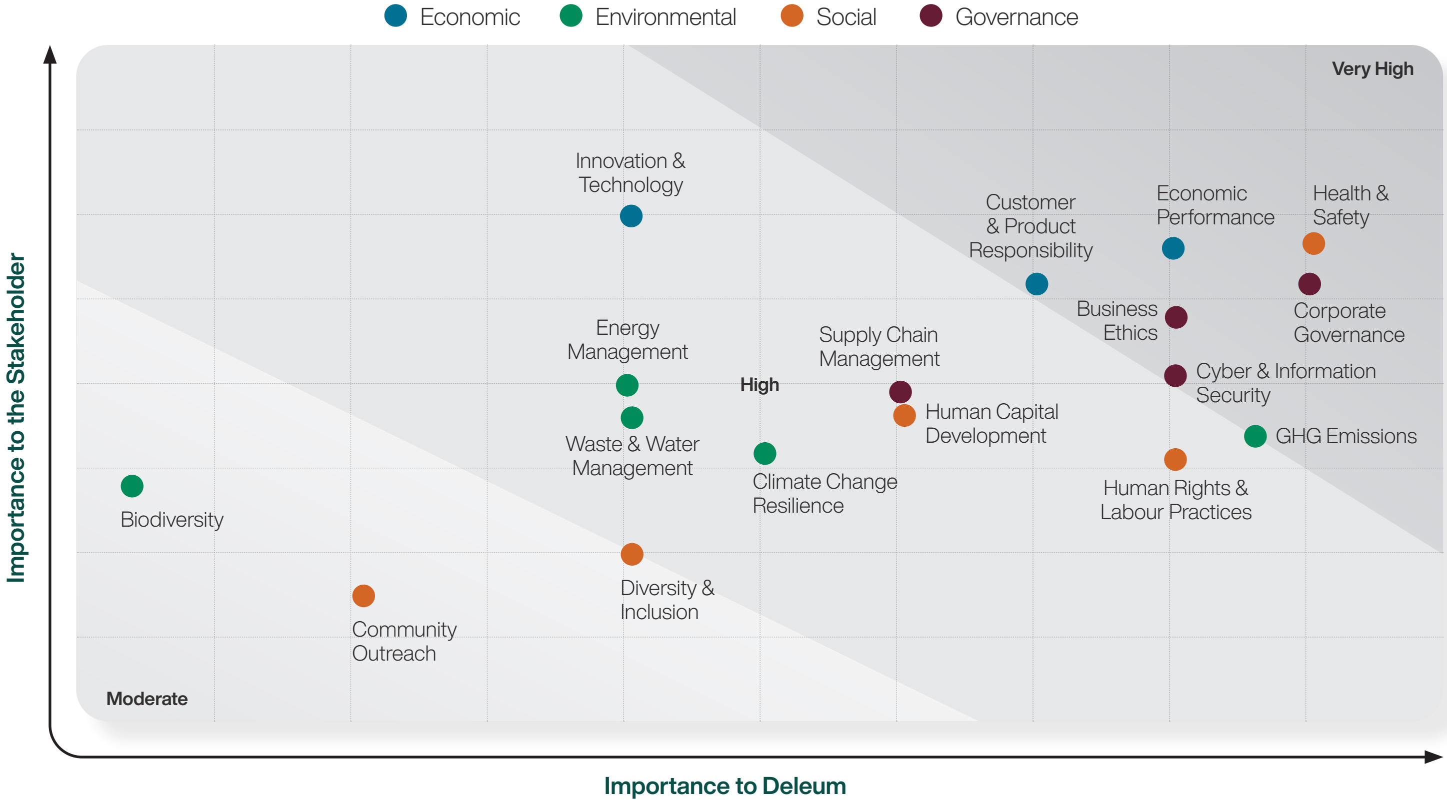
OUR MATERIAL MATTERS

In FY2024, we conducted a materiality assessment to identify the matters most significant to the Group and its stakeholders, supported by industry benchmarking. These refreshed material matters form the foundation of our sustainability framework and roadmap, reinforcing alignment with Deleum's Mission, Vision, Core Values, and Sustainability Aspirations.

Materiality Assessment Process

- **Phase 1:** Identification: Identifies material matters relevant to Deleum and benchmarks them against industry peers and Bursa Malaysia's Enhanced Sustainability Reporting Framework.
- **Phase 2:** Prioritisation: Engages stakeholders to understand expectations and prioritises material matters to align with sustainability strategies and the roadmap.
- **Phase 3:** Review and Validation: Validates the materiality matrix through MCRC, BRIC, and Board review, with periodic reassessment.

Materiality Matrix



Very High

1. Health & Safety
2. Corporate Governance
3. Economic Performance
4. Business Ethics
5. Customer and Product Responsibility
6. Cyber and Information Security
7. GHG Emissions

High

8. Human Rights & Labour Practices
9. Innovation & Technology
10. Supply Chain Management
11. Human Capital Development
12. Energy Management
13. Waste & Water Management
14. Climate Change Resilience

Moderate

15. Diversity & Inclusion
16. Community Outreach
17. Biodiversity

Sustainability Statement

OUR STAKEHOLDER MANAGEMENT

At Deleum, we view stakeholders as those affected by our decisions and we actively engage with them through continuous feedback to understand their expectations and concerns. This engagement is central to our sustainability strategy and supports the identification and management of material matters. Responses to stakeholders' concerns are addressed within the respective material matters presented in this Statement.

P Periodically · R As Required · D Daily · W Weekly · M Monthly · Q Quarterly · B Bi-annually · A Annually

ENGAGEMENT CHANNEL	KEY CONCERN	OUR RESPONSE	FREQUENCY
Stakeholder Group: Employees			
• Awareness sessions • Departmental meetings • Employee engagement programmes • Internal communication • Regular meetings • Speak-Up and Listen-Up ("SULU") programme • Town hall meetings	• Employer-employee engagement and alignment • Succession planning • Retention of key talent • Mental health and work-life balance • Health, safety, and environment • Anti-bribery and corruption • Human rights • Personal data protection	• Annual dinner • Festive celebrations • Social, sports, and recreational events (via Deleum Sports and Recreational Club) • Employee appreciation programme (e.g., long service awards, MVP) • Flexible working arrangements • Initiatives to support employee wellbeing • Depression Anxiety Stress Scales ("DASS") practices • Work-life balance activities • Health and safety awareness programmes • Safe working environment initiatives • Succession planning management • Personal Data Protection ("PDP") • Policy and Procedure awareness sessions	P R D W M Q A
Stakeholder Group: Customers			
• Corporate website • Customer satisfaction surveys • Day-to-day interactions • Feedback management systems • Forums • Industry conferences and networking events • Regular meetings • Site visits	• Anti-bribery and corruption • Ethical business practices • Company performance • Continuous value creation • GHG emissions data management • Health, safety, and environment • Product quality and delivery • Product pricing and credit terms	• Participation in sustainability and industry conferences, including renewable energy • Conduct sessions on ABC awareness • Conduct sessions with customers on GHG emissions data management (including Bursa Malaysia related requirements) • Ongoing engagement to address customer concerns • Offer value-added services • Ensure reliable supply of equipment and labour • Collaborate with business partners to deliver competitive products and services	P R D W M Q B A
Stakeholder Group: Partners and Principals			
• Conferences and forums • Day-to-day interactions • Regular meetings • Site visits • Strategic dialogues • Ethical business practices	• Anti-bribery and corruption • Human rights • Company performance • Continuous value creation • Health, safety, and environment	• Monitor and enhance partnership benefits • Conduct awareness and assessments • Conduct ABC sharing sessions • Implement and enhance stringent policies	P R D M Q

ENGAGEMENT CHANNEL	KEY CONCERN	OUR RESPONSE	FREQUENCY
Stakeholder Group: Suppliers and Contractors			
• Day-to-day interactions • Dialogues • Regular meetings • Site visits • Supplier performance reviews • Workshops and training sessions	• Anti-bribery and corruption • Business performance • Continuous value creation • Ethical business practices • Health, safety, and environment	• Business performance, planning, and other commercial matters • Product pricing and credit terms • Conduct ABC awareness and sharing sessions • Provide grievance mechanisms for suppliers • Strengthen HSE standard and practices within our procurement process	P R D W M Q A
Stakeholder Group: Shareholders and Investors			
• Analyst briefings • Announcements via Bursa Malaysia • Annual reports • Annual general meeting • Corporate website • Meetings and conferences • Press releases	• Corporate governance and business ethics • Operational, commercial, and financial performance • Progress and deliverables of growth initiatives • Sustainable value creation	• Access to Board members during general meetings • Timely disclosures in line with Bursa Malaysia's Main Market Listing Requirements • Enhance communication frequency and improve the quality of communication materials	R Q B A
Stakeholder Group: Financial Institutions			
• Engagement sessions • Regular meetings	• Progress and deliverables of growth projects • Operational, commercial, and financial performance	• Engage with financial institutions on shared objectives to support growth and financing needs	P R
Stakeholder Group: Local Communities			
• Community engagement sessions • Corporate website • Corporate Social Responsibility events	• Anti-bribery and corruption • Safety of our operations • Quality of land, air, and water surrounding our operational bases	• Conduct ABC awareness programmes • Invest in community development programmes	P R A
Stakeholder Group: Government and Regulators			
• Corporate website • Engagement sessions • Regular meetings	• Anti-bribery and corruption • Compliance and regulations • Ethical business practices • Health, safety, and environment	• Conduct ABC awareness and training programmes • Collaborate with relevant agencies on shared objectives • Keep abreast of any changes in laws and regulations • Strengthen transparent communication with relevant bodies	P R A

Sustainability Statement

Membership in Associations

We believe in fostering strategic partnerships and collaborations with various industry players, keeping us at the forefront in supporting and promoting emerging sustainability issues and practices.

American Malaysian Chamber of Commerce
Facilitating business connections, trade and investment between American and Malaysian companies, potentially creating networking and market expansion opportunities, including within the oil and gas industry.

Institute of Corporate Directors Malaysia
Providing resources, education, influence, and networking opportunities to equip directors with the necessary skills and mindset to uphold excellent corporate governance practices across government-linked companies, state-owned enterprises, statutory bodies, and public entities.

Malaysia Gas Association
Serving as a platform for collaboration, engagement and dialogue with key stakeholders to develop a sustainable gas industry by positioning natural gas as a clean and efficient source of energy for the Malaysian gas industry.

Malaysian Oil, Gas, and Energy Services Council
Serving as a national independent Malaysian Oil, Gas, and Energy Industry collective voice platform, elevating the members' profiles through strategic partnerships among stakeholders, facilitating international investments in Malaysia and propagating networking opportunities among members.

Malaysian International Chamber of Commerce and Industry
Fostering international trade and investment opportunities for Malaysian businesses by promoting the chamber, its services, and activities.

Society of Petroleum Engineers
Providing technical expertise, professional development, and networking opportunities for individuals working in the petroleum upstream segment of the oil and gas industry.

Malaysia Petroleum Management ("MPM")
MPM is a government-related body within PETRONAS, Malaysia's state-owned national oil company. Under the Petroleum Development Act 1974, PETRONAS is granted full ownership and regulatory authority over the country's petroleum resources, and MPM carries out this role by overseeing upstream activities such as exploration, development, production, and decommissioning. As PETRONAS is government-owned, MPM functions as a government-linked regulator for Malaysia's upstream petroleum sector.

CEO Action Network ("CAN")
Deleum is proudly an official member of the CAN, actively participating in Workstream #2: Capacity Building. CAN is an exclusive peer-to-peer informal network of CEOs from leading Malaysian businesses. This coalition of purpose-driven leaders is dedicated to sustainability advocacy, capacity building, action, and performance. By facilitating transformative leadership and collaboration among CEOs, CAN addresses the growing challenges of building sustainable business ecosystem in Malaysia.

We are committed to advancing our CAN Collective Commitments at Level 2, demonstrating our dedication to sustainable development and impactful leadership.

Deleum CAN Collective Commitments at Level 2 for 2025

DELEUM SUSTAINABILITY COMMITMENTS	PILLARS	COMMITMENTS	PROGRESS
Upholding ethical business practices and high standards on ethics, integrity, and compliance	**Governance**	· Disclose performance criteria of top management linked to ESG · Disclose material sustainability risks and opportunities	· **Completed.** We incorporated sustainability-related targets into OKRs of Key Senior Management [Page 36] · **Completed.** We reassessed and disclosed the material matters, risks, and opportunities [Pages 39-40]
Preserving and protecting the environment for present and future generations through climate action and resource efficiency	**Environment**	· Set public targets on GHG Scope 1 and Scope 2 · Commitment to implement TCFD recommendations	· **Completed.** We committed to Carbon Neutrality by 2035 [Page 32] · **Completed.** We incorporated IFRS S2 recommendations into our climate-related risks and opportunities [Page 51-65]
Respecting, supporting and upholding fundamental human rights of people in the areas where we operate	**People**	· Set public targets on percentage of female representation in top management · Conduct human rights risk assessments, across the Group's operations and value chain	· **Completed.** We have achieved more than 30% of female representation in top management [Page 90] · **Completed.** We have implemented our human rights policy and conducted a Social Risk Assessment in 2025 [Page 81]

Sustainability Statement

CORE VALUE #1: **SERVICE QUALITY**

ECONOMIC
Ensuring equitable economic interests of stakeholders

ECONOMIC PERFORMANCE

Target 8.1: Sustain per capita economic growth

8 DECENT WORK AND ECONOMIC GROWTH

Why It Matters

A strong financial performance is crucial for creating sustainable and long-term economic value for our stakeholders. By achieving excellence in both financial and business performance, we deliver healthy returns to our shareholders, repay financiers, and fulfil tax obligations that support socioeconomic factors such as job creation and infrastructure development. Additionally, we contribute to the wellbeing of local communities through sponsorships and various initiatives, as detailed in the Community Outreach section.

Our Approach

Deleum stays abreast of market trends and pursues technological advancements while addressing identified sustainability- and climate-related risks and opportunities that impact our operations and stakeholders. We drive market expansion through strategic partnerships, collaborations, and diversification into new regions. Additionally, we support local communities through sponsorships and various initiatives, as detailed in the Community Outreach section.

We acknowledge and appreciate the tangible economic benefits generated from our activities, recognising their multifaceted impact on various stakeholders and sectors of our community. By highlighting these impacts, we demonstrates the complex economic value that our efforts create:

- Value delivered to shareholders
- Value offered through our products and services to stimulate economic activity and growth
- Competitive salaries and benefits to overall economic stability and wellbeing of our employees
- Balancing the needs of customers, suppliers and financiers to sustainable business operations
- Community investment enhances social welfare and builds resilient community
- Payments to Government contribute to the community through funding public services, development and welfare programme

Our Group's economic activities generate consistent returns for shareholders, provide fair opportunities for vendors and subcontractors and offer employees competitive remuneration and benefits. Additionally, we contribute to the betterment of society by fulfilling our tax obligations and support the welfare of the broader community through responsible business practices.

Economic Value Generated (RM Million)			Key Economic Value Distributed (RM Million)						Economic Value Retained for Reinvestment (RM Million)
Revenue +	Interest income	-	Purchase of goods and services +	Dividends to shareholders +	Employee remuneration and benefits +	Income tax paid +	Community investment	=	Total economic value retained
997.1 FY2024: **907.5** FY2023: **792.0**	5.3 FY2024: **6.5** FY2023: **5.1**		649.4 FY2024: **583.2** FY2023: **547.5**	37.3 FY2024: **37.3** FY2023: **22.9**	125.7 FY2024: **115.3** FY2023: **102.3**	40.1 FY2024: **35.5** FY2023: **27.3**	0.47 FY2024: **0.39** FY2023: **0.40**		149.4 FY2024: **142.3** FY2023: **98.7**

Refer to page 17 of the Annual Report 2025 for the details of financial performance under the Management Discussion and Analysis section.

Metrics, Targets, and Performance

Deleum has established metrics and targets, as incorporated in the Sustainability Roadmap, with their performances outlined below:

SUSTAINABILITY ROADMAP 2025-2029
Sustainability Aspirations: Revenue Growth and Regional Expansions

Initiative	Metric / Target	Performance
Organic and non-organic revenue growth	Achieve RM1 billion of the Group revenue^	Ongoing

Note:
^ This metric is developed internally by Deleum

CUSTOMER AND PRODUCT RESPONSIBILITY

Target 9.4: By 2030, upgrade industries and infrastructure for sustainability through efficient resource use and the adoption of clean, environmentally sound technologies

Why It Matters

As an oil and gas service provider, ensuring customer satisfaction through excellent customer service and delivering high-quality products is crucial for building brand loyalty and trust, as well as influences our ability to secure contracts and maintain market competitiveness. At Deleum, each Business Units ("BUs") is responsible for ensuring customer satisfaction and maintaining excellent service quality.

Our Approach

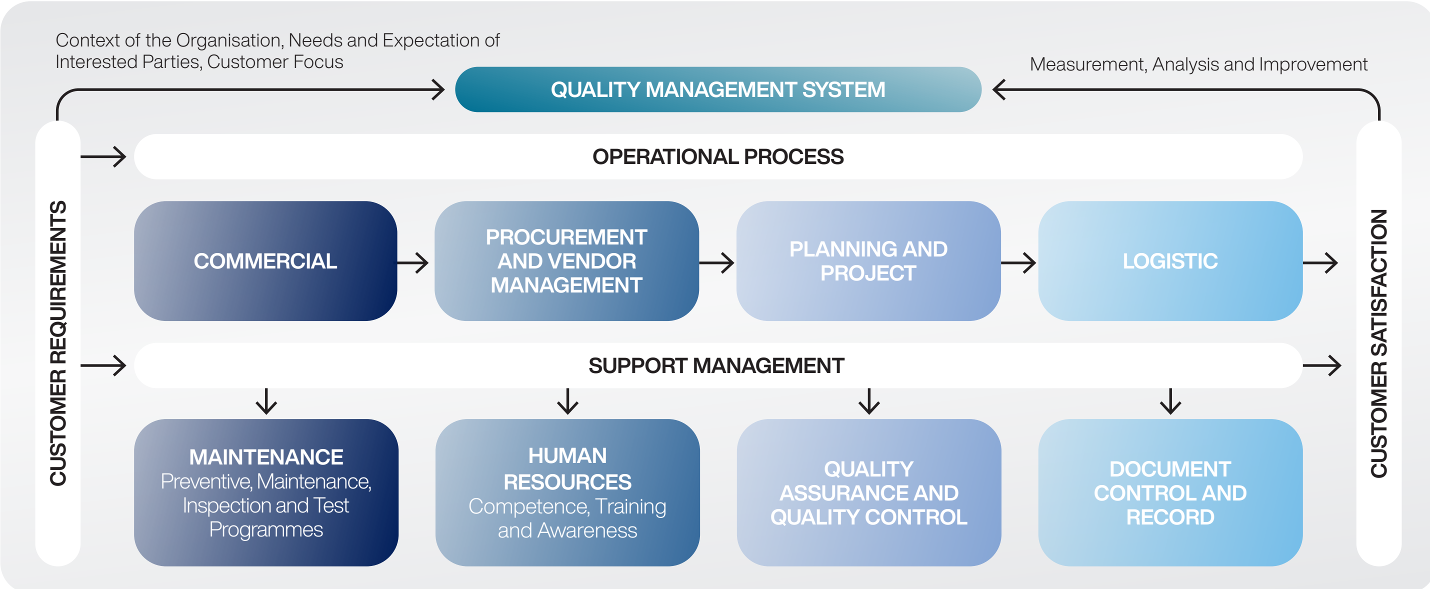
	FY2025	FY2024	FY2023
Group Customer Satisfaction Index	88%	85%	90%
Customer feedback (Commendation letter)	13	34	18

Our BUs are committed to maintaining high standards through regular monitoring and reporting supported by our Quality Policy. By adopting internationally recognised standards such as ISO 9001:2015 Quality Management System and API Specification Q2 (2nd Edition), along with ISO 29001:2020 for the Petroleum, Petrochemical, and Natural Gas Industries currently in progress, we strengthen governance and operational integrity. Our commitment is further reinforced by the Sarawak Government's directive requiring oil and gas entities to achieve ISO 29001 certification by 2026, alongside the growing emphasis on ESG reporting across the value chain. These developments drive us to continuously enhance our quality systems and transparency.

Sustainability Statement

We ensure clear communication throughout our organisation and with key stakeholders, promoting transparency and effectiveness in our operations. We value the trust and confidence our customers place in us, and we remain committed to delivering high quality products and services.

Deleum's Quality Management System ("QMS")



The diagram illustrates the QMS which serves as the foundation for meeting customer requirements and achieving customer satisfaction. At the core, the QMS integrates operational processes such as commercial, procurement and vendor management, planning and project execution, and logistics, with support functions such as maintenance, human resources, quality assurance and control, and document management. This structure ensures that every stage of our value chain is aligned with stakeholder expectations and governed by a cycle of measurement, analysis, and continuous improvement.

Metrics, Targets, and Performance

Deleum has established metrics and targets, as incorporated in the Sustainability Roadmap, with their performance outlined below:

SUSTAINABILITY ROADMAP 2025-2029 Sustainability Aspirations: Revenue Growth and Regional Expansions		
Initiative	**Metric / Target**	**Performance**
Maintain ISO 9001 certification for the Quality Management System	Achieve ISO 9001 recertification^	Achieved
Achieve certification of the ISO 29001 Petroleum, Petrochemical, and Natural Gas Industries	Achieve ISO 29001 certification for DOSSB by 2026^	Ongoing
Service quality initiatives	ISO entities: Achieve >70% Customer Satisfaction Index annually^	Achieved
	Principle-based entities: 10 commendation letters received annually^	Achieved

Note:
^ This metric is developed internally by Deleum

INNOVATION AND TECHNOLOGY

Target 9.4: By 2030, upgrade industries and infrastructure for sustainability through efficient resource use and the adoption of clean, environmentally sound technologies

Why It Matters

Technology and innovation play an important role in maintaining competitiveness and operational efficiency in the oil and gas services sector. As customer expectations evolve and sustainability considerations grow in importance, technology-driven enhancements help strengthen service quality, support safer operations, and improve the overall resilience of the Group's operations. Advancements in technology also contribute to efficiency gains that support emissions reduction and improve long-term operational performance.

Our Approach

Technology and Operational Enhancements

Deleum takes a practical and needs-based approach to adopting technology, focusing on solutions that demonstrate clear operational benefits, improve safety performance, and support our long-term decarbonisation goals. Technology adoption is guided by feasibility, customer requirements, and alignment with our broader sustainability strategy. We collaborate with technical partners where appropriate to assess emerging technologies and determine their suitability before deployment.

Chemical Treatment

Deleum Chemicals Sdn. Bhd. ("DCSB") provides practical chemical solutions for oilfield operations, including scale removal treatment and foam sticks for liquid unloading. SC-Dsludge is another innovative solution developed by our Chemicals Team, a sludge treatment technology enabling the recovery of oil from sludge and offering a sustainable solution to our customers. This breakthrough solution not only addresses the storage capacity constraints and process limitations but also reduces the environmental impact and carbon footprint associated with the conventional disposal by incineration method.

In 2025, DCSB secured a cost-reimbursable grant to advance the Modular Sludge Treatment System — a breakthrough technology that enhances sludge and emulsion processing efficiency while reducing environmental impact. Building on our recognition as first runner-up in Malaysia's OGSE Innovation Award at MOGSEC / OGA 2024, this milestone supports offshore deployment and future international expansion, reinforcing our commitment to innovation-driven sustainability in the energy sector.

Advanced Slickline Capabilities

Deleum Oilfield Services Sdn. Bhd. ("DOSSB") strengthened its well intervention capabilities through the deployment of the SEDaR™ system, which enhances data visibility and supports more informed decision-making during slickline operations. In FY2025, advanced slickline techniques were applied across six projects, improving operational efficiency, reducing project duration, and enabling safer, more precise field execution. These enhancements contribute to more efficient energy use during operations and form part of the Group's broader optimisation efforts aimed at reducing fuel consumption and improving overall performance.

Hydrogen-Based Technology

In FY2025, DOSSB identified hydrogen-based technology as part of its long-term decarbonisation strategy. As hydrogen technology continues to evolve, Deleum is taking a phased approach aligned with technology readiness and operational feasibility. This technology generates hydrogen in-situ to improve engine combustion efficiency. Pilot testing on selected equipment demonstrated fuel efficiency improvements and reduced emissions, supporting its potential as a transitional decarbonisation solution.

Sustainability Statement

Collaboration and Partnerships

We strive to drive meaningful change by collaborating on technological advancements within the oil and gas sector, in order to open new opportunities and address climate change effectively:

Methane Emissions Monitoring Solution

DOSSB continued its collaboration with LatConnect 60 Ltd, (a satellite imagery and data analytics company) to promote eMission60, an advanced methane emissions monitoring solution powered by satellite data analytics. This state-of-the-art technology provides precise methane monitoring capabilities, enabling organisations to enhance the measurement, monitoring, and control of emissions globally.

Supporting Carbon Capture Storage Project

Deleum Services Sdn. Bhd. ("DSSB"), in collaboration with its technical partners, has been entrusted with supplying Gas Turbine Generators and Printed Circuit Heat Exchangers. These generators are set to energise an offshore platform, whilst the heat exchangers serve as a cooling system and compression applications, supporting a major Carbon Capture and Storage ("CCS") project. This CCS initiative represents a noteworthy investment in carbon capture and storage technology within Malaysia, expected to significantly contribute to global efforts to combat climate change.

Digital Transformation

To enhance data sharing through innovation and technology, Deleum has developed its Service Quality Centre ("SQC") portal to facilitate efficient data sharing across all BUs. This portal provides readily accessible, accurate and up-to-date data, reducing time spent on data retrieval, enhancing analytical reporting and dashboards, and enabling informed decision-making. Building on this foundation, Deleum is driving a broader digital transformation strategy through several key initiatives designed to strengthen operational efficiency:

Cloud-based Business Management Suite

Streamlining core processes across finance, procurement, and operations with AI-powered automation, providing real-time visibility and scalability.

Operational Excellence Support

Upgrading the Helpdesk system with improved ticket tracking, automated workflows, and analytics for faster issue resolution.

SharePoint and Intranet Enhancements

Strengthening internal collaboration, improving document management, and delivering a more intuitive user experience.

Smart Inventory Management

Leveraging automation and real-time data to optimise stock control, minimise downtime, and reduce costs, ensuring critical resources are available when needed.

Metrics, Targets, and Performance

Deleum has established metrics and targets, as incorporated in the Sustainability Roadmap, with their performance outlined below:

SUSTAINABILITY ROADMAP 2025-2029
Sustainability Aspirations: Revenue Growth and Regional Expansion

Initiative	Metric / Target	Performance
Technology and operational enhancements Collaboration and partnerships	Achieve RM1 billion in Group revenue^	Ongoing
Digital transformation initiatives	Deployment of 4 digital transformation initiatives within the stipulated timeline^	3 Achieved 1 Ongoing

Note:
^ This metric is developed internally by Deleum

CORE VALUE #2: **HEALTH, SAFETY AND ENVIRONMENT**

ENVIRONMENTAL

Safeguarding environmental wellbeing through climate action and responsible resource management

4

CLIMATE CHANGE RESILIENCE

Target 13.2: Integrate climate change measures into national policies, strategies, and planning

13 CLIMATE ACTION

Why It Matters

Climate change is a critical global challenge with profound environmental, social, and economic impacts. In Malaysia, extreme weather events such as heatwaves, heavy rainfall, and floods have disrupted communities and infrastructure. In addition, rare events such as Cyclone Senyar demonstrate that low-probability, high-impact weather conditions can occur in the region, reinforcing the importance of preparedness and adaptation.

At the same time, transition risks are increasing as jurisdictions strengthen climate-related policies and stakeholders place greater emphasis on transparent, comparable sustainability information, and credible decarbonisation action.

Our Approach

Climate Strategy and Decarbonisation Pathway

Deleum's approach to climate resilience is guided by the Sustainability Policy, Environmental Policy, and Climate Change Policy, which outline expectations set by the Board, BRIC, and Senior Management for consistent implementation across the Group. These policies underpin our climate strategy and provide the foundation for integrating climate considerations into planning and operational decision-making.

As part of our regulatory engagement efforts, Deleum continues to collaborate with MPM, the government-linked body within PETRONAS that oversees Malaysia's upstream petroleum resources. Our engagements with MPM include climate-related matters, regulatory requirements, and other relevant industry issues, ensuring alignment with national expectations and strengthening our relationship with key upstream regulatory stakeholders.

To address climate-related risks and opportunities, Deleum has integrated mitigation and adaptation measures into the Sustainability Roadmap 2025-2029, supported by the Decarbonisation Plan, which outlines the pathway toward achieving Carbon Neutrality by 2035 and Net Zero by 2050. In FY2025, we strengthened this strategic direction by adopting science-based targets, ensuring alignment with the Paris Agreement and Malaysia's Nationally Determined Contributions.

These targets guide our strategy for managing both transition risks and physical risks, embedding climate considerations into our Sustainability Framework and ERM Framework. Our approach is aligned with recognised international frameworks, including COSO guidelines, and relevant ISO standards, ensuring a structured and robust approach to addressing climate-related challenges.

The Group defines time horizons based on when the CRRO could reasonably be expected to occur. As of the end reporting period, the following time horizons were identified which align with the timelines used for strategic decision-making:

- Short-term (1-5 years, up to 2029)
- Medium-term (6-10 years, up to 2035)
- Long-term (>10 years, up to 2050)

Sustainability Statement

DELEUM DECARBONISATION PLAN

Deleum developed its Decarbonisation Plan in line with the National OGSE Sustainability ("NOS") Roadmap. The NOS Roadmap is designed to guide Oil and Gas Services and Equipment ("OGSE") companies in adopting sustainable practices and initiating their sustainability reporting journey.

The Decarbonisation Plan uses the 2023 baseline and is built around two key milestones:
- Interim target by 2030: Reduce approximately 14% of Scope 1 and 2 emissions from the 2023 baseline.
- Achieve Carbon Neutrality by 2035: A cumulative reduction of about 41%.

This trajectory contrasts with a business-as-usual scenario that assumes emissions will increase with projected business growth if no action is taken. Our approach is intended to balance business expansion with emission reduction and resilience measures.

To achieve these targets, Deleum pursues three key strategies, each outlining potential climate actions for evaluation and adoption. Given the nature of the OGSE sector, many initiatives require significant capital investment. These strategies will be implemented through extensive stakeholder engagement to secure alignment with clients' climate aspirations towards Net Zero by 2050.

Strategy 1 **Reduce Own GHG Emissions**	*Operational decarbonisation for Scope 1 and 2*
Strategy 2 **Manage Future Business Growth**	*Decarbonising the revenue mix and capital allocation*
Strategy 3 **Offset Residual Emissions**	*Carbon credits for unavoidable emissions*

More details on the Decarbonisation Plan can be viewed at the GHG Emissions and the Energy Management sections.

Transition Risk

Regional and global sustainability expectations are reshaping the oil and gas services value chain, influencing procurement criteria, emissions data transparency, and operational practices. Customers are strengthening their reporting requirements and prioritising suppliers with credible climate strategies, embedding ESG considerations into procurement processes and favouring partners that can support their own decarbonisation pathways.

Effects on the Business Model and Value Chain

Shifts in regional and global sustainability expectations may influence procurement criteria, emissions data requirements, and operational practices across the oil and gas services value chain. These changes may create cost implications or operational adjustments in direct operations, both upstream and downstream activities, particularly as customers enhance their reporting processes and efficiency expectations. Understanding these potential developments allows the Group to anticipate changes that may affect service delivery and cost structures.

Carbon Pricing

Carbon pricing continues to be a policy mechanism under consideration internationally, with adoption and implementation timelines varying across regions. Publicly available outlooks by the International Energy Agency ("IEA") indicate that carbon pricing trajectories in Southeast Asia may progress gradually due to affordability and institutional readiness considerations.

In Malaysia, the Government has announced its intention to introduce a carbon tax beginning in 2026, although the final price and implementation framework will depend on the forthcoming Climate Change Bill and supporting guidelines. Initial expectations suggest that pricing may be moderate relative to some regional benchmarks.

Given Deleum's relatively low emissions profile, immediate financial exposure is expected to be minimal. The Group has not implemented internal carbon pricing at this stage, as the external framework remains under development; however, this position will be reviewed periodically as regulatory and customer expectations evolve.

Climate Scenarios

To assess our position in managing transition risks, we use scenarios from the World Energy Outlook ("WEO 2025") developed by the IEA to evaluate potential implications for energy demand, technology adoption, and decarbonisation pathways. These scenarios provide directional insight into how global energy trends, technology adoption and policy pathways may evolve, and are used for exploratory analysis rather than prediction.

- **Current Policies Scenario ("CPS")** assumes no new climate policies beyond those already in place. Under this scenario, oil and gas demand continues to increase through 2050 due to limited policy intervention.
- **Stated Policies Scenario ("STEPS")** reflects announced government commitments and planned renewable energy targets, driving greater deployment of energy efficiency measures, electrification, and renewable energy.
- **Net Zero Emissions by 2050 ("NZE")** represents an accelerated energy transition characterised by rapid electrification, expanded hydrogen use, and a sharp decline in fossil fuel demand.

Our assessments integrate Deleum's internal insights with external scenario data from reputable sources, including the IEA's WEO 2025, providing an evidence-based perspective on global and regional market trends relevant to our industry. Together, these insights support our evaluation of potential implications and financial impacts on operations and across the Group's value chain, enabling us to refine our risk-management strategy and capture emerging opportunities.

No	Risk / Opportunity	Transition Driver	2029	2035	2050
1	**Risk: Policy and Legal**	Enhanced emissions reporting obligations	High	Medium	Low
2	**Risk: Technology**	Substitution of existing high-emission products and services with lower emissions options	Low	Medium	High
3	**Risk: Market**	Changing customer behaviour	Low	Medium	High
4	**Risk: Reputation**	Shifts in customer preferences arising from reputational risk	Low	Medium	High
5	**Opportunity: Resource Efficiency**	Use of more efficient production processes	Low	Medium	High
6	**Opportunity: Products and Services**	Development and/or expansion of low-emission products and services	Low	Medium	High
7	**Opportunity: Resource Efficiency**	Transition to energy-efficient buildings	High	Medium	Low
8	**Opportunity: Energy Source**	Shift towards decentralised energy generation	High	Medium	Low

Legend:

Risk	*High*	*Medium*	*Low*
Opportunity	*High*	*Medium*	*Low*

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A summary of transition risks, opportunities, and associated impacts is provided below:

No	Transition Driver	Risk / Opportunity / Our Position	Financial Effect	Scope of Operations
1	**Risk: Policy and Legal** Enhanced emissions reporting obligations	• Inability to meet reporting requirements due to insufficient resources and lack of a competent team. • Deleum is investing in strengthening its sustainability team, enhancing employee competencies, internal awareness programmes or trainings, obtaining independent verification of emission data, and meeting Bursa Centralised Sustainability Intelligence Platform requirements to address increasing reporting obligations and avoid greenwashing. • The risk level is highest during the initial phase and gradually declines as Deleum strengthens its capabilities.	OPEX ▲	Company-wide
2	**Risk: Technology** Substitution of existing high-emission products and services with lower emissions options	• Potential loss of competitive edge arising from delayed transition to lower emissions technologies. • Potential loss of competitive advantage resulting from insufficient capability to meet customers' evolving low-carbon solution requirements. • Loss of market opportunities if Deleum is unable to establish itself as a trusted low-carbon solutions provider • Deleum is investing in low-emission technologies and enhancing operational efficiency through a phased implementation approach. • The risk level will escalate if Deleum fails to act swiftly when alternative low-carbon technology becomes available and accessible to the market, including competitors, and when investment costs are commercially rationalised.	CAPEX ▲ OPEX ▲	Business activity or product / service line
3	**Risk: Market** Changing customer behaviour		CAPEX ▲ OPEX ▲	Business activity or product / service line
4	**Risk: Reputation** Shifts in customer preferences resulting from reputational risk		CAPEX ▲ OPEX ▲	Company-wide
5	**Opportunity: Resource Efficiency** Use of more efficient production processes	• Customers and regulators are increasingly valuing companies that demonstrate effective emission reductions. • Deleum is integrating more efficient production processes (e.g., advanced slickline technologies and digital monitoring of maintenance activities) and investing in low-emission technologies and operational efficiency through a phased approach to enable operational optimisation and strengthen its ESG credentials. • The opportunity level increases as market demand grows for more efficient and cleaner solutions.	CAPEX ▲ OPEX ▲	Business activity or product / service line
6	**Opportunity: Products and Services** Development and/ or expansion of low emission products and services			
7	**Opportunity: Resource Efficiency** Transition to energy-efficient buildings	• Customers and regulators place growing value on partners with lower emissions who can support their net zero transition pathways. • Deleum is enhancing internal energy efficiency to reduce its carbon footprint and capitalising on this transition through investments in solar photovoltaic ("PV") technology. • The opportunity level is high in the near term and gradually declines as more competitors adopt a similar approach.	CAPEX ▲	Facility
8	**Opportunity: Energy Source** Shift towards decentralised energy generation			

The analysis indicates that the Group demonstrates the capacity to manage transition risks in short-, medium- and long-term under CPS, STEPS and NZE, supported by its transition-related opportunities through its Decarbonisation Plan.

While transition risks are expected to lead to higher capital and operating expenditures over time, these anticipated investments will deliver efficiency gains and reinforce the Group's competitive positioning as the energy market transitions.

Deleum will continue to refine its climate resilience assessment as data availability improves and scenario assumptions, methodologies and regulatory expectations evolve. This includes the progressive strengthening of quantitative analysis at the segment level, particularly in relation to sensitivities and financial impacts.

Physical Risk

In FY2026, we will be conducting a physical risk assessment across all operational sites using climate scenario-based analysis to inform site-specific adaptation measures. The reassessment is integrated into the Group's OKRs and the results will be analysed and translated into targeted strategies to address climate risks while retaining flexibility to scale up mitigation and adaptation efforts should more severe conditions arise. This exercise demonstrates the Group's ability to adjust its strategy and operations in response to evolving climate-related risks.

Effects on the Business Model and Value Chain

To strengthen resilience, the Group is reassessing physical climate impacts and reviewing existing processes, such as the flood mitigation measures implemented in Kemaman, while exploring further enhancements, including insurance coverage. These efforts ensure proactive management of risks from extreme weather events.

Climate Scenarios

Based on climate modelling assumptions, projections indicate rising physical risks that could impact Deleum's operations and value chain. Current analysis is preliminary and based on screening, using Intergovernmental Panel on Climate Change's ("IPCC") Shared Socioeconomic Pathways ("SSPs"), focusing on two key scenarios:

- **SSP2-2.6 (Low-emission scenario):** Lower climate impacts under strong mitigation efforts, aligns with the Paris Agreement's 1.5°C-2°C goal
- **SSP5-8.5 (High-emission scenario):** High GHG emissions in the absence of Government policies to combat climate change; global warming of between 3.2°C and 5.4°C is projected by 2100

Acute Physical Risks

Short-term physical risks include potential increases in extreme heat days and intense rainfall events. Such conditions may disrupt operations, affect workforce safety, and influence the reliability of certain equipment. Heavy rainfall may elevate flood risks in specific locations, impacting site accessibility, and logistics.

Chronic Physical Risks

Long-term trends show rising heat stress, with days exceeding a heat index of 37°C projected to increase from near zero historically to over 180 days annually in Malaysia and nearly 300 days in Indonesia and Thailand under high-emission scenarios by late century.

Persistent heat and humidity heighten workforce health and safety risks, including dehydration and heat-related illnesses that can reduce labour productivity and accelerate equipment degradation. Rising temperature and reduced air density are likely to reduce combustion engine efficiency and increase fuel consumption. At the same time, changes in precipitation patterns across our operations are likely to result in more frequent and longer duration flood events, potentially disrupting operations, logistics and the supply chain.

As part of preliminary climate risk screening, we identified two key indicators to understand potential exposure:

- Number of days with Heat Index > 37°C
- Number of days with Precipitation ≥ 20mm

Sustainability Statement

These thresholds align with Malaysia's official extreme heat and flood alert criteria, where heatwave warnings are issued at >37°C for three consecutive days and heavy rain alerts at ≥20mm / day, signalling flood risk. Comparable heat health warning systems and flood early warning frameworks are in place in Thailand and Indonesia, reflecting regionally consistent thresholds for extreme heat and hydrometeorological hazards. Tracking these metrics under different climate scenarios provides location-specific insights into exposure to extreme weather conditions, enabling proactive risk management and resilience planning.

		2020-2039		2040-2059		2060-2079		2080-2100	
	Historical	SPSS 2.6	SPSS 8.5	SPSS 2.6	SPSS 8.5	SPSS 2.6	SPSS 8.5	SPSS 2.6	SPSS 8.5
Number of Days with Heat Index > 37°C (Average)									
Malaysia	0.01	0.56	0.82	2.25	16.26	3.46	90.03	3.20	186.88
Indonesia	0.00	0.00	0.02	0.09	7.38	0.16	130.95	0.19	293.24
Thailand	46.90	122.37	125.43	165.65	210.90	177.03	268.08	177.37	297.51
Number of Days with Precipitation ≥20mm (Average)									
Malaysia	17.11	19.03	18.82	19.74	20.35	19.93	22.09	19.76	24.48
Indonesia	7.76	0.39	0.23	1.09	0.58	8.92	9.37	9.26	10.08
Thailand	4.36	4.73	4.84	5.22	5.28	5.20	5.79	5.13	6.30

Note:
1. Climate Scenarios are based on the World Bank Climate Change Knowledge Portal.
2. The data presented are based on the Coupled Model Intercomparison Project Phase 6.
3. Projection data are presented as multi-model ensembles, representing the range and distribution of the most plausible projected outcomes of changes in the climate system for selected SSPs.
4. SSPs provide insight into future climate conditions based on defined emissions, mitigation efforts, and development paths.

Capacity to Adapt the Strategy and Business Model

Deleum continues to strengthen its climate transition plan and physical risk resilience by allocating dedicated resources and building internal capabilities:

- **Transition Risks:** Enhancing emissions reporting obligations, expanding low-carbon technologies, integrating energy efficiency measures, and aligning capital allocation with decarbonisation initiatives and GHG emissions reduction targets.
- **Physical Risks:** Enhancing location-specific adaptation measures, improving infrastructure resilience, and embedding climate risk considerations into operational planning.

Since the previous reporting period, Deleum has progressed across its climate transition efforts, including measurable reductions in Scope 1 and 2 emissions, the deployment of innovation and technology initiatives and the conduct of Scope 3 materiality assessments. Looking ahead, Deleum plans to increase investments in low-carbon solutions and expand internal capacity through training, ensuring flexibility to adjust its strategy as climate-related risks and opportunities evolve.

Climate Risk Management Process

Our approach to managing climate-related risks follows the Group's ERM Framework and integrates climate considerations into existing processes:

IDENTIFY

- The climate change risk assessment process is guided by the Group's risk management policies and procedures, specifically the ERM Framework.
- All BUs and supporting functions are required to conduct an annual risk control self-assessment.
- Climate change risks are integrated into the enterprise-wide multi-disciplinary risk heat map, facilitated by the CCSR Department.

MANAGE

- Monitor performance against set targets.
- Regularly monitor and report GHG emissions and energy consumption indicators.
- Identify and implement actions with relevant stakeholders to reduce GHG emissions.

REPORT

- Risk reporting is streamlined and consolidated into a unified structure to present to the MCRC, BRIC, and Board on a quarterly basis.
- Provide quarterly reports to the MCRC, BRIC, and Board through the internal sustainability progress report and risk management reports, detailing the actions taken to address climate change risks for deliberation and revision.

Operational and Adaptation Measures

To safeguard our workforce, assets, and operations against climate-related and operational disruptions, we have embedded the following measures:

Business Continuity Management
We have conducted scenario-based simulations within our BCM framework at operational sites to assess and enhance our emergency response and business continuity capabilities. These exercises ensure the effective activation of response measures to safeguard our workforce, the environment, critical assets, and corporate reputation against climate-related and operational disruptions.

Issuing Flood Alerts
In alignment with adverse weather guidelines, we issue flood alerts, highlighting potential hazards and providing evacuation instructions to safeguard personnel and assets.

Monitoring Weather
We closely monitor weather patterns utilising rainfall data and forecasts provided by MetMalaysia to stay abreast of changing conditions and to anticipate potential hazards.

Issuing Travel Alerts
Adhering to adverse weather guidelines, we issue travel alerts based on forecasts to mitigate potential hazards posed by adverse weather conditions.

Monitoring Climate Change Effects
We continuously monitor the effects of climate change on our business presence and operations, enabling us to adapt and respond effectively to evolving environmental conditions.

Activating Emergency Response
Our Emergency Response Team is activated to support affected personnel and address impacts on operational facilities, ensuring a swift and coordinated response to mitigate disruptions.

Sustainability Statement

Metrics, Targets, and Performance

Deleum has established metrics and targets, as incorporated in the Sustainability Roadmap, with their performance outlined below:

SUSTAINABILITY ROADMAP 2025-2029
Sustainability Aspirations: Achieve Carbon Neutrality by 2035 and Net Zero by 2050

Initiative	Metric / Target	Performance
Sustainability and climate change awareness programmes and capability building for internal stakeholders	2 awareness programmes or capability training sessions for internal stakeholders annually#	Achieved
Adoption of TCFD / IFRS S2 frameworks	Full compliance with IFRS S2 by 2027^	Ongoing
	Assessment of BUs for physical climate risks by 2027^	Ongoing

Note:
Metric aligns with GRI Standards (GRI 404: Training and Education 2016)
^ This metric is developed internally by Deleum

5 GHG EMISSIONS

Target 13.2: Integrate climate change measures into national policies, strategies and planning

13 CLIMATE ACTION

Why It Matters

GHG emissions contribute to climate change, which has significant environmental, social, and economic implications. As an energy-related service provider, managing emissions is an important part of strengthening operational resilience and supporting the transition toward lower carbon practices. Reducing emissions enhances efficiency, supports responsible resource use, and aligns with the industry moves toward lower-carbon operating practices.

Our Approach

GHG Emissions Journey

2021

Scope 1 and 2 data collection, reporting, and baseline

2023

Internal Audit highlighted gaps in GHG data

2024

Closed all identified gaps and refined the GHG data management mechanism

Scope 1 and 2 emissions (FY2023) were verified by BSI Malaysia (ISO 14064-1:2018 Greenhouse gases)

Reset the baseline year, established targets, and tracked performance

Established procedures for GHG emissions inventory management

Initiated the Decarbonisation Plan

ESG and sustainability awards

2025

Scope 3 materiality assessment

Completed the data management mechanism for Scope 3 emissions:
- Category 5: Waste Generated in Operations
- Category 6: Business Travel
- Category 7: Employee Commuting
- Category 15: Investment

Updating procedures for GHG emissions inventory management to include Scope 3

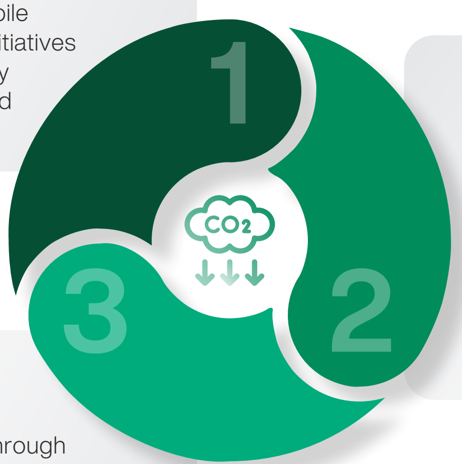
Completed the formulation of the Decarbonisation Plan

ESG and sustainability awards

Decarbonisation Plan

As outlined in our Decarbonisation Plan, we have identified key strategies to drive emissions reduction across our operations and value chain. Several initiatives are already in place encompassing operational efficiency improvements, technology adoption, renewable energy integration, and supplier engagement ensuring measurable progress against our targets.

Strategy 1:
Reduce Own GHG Emissions
This strategy focuses on lowering emissions from activities under the Group's operational control, including power generation equipment, mobile assets, and building energy consumption. Initiatives include efficiency improvements, technology upgrades, renewable energy integration, and electrification of selected locations.



Strategy 2:
Manage Future Business Growth
As business growth can increase absolute emissions, this strategy guides capital allocation toward lower-carbon opportunities and supports the development of service offerings that align with customers' evolving requirements during the transition to lower-carbon operations.

Strategy 3:
Offset Residual Emissions
Residual emissions that cannot be abated through internal measures are expected to be addressed through credible offset mechanisms. Preliminary estimates indicate approximately 1,000 tCO_2e of residual emissions by 2035, which will be managed through verified carbon credits.

Addressing Scope 3 Emissions

In addition to managing direct (Scope 1) and indirect (Scope 2) emissions, the Group recognises the importance of addressing Scope 3 emissions across the value chain. To support this, we conducted a Scope 3 materiality assessment to identify the most relevant categories for reporting and action.

The Group has implemented a GHG inventory tool covering the material Scope 3 categories identified, including Waste Generated in Operations (Category 5), Business Travel (Category 6), Employee Commuting (Category 7), and Investments (Category 15).

For Category 15, a dedicated GHG inventory tool was designed and handed over to support tracking of emissions from entities that are not under Deleum's operational control. The Group is also assessing data availability and suitable calculation methodologies for other relevant Scope 3 categories to ensure progressive enhancement of reporting coverage.

Initiatives linked to Scope 3 management include improvements made through the Group's waste management strategy, particularly under the OYOW programme. These initiatives support emissions accounting under Category 5 and contribute to responsible waste practices across operations. Further details on the OYOW programme are disclosed in the Water and Waste Management section.

Sustainability Statement

Scope 3 Materiality Assessment

Scope 3 Category	Included / Excluded	Reason for Exclusion (If Applicable)
Category 1: Purchased Goods and Services[2]	Included	
Category 2: Capital Goods[2]	Included	
Category 3: Fuel- and Energy-related Activities (not included in Scope 1 or 2)[2]	Excluded	Excluded due to limited relevance but remains under ongoing monitoring
Category 4: Upstream Transportation and Distribution[1]	Included	
Category 5: Waste Generated in Operations[1]	Included	
Category 6: Business Travel[1]	Included	
Category 7: Employee Commuting[1]	Included	
Category 8: Upstream Leased Assets[2]	Excluded	Excluded due to limited relevance but remains under ongoing monitoring
Category 9: Downstream Transportation and Distribution[2]	Excluded	Not applicable to Deleum's business activities
Category 10: Processing of Sold Products[2]	Excluded	Not applicable to Deleum's business activities
Category 11: Use of Sold Products[2]	Included	
Category 12: End-of-life Treatment of Sold Products[2]	Included	
Category 13: Downstream Leased Assets[2]	Included	
Category 14: Franchises	Excluded	Not applicable to Deleum's business activities
Category 15: Investment[1]	Included	

The newly acquired Indonesian operations is excluded from this reporting year due to the ongoing operational integration process.

Note:
1. Data collection, GHG quantification, and quality validation for Scope 3 GHG emissions, particularly Category 5, 6, 7, and 15, are ongoing, prior to independent third-party verification and subsequent disclosure.
2. Assessment of data availability and determining suitable calculation methodologies for other relevant Scope 3 categories.

Climate-Related Metrics

The following represent the Group's total emissions based on Scope 1 and Scope 2 sources in metric tonnes of carbon dioxide equivalent ("tCO_2e") in accordance with the GHG Protocol, as presented below:

GHG Emissions Category[1]	FY2025[3,6]	FY2024[2]	FY2023[2]
Scope 1 Direct Emissions (tCO_2e)	1,387.75	1,207.70	1,188.10
Breakdown:[4]	1,347.50	1,169.54	1,150.57
Carbon dioxide (tCO_2)	0.24	0.21	0.24
Methane (tCH_4)	5.86	3.53	2.23
Nitrous oxide (tN_2O)			
Hydrofluorocarbons (tHFCs)			
▪ **R22**	17.90	17.90	17.90
▪ **R31**	0.01	0.01	0.01
▪ **R32**	2.43	2.43	2.43
▪ **R410A**	7.48	7.48	7.48
Scope 2 Indirect Emissions (tCO_2e)[5]	721.52	657.30	562.20
Total Scope 1 and 2 (tCO_2e)	**2,109.27**	**1,865.00**	**1,750.30**

Note:
1. In FY2024, our GHG baseline year has been revised from FY2019 to FY2023, to reflect significant project developments and the adoption of new methodologies under ISO 14064-1.
2. Our Scope 1 and Scope 2 figures for FY2023 and FY2024 have been verified by an independent third-party, BSI, in accordance with ISO14064-1 at a materiality threshold of 5%.
3. Our Scope 1 and Scope 2 figures for FY2025 have been verified by an independent third-party, BSI, in accordance with GHG Protocol at a materiality threshold of 5%. The Verification Opinion Statement can be viewed on pages 104 to 107 of this Report.
4. A breakdown by gas type comprises of carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and hydrofluorocarbons (HFCs). These emissions are converted to tCO_2e using 100-year Global Warming Potential ("GWP") factors from the IPCC Sixth Assessment Report.
5. Location-based method.
6. The newly acquired Indonesian operations are excluded from this reporting year due to the ongoing operational integration process.

GHG Intensity

Deleum tracks GHG intensity per workforce and per revenue to provide normalised measures of emissions performance that reflect changes in staffing levels and business activity. In FY2025, GHG intensity per workforce reduced by 7% to 1.3 tCO_2e from 1.4 tCO_2e, while GHG intensity per revenue remained stable at 2.1 tCO_2e.

GHG Intensity Category 1	FY2025	FY2024	FY2023
GHG intensity per workforce (tCO_2e / Workforce)	1.3	1.4	2.2
GHG intensity per revenue (tCO_2e / RM Million)	2.1	2.1	2.2

Note:
1. GHG intensity is quantified by dividing the total GHG emissions by the Group's total revenue and total number of workforces.

Sustainability Statement

Methodology, Inputs, and Assumptions

GHG Emissions Procedure

The Group's GHG Emissions Inventory Management Procedure guides the quantification, monitoring, and reporting of GHG emissions across Scope 1, Scope 2, and relevant Scope 3 categories. The procedure outlines the steps for collecting activity data, applying emission factors, and ensuring data consistency and traceability. It is currently being updated to incorporate the Scope 3 emissions categories identified through the materiality assessment.

Deleum adopts the Operational Control consolidation approach in line with the GHG Protocol, accounting for 100% of emissions from operations where the Group has operational control. Emissions from entities in which Deleum holds an interest but does not have operational control are not included in Scope 1 and Scope 2 reporting.

GHG Emissions Sources

Scope 1: Direct GHG emissions from operations include emissions from stationary sources such as generators, power packs, and welding machines. Additionally, mobile combustion sources encompass on-road vehicles such as company-owned cars, vans, and trucks as well as non-road vehicles such as company-owned forklifts.

Scope 2: Indirect GHG emissions from operations arise from the purchased electricity supplied by local energy providers.

Scope 3: These emissions represent all other indirect GHG emissions that occur across the Group's value chain, both upstream and downstream. These include emissions from sources not owned or controlled by the company for:

- Category 1: Purchased Goods and Services
- Category 2: Capital Goods
- Category 4: Transportation and Distribution (Upstream and Downstream Logistics)
- Category 5: Waste Generated in Operations
- Category 6: Business Travel
- Category 7: Employee Commuting
- Category 11: Use of Sold Products
- Category 12: End-of-life Treatment of Sold Products
- Category 13: Downstream Leased Assets
- Category 15: Investments

Emission Sources, Methodology, and Emission Factors

No.	Emission Sources	Calculation Methodology	Activity Data	Emission Factors	Assumptions
Scope 1: Direct Emissions					
1	**Stationary Combustion**	Energy-basis	Operating hours of power generation equipment	Internal Combustion ("IC") Engine for Diesel:[1] • CO_2: 70.20 tonnes / TJ (HHV) • CH_4: 0.15 tonnes TOC / TJ (HHV) • N_2O: 5.69 E^{-04} tonnes / TJ (HHV)	IC Engine for Diesel: • Equipment Thermal Efficiency: 3.179 J_{input}/J_{output} (HHV) Exhaust gas TOC contains 9 wt% CH_4 100% oxidation of fuel carbon
		Volume-basis	Fuel consumption in litres (L)	*Diesel: 2.66 kg CO_2e / L 2	100% mineral-based diesel
2	**Mobile Combustion**	Volume-basis	Fuel consumption in litres (L)	*Petrol: 2.34 kg CO_2e / L 2 *Diesel: 2.66 kg CO_2e / L 2	100% mineral-based petrol and diesel

No.	Emission Sources	Calculation Methodology	Activity Data	Emission Factors	Assumptions
Scope 1: Direct Emissions					
3	**Fugitive Emissions from CO_2 Fire Extinguishers and Refrigerant Leaks from Refrigerator and Air Conditioning Systems**	Rule-of-thumb basis	Charge in kilograms (kg)	Depending on the GWP of the type of gas[3]	0.3 kg of gas per horsepower, assuming 10% of the initial charge as the annual leak rate
		Mass-basis	Gas top-up / discharge / dispose in kilograms (kg)	Depending on the GWP of the type of gas[3]	Amount of gas leaks is equivalent to amount of top-up as reported by the servicing contractor or at the time of discharge / disposed
Scope 2: Indirect Emissions					
1	**Purchased Electricity**	Energy-basis	Electricity consumption in kilowatt-hours (kWh)	*Peninsular Malaysia: 0.774 tCO_2 / MWh[4] *Sabah: 0.525 tCO_2 / MWh[4] *Sarawak: 0.199 tCO_2 / MWh[4] *Jakarta: 0.800 tCO_2 / MWh[5]	Electricity supply of Labuan is sourced from Sabah Electricity supply of Jakarta is sourced from Jamali Electricity Grid Network ("JAMALI")

1. American Petroleum Institute (2021), Compendium of Greenhouse Gas Emissions Methodologies for The Natural Gas and Oil Industry.
2. UK Department for Energy Security and Net Zero (DESNZ) and Department of Environment, Food and Rural Affairs (DEFRA) (2025), GHG Conversion Factors for Company Reporting.
3. IPCC (2019), 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories - Chapter 7: Emissions of Fluorinated Substitutes for Ozone Depleting Substances.
4. Malaysia Energy Commission (2022), Grid Emission Factors in Malaysia.
5. Faktor Emisi GRK Sistem Ketenagalistrikan Tahun (2019) oleh Direktorat Jenderal Ketenagalistrikan.

Metrics, Targets, and Performance

Deleum has established metrics and targets, as incorporated in the Sustainability Roadmap, with their performance outlined below:

SUSTAINABILITY ROADMAP 2025-2029 Sustainability Aspirations: Net Zero by 2050 and Carbon Neutrality by 2035		
Initiative	**Metric / Target**	**Performance**
GHG emissions for Scope 1 and Scope 2	Reduction of Scope 1 and 2 emissions (CO_2e intensity per revenue)^	**Ongoing**
GHG emissions for Scope 3	Implementation of a GHG inventory tool for investment entities^	**Achieved**
	Implementation of a GHG inventory tool for Categories 5, 6, and 7^	**Achieved**

Note:
^ This metric is developed internally by Deleum

Sustainability Statement

6 ENERGY MANAGEMENT

7.3 By 2030, double the global rate of improvement in energy efficiency

Why It Matters

Energy use and fuel consumption are key contributors to the Group's environmental footprint. As an organisation operating in the energy sector, improving energy efficiency supports emissions reduction, cost optimisation, and operational resilience. Reducing energy consumption also strengthens alignment with climate-related commitments and evolving stakeholder expectations.

Our Approach

To achieve Carbon Neutrality by 2035, Deleum is implementing targeted initiatives across five focus areas:

Low-carbon Technologies
Pilot testing of hydrogen-based technology was conducted on selected equipment to evaluate potential improvements in fuel efficiency and reductions in Scope 1 emissions.

Energy Efficiency
A phased replacement programme for ageing and energy intensive air conditioning units began in 2025 and will continue through 2035, prioritising more efficient systems to reduce electricity consumption.

Renewable Energy
Deleum has installed on-site PV systems at two operational locations, reducing reliance on grid electricity and these efforts will be extended to other operational locations.

Operational Optimisation
Advanced slickline capabilities, including the deployment of the SEDaR™ system, were implemented across selected projects to support improved service execution and operational efficiency. The enhanced data visibility provided by SEDaR™ contributes to more informed operational decision-making and reduces project duration, which in turn supports more efficient energy use across relevant activities. These improvements form part of the Group's broader optimisation efforts aimed at reducing fuel consumption and strengthening overall operational performance.

Electrification
Electrification initiatives are being implemented at selected Deleum operational bases by transitioning from on-site diesel generation to grid supplied electricity, where feasible. These initiatives involve the construction of electrical infrastructure to enable permanent grid connectivity, eliminating reliance on diesel generators at affected sites.

SOLAR PV SYSTEM

Deleum has initiated renewable energy integration at the Kemaman site, which was selected for this pilot based on the availability of space and operational feasibility, making it an appropriate starting point for on-site solar PV deployment.

Building on this implementation, a subsequent solar panel project at the Senawang site was completed in 4Q2025, supporting the gradual expansion of renewable energy use across selected operational locations.

Looking ahead, Deleum plans to further expand solar PV deployment to additional selected sites by 2029, accelerating the Group's transition towards greater adoption of renewable energy.

Energy Consumption

Following are the Group's total energy consumption:

	FY2025	FY2024	FY2023
Total Energy consumption (GJ)	**23,593.66**	**20,322.40**	**19,621.10**
Breakdown:			
Diesel (GJ)	19,318.78	16,744.10	16,314.10
Petrol (GJ)	104.20	52.40	169.80
Purchased electricity (GJ)	4,170.70	3,525.90	3,137.30
Energy Intensity			
Energy intensity per permanent employee (GJ / Employee)	14.1	15.4	25.3
Energy intensity per revenue (GJ / RM Million)	23.7	22.4	24.8

Metrics, Targets, and Performance

Deleum has established metrics and targets, as incorporated in the Sustainability Roadmap, with their performance outlined below:

SUSTAINABILITY ROADMAP 2025-2029 Sustainability Aspirations: Achieve Carbon Neutrality by 2035 and Net Zero by 2050		
Initiative	**Metric / Target**	**Performance**
GHG emissions for Scope 1 and Scope 2	Deployment of 5 energy management initiatives within the stipulated timeline^	**1 Achieved** *(Operational optimisation)* **4 Ongoing** *(Low-carbon technologies; Energy efficiency; Renewable energy; Electrification)*

Note:
^ This metric is developed internally by Deleum

WATER AND WASTE MANAGEMENT

Target 6.4: By 2030, increase water-use efficiency and reduce water stress

Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

Why It Matters

We recognise that our operations may impact environmental quality, including air, water, and land, thereby endangering people and the surrounding ecosystem. We are committed to sustainable environmental protection, aiming to optimise usage while minimising environmental impact and managing natural resources through pollution prevention, waste reduction, water conservation, and resource consumption minimisation.

Our Approach

The Group strengthens its environmental performance through measures aligned with the Sustainability Policy, Climate Change Policy, and Environmental Policy. Our approach emphasises pollution prevention, resource optimisation, and responsible waste handling. Chemical operations adhere to structured systems aligned with ISO 14001:2015 and customer requirements, supporting compliance and continuous improvement.

In FY2025, the Group implemented initiatives focused on resource efficiency, environmental protection, and process improvement. These included identifying environmental risks and opportunities, applying appropriate controls, improving water and waste management practices and conducting environmental training programmes as outlined below:

- Practised responsible waste management in accordance with the Environmental Quality Act of 1974 (“EQA 1974”), ensuring proper storage and collection of waste and recyclable materials
- Promoted responsible consumption among our employees through initiatives like proper disposal of information technology assets and daily operational waste
- Enhanced our environmental performance through regular reviews and audits of our practices and policies
- Conducted training and awareness sessions to support sustainable environmental protection, minimise environmental impacts, and drive climate action through Environmental Aspect and Impact Assessments and the OYOW programme

- Identified environmental risks and opportunities and implemented effective controls to prevent incidents that may cause environmental pollution
- Reduced water leakage through regular maintenance
- Minimised water pressure and outflows for toilets, washbasins, and pantries
- Continued the Rainwater Harvesting Programme

Water Management

The Group has established a baseline for water usage by tracking water consumption per employee for FY2025. This baseline supports future efforts to improve water efficiency. Despite operating in areas with minimal water scarcity risk, efficient water use remains part of the Group's sustainability priorities. The Group continues to optimise rainwater harvesting at operational facilities to reduce reliance on municipal water where feasible.

The following data outlines the Group's total water consumption and water discharge over the past three years:

	FY2025	FY2024	FY2023
Water withdrawal	**14.3**	**11.8**	**15.9**
Breakdown:			
Surface water (ML)[1]	0.1	0.1	0.1
Third-party water (ML)[2]	14.2	11.7	15.8
Water discharge	**14.3**	**11.8**	**15.9**
Breakdown:			
Surface water (ML)[1]	0.1	0.1	0.1
Third-party water (ML)[2]	14.2	11.7	15.8

Note:
1. Surface water includes rainwater harvested.
2. Third-party water includes water supplied by municipal water networks or other organisations.

Waste Management

Adhering to the waste management hierarchy is imperative to align with the EQA 1974, an important legislative framework that underscores the significance of minimising environmental impact and improving our performance in resource efficiency, waste reduction, energy management, emissions reduction, water management, ecosystem protection, and environmental compliance.

Waste management practices follow the principles of the EQA 1974 and the waste hierarchy. The Group aims to reduce both hazardous and non-hazardous waste and improve resource recovery. Hazardous waste is managed by an in-house certified Scheduled Waste Competent Person registered with the Department of Environment.

We are committed to the following principles to manage our waste and reduce adverse environmental impact:

- Avoid and reduce hazardous and non-hazardous waste
- Implement effective waste management practices to protect the surrounding environment and community
- Promote continual improvements in waste management and resource recovery

- Encourage reuse and recycling of waste
- Incorporate risk management and workplace health and safety best practices in waste management
- Engage and encourage stakeholders to practise responsible waste management

Sustainability Statement

To enhance transparency and accountability, we have developed a GHG inventory covering both hazardous and non-hazardous waste streams under Scope 3 Category 5: Waste Generated in Operations. The tool applies activity-based data and appropriate emission factors for each waste type and disposal method, ensuring robust and credible emissions reporting. Currently, the data collection, GHG quantification, and quality validation are ongoing, prior to independent third-party verification and subsequent disclosure.

Waste Generated

The table below summarises the Deleum's waste generation, covering both hazardous waste and non-hazardous waste:

	FY2025	FY2024	FY2023
Hazardous waste (MT)	153.2	96.0	81.3
Breakdown:			
Waste directed to disposal (MT)	152.8	95.9	79.3
Waste diverted from disposal (MT)	0.4	0.1	2.0
Non-hazardous waste (MT)	5.4	2.5	-
Breakdown:			
Waste directed to disposal (MT)[1]	4.9	2.2	-
Waste diverted from disposal (MT)[2]	0.5	0.3	-
Total waste generated (MT)	**158.6**	**98.5**	**81.3**

Note:
1. In FY2025, the scope has been expanded to include Labuan operations.
2. Data recording for non-hazardous waste (general and recyclable waste) commenced in September 2024 for Kuala Lumpur HQ only. Therefore, no data is available for FY2023.

Environmental Spillage and Compliance Management

In FY2025, we successfully achieved our goal of zero spillage, showcasing our unwavering commitment to preventing environmental pollution. Throughout the period, there were no environmental fines or penalties reported.

	FY2025	FY2024	FY2023
Minor spillage incidents	0	0	0
Environmental fines and penalties	0	0	0

Own Your Own Waste Programme

The OYOW programme remains central to the Group's waste management efforts, promoting the adoption of the 6R principles — Reuse, Reduce, Refuse, Repurpose, Recycle, and Rethink — to minimise waste generation and enhance resource efficiency across our operations. The programme was launched in FY2024 as a pilot project involving several departments at the Group's headquarters in Kuala Lumpur. Following the successful implementation of the programme, it was extended to offices and facilities in Labuan in FY2025. Going forward, OYOW is planned to be rolled out to Kemaman and other locations, with full Group-wide adoption targeted by 2029.

As part of this commitment, we aim to achieve a minimum of 10% diversion of general waste (kg) from disposal annually through increased recycling initiatives and in FY2025, we achieved this target, supported by greater awareness programmes or trainings and the expansion of business locations. Recyclable materials collected under OYOW include plastics, paper, and aluminium — contributing to the reduction of Scope 3 emissions:

	Paper	Plastic	Can
Recycled Waste FY2025 (MT)	0.483	0.003	0.000

Overview: How OYOW works?

1 **Waste Segregation:**
Employees sort waste into either general waste bins or recyclable bins (paper, plastic and can/tin) that is available at every pantry level. All personal bins have been removed.

2 **Weighing and Recording:**
Assigned personnel weighs the waste and records it on a regular basis.

3 **Proceeding to the Recycler:**
Stored recyclable items are collected by the recycler.

4 **Reporting:**
The waste data is recorded by Facility Management, then verified by QHSE and reported to Management by CCSR. The data for the year will be published in the Sustainability Statement as required by Bursa Malaysia as "Waste Directed to Disposal" and "Waste Diverted from Disposal".

Metrics, Targets, and Performance

Deleum has established metrics and targets, as incorporated in the Sustainability Roadmap, with their performance outlined below:

SUSTAINABILITY ROADMAP 2025-2029 Sustainability Aspirations: Achieve Carbon Neutrality by 2035 and Net Zero by 2050		
Initiative	**Metric / Target**	**Performance**
General waste management	OYOW implementation at all sites by 2029^	Ongoing
	10% of non-hazardous / general waste (kg) is diverted from disposal annually#	Achieved
Scheduled waste management	Zero spillage incidents annually#	Achieved
	Zero environmental fines / penalties annually^	Achieved
Water management	To collect water consumption data per employee for 2025 as a baseline and to drive consumption savings^	Achieved
	Rainwater harvesting facilities to be installed at selected sites by 2029^	Ongoing

Note:
Metric aligns with GRI Standards (GRI 306: Effluents and Waste 2016)
^ This metric is developed internally by Deleum

Sustainability Statement

8 BIODIVERSITY

Target 15.1: Ensure conservation, restoration and sustainable use of terrestrial & inland freshwater ecosystems and their services

Why It Matters

Biodiversity is an important environmental consideration for the Group as operational activities may interact with the surrounding ecosystems. Protecting biodiversity helps preserve natural habitats, supports ecological balance, and contributes to long-term environmental sustainability. As part of responsible environmental stewardship, the Group aims to minimise potential impacts on biodiversity and contribute positively through targeted conservation efforts.

Our Approach

To our knowledge, the Group operates in areas that are not considered to be high in biodiversity value and are not adjacent to sites containing flora and fauna species listed on the International Union for Conservation of Nature ("IUCN") Red List or national conservation lists. Our operational sites are located within established industrial zones and are not situated in or near protected areas or areas of high biodiversity value outside protected areas.

Nevertheless, we will continue to monitor the environmental impact of our business presence and operations. We aim to maintain a net positive or at least neutral biodiversity impact through collaboration with NPOs and other stakeholders to support biodiversity conservation.

ENVIRONMENTAL STEWARDSHIP

Mangrove Planting Programme

The Deleum Mangrove Planting Programme 2025 was conducted in Kemaman, Terengganu, in collaboration with the Malaysian Nature Society. Over 60 volunteers including Deleum employees, representatives from Vestigo Petroleum Sdn. Bhd., and members of the local community planted 400 mangrove saplings and 300 seedlings along a 1 km stretch of the Kemasik River.

This initiative supports ecosystem restoration, coastal protection, and biodiversity conservation. Volunteers also attended a knowledge-sharing session by the ecoCare Environmental Education Centre on the ecological importance of mangroves.

Total volunteers: 60
Amount invested: RM27,552

Supporting Terrapin Conservation

Deleum continued its partnership with the Turtle Conservation Society to support terrapin conservation efforts in Kemaman, Terengganu. In FY2025, the programme expanded to benefit underserved community homes, one secondary school and one primary school, reaching 135 participants through activities such as Turtle Talk and Turtle Explorace. These activities helped raise awareness on freshwater turtle species and their habitats.

Total volunteers: 135
Amount invested: RM10,000

Beach Cleaning Initiatives Promoting Environmental Stewardship
Deleum volunteers took steps to deepen our connection with nature and the communities we serve by participating in coastal clean-ups in Miri and Labuan. In Miri, about 40 volunteers, including Deleum team members in Miri and representatives from the Miri City Council's Sustainability Unit, cleared 56 kg of waste along a 1.5 km stretch at Luak Esplanade, contributing to a cleaner and safer beach for the community.

In Labuan, a similar effort was carried out by 10 of our Labuan employees to help maintain the cleanliness of the local shoreline. This initiative further demonstrates our ongoing commitment to environmental responsibility and biodiversity conservation, ensuring our coastlines remain protected for future generations.

Total volunteers: 50
Amount invested: RM3,742

Zoo Day Out: Roar and Restore
More than 50 volunteers undertook grooming and beautification works at Zoo Negara, supporting a cleaner and more welcoming environment for visitors and wildlife.

Total volunteers: 50
Amount invested: RM12,257

Metrics, Targets, and Performance

Deleum has established metrics and targets, as incorporated in the Sustainability Roadmap, with their performance outlined below:

SUSTAINABILITY ROADMAP 2025-2029 Sustainability Aspirations: Achieve Carbon Neutrality by 2035 and Net Zero by 2050		
Initiative	**Metric / Target**	**Performance**
Long-term collaborations / partnerships in habitat restoration	Participation in 1 habitat restoration project annually#	✓ Achieved

Note:
Metric aligns with GRI Standards (GRI 304: Biodiversity 2016)

CORE VALUE #2: HEALTH, SAFETY AND ENVIRONMENT

SOCIAL

Respecting, supporting and upholding fundamental human rights of people in the areas where the Group operates

HEALTH AND SAFETY

Target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including contractors, migrant workers and those in precarious employment

Why It Matters

Healthy and Safe Work Conditions

At Deleum, we recognise healthy and safe working conditions as a fundamental human right. It shapes workforce productivity, talent retention, customer confidence, regulatory standing, insurance costs, and the continuity of complex operations in high-risk environments.

Our commitment to a robust safety culture extends beyond our dedicated employees to encompass everyone involved in or contemplating a partnership with Deleum, including casual workers, contractors, subcontractors, and their employees, as well as third parties. Health and safety risks influence our operations and supply chain continuity by determining project feasibility, contractor selection, and resource allocation.

Our central focus is not only on ensuring their safety in the workplace but also on ensuring they return home in good health, embodying our dedication to their overall wellbeing. We annually review and enhance our policies in accordance with the Occupational Safety and Health Act of Malaysia to ensure compliance and the highest standards of workplace safety.

Our Approach

Our Health and Safety guiding principle, *"Collective Responsibility Towards HSE Excellence"* is not merely a slogan but a reflection of our dedication, reinforced through our adherence to the COBC, Sustainability Policy, HSE Policy, 10 Life Saving Rules, and other pertinent policies and procedures. This commitment is not only a corporate mandate; it is a pledge to our people, partners and the communities we serve.

Deleum's 10 Life Saving Rules

1. **Valid Safe Work Permit**
   Perform with a valid safe work permit when required.
2. **Energy Isolation**
   Verify that there is no live energy before work begins.
3. **Systems Override**
   Obtain authorisation before overriding or disabling safety-critical equipment.
4. **Confined Space Entry**
   Obtain authorisation before entering a confined space.
5. **The Line of Fire**
   Stay vigilant and keep a safe distance from areas that have potential safety hazards.
6. **Personal Protective Equipment ("PPE")**
   Always use correct and approved PPE in accordance with the safe work plan, permit, or site requirements.
7. **Perform Risk Assessment**
   Identify all hazards associated with tasks and assess potential risks prior to commencing and during work.
8. **Follow Prescribed Journey Management Plan**
   Plan and execute necessary road transport journeys.
9. **Mobile / Portable Devices**
   Do not handle phone or any other mobile / portable communication device when walking or driving.
10. **Smoking and Ignition Sources**
    Do not smoke or bring potential ignition sources into process areas without authorisation.

Health, Safety, and Environmental Management System ("HSEMS")

Our HSEMS prioritises the safety and wellbeing of our stakeholders, encompassing all employees, casual workers, and contractors across operational sites. While we continue to uphold globally recognised standards such as ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Health and Safety Management System, we have focused our compliance strategy on aligning with Sarawak Government and Sarawak Ordinance requirements for the ISO 29001 standard for the oil, petrochemical, and natural gas industries. By embedding the ISO 29001 into our HSEMS, we ensure resilience against regulatory tightening and maintain competitiveness in Sarawak's oil and gas sector.

These internationally recognised standards form the bedrock of Deleum's HSEMS, which extends its coverage to include all employees, casual workers, and contractors across operational sites. We conduct regular audits and inspections to ensure our practices align seamlessly with the stipulations of the management system, fostering a culture of continuous improvement and safety excellence.

Enhancing Health and Safety Through API Specification Q2 (2nd Edition)

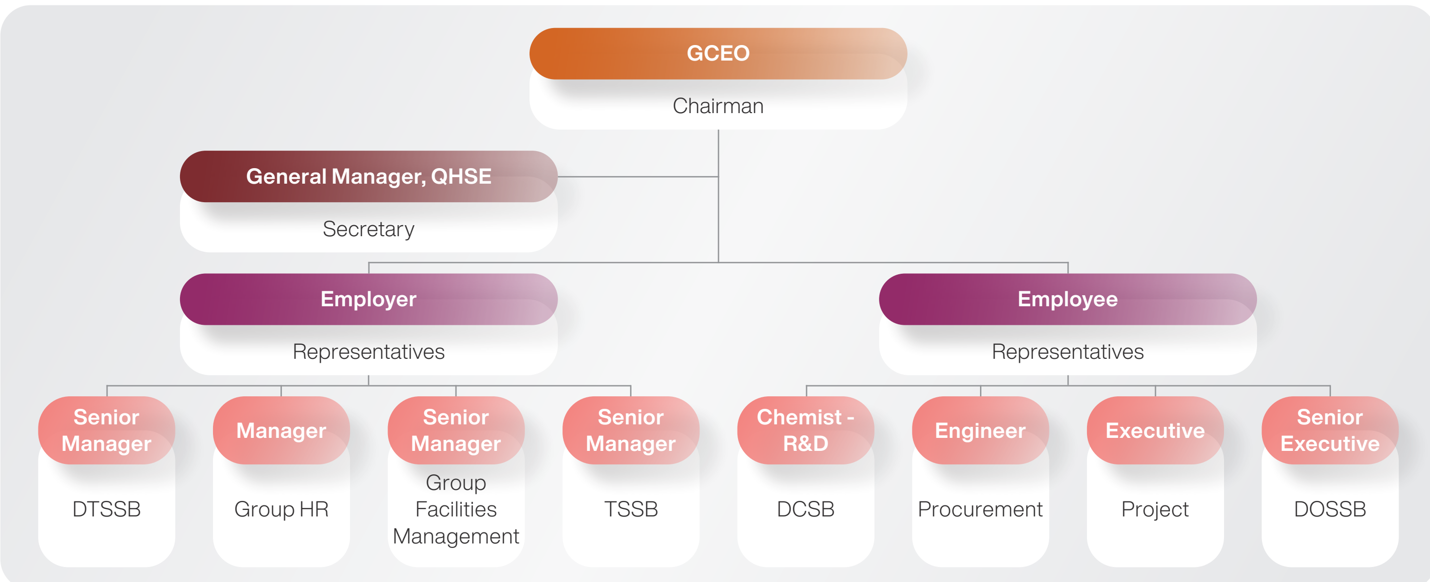
The API Specification Q2 (2nd Edition), developed by the American Petroleum Institute ("API"), is a comprehensive quality management standard that emphasises health and safety in the petroleum and natural gas industry. The key aspects from a health and safety perspective include risk management, competence and training, Incident Prevention and Response, Operational Controls, Continuous Improvement, and Environmental Protection.

By adhering to API Specification Q2 (2nd Edition), service supply organisations in the petroleum and natural gas industry can ensure a robust health and safety management system, fostering a safer and more sustainable operational environment.

Health and Safety Reporting Structure

We have established a HSE Committee to ensure health and safety oversight at every level. The HSE Committee, spearheaded by our GCEO, includes management representatives as required by the Occupational Safety and Health (Safety and Health Committee) Regulations 1996, meets quarterly to review policies, procedures, plans, and performance. These sessions address various matters, including feedback on safety measures, process enhancements, investigation procedures, and policy updates.

Oversight of health and safety matters is supported by periodic reporting to the BRIC which is chaired by an Independent Non-Executive Director. The HSE performance is presented to BRIC on a quarterly basis, ensuring that the Board is kept aware of key trends and emerging issues. This governance structure ensures that safety considerations are embedded in strategic decisions and operational planning, enabling us to identify, assess, and manage health and safety risks across the Group and its value chain. Lessons learned are systematically integrated into updated policies, training programmes, and operational controls, driving continuous improvement and strengthening resilience over time.



Implementing Health and Safety Risk Assessment and Due Diligence Practices

We conduct health and safety impact assessments to identify potential work-related hazards. These assessments include:

- Job Hazard Analysis
- Risk Assessments
- Noise Risk Assessments
- Ergonomic Risk Assessments
- Chemical Health Risk Assessments
- Hazard Effect Management Processes
- Random Drug and Alcohol Tests

Our primary focus is on preventing high-consequence injuries such as working in high pressure environments, working at heights and exposure to or handling explosive, high-pressure equipment, flammable, poisonous, or harmful substances. This approach promotes overall employee health and avoids injuries and fatalities.

We extend our risk assessments to cover both existing and potential projects and contractors operating within our premises must undergo mandatory health and safety briefings and are obliged to conduct thorough risk assessments before initiating any work. To ensure adherence to safety protocols, rigorous supervision and inspections are conducted by our site safety and security personnel.

To manage and mitigate identified risks, we implement several remediation measures:

Cultural Maturity Survey ("CMS")

CMS provides valuable insights into employee perceptions and attitudes towards safety, highlighting both strengths and opportunities for cultivating a generative safety culture.

Management Site Self-assessment

In addition to the HSE inspections carried out by the site HSE personnel, comprehensive site self-assessments are conducted to assess environmental, social, and economic factors by management during their site visits, ensuring a more thorough evaluation.

Stop Work Policy

Empowering workers with the right to refuse or stop unsafe or unhealthy work. Workers have the right to remove themselves from work situations that they believe could cause injury or ill health to themselves or others.

Digitalisation of Safety Observations:

Specifically Unsafe Acts and Unsafe Conditions ("UAUC") involve submitting observations through the use of QR codes.

Social Risk Assessment on Human Rights:

Workers have the right to fair and safe conditions, free from excessive hours or unsafe practices. Employers must provide hygienic facilities, protective equipment, and regular rest periods, ensuring that all work is carried out with dignity and without risk to health or safety. More details on the SRA can be found in the Human Rights and Labour Practices section.

This commitment underscores our determination to uphold the highest safety standards and proactively manage risks across all facets of our operations. Some of our key achievements include:

PETRONAS Contractor Excellence Symposium and HSSE Reporting

Deleum Technology Solutions Sdn. Bhd. was awarded the PMA Best HSE Contractor award for achieving the highest number of UAUC and Stop Work report

Safety Guardian Award from PETRONAS Malaysia Petroleum Management

The award was presented to Lynerroland Anak Zamry Buan and Mohd Azrul Omar of DOSSB.

Resilience and Scenario Testing

In FY2025, we successfully conducted an integrated EPRP and BCP Testing Exercise at Asian Supply Base, Labuan, and the Group's headquarters in Kuala Lumpur, respectively. The exercise demonstrated the Group's ability to assign clear roles, coordinate stakeholders and execute response and recovery plans effectively under simulated crisis conditions. The full-scale exercise involved collaboration between internal teams and external authorities, including:

- Emergency Response Team of Asian Supply Base
- Fire and Rescue Department of Malaysia – Fire Rescue Team and Hazardous Material Team
- Ministry of Health
- National Security Council
- Department of Environment
- Department of Occupational Safety and Health
- Department of Atomic Energy Malaysia
- Malaysian Civil Defence Force

This integrated exercise simulated real-world emergency scenarios designed to test Deleum's emergency response, damage control measures, crisis communication, stakeholder engagement, and business recovery capabilities. The outcomes enable our operations and business model to remain resilient under high-impact events, regulatory tightening, or operational disruptions.

Reporting Protocol for Incidents or Accidents

Our Incident Investigation and Reporting Procedure serves as the guiding framework in the event of reported incidents or accidents, especially relating to injuries or fatalities. This structured approach includes initiating a safety stand-down, escalating the matter to relevant management levels and customers, conducting a thorough incident investigation, communicating and reporting findings to customers and management, and issuing internal health and safety alerts.

The investigation is a collaborative effort involving customers, casual workers and employees, with the primary goal of understanding the root cause of the incident. The insights gained from these investigations play a pivotal role in fortifying safety measures, emphasising the importance of compliance before commencing work and refining overarching safety processes.

The outcomes of the investigation and the subsequent actions taken are communicated and reported to key stakeholders, including the HSE Committee. Significant findings or material issues are escalated to Senior Management, and where relevant, key insights are shared with BRIC and the Board through periodic HSE updates. This transparent communication ensures that lessons learned are integrated into our practices, driving continuous improvement in our commitment to maintain a safe and secure working environment and to achieve our target of zero work-related fatalities and zero LTI annually.

Sustainability Statement

	FY2025	FY2024	FY2023
Number of work-related fatalities			
Breakdown:			
Employee	0.00	0.00	0.00
Casual worker / contractor	0.00	0.00	0.00
Number of Lost-time Injuries[1]			
Breakdown:			
Employee	0.00	0.00	0.00
Casual worker / contractor	0.00	0.00	0.00
Lost Time Incident Rate[2]			
Breakdown:			
Employee	0.00	0.00	0.00
Casual worker / contractor	0.00	0.00	0.00
Total Recordable Case Frequency ("TRCF")[3]	0.00	0.44	0.00
Total hours worked	2,993,380.00	2,266,925.00	1,742,710.00

Note:

1. LTI: An injury is assessed to be a "Lost-time Injury" when the injured cannot return for duty in the next shift or on the following day irrespective of whether the following are days off, off shift, weekends, or public holiday.
2. LTI rate: It is a calculated number based on the total number of LTIs per one-million-man hours (total number of LTI X 1,000,000 / total man hours).
3. TRCF: It is a calculated number based on total recordable incidents per one-million-man hours (total recordable incident x 1,000,000 / total man hours).

In FY2025, Deleum recorded 2,993,380 working hours with zero LTIs and zero TRCF, achieving the target for TRCF of not more than 0.37. We observed improvements in overall safety performance, driven by our continuous enhancement of safety protocols, risk management strategies, health and safety training, and awareness programmes. This performance reflects Deleum's proactive approach to risk prevention, including safety drills, strict adherence to industry best practices, and continuous investment in training and workplace safety enhancements. Our preventive measures and structured safety policies play a crucial role in safeguarding our workforce, ensuring a safe, reliable, and productive work environment.

Health and Safety Training and Awareness

In an ever-evolving business landscape, investing in training is not solely a compliance measure but a strategic imperative. It ensures that our team is equipped with the necessary skills and knowledge, highlighting Deleum's commitment to creating a safe, inclusive, and dynamic work environment for all employees. We communicate these initiatives through our monthly HSE bulletin, keeping everyone informed and engaged in our continuous improvement efforts.

In FY2025, we invested RM2.4 million in health and safety training. Other training and learning sessions conducted included:

- Induction training tailored for new employees including permanent, temporary, and casual workers, conducted by our QHSE representatives
- Regular health and safety briefings, awareness training, bulletins and meetings, including toolbox briefings and pre-and-post briefings, which are conducted to ensure continuous improvement in safety standards and practices
- Other safety initiatives involving staff engagement including Review, Reverify, Revalidate, and Repeat ("4RE"), Bowtie training, Lock Out Tag Out, Management of Change, and Root Cause Analysis

	FY2025	FY2024	FY2023
Workforce trained on health and safety standards	697	527	364

Health and Wellbeing of Our Workforce

Acknowledging the importance of mental health among employees, we prioritise the health and wellbeing of our employees. In collaboration with the Group Human Resources Department and other various departments, in FY2025 we conducted:

Health and Wellbeing Programmes

Health Talk Series

The Health Talk Series is an ongoing employee wellbeing initiative aimed at raising awareness and promoting preventive healthcare across the organisation.

Ergonomic Talk Series

The Ergonomic Talk Series is designed to educate employees on proper ergonomic practices to reduce the risk of musculoskeletal disorders, workplace injuries, and long-term physical strain.

In FY2025, we have conducted an Initial Ergonomic Risk Assessment and Advanced Ergonomics Risk Assessment at all sites and appointed the Certified Ergonomic Assessor to strengthen our capabilities in the review of ergonomic risks.

Mindfulness Programme

The Mindfulness Programme aims to support employees' mental resilience and emotional wellbeing by introducing practical mindfulness techniques that can be applied in daily work and life.

Mental Health Programme Journey

We began our mental health programme in FY2021 during the pandemic followed by the introduction of the Depression, Anxiety, and Stress Scale 21 assessment in FY2023. Following this initial effort, we expanded our efforts by rolling out awareness programmes focused on building psychological wellbeing, improving mental wellness through resilience, and strengthening mental health awareness and coping strategies. These initiatives are supported by ongoing one-on-one chat sessions, providing employees with a safe and confidential space for personal sharing and guidance. Moving forward, we plan to enhance our assessment approach by conducting surveys based on Patient Health Questionnaire 9 and General Anxiety Disorder 7.

HSE Culture and Capability Building

We are continuously working to improve communication between management and our workers on safety matters. To support this, the Group introduced clearer communication channels and launched the *"Kalau Tak Pasti, TANYA"* (If You're Not Sure, ASK) programme originated in Bahasa Malaysia and is available on our internal communication SQC Portal. The programme has been communicated into multiple dialects such as Iban, the local dialect of Terengganu and Kelantan, as well as Indonesian. This approach encourages our people to speak up, raise UAUC and SULU reports and seek clarification whenever needed.

Our leading indicators show encouraging progress. We have recorded an increase in Stop Work or Stop Intervention actions compared to the previous year, suggesting that employees are becoming more proactive in identifying and highlighting potential risks. This reflects steady improvement in strengthening our safety culture.

Sustainability Statement

Kalau Tak Pasti, TANYA

This initiative, known in English as "If You're Not Sure, ASK" is a preventive safety communication and engagement initiatives that are designed to encourage real-time clarification, reduce unsafe acts and misunderstandings, promote a speak-up safety culture, and prevent incidents before they escalate. No question is too small when it comes to safety. Asking for clarification helps protect workers' safety.

Why is it important to ask?

- To prevent risks and accidents
- To ensure correct understanding of safety procedures
- To help build confidence and assurance in carrying out tasks

Examples of workplace situations where employees should ask:

- Changes in specifications or instructions
- Use of high-risk equipment
- Emergency procedures
- Hazardous chemicals

4RE Programme

The 4RE Programme is a structured continuous improvement initiative to strengthen operational discipline, reduce recurring incidents, and sustain compliance with our requirements. The programme reinforces critical controls by ensuring that procedures, risk assessments, permits, and safe work practices are consistently reviewed, checked for accuracy, validated for effectiveness, and repeated routinely across worksites and offices.

QHSE Communication

QHSE Communication is Deleum's ongoing effort to ensure the timely, consistent and effective dissemination of QHSE information across the organisation. The initiative aims to keep employees and contractors informed of key expectations, potential risks, lessons learned, and QHSE performance updates, to support a shared understanding of safe, responsible, and compliant work practices across all operations.

Metrics, Targets, and Performance

Deleum has established metrics and targets, as incorporated in the Sustainability Roadmap, with their performance outlined below:

SUSTAINABILITY ROADMAP 2025-2029 Sustainability Aspirations: Develop a Healthy and Future-ready Workforce by 2029		
Initiative	**Metric / Target**	**Performance**
Health and wellbeing programmes	2 health and wellbeing programmes conducted annually#	Achieved
HSE culture and capability building	Zero work-related fatalities#	Achieved
	TRCF below 0.37#	Achieved

Note:
Metric aligns with GRI Standards (GRI 403: Occupational Health and Safety 2018)

HUMAN RIGHTS AND LABOUR PRACTICES

Target 10.2 By 2030, empower and promote the social, economic and political inclusion of all

Why It Matters

At Deleum, we are committed to respecting human rights in managing our business and the way we work. Every individual must be treated with dignity, fairness, respect, and equality, regardless of their age, gender, religion, or race. This commitment builds trust with our workforce, suppliers, and local communities and provides us with our licence to operate.

Our Approach

We support the United Nations Universal Declaration of Human Rights and the International Labour Organisation standards, along with all applicable laws, such as the Malaysian Employment (Amendment) Act 2022 and Children and Young Persons (Employment) Act 1966 (Act 350), as well as relevant labour and employment regulations in where we operate. In addition, Deleum is committed to applying the United Nations Guiding Principles on Business and Human Rights ("UNGPs") as the foundation for managing human rights across our operations and value chain.

Our commitment is reflected in the Group's COBC and its Human Rights and Labour Standards Policy, which were reviewed and updated in 2025. The policy has been communicated to employees through COBC training.

The policy outlines our commitments:

Child Labour

Deleum strictly prohibits child labour and any form of exploitation across all operations. We comply with legal minimum working age requirements in every country where we operate and extend our support for children's rights through community programmes highlighted in the Community Investment section.

Forced Labour

We maintain a strict policy of zero tolerance for forced labour, explicitly ensuring that we do not engage illegal workers or individuals subjected to forced labour or modern slavery conditions.

We recognise the fundamental right of all employees to choose voluntary employment with Deleum, unequivocally committing to refrain from any form of forced labour across all our operational domains.

Labour Rights

We ensure all wages and benefits are fair, legally compliant and aligned with industry best practices, including minimum wage standards. Deleum adheres to local laws on working hours, overtime, and holiday work, while promoting flexible arrangements to prevent excessive hours.

Right to Freedom of Association

Deleum adheres to local labour laws on freedom of association. Although we are not a unionised organisation, we fully acknowledge and respect employees' rights to unionise and is dedicated to ensuring dignity and respect for all, extending this commitment to our suppliers.

Sustainability Statement

Workforce Diversity, Equity, and Inclusion or Non-discrimination

At Deleum, we are committed about developing a diverse workforce. We do not engage in any form of unlawful discrimination and provide fair and equal opportunity in employment practices regardless of race, nationality, ethnic origin, age, religion or belief, gender, marital status, sexual orientation, disability, or any other characteristic unrelated to job performance.

These diversity, equity, and inclusion principles apply to all aspects of the relationship between Deleum and its employees, which include hiring practices, promotions, internal transfers, learning and development opportunities, compensation, and employee benefits.

Deleum advocates for equal pay between women and men in comparable roles, adhering to equitable practices in recruitment, performance evaluations, promotions and leadership opportunities. Compensation is determined based on performance and other legitimate factors, while respecting individual privacy within the lawful discretion of the Group. We do not endorse the disclosure of confidential pay and benefits information to employees or unrelated parties.

Humane Treatment

We are committed to upholding the rights of all employees and individuals and to maintaining a workplace free from any form of harsh or inhumane treatment.

Harassment and Bullying Prohibited

We view bullying and harassment, including sexual harassment, as grave misconduct that erode the dignity and respect of our employees.

Sexual Harassment

We raise awareness on sexual harassment and have placed clear, visible notices around the workplace.

Social Risk Assessment on Human Rights

Deleum has initiated a SRA which is conducted in accordance with PETRONAS' Guidelines on SRA. The assessment focuses on social risk variables in accordance with Deleum Group's Human Rights and Labour Standards Policy, as depicted below:

Labour and Working Conditions

- Forced labour
- Child labour and young workers
- No discrimination
- Freedom of association
- Workplace / accommodation health and safety
- Conditions of employment and work

Responsible Security

- Conduct of third-party security
- Human rights training
- Mechanism to report on security personnel

Community Wellbeing

- Influx of non-local employees
- Community health and safety
- Grievance mechanism

Supply Chain Management

- Contractor / supplier performance related to labour and working conditions, responsible security and community wellbeing
- Corruption and bribery

In FY2025, the Group conducted an SRA at Group functions and selected operational locations to identify and address potential social and human rights risks across our value chain. Overall, the assessment indicated responsible management of social risks, with improvement opportunities identified.

This structured approach ensures that social risks are identified, managed, and monitored effectively, supporting the resilience of our business model and value chain while reinforcing our licence to operate.

Conflict and Security

Deleum recognises that its activities may sometimes lead to conflict or exacerbate existing conflicts. The deployment of security personnel is crucial for ensuring safe and productive operations. However, it is also important to consider the potential impact on human rights. Although we do not operate in conflict zones characterised by political and social instability, we ensure that our security personnel are trained by the security providers under the guidelines of the Malaysian National Security Council to uphold safety standards and human rights.

Grievance Mechanism

	FY2025	FY2024	FY2023
Number of substantiated complaints concerning human rights violations	0	0	0

We provide multiple channels for stakeholders to express and resolve grievances promptly, amicably, and equitably for all types of grievances, including discrimination and sexual harassment, with care, compassion, sensitivity, and confidentiality.

Grievance Mechanism | **SULU Programme** | **Whistleblowing Channel**

Sustainability Statement

Metrics, Targets, and Performance

Deleum has established metrics and targets, as incorporated in the Sustainability Roadmap, with their performance outlined below:

SUSTAINABILITY ROADMAP 2025-2029 Sustainability Aspirations: Be a Future-ready Company for EESG by 2029		
Initiative	**Metric / Target**	**Performance**
Human rights awareness education through COBC training	All employees attend COBC training annually[^]	Achieved
Social Risk Assessment	100% of assessments to be conducted for all BUs by 2029[#]	Ongoing

Note:

[#] Metric aligns with GRI Standards (GRI 407: Freedom of Association and Collective Bargaining 2016, GRI 408: Child Labor 2016, GRI 409: Forced or Compulsory Labor 2016)

[^] This metric is developed internally by Deleum

HUMAN CAPITAL DEVELOPMENT

Target 4.3 By 2030, ensure equal access for all women and men to affordable and quality education

Target 8.5 By 2030, achieve full and productive employment and decent work for all women and men

Why It Matters

The core of Deleum's success is its people who serve as a fundamental pillar in ensuring our continued prominence in the oil and gas industry. Our ability to attract, retain, and develop talent directly influences operational resilience, service quality, and long-term competitiveness. Empowering our talents with indispensable tools and providing expansive learning opportunities within a nurturing ecosystem is imperative to support their career and personal development.

Our Approach

Our Workforce	FY2025	FY2024	FY2023
Workforce			
Breakdown:			
Permanent employees (%)	784 (47%)	716 (54%)	612 (79%)
Contract employees (%)	217 (13%)	139 (11%)	73 (9%)
Casual workers (%)	670 (40%)	469 (35%)	90 (12%)
Employment category			
Breakdown:			
Senior Management (%)[1]	62 (4%)	47 (3%)	36 (5%)
Junior Management (%)[2]	116 (7%)	115 (9%)	89 (11%)
Executive (%)	349 (21%)	332 (25%)	252 (33%)
Non-executive (%)	1,144 (68%)	830 (63%)	398 (51%)
Total workforce	**1,671**	**1,324**	**775**

Note:

1. Senior Management profile comprises C-suite Executive, Senior General Manager, General Manager, and Senior Manager positions.
2. Junior Management profile comprises Manager and Assistant Manager positions.

In FY2025, Deleum's total number of employees is 1,671, including contract and casual workers in Malaysia, Indonesia, and Thailand. The workforce grew by 26% from FY2024 to FY2025, reflecting the business growth and increased operational activities, including the impact of the newly acquired Indonesia operations in June 2025.

Diverse and Qualified Employees

	FY2025
New hire by employment category	
Breakdown:	
Senior Management (%)	10 (1%)
Junior Management (%)	16 (2%)
Executive (%)	108 (13%)
Non-executive (%)	693 (84%)
New hire by gender	
Breakdown:	
Male (%)	731 (88%)
Female (%)	96 (12%)
New hire by age group	
Breakdown:	
20-30 (%)	344 (42%)
31-40 (%)	272 (33%)
41-50 (%)	144 (17%)
51-60 (%)	60 (7%)
>61 (%)	7 (1%)
Total new hire	**827**

In FY2025, 827 new employees underwent the onboarding programmes for new hires. Inducting new members into the Deleum family involves a specially curated orientation programme designed to seamlessly integrate them into the Group's operations while familiarising them with our working culture.

Additionally, we observed a decrease in voluntary turnover from 9.4% in FY2024 to 3.5% in FY2025. This positive trend is a direct result of the retention strategies we implemented throughout the year, including learning and career development opportunities.

Employee Voluntary Turnover	FY2025	FY2024	FY2023
Overall number and rate	50 (3.5%)	99 (9.4%)	81 (12%)
Employee turnover by employment category			
Breakdown:			
Senior Management (%)	3 (5%)	2 (5%)	1 (3%)
Junior Management (%)	6 (5%)	10 (10%)	12 (13%)
Executive (%)	28 (8%)	70 (24%)	49 (19%)
Non-executive (%)	13 (1%)	17 (3%)	19 (5%)

Note:
Voluntary turnover comprises employee-initiated separations during the reporting period. This metric excludes workforce reductions resulting from project completion, restructuring, retrenchment, or other employer-initiated actions, which are managed in line with operational and market conditions.

Employees Benefits and Wellbeing

At Deleum, we prioritise the wellbeing and job satisfaction of all our employees by offering a diverse array of benefits. From health and wellness programmes to professional development opportunities, our aim is to create a supportive and enriching environment where every individual can thrive personally and professionally.

Leave

- Annual leave
- Medical leave
- Hospitalisation leave
- Marriage leave
- Paternity leave
- Maternity leave
- Study and examination leave
- Special leave
- Replacement leave
- Pilgrimage leave
- Public holiday off in lieu
- Prolonged illness

Medical

- Insurance coverage
- Medical coverage
- Dental care
- Optical care
- Health screening
- Prenatal and postnatal expenses

Flexi-Work Arrangement

- Flexitime

Other Benefits

- Employer and employee contributions to the Employees Provident Fund
- Social Security Organisation contributions
- Mobile devices and subscriptions
- Compassionate financial assistance
- Emergency loans
- Professional membership fee subsidy
- Club subscription subsidies

By providing these benefits, we not only demonstrate our commitment to our employees' welfare and their family members' wellbeing but also cultivate a culture of care and excellence within our organisation.

41 of male employees who took paternity leave in FY2025

FY2024: 23 employees
FY2023: 29 employees

10 of female employees who took maternity leave in FY2025

FY2024: 7 employees
FY2023: 11 employees

100% of male employees who returned to work after paternity leave in FY2025

FY2024: 100% employees
FY2023: 100% employees

100% of female employees who returned to work after maternity leave in FY2025

FY2024: 100% employees
FY2023: 100% employees

98% of male employees who remained in the Group for 12 months or more after parental leave in FY2025

FY2024: 83% employees
FY2023: 82% employees

100% of female employees who remained in the Group for 12 months or more after parental leave in FY2025

FY2024: 100% employees
FY2023: 75% employees

We recorded 98% of our male employees and 100% of female employees who returned to work and remained employed for at least 12 months. This high return to work rate indicates that our employees feel supported and valued. It also demonstrates that the Group has successfully facilitated their transitions back to work after taking time off for family-related responsibilities.

Breast Cancer Awareness Talk

In conjunction with Breast Cancer Awareness Month, Deleum organised an internal webinar titled "Why Breast Cancer Should Matter to All", delivered by a speaker from the Breast Cancer Welfare Association Malaysia. The session, attended by 90 employees, provided essential insights on breast cancer risks, emphasising that 95% of cases occur with no family history and can affect both women and men.

The session also addressed common misconceptions and barriers such as fear and stigma that often lead to late diagnoses in Malaysia. Through this awareness initiative, Deleum continues to foster a supportive and informed workplace environment by empowering employees to take proactive steps in managing their health and wellbeing.

Learning and Development

Our commitment to comprehensive learning and development extends across all levels within the organisation, encompassing technical competencies, professional education; soft skills development, leadership skills, and other areas deemed essential by the management. In support of this, we introduced the Learning Management System in 2025 to strengthen structured, accessible, and trackable learning across the Group.

The programmes are diligently designed to address specific skill gaps, with dedicated support from respective supervisors and management. Furthermore, we actively contribute to the Malaysian Government's Human Resource Development Corporation, reinforcing our commitment to supporting employee learning and development initiatives.

In FY2025, we recorded an increase of our investment in training by 30.8% from RM2.6 million in FY2024 to RM3.4 million. This increase reflects our commitment to talent development and ensuring a highly skilled workforce. Additionally, the average training expenditure per employee rose by 4% from RM1,935 in FY2024 to RM2,006 in FY2025.

This structure ensures that all employees receive essential training while also providing opportunities for further development and specialisation.

Total Training Amount Invested in FY2025[1]

RM3.4 mil
total training invested for Group-wide[1]
FY2024: **RM2.6 mil**
FY2023: **RM1.2 mil**

RM2,006
average training invested per workforce
FY2024: **RM1,935**
FY2023: **RM1,544**

Total Training Hours in FY2025

28.5 hours[2]
average training hours per workforce
FY2024: **17.4 hours**
FY2023: **17.0 hours**

3.6 days
average training days per workforce
FY2024: **2.2 days**
FY2023: **2.0 days**

47,535 hours
total training hours for Group-wide in FY2025
FY2024: **23,053 hours**
FY2023: **12,912 hours**

3,106 hours
total training hours by Senior Management
FY2024: **2,864 hours**
FY2023: **1,096 hours**

5,164 hours
total training hours by Junior Management
FY2024: **1,536 hours**
FY2023: **518 hours**

14,069 hours
total training hours by executive
FY2024: **5,977 hours**
FY2023: **3,333 hours**

25,196 hours
total training hours by non-executive
FY2024: **12,676 hours**
FY2023: **7,965 hours**

Note:
1. Total training invested is inclusive of Human Resource Development Fund utilisation.
2. Average training hours is calculated based on total training hours divided by total number workforce.

Through purposefully structured training and learning programmes, we aim to furnish our people with a wide range of opportunities for upskilling and competency building:

Leadership Training

Our commitment to fostering leadership excellence is embodied in tailored training programmes for the Senior Management team. These initiatives not only aim to augment their leadership capabilities but also lay the foundation for continuous professional development.

Talent Development Programmes

Actively strengthens our talent pipeline, through succession management and mentoring programmes. These strategic initiatives encompass the identification and assessment of readiness, accompanied by the redefinition of talent categories. This targeted approach facilitates more focused development interventions, nurturing, and enhancing our workforce.

Soft Skills Training

We provide soft skills training to equip our team with the necessary skill sets to perform their roles effectively and contribute successfully to the organisation.

Functional and Technical Training Programmes

Upholding our commitment to continuous learning, we provide training programmes for upskilling and reskilling employees. This includes bespoke function-specific training, tailored to align with evolving guidelines and operational dynamics.

Core functional and technical training programmes include:

- Standard Operating Procedure training
- Structured Performance Based Competency Programme
- Mental Health Awareness Talk
- ISO / quality assurance training
- Microsoft-related module training
- Function-specific training
- Sustainability- and climate-related standards training
- Enterprise Resources Planning training
- Human Resources Management System training
- Anti-bribery Management System training

Compulsory Training

Mandatory participation in essential training sessions is a cornerstone of our corporate culture, encompassing HSE aspects. Additionally, employees are immersed in sessions covering the COBC, Conflict of Interest ("COI") and ABC protocols.

These comprehensive training modules span topics ranging from HSE awareness to reporting procedures for wrongdoing, addressing bullying or harassment and instilling an understanding of business ethics with a specific focus on ABC.

Sustainability Statement

Employee Performance Appraisals

As we recognise and celebrate exceptional accomplishments by individuals who consistently exhibit outstanding performance, deliver high-calibre results, and demonstrate exemplary conduct, we express our acknowledgement through a range of incentives, including bonuses, Star Awards and MVP Awards, and well-deserved promotions.

Concurrently, every employee is eligible for annual appraisals featuring comprehensive feedback and commensurate with rewards. These include adjustments to compensation, derived from collaborative goal-setting sessions with managers. This commitment highlights our relentless pursuit of individual development, ensuring that recognition and advancement within our organisation are transparent, merit-driven, and aligned with our overarching goal of cultivating a workplace that values and amplifies the potential of each unique individual.

100%
of Deleum's eligible employees were appraised annually

Fostering Young Talent

We continue to demonstrate our unwavering commitment to nurturing young talent in FY2025 through a range of initiatives. This included the engagement of 25 interns who actively interacted with senior leadership, gaining valuable insights.

Additionally, we forged a collaborative partnership with the Centre for Technology Excellence Sarawak to support young talent through technical and vocational training. This collaboration contributes to a skilled workforce for Sarawak by providing industry-relevant training in the oil and gas industry, alongside programmes in digital technology and selected energy-related programmes.

Employee Engagement

We actively undertake a range of employee engagement initiatives aimed at fostering camaraderie and addressing employee concerns. Among the employee engagement activities conducted in FY2025 are as follows:

- Regular town hall briefings with the GCEO
- Department gatherings
- Employee appreciation programmes, including long service, Star Awards, and recognition of MVP Awards
- Initiatives for mental health awareness, including private sessions with clinical psychologists
- Team buildings / awareness sessions
- Social, sports, and recreational events organised by the DSRC
- Festive celebrations and activities throughout the year
- Annual dinners

These diverse initiatives contribute to contribute to a vibrant and supportive work environment, promoting personal wellbeing among our valued employees.

Metrics, Targets, and Performance

Deleum has established metrics and targets, as incorporated in the Sustainability Roadmap, with their performance outlined below:

SUSTAINABILITY ROADMAP 2025-2029 Sustainability Aspirations: Develop a Healthy and Future-ready Workforce by 2029		
Initiative	**Metric / Target**	**Performance**
Internship programmes	20 intern roles offered annually^	Achieved
Deleum learning and development programmes	24 hours of average learning/ 3 days per employee annually#	Achieved

Note:
Metric aligns with GRI Standards (GRI 404: Training and Education 2016)
^ This metric is developed internally by Deleum

12 DIVERSITY AND INCLUSION

Target 10.3 Ensure equal opportunity and reduce inequalities of outcome

Why It Matters

We believe that a diverse and inclusive workforce enhances our company's vibrancy and promotes a culture of innovation. Equal opportunity practices are woven into the fabric of our organisation, ensuring that every individual, regardless of their background, has fair access to opportunities in recruitment, career advancement, and professional development.

Our Approach

Our Diverse Workforce

	FY2025	FY2024	FY2023
Employee by gender			
Breakdown:			
Male (%)	1,364 (82%)	1,077 (81%)	574 (74%)
Female (%)	307 (18%)	247 (19%)	201 (26%)
Employee by race			
Breakdown:			
Malay (%)	799 (48%)	975 (74%)	495 (64%)
Chinese (%)	77 (5%)	75 (6%)	61 (8%)
Indian (%)	29 (2%)	36 (2%)	30 (4%)
Others (%)[1]	766 (45%)	238 (18%)	189 (24%)
Employee by nationality			
Breakdown:			
Malaysian (%)	1,574 (94%)	1,306 (99%)	755 (97%)
Non-Malaysian (%)	97 (6%)	18 (1%)	20 (3%)
Employee with disability	0	0	0

Note:
1. Others represent ethnic groups for Bumiputera Sabah and Sarawak, such as Iban, Dayak, Kadazan, Bidayuh, Indonesian and more.

Sustainability Statement

Percentage of Employees by Age Group by Employment	FY2025				FY2024				FY2023			
Gender Group	<30	31-50	51-60	>60	<30	31-50	51-60	>60	<30	31-50	51-60	>60
Senior Management	0%	47%	39%	14%	0%	55%	34%	11%	0%	66%	31%	3%
Junior Management	6%	86%	5%	3%	2%	87%	9%	2%	0%	83%	10%	7%
Executive	39%	56%	4%	1%	35%	60%	4%	1%	34%	62%	4%	0%
Non-executive	34%	57%	8%	1%	36%	57%	6%	1%	22%	65%	10%	3%

Deleum is committed to fostering a diverse and inclusive workplace. Our approach to diversity and inclusion is guided by equal employment opportunity policies and guidelines, ensuring equality of opportunity for all, from the interview and recruitment stages, through the onboarding process and continuing until an employee's departure from the Group.

Furthermore, in strict accordance with our Policy Statement on Human Rights and Labour Standards and COBC, we consistently refrain from engaging in any form of unlawful discrimination.

Respectful and Secure Workplace Standards

Our commitment to equal opportunity and cultural inclusivity strengthens workforce stability and adaptability, ensuring that every individual feels valued and respected. We uphold a zero-tolerance policy for discrimination and harassment, supported by strict compliance with the Employment Act and our COBC.

In FY2025, we recorded zero incidents of discrimination across our business operations. To further support women at work, we implemented key initiatives for safe and respectful conduct. In compliance with Section 81H of the Employment Act (Amendment) 2022, we are required to display notices about sexual harassment, covering verbal, written, non-verbal, physical, and visual forms. We are committed to taking necessary actions to address any form of harassment, ensuring a safe and inclusive workplace for everyone.

In accommodating religious practices, we provide dedicated prayer rooms for Muslims and extend employee welfare initiatives through an early release on the eve of significant cultural and religious occasions. These occasions include Hari Raya Aidilfitri, Gawai, Kaamatan, Chinese New Year, Deepavali, and Christmas, further reflecting our commitment to enriching the work-life balance and celebrating the cultural diversity within our Deleum family. We also introduced Pilgrimage Leave to cater to employees who wish to perform their religious obligations.

Diverse in Leadership

We support local talent and are committed to local employment, which makes up 98.4% of our total workforce in FY2025 including senior management hired from the local community.

Since FY2023, we have recognised that over 30% of our junior and senior management team consists of female employees.

Percentage of Employees by Gender by Employment Category	FY2025		FY2024		FY2023	
	Female	Male	Female	Male	Female	Male
Senior Management	31%	69%	30%	70%	42%	58%
Junior Management	45%	55%	39%	61%	36%	64%
Executive	45%	55%	41%	59%	47%	53%
Non-executive	7%	93%	6%	94%	9%	91%

Metrics, Targets, and Performance

Deleum has established metrics and targets, as incorporated in the Sustainability Roadmap, with their performance outlined below:

SUSTAINABILITY ROADMAP 2025-2029 Sustainability Aspirations: Develop a Healthy and Future-ready Workforce by 2029		
Initiative	**Metric / Target**	**Performance**
Unconscious bias programmes	75% of Senior Managers and above attended the programme^	Ongoing
Employee engagement programmes	2 employee engagement activities annually^	Achieved
	75% participation rate in employee engagement survey (bi-annually)^	Ongoing

Note:
^ This metric is developed internally by Deleum

13 COMMUNITY OUTREACH

Why It Matters

We continued our commitment to champion societal causes, reflecting our strategic approach to elevating communities around us. We believe in giving back to the community and actively managing our social footprint, we continue to create a positive impact across areas where we operate.

Our Approach

RM469,099
invested in the community in FY2025[1]
FY2024: **RM386,730**
FY2023: **RM400,800**

1,841
total number of beneficiaries in FY2025
FY2024: **1,842 beneficiaries**
FY2023: **3,441 beneficiaries**

Note:
1. The total community investment amount includes expenditures for environmental stewardship programmes, which are disclosed in detail under the Biodiversity section.

We are developing the Community Investment Guideline, which outlines priority areas including health and wellbeing, community development, education, and environmental stewardship. This framework ensures that contributions remain structured, targeted, and aligned with the Group's sustainability priorities.

To complement this approach, the Group continued to implement the SRA, which recognises community wellbeing as a key consideration in managing social and human rights risks. In FY2025, engagement with the Labuan community formed part of this assessment. More details of this assessment can be found in the Human Rights and Labour Practice section of this Statement.

Our commitment for community outreach is exemplified through ongoing collaborations with reputable local NPOs such as the MyKasih Foundation, Turtle Conservation Society of Malaysia, Malaysian Nature Society, and more. These partnerships reflect our commitment in contributing to meaningful change within communities and benefiting those in need.

Sustainability Statement

We also provide numerous opportunities for employees to volunteer and participate in a variety of social activities that support our local communities and overall wellbeing. Throughout the year, our key community outreach programmes included:

HEALTH AND WELLBEING

Target 3.4 By 2030, reduce premature mortality and promote mental and physical wellbeing

Blood Donation Programme

The Group organised a blood donation drive supported by approximately 150 donors, comprising members of the public and employees. This initiative contributed to the national healthcare system and supported community health needs.

Total beneficiaries: 450 individuals[1]
Amount invested: RM5,250

Note:
1. According to National Blood Centre, Ministry of Health Malaysia, each donated blood bag can serve up to three patients, further amplifying the positive impact of this effort.

COMMUNITY DEVELOPMENT

Target 17.7 Encourage and promote effective public, public-private, and civil society partnerships

Society of Petroleum Engineers Kuala Lumpur Section ("SPEKL") Sehelai Baju Raya

In collaboration with the SPE Kuala Lumpur Section, Deleum supported the "Sehelai Baju Raya" initiative, benefiting approximately 250 underprivileged children through festive clothing support and an iftar gathering.

Total beneficiaries: 250 children
Amount invested: RM10,000

CSR Initiative Supporting Vulnerable Communities in Indonesia

The Group supported vulnerable communities in Jakarta and Bogor by providing essential items, repainting and refurbishing care facilities, and distributing around 40 "sembako" packages to frontline workers such as sanitation workers and motorcycle taxi riders. The programme benefited over 200 individuals.

Total beneficiaries: 237 residents
Amount invested: RM46,000 (IDR197,236,264)

Flood Relief Support Helping Families Recover in Sabah

In partnership with the MyKasih Foundation, Deleum supported approximately 45 families affected by flooding in Penampang, Sabah, providing essential items to assist recovery efforts.

Total beneficiaries: 225 residents
Amount invested: RM22,500

Supporting Care Facility Residents

The Group provided household items, including a television and washing machine, to a care facility serving underprivileged individuals and people with disabilities, benefiting approximately 17 residents.

Total beneficiaries: 17 residents
Amount invested: RM7,733

EDUCATION

Target 4.4 By 2030, substantially increase the number of youth and adults with skills and education

Love My School Programme Empowering Students with Cashless Bursaries

Deleum continued its support for the MyKasih "Love My School" cashless bursary programme, benefiting approximately 530 primary students across nine schools by subsidising daily meals and learning materials.

Total beneficiaries: 530 students
Amount invested: RM300,000

MyKasih School Sponsorship: Advancing Innovation and Technology Learning

Deleum supported an education-focused programme aimed at advancing innovation and technology learning through the MyKasih Foundation. In 2025, three students from Sekolah Kebangsaan Kampung Busut Asli participated in the Kontes Robot Nusantara 2025, gaining early exposure to robotics, innovation, and STEM-related skills. The programme fosters creativity and technological interest among students from underserved communities.

Total beneficiaries: 3 students
Amount invested: RM8,500

Talent Development Support for Rural Students

The Group contributed to sports equipment and library enhancements at Sekolah Kebangsaan Kampung Bakam, Miri, supporting about 129 students and staff through improved learning and recreational facilities.

Total beneficiaries: 129 students
Amount invested: RM15,000

Metrics, Targets, and Performance

Deleum has established metrics and targets, as incorporated in the Sustainability Roadmap, with their performance outlined below:

SUSTAINABILITY ROADMAP 2025-2029 Sustainability Aspirations: Enhance Community Resilience by 2029		
Initiative	**Metric / Target**	**Performance**
Community investment guideline	Guideline developed and approved^	Ongoing
Long-term collaboration / partnership in STEM education and training / health and wellbeing programme for community outreach	Participation in 3 community programmes annually#	Achieved

Note:
Metric aligns with GRI Standards (GRI 413: Local Communities 2016)
^ This metric is developed internally by Deleum

Sustainability Statement

CORE VALUE #3: **INTEGRITY**

GOVERNANCE
Upholding ethical business practices and high standards of ethics, integrity, and compliance

14 CORPORATE GOVERNANCE

Target 16.6 Develop effective, accountable and transparent institutions at all levels

Why It Matters

We believe that upholding good corporate governance is crucial for safeguarding the multifaceted interests of our stakeholders and ensuring that our operations are conducted with integrity, transparency, and accountability. Our approach is guided by the principles outlined in the Malaysian Code on Corporate Governance, which emphasises board leadership, effective audit, and risk management and integrity in corporate reporting and meaningful relationships with stakeholders.

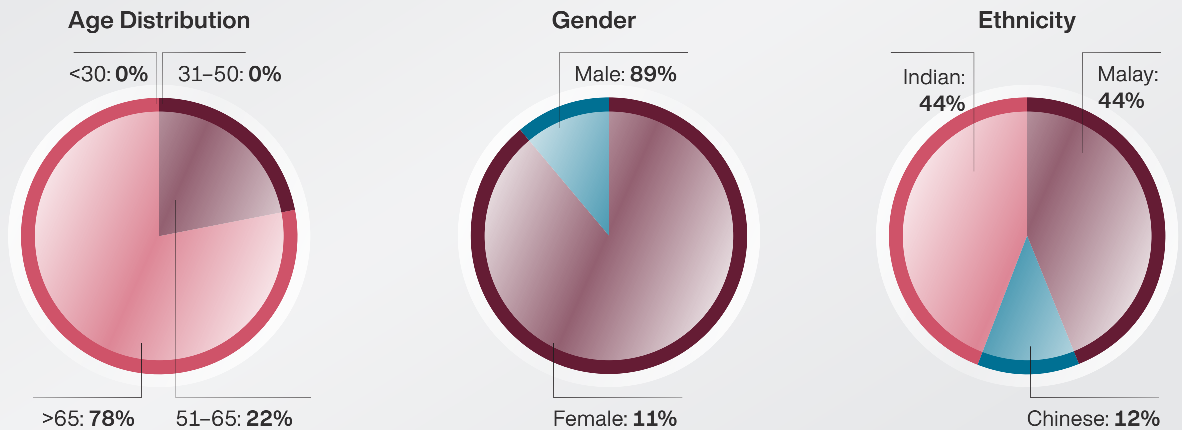
Our Approach

Board Leadership and Effectiveness

The Board provides strategic leadership, embedding EESG principles into its decision-making processes and promoting a culture of integrity that extends beyond compliance. The Board maintains a balanced and diverse composition and ensures that Directors stay informed of sustainability-related matters. This diversity strengthens governance and supports long-term value creation, enabling effective oversight of sustainability-related risks and opportunities.

Board Composition[1]

Total Directors:
9
FY2024: **8**
FY2023: **7**



Ethnicity: Includes representation from Bumiputera Sabah and Sarawak (Iban, Dayak, Kadazan, Bidayuh, etc.)

Note:
[1] Board composition as of 26 March 2026.

Effective Audit and Risk Management

The Board reinforces accountability by integrating climate-related and EESG risks into the Group's enterprise risk management framework, supported by robust internal controls and independent assurance processes. These measures ensure that sustainability-related risks are identified, assessed, and mitigated alongside financial and operational risks.

Further details on our Group's risk governance and internal control systems are disclosed in the Statement on Risk Management and Internal Control ("SORMIC") while the Audit Committee Report provides transparency on the Audit Committee's oversight of financial integrity and regulatory compliance.

Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

In fostering a meaningful relationships with stakeholders, we actively engage through structured dialogues and formal platforms such as General Meetings. In alignment with the NSRF and IFRS S1 and S2, our reporting approach addresses CRRO and SRRO, their impact on our business model, strategy and decision-making, as well as climate-related disclosures. This approach enhances transparency for stakeholders, including regulators, investors, customers, and employees, by providing relevant and decision-useful information on how these issues influence the Group's performance and long-term resilience.

Further details on our Group's corporate governance can be found in the Corporate Governance Overview Statement in the Annual Report.

Metrics, Targets, and Performance

Deleum has established metrics and targets, as incorporated in the Sustainability Roadmap, with their performance outlined below:

SUSTAINABILITY ROADMAP 2025-2029 Sustainability Aspirations: Be a Future-ready Company for EESG by 2029		
Initiative	**Metric / Target**	**Performance**
Independent assurance for GHG emissions reporting	Obtain a statement of assurance for GHG data annually#	Achieved (Verification Opinion Statement)
Adoption of IFRS S1 and S2	Integration of data from overseas operations for sustainability disclosures#	Ongoing
	Full disclosure of CRRO, SRRO, and financial impacts by FY2028^	Ongoing
Incorporation of sustainability- and climate-related targets into the OKRs of Key Senior Management	5% weightage for the climate and sustainability-related OKRs^	Achieved (Sustainability Governance)

Note:

Metric aligns with GRI Standards (Disclosure 2: General Disclosure 2021)

^ This metric is developed internally by Deleum

15 BUSINESS ETHICS

Target 16.5 Substantially reduce corruption and bribery in all their forms

Why It Matters

Ethics, honesty, and integrity are the cornerstones of our approach to conducting business, helping us build trust, protect our reputation and ensure sustainable growth. We uphold the highest ethical standards across all dealings, safeguarding against legal, regulatory and financial risks while fostering investor confidence. Anchored by our COBC, this commitment strengthens governance, supports compliance, and underpins long-term resilience.

Our Approach

Deleum Code of Business Conduct

- Anti-Bribery and Corruption
- Gift and Hospitality
- Donation and Sponsorship
- Management of Third Parties
- Financial Integrity
- Political Activities
- Money Laundering
- Conflict of Interest
- Corporate Asset
- Confidential Information
- Intellectual Property
- Data Privacy & Protection
- Anti-Competition
- Public Disclosure
- Whistleblowing
- Human Rights
- Harassment
- Health, Safety & Environment
- Responsibility Towards Customers and Principals
- Discipline & Consequences

We actively uphold ethical business practices, ensuring integrity, transparency, and full compliance with all applicable laws and regulations:

Policies and Procedures

Deleum has established the following:

- Code of Business Conduct
- Corporate Anti-bribery and Corruption Policy
- Anti-bribery Management System Policy
- Anti-bribery Management System Manual
- Anti-Money Laundering and Counter-Financing of Terrorism Guidelines
- Guidelines for Conflict of Interest
- Procedure for Gift, Hospitality, Donation and Sponsorship
- Guidelines for Third-party Anti-bribery and Corruption Management
- Whistleblowing Policy and Procedure

The commitment to prohibit bribery and corruption in the Group's business conduct is collectively overseen by the Board, BRIC, and MCRC. This encompasses the approval of relevant policies and a meticulous review process to ensure alignment with the Group's legal and ethical obligations.

ISO 37001:2016 Anti-bribery Management System

Deleum Berhad, Deleum Services Sdn. Bhd. and Deleum Technology Solutions Sdn. Bhd. were accredited with ISO 37001:2016 ABMS on 26 January 2024.

Zero Tolerance for Any Kind of Bribery and Corruption

Deleum adopts a zero-tolerance approach for any form of bribery or corruption, encompassing activities such as offering, soliciting or accepting bribes, double-dealing, illegal transactions, tampering with elections, kickbacks, money laundering and investor fraud. Any attempt or action that could compromise the integrity and accuracy of the Group's financial reporting is strictly prohibited.

Gift and Hospitality

We acknowledge that business goodwill is built through ethical conduct and professionalism. To proactively prevent any perception of corrupt conduct, we have established stringent restrictions through the Procedure for Gift, Hospitality, Donation, and Sponsorship.

Apolitical Company

We maintain a nonpartisan stance, unequivocally prohibiting all donations to political parties, organisations, or their representatives. In the past three years, including FY2025, no contributions were made to any political parties, organisations, or their representatives

Legal and Regulatory Compliance

We comply with not only the Malaysian laws and regulations but also the laws and regulations applicable in the location of the business activities, in particular with respect to ABC laws, rules, and regulations.

Sustainability Statement

65%
of our operations[1] assessed for corruption-related risks in FY2025
FY2024: 69%
FY2023: 69%

ALL
our directors and employees received ABC trainings in FY2025
FY2024: 100%
FY2023: 100%

ZERO
political contributions made in FY2025
FY2024: 0
FY2023: 0

ZERO
number of confirmed incidents of corruption and action taken in FY2025
FY2024: 0
FY2023: 0

ZERO
number of employees disciplined or dismissed due to non-compliance with anti-corruption policies in FY2025
FY2024: 0
FY2023: 0

ZERO
cost of fines, penalties, or settlements in relation to corruption in FY2025
FY2024: 0
FY2023: 0

Note:
1. Operation expanded in FY2025 due to acquisition in Indonesia.

Assessing Corruption and Due Diligence

We conducted thorough risk assessments at various levels, including Group, BU, and project. Additionally, due diligence assessments are performed before engaging new suppliers and contractors to ensure compliance with ethical standards and address corruption-related risks.

We identified specific areas with significant or high exposures to bribery and corruption risks covering areas such as COI, political relationships, government ties, potential corruption, money laundering, and financing of terrorism by:

- Identifying and implementing continuous improvements to enhance ABC policies and procedures through gap analysis and risk assessments
- Conducting an integrity awareness session during induction programmes for new employees, focusing on ABC-related matters
- Monitoring compliance on Gift, Hospitality, Donation, and Sponsorship transactions, with Compliance Champion conducting reviews and assessments, regularly reporting to MCRC, BRIC, and the Board
- Conducting periodic Corruption Risk Assessments ("CRA") guided by our ERM Framework including the Third-party Anti-bribery and Corruption Management Guidelines, consolidating into an enterprise-wide risk heat map regularly reviewed at the Group-wide level

To address significant or high risks of bribery and corruption, we have implemented a whistleblowing programme and investigation protocols. This entails engaging designated investigators and following a structured process, including case assessment, investigation planning, fact establishment, conducting the investigation, and reporting the results.

The following are the business areas with significant or high exposures to bribery and corruption risks (not listed in any particular order):

BUSINESS AREAS
- Corporate Social Responsibility Activities
- Custom Clearance
- Finance and Administration
- Human Resources
- Licences
- Procurement of Products and Services
- Sales and Business Development

TYPE OF RISKS
- Abuse of Power
- Breach of Data
- Bribery
- Conflict of Interest
- Falsifying of Information
- Fraud
- Misuse of Information
- Self-ethical / Integrity

Our goal is to ensure a fair, objective, unbiased, and impartial investigation on behalf of the Group, ensuring that there is no abuse of discretion, discrimination, capricious, or arbitrary decisions or actions during the process. Individuals with actual, perceived, or potential COI are prohibited from participating in the investigation or making judgment on corrective actions or appeal procedures.

Whistleblowing Mechanisms

Our whistleblowing mechanism allows employees, suppliers and the public to report any unethical conduct for investigation. Reports can cover various matters, including bribery, corruption, policy violations, harassment, misappropriation of assets and breaches of health and safety or environmental requirements. Whistleblowers' identities are kept confidential, can submit reports anonymously, and all reports are addressed without fear of reprisal. Currently, there are two channels to report concerns:

1. whistle@deleum.com
   The Whistleblowing Committee will have direct access to this email.

   WBChairPerson@deleum.com
   Only the Whistleblowing Committee Chairman will have direct access to this email.

2. Letters / documents / reports (in sealed envelope with labelled "STRICTLY PRIVATE AND CONFIDENTIAL TO BE OPENED BY THE ADDRESSEE ONLY") to be address to:

   Whistleblowing Committee Chairman,
   C/o Corporate Secretarial Department,
   Deleum Berhad
   No. 2, Jalan Bangsar Utama 9,
   Bangsar Utama,
   59000 Kuala Lumpur.

Building a Culture of Integrity

By educating our stakeholders at all levels, from leadership to frontline employees, we reinforce adherence to ethical standards while fortifying our defences against the detrimental impacts of corruption. We aim to strengthen the culture of transparency, accountability, and ethical conduct, fostering trust among stakeholders and enhancing our resilience against legal, financial, and reputational risks associated with corrupt practices.

NUMBER OF EMPLOYEES WHO RECEIVED ANTI-BRIBERY AND CORRUPTION TRAINING	FY2025	FY2024	FY2023
Breakdown:			
Senior Management (%)	62 (100%)	47 (100%)	36 (100%)
Junior Management (%)	116 (100%)	115 (100%)	89 (100%)
Executive (%)	349 (100%)	332 (100%)	252 (100%)
Non-executive (%)	1,144 (100%)	830 (100%)	398 (100%)
Total	**1,671**	**1,324**	**775**

We continuously organise a series of comprehensive ABC-related training and communication sessions tailored for the Board, Senior Management, and all employees. The initiatives included:

- Deleum's Integrity Day 2025 conducted on 15 October 2025
- Induction training for all new employees covering the COBC, COI, and ABC
- Mandatory annual COBC, ABC, and Integrity refresher sessions for all Directors and employees
- Annual ABC and COI declaration
- CRA Workshop for Compliance Champions
- Ongoing SULU programme to continuously foster a culture of open communication and attentiveness to ensure that all voices are heard
- Regular communication via digital platforms

Complementing this commitment, we continue to invest in upholding ethical business practises through training and communication. While these initiatives may incur costs, they mitigate potential financial losses from fraud or corruption, reinforce compliance, and embed a culture of integrity across our operations and value chain.

Metrics, Targets, and Performance

Deleum has established metrics and targets, as incorporated in the Sustainability Roadmap, with their performance outlined below:

SUSTAINABILITY ROADMAP 2025-2029 Sustainability Aspirations: Be a Future-ready Company for EESG by 2029		
Initiative	**Metric / Target**	**Performance**
Enhance employee awareness on ABC-related topics and whistleblowing channel	All employees attend ABC-related training annually#	Achieved
	Zero confirmed incidents of corruption and actions taken#	Achieved
ISO 37001 ABMS Certification	Achieve ISO 37001 ABMS re-certification for Deleum Berhad, Deleum Services Sdn. Bhd. and Deleum Technology Solutions Sdn. Bhd.^	Ongoing
	Achieve ISO 37001 ABMS certification for all BUs by 2029^	Ongoing

Note:
Metric aligns with GRI Standards (GRI 205: Anti-corruption 2016)
^ This metric is developed internally by Deleum

16 CYBER AND INFORMATION SECURITY

Target 16.6 Develop effective, accountable and transparent institutions at all levels

Why It Matters

In this era of digitalisation, safeguarding data privacy from any digital security threats is essential to maintain stakeholders' confidence of our stakeholders in our data integrity and system reliability. With increasing reliance on digital systems, any breach could impact our operational continuity and regulatory compliance, underscoring the importance of robust governance and proactive measures.

Our Approach

In line with the National Cyber Security Agency's Cyber Security Act 2024 and the Securities Commission's Guidelines on Technology Risk Management, we successfully completed a cybersecurity baseline self-assessment and identified improvement opportunities to further strengthen our cybersecurity posture, reinforcing our commitment to strong governance and compliance. To enhance organisational awareness, we conducted a Cybersecurity Awareness Talk and updated our Cybersecurity Policy to reflect evolving threats and best practices.

Our commitment to PDPA remains a key priority. In compliance with Malaysia's Personal Data Protection Act ("PDPA") requirements, our PDPA Committee oversees the compliance and implementation of PDPA requirements. A designated PDPA Compliance Officer is responsible for the implementation of PDPA compliance and reports to the PDPA Committee accordingly. To strengthen our governance framework, we revised and updated our PDPA Policy and Procedure, which came into effect on 25 June 2025. Following this update, a briefing session was conducted on 24 September 2025 to enhance employee awareness of PDPA requirements, including the latest amendments under the Personal Data Protection (Amendment) Act 2024. Our commitment to data protection principles is reflected in the PDPA Policy and Procedure. Throughout the year, we recorded zero reports and penalties relating to breaches of customer privacy and losses of customer data.

We adopted a risk-based approach to identify and manage localised risks through specific actions and mitigations. Our resilience is reinforced through proactive measures such as security assessments and testing, internal audits, and continuous monitoring. These actions ensure our digital infrastructure can withstand and adapt to emerging cyber threats. We remain committed to ongoing risk assessments to identify opportunities for improvement and strengthen our defences against evolving cyber and information security threats.

In FY2025, we developed our Information and Communication Technology Roadmap (2026-2028) to further strengthen our digital infrastructure, enhance cybersecurity and modernise systems through initiatives such as Enterprise Resource Planning system upgrade, AI-driven programming, mobile applications, and Human Resource Management System implementation. In the same year, we also introduced Robotic Process Automation Policy and Policy on the Use of AI Tools to ensure emerging digital tools are used responsibly and ethically, reinforcing safe, efficient, and innovative operations in alignment with the Group's digital transformation objectives.

	FY2025	FY2024	FY2023
Number of substantiated complaints received concerning breaches of customer privacy and loss of customer data	0	0	0

Metrics, Targets, and Performance

Deleum has established metrics and targets, as incorporated in the Sustainability Roadmap, with their performance outlined below:

SUSTAINABILITY ROADMAP 2025-2029 Sustainability Aspirations: Be a Future-ready Company for EESG by 2029		
Initiative	**Metric / Target**	**Performance**
Cybersecurity risk management strategy	Completion of cybersecurity baseline self-assessment^	Achieved
	Zero incidents of substantiated complaints received concerning cyber security breaches ^	Achieved
	Zero incidents of substantiated complaints received concerning breaches of customer privacy and loss of customer data#	Achieved

Note:

Metric aligns with GRI Standards (GRI 418: Customer Privacy 2016)

^ This metric is developed internally by Deleum

Sustainability Statement

SUPPLY CHAIN MANAGEMENT

Target 12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities

Why It Matters

At Deleum, we are committed to responsible procurement practices by embedding sustainability into our procurement process. As our reliance on a diverse supply chain grows, our approach focuses on cost efficiency, compliance and strengthening stakeholder trust. By supporting local businesses and integrating EESG principles, we enhance the integrity of our supply chain while contributing positively to society and the environment.

Our Approach

Adherence to Ethical Standards

Our approach is anchored in strong ethical standards and guided by the Group's COBC and Procurement Policy and Procedure, which set clear expectations for ethical business practices. These guidelines ensure that suppliers uphold Deleum's commitment to zero corruption, minimise environmental impacts, safeguard the rights of employees and casual workers, and prevent human rights violations. In FY2025, in collaboration with the MACC, we conducted Integrity Day in Labuan for selected suppliers to reinforce ethical business practices and anti-corruption compliance.

- Health and Safety
- Prices
- Delivery
- Environmental
- Services
- Quality

Newly added:

- **Human Rights and Labour Standards**
- **Anti-bribery and Corruption**
- **Data Protection**
- **Sustainability Governance**

All new suppliers are evaluated during the pre-qualification process, and we conduct annual site visits to major and critical suppliers to review and ensure compliance with our standards. To further strengthen our procurement practices, in FY2025 we are integrating the EESG considerations into supplier assessments for both new and existing suppliers.

Supporting Local Suppliers

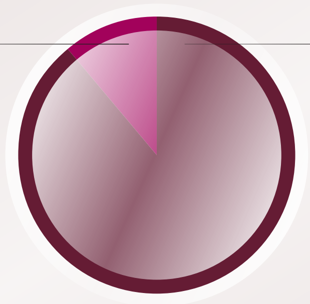
Our suppliers consist of distributors and contractors for sourcing tools and equipment, chemicals and lubricants, labour, spare parts, and services materials among others. As part of our social responsibility and fostering economic growth, we continued our support for local suppliers for the value they bring such as lower environmental impact in terms of emissions from transportation and the opportunities created for local businesses.

Balancing Local and Foreign Suppliers

In FY2025, we increased the proportion of spending on local suppliers from 18% to 35%, reinforcing our commitment to local sourcing. However, spending on foreign suppliers remains higher due to the procurement of specialised items and the impact of foreign exchange rate movements.

Total number of suppliers in FY2025[1]

564 suppliers

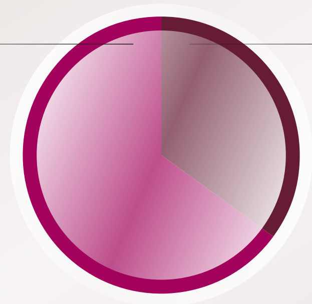


Local:
500 (89%)
Total suppliers:
FY2024: **418 (89%)**
FY2023: **516 (86%)**

Foreign:
64 (11%)
Total suppliers:
FY2024: **52 (11%)**
FY2023: **84 (14%)**

Total procurement spent in FY2025[1]

RM643.0 mil



Local:
RM225.7 mil (35%)
Past spending:
FY2024: **RM112.5 mil (18%)**
FY2023: **RM99.5 mil (14%)**

Foreign:
RM417.3 mil (65%)
Past spending:
FY2024: **RM519.1 mil (82%)**
FY2023: **RM611.8 mil (86%)**

Note:
1. The newly acquired Indonesian operations are excluded from this reporting year due to the ongoing operational integration process.

Metrics, Targets, and Performance

Deleum has established metrics and targets, as incorporated in the Sustainability Roadmap, with their performance outlined below:

SUSTAINABILITY ROADMAP 2025-2029 Sustainability Aspirations: Be a Future-ready Company for EESG by 2029		
Initiative	**Metric / Target**	**Performance**
Supplier EESG Assessment	100% of new suppliers assessed against EESG criteria annually#	Ongoing
	100% of selected major and critical suppliers assessed against EESG criteria annually^	Ongoing
Sustainability-related awareness programme for suppliers	All selected suppliers attend the programme annually#	Achieved

Note:
Metric aligns with GRI Standards (GRI 308: Supplier Environmental Assessment 2016 and GRI 414: Supplier Social Assessment 2016)
^ This metric is developed internally by Deleum

Verification Opinion

Verified as Satisfactory	
Based on the process and procedures conducted, there is no evidence that the GHG statement contained in GHG Inventory Report 2025 produced by Deleum Berhad	• is not materially correct and is not a fair representation of GHG data and information.
	• has not been prepared in accordance with GHG Protocol Corporate Accounting and Reporting Standard Revised edition and its principles.
Lead Verifier	Salmiah Hasbullah
Verifier Team Member	Shaiful Rahman
Independent Reviewer	Wan Muqtadir Wan Abdul Fatah
Signed on behalf of BSI	Evelyn Chye - Managing Director, Malaysia
Issue Date	10 March 2026
BSI Malaysia Suite 29.01, Level 29, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.	
NOTE: BSI Malaysia is independent to and has no financial interest in Deleum Berhad. This third-party Verification Opinion has been prepared for Deleum Berhad only for the purposes of verifying its statement relating to its GHG emissions more particularly described in the scope above. It was not prepared for any other purpose. In making this Statement, BSI Malaysia has assumed that all information provided to it by Deleum Berhad is true, accurate and complete. BSI Malaysia accepts no liability to any third party who places reliance on this statement.	

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Verification Engagement

Organization	Deleum Berhad
Responsible party	Deleum Berhad No.2 Jalan Bangsar Utama 9, Bangsar, 59000 Kuala Lumpur, Malaysia
Verification Objectives	To express an opinion on whether the organizational GHG Statement which is historical in nature: • Is accurate, materially correct and is a fair representation of GHG data and information • Has been prepared in accordance with GHG Protocol Corporate Accounting and Reporting Standard Revised and the criteria used by BSI to verify the GHG Organizational Statement
Materiality Level	5 %
Level of Assurance	Limited
Verification evidence gathering procedures	• Evaluation of the monitoring and controls systems through interviewing employees' observation & inquiry • Verification of the data through sampling recalculation, retracing, cross checking and reconciliation • Verification of the default-value/emission factor data through reference of publicly available sources
The verification activities applied in a limited level of assurance verification are less extensive in nature, timing and extent than in a reasonable level of assurance *verification*	
Verification Standards	The verification was carried out in accordance with ISO 14064-3: 2019, ISO 14065: 2020 and ISO 17029:2019
Note: Deleum Berhad is responsible for the preparation and fair presentation of the GHG statement and report in accordance with the agreed criteria. BSI is responsible for expressing an opinion on the GHG statement based on the verification.	

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Organizational GHG Statement

<table>
<tr><td colspan="2">Organization</td><td>Deleum Berhad
No.2 Jalan Bangsar Utama 9, Bangsar, 59000 Kuala Lumpur, Malaysia</td></tr>
<tr><td colspan="2">Organization’s GHG Report containing GHG Statement</td><td>GHG Inventory Report 2025 produced by Deleum Berhad</td></tr>
<tr><td colspan="2">Organizational Boundary</td><td>Operational Control</td></tr>
<tr><td colspan="2">Locations included in the Organizational Boundary</td><td>See Appendix A</td></tr>
<tr><td colspan="2">Scope of activities:</td><td>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</td></tr>
<tr><td rowspan="4">Operational Boundary:</td><td>Scope 1:
Direct GHG emissions</td><td>1. Stationary Combustion: Power generation equipment (Gensets, power packs, air packs and welding machines)
2. Mobile Combustion: Company vehicles and forklifts
3. Fugitive Emissions: Refrigerants from air conditioning systems</td></tr>
<tr><td>Scope 2:
Indirect emissions from purchased energy</td><td>Purchased Electricity (Location-Based Method)</td></tr>
<tr><td>Criteria for developing the GHG inventory</td><td>1. GHG Protocol Corporate Accounting and Reporting Standard Revised edition
2. Deleum Berhad’s Procedure for GHG Emissions Inventory Management (Doc ID: DSSB-EP-03
3. Intergovernmental Panel on Climate Change (IPCC)
4. DESNZ (UK)
5. American Petroleum Institute (API Compendium)</td></tr>
<tr><td>Reporting period</td><td>01/01/2025 to 31/12/2025</td></tr>
</table>

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Summary of Emissions

Operational Boundary	Location Based (tCO_2e)
	2025
Scope 1: Direct emissions	1,387.75
Scope 2: Indirect emissions from purchased of energy	721.52
Total GHG Emissions	**2,109.27**

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Appendix A

No.	Entity	Address
1	Deleum Berhad (HQ)	No. 2 Jalan Bangsar Utama 9, 59000 Kuala Lumpur, Malaysia
2	Deleum Services Sdn. Bhd.	No. 2 Jalan Bangsar Utama 9, 59000 Kuala Lumpur, Malaysia
3	Deleum Oilfield Services Sdn. Bhd.	1. Kemaman Supply Base Warehouse 28, 24007 Kemaman, Terengganu Darul Iman, Malaysia. 2. ASEAN Supply Base Site A Asian Supply Base, Rancha Rancha Industrial Estate, 87017 Labuan, Malaysia. 3. Miri Office - Lot 1315, Miri Waterfront, Commercial Centre, 98000 Miri, Sarawak. 4. Miri Workshop - Sublot 3017, Permy Jaya Teknologi Park, Bandar Baru Permy Jaya, 98000 Miri, Sarawak, Malaysia. 5. Kota Kinabalu Office Lot A, H-07-02, Block H, Level 7, Aeropod Commercial Square, Jalan Aeropod Off Jalan Kepayan, 88200 Kota Kinabalu, Sabah, Malaysia.
4	Deleum Chemical Sdn. Bhd.	1. Bangsar Lab - No. 4-3, Jalan Bangsar Utama 9, Bangsar Utama, 59000 Kuala Lumpur, Malaysia. 2. Telok Kalong Integrated Facility Lot 4019, Kawasan Industri Teluk Kalong, 24007 Kemaman, Terengganu Darul Iman, Malaysia. 3. Kemaman Supply Base – Open Yard Warehouse 28, 24007 Kemaman, Terengganu Darul Iman, Malaysia. 4. ASEAN Supply Base Site B – Bay 2 Asian Supply Base, Rancha Rancha Indusrial Estate, 87017 Labuan, Malaysia. 5. ASEAN Supply Base Yard 45 Lot 11, 13 Bay Workshop ASB Yard 23, Rancha Rancha Industrial Estate 87000 Labuan, Malaysia.
5	Turboservices Sdn. Bhd.	Menara UOA Bangsar Utama Unit No. B-23-1, Level 23, Tower B, Menara UOA Bangsar, No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur, Malaysia.
6	Deleum Technology Solutions Sdn. Bhd.	1. Office - No 4-2 Jln Bangsar Utama 9,59000 Kuala Lumpur, Malaysia 2. Telok Kalong Base, Kemaman Lot PT 8777, Telok Kalong Industrial Area, 24000 Kemaman, Terengganu Darul Iman, Malaysia. 3. ASEAN Supply Base Site B – Open Yard & Bay 1 Asian Supply Base, Rancha Rancha Indusrial Estate, 87017 Labuan, Malaysia. 4. Warehouse - Lot 990, Jalan Tanjung Kidurong, Kidurong Light Industrial Estate, 97000 Bintulu, Sarawak 5. Yard - Lot 1632, Jalan Tanjung Kidurong, Kidurong Industrial Estate, 97000 Bintulu, Sarawak

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GRI STANDARD DISCLOSURE		DISCLOSURE	Page Number(s), URL or Direct Answer
GRI 2: General Disclosures 2021	2-1	Organisational details	Page 5-6
	2-2	Entities included in the organisation's sustainability reporting	Page 26
	2-3	Reporting period, frequency and contact point	Page 27
	2-4	Restatements of information	Significant restatement of data compared to prior years are noted in the relevant section(s), if any
	2-5	External assurance	Page 104-108
	2-6	Activities, value chain and other business relationships	Page 1, 42-45
	2-7	Employees	Page 82-83
	2-8	Workers who are not employees	Page 88
	2-9	Governance structure and composition	Page 37, 123-128
	2-10	Nomination and selection of the highest governance body	Fit and Proper Policy https://deleum.com/corporate-profile/board-of-directors
	2-11	Chair of the highest governance body	Page 7
	2-12	Role of the highest governance body in overseeing the management of impacts	Page 120-123
	2-13	Delegation of responsibility for managing impacts	Page 12-13
	2-14	Role of the highest governance body in sustainability reporting	Page 36-37
	2-15	Conflicts of interest	Page 96-101
	2-16	Communication of critical concerns	Page 81, 99
	2-17	Collective knowledge of the highest governance body	Page 127-128
	2-18	Evaluation of the performance of the highest governance body	Page 126
	2-19	Remuneration policies	Page 129-132
	2-20	Process to determine remuneration	Remuneration Framework: https://deleum.com/corporate-profile/board-of-directors
	2-21	Annual total compensation ratio	Omissions & Explanation: Salary and compensation packages are confidential information as per company's policy
	2-22	Statement on sustainable development strategy	Page 30-35
	2-23	Policy commitments	Guiding Sustainability Policies: https:// deleum.com/sustainability/overview
	2-24	Embedding policy commitments	Page 37, 78-79, 99-100
	2-25	Processes to remediate negative impacts	Page 81, 98-99
	2-26	Mechanisms for seeking advice and raising concerns	Page 42, 78, 81, 99

Sustainability Statement

GRI STANDARD DISCLOSURE		DISCLOSURE	Page Number(s), URL or Direct Answer
GRI 2: General Disclosures 2021	2-27	Compliance with laws and regulations	In FY2025, Deleum Berhad did not record any significant instances of non-compliance with laws and regulations that resulted in fines, penalties, or legal actions.
	2-28	Membership associations	Page 44-45
	2-29	Approach to stakeholder engagement	Page 43-45
	2-30	Collective bargaining agreements	Page 79
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Page 41
	3-2	List of material topics	Page 41
GRI 201: Economic Performance 2016	3-3	Management of material topics	Page 46
	201-1	Direct economic value generated and distributed	Page 47
	201-2	Financial implications and other risks and opportunities due to climate change	Page 54
	201-3	Defined benefit plan obligations and other retirement plans	Page 84
GRI 202: Market Presence 2016	3-3	Management of material topics	Page 48
	202-1	Proportion of senior management hired from the local community	Page 90
GRI 204: Procurement Practices 2016	3-3	Management of material topics	Page 102
	204-1	Proportion of spending on local suppliers	Page 103
GRI 205: Anti corruption 2016	3-3	Management of material topics	Page 96
	205-1	Operations assessed for risks related to corruption	Page 98
	205-2	Communication and training about anti-corruption policies and procedures	Page 99
	205-3	Confirmed incidents of corruption and actions taken	Page 98
GRI 302: Energy 2016	3-3	Management of material topics	Page 64
	302-1	Energy consumption within the organization	Page 65
	302-3	Energy intensity	Page 65
GRI 303: Water and Effluents 2018	3-3	Management of material topics	Page 66
	303-3	Water withdrawal	Page 67
	303-4	Water discharge	Page 67
	303-5	Water consumption	Page 67
GRI 304: Biodiversity 2016	3-3	Management of material topics	Page 70
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 70
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Page 70

GRI STANDARD DISCLOSURE		DISCLOSURE	Page Number(s), URL or Direct Answer
GRI 305: Emissions 2016	3-3	Management of material topics	Page 58
	305-1	Direct (Scope 1) GHG emissions	Page 61
	305-2	Energy indirect (Scope 2) GHG emissions	Page 61
	305-4	GHG emissions intensity	Page 61
GRI 306: Waste 2020	3-3	Management of material topics	Page 66
	306-1	Waste generation and significant waste-related impacts	Page 68
	306-2	Management of significant waste-related impacts	Page 68
	306-3	Waste generated	Page 68
	306-4	Waste diverted from disposal	Page 68
	306-5	Waste directed to disposal	Page 68
GRI 308: Supplier Environmental Assessment 2016	3-3	Management of material topics	Page 102
	308-1	New suppliers that were screened using environmental criteria	Page 102
GRI 401: Employment 2016	3-3	Management of material topics	Page 82
	401-1	New employee hires and employee turnover	Page 83
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 84
	401-3	Parental leave	Page 85
GRI 403: Occupational Health and Safety 2018	3-3	Management of material topics	Page 72
	403-1	Occupational health and safety management system	Page 73, Adopted ISO45001:2018-Occupational Health and Safety Management System; 0% of site certified
	403-2	Hazard identification, risk assessment, and incident investigation	Page 74-75
	403-3	Occupational health services	Page 84
	403-4	Worker participation, consultation, and communication on occupational health and safety	Page 77-78
	403-5	Worker training on occupational health and safety	Page 76
	403-6	Promotion of worker health	Page 77-78
	403-8	Workers covered by an occupational health and safety management system	Page 82
	403-9	Work-related injuries	Page 78
	403-10	Work-related ill health	Page 78
GRI 404: Training and Education 2016	3-3	Management of material topics	Page 82
	404-1	Average hours of training per year per employee	Page 86
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Page 87
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 88

Sustainability Statement

GRI STANDARD DISCLOSURE		DISCLOSURE	Page Number(s), URL or Direct Answer
GRI 405: Diversity and Equal Opportunity 2016	3-3	Management of material topics	Page 89
	405-1	Diversity of governance bodies and employees	Page 94
GRI 406: Non discrimination 2016	3-3	Management of material topics	Page 89
	406-1	Incidents of discrimination and corrective actions taken	Page 90
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3	Management of material topics	Page 79
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 79, 81, 102
GRI 408: Child Labour 2016	3-3	Management of material topics	Page 79
	408-1	Operations and suppliers at significant risk for incidents of child labour	Page 79, 81, 102
GRI 409: Forced or Compulsory Labour 2016	3-3	Management of material topics	Page 79
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 79, 81, 102
GRI 413: Local Communities 2016	3-3	Management of material topics	Page 91
	413-1	Operations with local community engagement, impact assessments, and development programmes	79, 81, 91-93
GRI 414: Supplier Social Assessment 2016	3-3	Management of material topics	Page 102
	414-1	New suppliers that were screened using social criteria	Page 102
GRI 415: Public Policy 2016	3-3	Management of material topics	Page 96
	415-1	Political contributions	Page 98
GRI 416: Customer Health and Safety 2016	3-3	Management of material topics	Page 47
	416-1	Assessment of the health and safety impacts of product and service categories	Page 48
GRI 418: Customer Privacy 2016	3-3	Management of material topics	Page 100
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 101

Deleum Berhad

BMLR Transition Period

Date & Time: 2026-04-09_15:48:11

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Anti-Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Senior Management	Percentage	100.00	100% of employees received training on anti-corruption annually	No assurance	Yearly session conducted
Bursa (Anti-Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Junior Management	Percentage	100.00	100% of employees received training on anti-corruption annually	No assurance	Yearly session conducted
Bursa (Anti-Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	100.00	100% of employees received training on anti-corruption annually	No assurance	Yearly session conducted
Bursa (Anti-Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Non-executive	Percentage	100.00	100% of employees received training on anti-corruption annually	No assurance	Yearly session conducted
Bursa (Anti-Corruption)	Bursa C1(b) Percentage of operation assessed for corruption-related risk	Percentage	65.00	-	No assurance	
Bursa (Anti-Corruption)	Bursa C1(c) Confirmed incident of corruption and action taken	Number	0.00	Zero number of confirmed incidents of corruption and actions taken	No assurance	
Bursa (Community/Society)	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	469099.00	-	No assurance	
Bursa (Community/Society)	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1841.00	-	No assurance	

Deleum Berhad
BMLR Transition Period

Date & Time: 2026-04-09 15:48:11
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3(a) Percentage of employee by gender and age group, for each employee category - Gender (Senior Management Male)	Percentage	69.00	-	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employee by gender and age group, for each employee category - Gender (Senior Management Female)	Percentage	31.00	-	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employee by gender and age group, for each employee category - Gender (Junior Management Male)	Percentage	55.00	-	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employee by gender and age group, for each employee category - Gender (Junior Management Female)	Percentage	45.00	-	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employee by gender and age group, for each employee category - Gender (Executive Male)	Percentage	55.00	-	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employee by gender and age group, for each employee category - Gender (Executive Female)	Percentage	45.00	-	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employee by gender and age group, for each employee category - Gender (Non-executive Male)	Percentage	93.00	-	No assurance	

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Deleum Berhad
BMLR Transition Period

Date & Time: 2026-04-09 15:48:11
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3(a) Percentage of employee by gender and age group, for each employee category - Gender (Non-executive Female)	Percentage	7.00	-	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age (Senior Management <30)	Percentage	* 0.00	-	No assurance	
Footnote 2025	A minor update has been made following the refined data stratification					
Bursa (Diversity)	Bursa C3 (b) Percentage of employees by gender and age group, for each employee category - Age (Senior Management 31-50)	Percentage	47.00	-	No assurance	
Bursa (Diversity)	Bursa C3(b) Percentage of employees by gender and age group, for each employee category - Age (Senior Management 51-60)	Percentage	39.00	-	No assurance	
Bursa (Diversity)	Bursa C3(b) Percentage of employees by gender and age group, for each employee category - Age (Senior Management >60)	Percentage	* 14.00	-	No assurance	
Footnote 2025	A minor update has been made following the refined data stratification					
Bursa (Diversity)	Bursa C3 (a) Percentage of employee by gender and age group, for each employee category - Age (Junior Management <30)	Percentage	6.00	-	No assurance	

Sustainability Statement

Deleum Berhad
BMLR Transition Period

Date & Time: 2026-04-09 15:48:11
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3 (a) Percentage of employee by gender and age group, for each employee category - Age (Junior Management 31-50)	Percentage	86.00	-	No assurance	
Bursa (Diversity)	Bursa C3 (a) Percentage of employee by gender and age group, for each employee category - Age (Junior Management 51-60)	Percentage	5.00	-	No assurance	
Bursa (Diversity)	Bursa C3 (a) Percentage of employee by gender and age group, for each employee category - Age (Junior Management >60)	Percentage	3.00	-	No assurance	
Bursa (Diversity)	Bursa C3 (a) Percentage of employee by gender and age group, for each employee category - Age (Executive <30)	Percentage	39.00	-	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employee by gender and age group, for each employee category - Age (Executive 31-50)	Percentage	56.00	-	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employee by gender and age group, for each employee category - Age (Executive 51-60)	Percentage	4.00	-	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employee by gender and age group, for each employee category - Age (Executive >60)	Percentage	1.00	-	No assurance	

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3(a) Percentage of employee by gender and age group, for each employee category - Age (Non-executive <30)	Percentage	34.00	-	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employee by gender and age group, for each employee category - Age (Non-executive 31-50)	Percentage	57.00	-	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employee by gender and age group, for each employee category - Age (Non-executive 51-60)	Percentage	8.00	-	No assurance	
Bursa (Diversity)	Bursa C3 (a) Percentage of employee by gender and age group, for each employee category - Age (Non-executive >60)	Percentage	1.00	-	No assurance	
Bursa (Diversity)	Bursa C3(b) Percentage of director by gender and age group - Gender (Male)	Percentage	89.00	-	No assurance	
Bursa (Diversity)	Bursa C3(b) Percentage of director by gender and age group - Gender (Female)	Percentage	11.00	-	No assurance	
Bursa (Diversity)	Bursa C3(b) Percentage of director by gender and age group - Age (Director <30)	Percentage	0.00	-	No assurance	
Bursa (Diversity)	Bursa C3(b) Percentage of director by gender and age group - Age (Director 31-50)	Percentage	0.00	-	No assurance	
Bursa (Diversity)	Bursa C3(b) Percentage of director by gender and age group - Age (Director 51-65)	Percentage	22.00	-	No assurance	

Deleum Berhad
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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3(b) Percentage of director by gender and age group - Age (Director >65)	Percentage	78.00	-	No assurance	
Bursa (Energy management)	Bursa C4(a) Total energy consumption	Gigajoule	23593.66	-	No assurance	
Bursa (Health and safety)	Bursa C5(a) Number of work-related fatalities	Number	0.00	Zero work-related fatalities	No assurance	
Bursa (Health and safety)	Bursa C5(b) Lost time incident rate	Rate	0.00	-	No assurance	
Bursa (Health and safety)	Bursa C5(c) Number of employees trained on health and safety standards	Number	697.00	-	No assurance	
Bursa (Labour practices and standards)	Bursa C6(a) Total hours training by employee category - Senior Management	Hours	3106.00	-	No assurance	
Bursa (Labour practices and standards)	Bursa C6(a) Total hours training by employee category - Junior Management	Hours	5164.00	-	No assurance	
Bursa (Labour practices and standards)	Bursa C6(a) Total hours training by employee category - Executive	Hours	14069.00	-	No assurance	
Bursa (Labour practices and standards)	Bursa C6(a) Total hours training by employee category - Non-executive	Hours	25196.00	-	No assurance	
Bursa (Labour practices and standards)	Bursa C6(b) Percentage of employee that are contractors or temporary staff	Percentage	53.00	-	No assurance	
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Senior Management	Number	3.00	-	No assurance	

Deleum Berhad
BMLR Transition Period

Date & Time: 2026-04-09 15:48:11
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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Junior Management	Number	6.00	-	No assurance	
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Executive	Number	28.00	-	No assurance	
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Non-executive	Number	13.00	-	No assurance	
Bursa (Labour practices and standards)	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0.00	-	No assurance	
Bursa (Supply chain management)	Bursa C7(a) Proportion of spending on local supplier	Percentage	35.00	-	No assurance	
Bursa (Data privacy and security)	Bursa C8(a) Number of substantiated complaint concerning breaches of customer privacy and losses of customer data	Number	0.00	Zero incident of substantiated complaints received concerning breaches of customer privacy and loss customer data	No assurance	
Bursa (Water)	Bursa C9(a) Total volume of water used	Cubic meter	14.30	-	No assurance	

Corporate Governance Overview Statement

The Board of Directors ("the Board") of Deleum Berhad ("Deleum" or "the Company") remains steadfast in its commitment to ensuring that high standards of corporate governance are consistently observed and practised across Deleum and its subsidiaries (collectively "the Group"), in support of the Group's Mission, Vision and Core Values. The Board is mindful of its responsibilities to shareholders and other stakeholders and remains committed to upholding sound corporate governance practices, which are fundamental to sustainable long-term performance and value creation.

This Statement, as at 26 March 2026, is prepared in compliance with Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements"). It provides an overview of the Group's application of the principles set out in the Malaysian Code on Corporate Governance 2021 ("MCCG") during the financial year ended 31 December 2025 ("FY2025").

Details of the application of each practice under the MCCG are set out in the Corporate Governance Report for FY2025, which is available on Deleum's corporate website at www.deleum.com.

PRINCIPLE A
BOARD LEADERSHIP AND EFFECTIVENESS

I. ROLES AND RESPONSIBILITIES OF THE BOARD

1. Board of Directors

The Board has collective responsibility and accountability for the overall management, direction and performance of the Group, and provides leadership within a framework of prudent and effective controls that enables risk to be appropriately identified, assessed and managed.

The Board holds ultimate responsibility for all aspects of the Group's operations and for ensuring the proper and effective conduct of its business. This includes establishing the Group's vision and strategic objectives, providing direction and effective oversight of Management, and exercising stewardship over the Group's resources towards realising the Group's vision.

The Board Charter, which is published on the Company's corporate website, provides guidance to the Board in the discharge of its duties and responsibilities, including the following matters which are reserved for its collective decision making:

i. key policies and the Delegation of Authority Guidelines ("DAG") of the Company;
ii. the overall corporate strategy and direction, business plans and annual budget including major capital commitments;
iii. participation in tenders, projects or business activities exceeding the authority granted to the Group Chief Executive Officer ("GCEO") prescribed value as set out in the DAG;
iv. acquisitions and disposals of undertakings and properties which are in excess of the authority granted to the GCEO under the DAG;
v. decision to cease to operate all or any part of the Group's business;
vi. establishment of long-term or incentive plans and major changes to existing plans;
vii. succession management of GCEO and Key Senior Management; and
viii. any amendments to the matters reserved for the Board.

The Group's corporate governance structure consists of a set of structures, policies and procedures designed to support effective oversight and accountability.

The Board is supported by three (3) Board Committees, to which it has delegated specific responsibilities, namely the Audit Committee ("AC"), Board Risk and Investment Committee ("BRIC") and Joint Remuneration and Nomination Committee ("JRNC").

The Board communicates its directions and decisions to Management through the GCEO, who is responsible for the day-to-day management of the Group's business and operations, as well as the implementation of the strategies and policies approved by the Board. The GCEO is well supported by his management team and provides the Board, on a quarterly basis, with updates on the industry landscape, business performance, prospects and issues faced by the Group.

All matters not specifically reserved for the Board, and which are necessary for the day-to-day operations of the Group, are delegated to Management to operate within the limits of the approved DAG. The DAG sets out the specific approval thresholds for the GCEO, who may further delegate the authorities granted to him to the operational management team and other executives in respect of operational matters, including sales, procurement and capital expenditure.

2. Chairman, Deputy Chairman, GCEO and Independent Directors

The Board maintains a clear demarcation of responsibilities while ensuring an appropriate balance of power and authority. The roles of the Chairman, Deputy Chairman and GCEO are held by separate individuals, ensuring a clear separation of powers, roles and responsibilities and preventing the concentration of authority in any single individual. There are no family relationships between the Chairman, Deputy Chairman and the GCEO.

(a) Chairman

The Chairman leads the Board and is responsible for instilling sound corporate governance practices, providing leadership to the Board, ensuring the effectiveness of the Board in all aspects of its role, and setting the Board's agenda. He presides over Board meetings, encourages active and constructive participation by all Directors, and promotes an environment that facilitates open, robust and effective deliberations, where both constructive and dissenting views may be freely expressed.

The Chairman is primarily responsible for ensuring the orderly conduct and effective functioning of the Board, and acts as a liaison between the Board and Management. The Chairman is non-executive and is not involved in the day-to-day management of the Group.

In order to preserve independence, impartiality and objectivity, the Chairman is not a member of the AC, JRNC or BRIC, nor does he attend any committees meeting by invitation.

(b) Deputy Chairman

The Deputy Chairman supports the Chairman in the discharge of his duties and assists in high level business development and customer relations. The Chairman and Deputy Chairman work closely with the GCEO in the development of the Group's business direction, corporate policies and strategies.

(c) GCEO

The GCEO leads the management of the Group and responsible for the day-to-day management and operations of the Group. He is accountable for implementing the strategies, policies and decisions approved by the Board, with the objective of enhancing long-term shareholders' value. The GCEO also serves as the primary conduit between the Board and Management in ensuring the effective functioning of the Group's governance and management functions.

(d) Independent Non-Executive Directors

The Independent Non-Executive Directors bring independent and objective judgement to the Board's deliberations and decision-making processes. They contribute constructively through their active participation at Board and Board Committees meetings, providing unbiased views, advise and oversight.

(e) Senior Independent Non-Executive Director

The Senior Independent Non-Executive Director acts as a point of contact between the Independent Directors and the Chairman of the Board on sensitive issues and serves as a designated channel through which shareholders' concerns or queries may be conveyed.

Corporate Governance Overview Statement

3. Company Secretaries

The Board is supported by suitably qualified, experienced and competent Company Secretaries in the discharge of its duties and responsibilities, and has unhindered access to their advice and services.

The Company Secretaries play an advisory and consultancy role to the Board, including advising on regulatory compliance and corporate governance matters, and ensuring that the applicable laws, regulations and governance requirements are complied with. They are responsible for organising and facilitating Board and Board Committee meetings, ensuring that accurate and proper records of deliberations, proceedings and resolutions passed are recorded, and that statutory registers are duly kept at the registered office of the Company.

4. Board Charter, Codes and Policies

The Company has in place the following governance documents, which are available on its corporate website:

(a) Board Charter

The Board Charter as adopted by the Board, sets out, amongst others, the roles, duties and responsibilities of Directors including guidelines on matters reserved for the Board's collective decision-making.

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(b) Directors' Code of Ethics

Directors' Code of Ethics ("Code") outlines the standards of business conduct and ethical behaviour expected of all Directors in the discharge of their duties and responsibilities.

The Code sets out, amongst others, the Directors' obligations in observing high standards of corporate governance, compliance with applicable legal and statutory requirements, adherence to and upholding the principles of integrity, objectivity, accountability, openness, honesty and leadership and acting in good faith in the best interest of the Group. The Code is communicated to all Directors upon their appointment.

(c) Code of Business Conduct

The Group has in place a Code of Business Conduct ("COBC") as guidance to Directors and employees, as well as its contractors, subcontractors, consultants, agents and other third-party service providers, on the Group's standard of integrity, rules of conduct and business practices. All parties are required to refrain from any improper, dishonest and unethical conduct, including in their business dealings with the Group.

Directors and employees must always act in the best interests of the Group and to avoid situations where personal interest may conflict, or appear to be in conflict, with the business interests of the Group or the performance of their duties.

The COBC covers, among other, conflict of interest, anti-bribery and corruption, gifts, hospitality, donation and sponsorship, health, safety and environment, confidentiality, harassment and substance misuse, as well the consequences of violation of the same.

The Group's Anti-Bribery and Corruption Policy, together with the associated policies and guidelines, is aligned with the requirement of Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act"). There were a series of anti-bribery and corruption awareness sessions conducted including talks and workshops to further educate employees on ways to eradicate corruption. The detailed disclosure can be referred in the Statement on Risk Management and Internal Control of this Annual Report.

(d) Directors' Fit and Proper Policy

The Company has established a Directors' Fit and Proper Policy to guide the JRNC and the Board in assessing candidates proposed for appointment as Directors of the Company and its subsidiaries, as well as for the re-election of Directors of the Company pursuant to the Listing Requirements.

(e) Whistleblowing Procedure

The Board has established a Whistleblowing Procedure to provide an avenue for all employees, third parties employed or engaged by the Group, and members of the public to report any wrongdoing. The policy also provides assurance of protection to whistleblowers who act in good faith, in accordance with its provisions, without fear of reprisal.

In 2025, three (3) whistleblowing cases were reported, none of which were related to bribery or corruption. All three (3) cases have since been resolved fairly and without prejudice.

5. Access to Information

The members of the Board have full and unrestricted access to all information pertaining to the business and affairs of the Group. Prior to the meetings of the Board and Board Committees, Directors are provided with the agenda and relevant Board papers in a timely manner to facilitate informed deliberations. Following each meeting, the minutes are circulated to all Directors for their review and comments, if any, prior to confirmation.

The Board is kept informed of the Group's financial performance and business activities at quarterly meetings. The financial performance is measured against the approved budget and the corresponding periods. In addition, Directors regularly receive additional information or updates on relevant matters from the Company between Board meetings.

In discharging their duties, all Directors have full access to the advice and services of the Company Secretaries and other Senior Management personnel. The relevant Senior Management personnel are invited to attend Board and Board Committee meetings to report on matters relating to their areas of responsibility, provide briefings, and offer clarifications and details on recommendations, so as to enable Directors to make independent and informed decisions.

Directors may, where necessary, seek external independent professional advice at the Group's expense in the furtherance of their duties. External advisers may also be invited to relevant Board or Board Committee meetings, if necessary. No Director sought the independent professional advice during the financial year.

Directors were briefed on relevant correspondences/communications from Bursa Securities and other relevant regulators from time to time and at quarterly meetings. They are also apprised of all the Company's announcements to Bursa Securities, as well as the close period and restrictions on dealing with the securities of the Company.

II. BOARD COMPOSITION

1. Composition & Diversity

As at the date of this Statement, the Board comprises nine (9) Directors, consisting of one (1) Executive Director and eight (8) Non-Executive Directors, including an Alternate Director, as follows:

Name	Designation
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	Executive Director/Group Chief Executive Officer
Lee Yoke Khai	Senior Independent Non-Executive Director
Dato' Izham bin Mahmud	Non-Independent Non-Executive Director
Datuk Manharlal a/l Ratilal	Independent Non-Executive Director
Datin Aisah Eden	Independent Non-Executive Director
Syed Feizal bin Syed Mohammad *(Appointed w.e.f. 17 March 2026)*	Independent Non-Executive Director
Kathirithamby Sivasankar *Alternate Director to Datuk Vivekananthan a/l M.V. Nathan* *(Appointed w.e.f. 2 January 2025)*	Non-Independent Non-Executive Director

Corporate Governance Overview Statement

The Board has a well-balanced composition with an effective mix of skills, experience and independence, ensuring appropriate representation, as well as a balanced distribution of power and authority. The Board is appropriately structured to provide effective leadership and sound governance in support of the Company's mission, objectives and business strategies, for the benefit of all stakeholders, particularly shareholders' interest.

The members of the Board are selected based on objective criteria, including proven skills, merit and relevant experience, with due regard to diversity in expertise, industry background, experience, age, cultural background, gender and perspectives. This diversity contributes to the effectiveness of the Board as a custodian of the business and provides a balanced blend of entrepreneurial, business and professional expertise.

For the year under review, there is one female Director serving on the Board, in line with the Board Charter. The Board will endeavour to have more female representation on the Board based on effective blend of required skills, experience and knowledge in areas identified and the needs of the Group.

The Board includes five (5) Independent Directors, representing more than half of the Board (excluding the Alternate Director). This exceeds the minimum requirement under the Listing Requirements, which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be independent. The Independent Directors bring a wide range of experience, skills and expertise to the Board and contribute significantly to the Board's decision on matters relating to the Group's affairs.

The Board is satisfied that, having regard to the current mix of skills, independence, experiences and industry knowledge, the Board composition is appropriate and continues to meet the needs of the Group, taking into account the nature, scale and complexity of the Group's business operations.

The profile of each Director is presented on pages 7 to 11 of this Annual Report.

2. Independence

All Directors, regardless of their independent status, are required to act in the best interest of the Company and to exercise objective, unfettered and independent judgement in the discharge of their duties.

The Board assesses the independence of its Independent Directors upon their appointment and annually thereafter, or as and when any new interests or relationships arise that may affect their independence.

The Board believes that a Director's independence should not be assessed solely based on length of service as there are significant advantages to be gained from long-serving Directors who over the years have developed deeper understanding of the Group's business and possess insight and in-depth knowledge of the Group's business and affairs.

In line with the MCCG and the Company's Board Charter, the tenure of an Independent Director should not exceed a term limit of nine (9) years. The Board may, upon assessment and recommendation by the JRNC with valid justification, seek shareholders' approval at general meeting for the retention of an Independent Director who has served more than nine (9) years as an Independent Director of the Company. Should the Director continue beyond this term, they will be redesignated as a Non-Independent Director.

During the financial year under review, none of the Independent Non-Executive Directors of Company has served on the Board for a period exceeding nine (9) years.

3. Appointment and Re-election of Directors

The appointment of Directors is undertaken by the Board through a formal and transparent process, in accordance with the provisions of the Company's Constitution and upon the recommendation of the JRNC.

In recommending new appointment to the Board, the JRNC assesses the suitability of an individual based on objective criteria, including relevant skills, industry experience and knowledge, character, integrity, as well as the ability to devote sufficient time and commitment to effectively discharge their roles and responsibilities. In respect of Independent Directors, the JRNC also evaluates the individual's ability to exercise independent judgement and to demonstrate the values and principles associated with independence.

The identification and selection of candidates for appointment as Directors is facilitated through recommendations from Directors, major shareholders, Management, as well as independent advisors and networks from various parties. The Company also sourced candidates through the Institute of Corporate Directors Malaysia ("ICDM") to ensure a diverse and qualified pool of candidates.

The Board welcomed the appointment of Tn. Syed Feizal bin Syed Mohammad as an Independent Non-Executive Director on 17 March 2026.

Prior to his appointment, the JRNC conducted an interview and a comprehensive review of his profile, curriculum vitae, qualifications, disclosure of other directorships, as well as assessed his background, academic credentials, skills, experience, time commitment, and overall competencies.

In accordance with Clause 88 of the Company's Constitution, at each Annual General Meeting ("AGM"), one-third (1/3) of Directors for the time being, or if their number is not three or multiple of three, then the number nearest to one-third (1/3), shall retire from office and be eligible for re-election. All Directors including the Director holding the office of GCEO, shall retire from office once at least in every three years but shall be eligible for re-election. On the other hand, in accordance with Clause 86 of the Company's Constitution, Directors who are appointed by the Board during a financial year are subjected to re-election by the shareholders at the next AGM to be held following their appointments. An Alternate Director shall not be subject to Clause 88 or Clause 86 of the Company's Constitution.

Tan Sri Dato' Seri Shamsul Azhar bin Abbas, Datuk Vivekananthan a/l M.V. Nathan and Datin Aisah Eden will retire by rotation pursuant to Clause 88 of the Company's Constitution. In addition, Tn. Syed Feizal bin Syed Mohammad, who was recently appointed, is required to retire pursuant to Clause 86 of the Company's Constitution.

All the above Directors have completed the Fit and Proper Declaration Forms, are eligible, and have offered themselves for re-election at the forthcoming Annual General Meeting. Their profiles are set out on pages 7 to 11 of this Annual Report.

The Board, at the recommendation of the JRNC, support the re-election of Tan Sri Dato' Seri Shamsul Azhar bin Abbas, Datuk Vivekananthan a/l M.V. Nathan, Datin Aisah Eden and Tn. Syed Feizal bin Syed Mohammad as Directors of the Company.

4. Annual Assessment of Board, Board Committees, Individual Directors, Independence of the Independent Directors and Key Senior Management

The Board, through the JRNC and facilitated by the Company Secretaries, conducts an annual assessment of the effectiveness of the Board and Board Committees, as well as the performance and contribution of each individual Director. This process also includes an assessment of the independence of each Independent Director against the criteria prescribed under the Listing Requirements.

The annual assessments of the Board, Board Committees and individual Directors are carried out through a structured process using customised evaluation questionnaires, and are conducted on both a self and peer assessment basis. A summary of the results of the annual assessment is tabled to the JRNC for deliberation and reported to the Board.

For FY2025, the assessment was conducted in accordance with the evaluation guidelines set out in Bursa Securities' Corporate Governance Guide (4th Edition).

The Company also integrated the review of the performance of the Board and Key Senior Management in addressing the Company's environmental, social and governance ("ESG") matters as part of their performance evaluation.

The assessment criteria for the Board and individual Directors included, among others, Board mix and composition, quality of information and decision making, ESG and sustainability matters, and the contribution and performance of each Director. The Board Committees were assessed based on their respective roles and responsibilities, scope of oversight and knowledge, supply of sufficient and timely information to the Board and also their overall effectiveness and efficiency in discharging their functions.

The Board is confident that the collective skills, experience and competencies of the current Directors and Key Senior Management are aligned with the requirements of the skills matrix. The diversity and relevance of their expertise, backgrounds, and knowledge continue to support effective governance and strategic oversight of the Group's business.

Corporate Governance Overview Statement

5. Board Evaluation

The Board's evaluation process comprises assessment of the performance and effectiveness of the Board and Board Committees, Directors' self and peer evaluation, as well as an assessment of the independence of the Independent Directors.

Based on the outcome of the evaluation, the JRNC and the Board concluded that the size and composition of the Board remain appropriate and well balanced, given the scale, nature and complexity of the Group's business and operations. All Directors were assessed to possess the required competence, experience and character to manage the Group's affairs. The Board is also satisfied that the Independent Directors continue to exercise independent and objective judgement and act in the interest of the Company and its stakeholders. None of the Independent Directors have any interests in the Company that could give rise to conflicts of interest.

The outcome of the evaluation for FY2025 also identified certain key focus areas and future priorities for the Board's consideration.

6. Time Commitment

Board meetings for the ensuing financial year are planned and scheduled in advance by the Company Secretaries before the end of each financial year, to enable Directors to plan ahead and fit the year's meetings into their schedules.

The Board Charter provides that Directors, may accept additional directorships, subject to the limits prescribed under the Listing Requirements or applicable laws, provided that such appointments do not conflict with the interests of Deleum's business and or adversely affect the Director's ability to discharge his or her duties to the Company. In accepting such appointments, Directors are required to assess their time commitments to ensure that they are able to devote sufficient time to carry out his/her duties to the Company. A Director shall seek guidance from the Chairman if there is any potential conflict of interest and shall, upon appointment, notify the Company Secretaries who shall thereafter inform the Chairman and the other members of the Board accordingly.

The Board is satisfied with the level of time commitment demonstrated by Directors in the discharge of their roles and responsibilities, as evidenced by their attendance at the Board and Board Committee meetings and the AGM, as set out below:

Attendance of Directors at the meetings held during FY2025

Name of Directors	Board Meetings	AGM	Board Committees		
			AC	JRNC	BRIC
Tan Sri Dato' Seri Shamsul Azhar bin Abbas	13/13	1/1	-	-	-
Datuk Vivekananthan a/l M.V. Nathan	12/13	1/1	-	6/6	4/4
Ramanrao bin Abdullah	13/13	1/1	-	-	-
Lee Yoke Khai	13/13	1/1	6/6	7/7	4/4
Dato' Izham bin Mahmud	12/13	1/1	-	-	-
Datuk Manharlal a/l Ratilal	13/13	1/1	6/6	7/7	-
Datin Aisah Eden	13/13	1/1	6/6	7/7	4/4
Ainul Azhar bin Ainul Jamal *(Resigned w.e.f. 30 November 2025)*	9/10	1/1	-	6/6	4/4
Kathirithamby Sivasankar *(Alternate Director to Datuk Vivekananthan a/l M.V. Nathan)* *(Appointed w.e.f. 2 January 2025)*	3/13*	-	-	-	-
Total number of Meetings held during FY2025	**13**	**1**	**6**	**7**	**4**

* By invitation

7. Directors' Training and Induction

Directors regularly attend seminars, training programmes, briefings and conferences, including those organised by relevant regulatory authorities, to remain apprised of and updated on developments in the marketplace, economic conditions, business environment, as well as changes to the corporate regulatory and governance framework.

On a quarterly basis, Directors are briefed on any relevant amendments to the Listing Requirements, as well as applicable new or updated statutory and regulatory requirements, corporate governance practices, accounting standards and taxation matters. Induction and familiarisation programme, together with management briefings on the Group's structure, business and operations, are organised for newly appointed Directors.

All current Directors, with the exception of Tn. Syed Feizal bin Syed Mohammad, who was appointed on 17 March 2026, have successfully completed the Mandatory Accreditation Programme ("MAP") Part I and Part II as required by Bursa Securities. The newly appointed Director is committed to fulfilling the regulatory requirements prescribed by Bursa Securities and will complete the necessary training within the stipulated timeframe.

The Company Secretaries keep Directors informed of relevant external training programmes. The training programmes attended by Directors are recorded and maintained by the Company Secretary.

The Board members are also encouraged to attend training programmes conducted by highly competent professional organisations and which are relevant to the Group's operations and business. Listed below are the briefings, seminars, conferences, workshops and training programmes attended by the Directors during the FY2025:

Seminars/Conferences/Training Programmes Attended	Organiser
• In-House Training: Code of Business Conduct Refresher Session	Deleum
• Malaysian Gas Symposium 2025	Malaysian Gas Association (MGA)
• International Petroleum Technology Conference (IPTC) 2025	Society of Petroleum Engineer ("SPE")
• Accounting for Sustainability (A4S) CEO Action Network (CAN) Roundtable	The CEO Action Network, A4S & CIMB
• UOB Kay Hian Malaysia Gems Conference	UOB Kay Hian
• OGSE100 Leader's Dialogue with the Minister of Economy	Malaysia Petroleum Resources Corporation (MPRC) & Energy Industries Council
• CGS International's Inaugural Small-Mid Cap (SMID) Conference 2025	Bursa Malaysia
• The Edge Malaysia: ESG Forum 2025	The Edge Malaysia
• PwC Leadership Conference 2025	PwC Malaysia
• East Coast Energy (ECE) 2025	Terengganu Petroleum Council
• 12th Sabah Oil, Gas & Energy Conference & Exhibition (SOGCE) 2025	Midas Events Management
• Deleum – Procurement Awareness Programme 2025	Deleum
• Oil & Gas Asia (OGA) 2025	Informa Market
• SPE Symposium: Asia Pacific Deepwater	SPE
• Malaysian Oil, Gas & Energy Services Council ("MOGSC") Members Day 2025	MOGSC
• SPE/ICoTA Symposium and Exhibition: Well Intervention	SPE
• In-House Training: Financial Awareness Talk - "Mengharungi Cabaran"	Deleum
• ICDM Mandatory Accreditation Programme Part II – Leading for Impact (LIP) Alumni Networking Session #1 2025	ICDM
• Climate First....or Last?	ICLIF Executive Education Centre
• PwC AI Leadership Conference 2025	PricewaterhouseCoopers ("PwC")
• MIA International Accountants Conference 2025	Malaysian Institute of Accountants
• Driving Sustainable Organisations: Empowering Boards for Lasting Impact	PwC
• PwC Tax Seminar 2026	PwC

Corporate Governance Overview Statement

Seminars/Conferences/Training Programmes Attended	Organiser
• MACC Act 2009 – Refresher for Senior Management, Board of Directors and Shariah Committees	Genting Berhad
• Anti-Money Laundering/Countering Financing of Terrorism and Targeted Financial Sanctions: Driving Compliance Through Innovation and Integration	Hong Leong Investment Bank Berhad
• Audit Oversight Board Conversation with Audit Committee	Securities Commission
• 2026 Budget Seminar	Deloitte Tax Services Sdn. Bhd.
• Redefining Leadership	30% Club Malaysia
• ICDM Advocacy Dialogue & Networking Session: E-Invoicing & its impact on Directors	ICDM
• Audit Oversight Board Conversation with Audit Committee	Securities Commission
• Mandatory Accreditation Programme	Bursa Malaysia
• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	ICDM
• AI at the Helm: How Directors Can Govern the Future	ICDM
• Finance Essentials for Non-Finance Directors	ICDM

The Board through the JRNC had assessed the training needs of each Director and is satisfied that Directors have received the necessary training during FY2025.

III. BOARD COMMITTEES

The Board has established three Board Committees namely the AC, the JRNC, and the BRIC. The Board Committees are entrusted with specific responsibilities to assist the Board in the oversight of the Group's affairs and operate within their own clearly defined Terms of Reference. The Board Committees deliberate and review matters within their respective Terms of Reference in greater detail and report their deliberations, findings and recommendations to the Board.

The Board is kept apprised of the activities and decisions of the Board Committees through the circulation of the respective meeting minutes and presentations made by the Chairpersons of the Board Committees at Board meetings.

1. Joint Remuneration and Nomination Committee

As at the date of this Statement, the JRNC comprises entirely Independent Non-Executive Directors, as follows:

Name	Designation
Datin Aisah Eden	Chairperson/ Independent Non-Executive Director
Lee Yoke Khai	Member / Senior Independent Non-Executive Director
Datuk Manharlal a/l Ratilal	Member/ Independent Non-Executive Director

In discharging its duties and responsibilities, the JRNC is guided by its Terms of Reference, which is available on the Company's corporate website.

During FY2025, seven (7) meetings of the JRNC were held. The attendance record of the JRNC members is set out on page 126 of this Annual Report.

During the financial year, the JRNC undertook, among others, a review of the 2025 Objective Key Results ("OKRs") of the GCEO and Key Senior Management, including their respective performance assessment, as well as matters relating to remuneration and bonus.

The JRNC also conducted the annual assessment of the Board and Board Committees, reviewed the Directors' training needs for 2025, and deliberated on the re-election and retirement by rotation of Directors at the Company's 20th AGM held on 22 May 2025.

In line with its Terms of Reference, the JRNC oversaw the development and execution of the Group's People Strategy, including succession planning and leadership continuity initiatives.

Through these deliberations and activities, the JRNC continued to support the Board in fostering a high-performing leadership team, ensuring effective succession planning, and strengthening the Group's overall human capital framework.

2. Audit Committee

The AC is responsible for overseeing the Company's financial reporting process, including the financial statements, related party transactions, the system of internal control, the Company's relationship with its external auditors, and the effectiveness and independence of the internal audit function. In discharging its duties and responsibilities, the AC is guided by the Terms of Reference, which is available on the Company's corporate website.

A full AC Report enumerating its membership and a summary of its activities during the financial year is set out in pages 149 to 154 this Annual Report.

3. Board Risk and Investment Committee

The BRIC assists the Board in fulfilling its corporate governance oversight responsibilities with regards to risk management, business continuity management, compliance matters including integrity and ethics, sustainability, and investment related matters, and ensuring that these areas are effectively managed and aligned to the Company's strategic objectives. The BRIC also ensures that the Group has in place a sound Enterprise Risk Management Framework, Business Continuity Management Framework, Sustainability Framework and relevant anti-bribery and corruption related policies, procedures and guidelines.

In carrying out this mandate, the BRIC oversees and provides recommendation on risk management, business continuity management, sustainability and compliance matters including integrity and ethics activities to enhance the Group's ability to achieve its strategic objectives through structured, systematic and effective processes and internal controls.

In discharging its duties and responsibilities, the BRIC is guided by the Terms of Reference which is available on the Company's corporate website. The scope of the BRIC has been expanded with oversight of proposed investment and growth opportunities by the Management, as well as sustainability matters, in line with the requirements pursuant to the MCCG.

The Management Compliance & Risk Committee's ("MCRC") acts as primary champion for risk management, compliance including integrity and ethics, and sustainability matters at both strategic and operational levels. The MCRC holds its quarterly meeting with structured agenda, which includes identification of key risks and corresponding mitigation plans.

A comprehensive narrative of the Company's sustainability initiatives, performances and future plans for material Economic, Environmental, Social and Governance matters is set out in the Sustainability Statement of this Annual Report.

The composition of the BRIC is set out in Section B II - "Risk Management and Internal Control Framework" of this Statement.

IV. REMUNERATION OF DIRECTORS AND KEY SENIOR MANAGEMENT

The objective of the Group's remuneration policies is to provide fair and competitive remuneration to attract, motivate and retain high-calibre Board and Key Senior Management in support of the Group's long-term objectives. The Remuneration Framework for Non-Executive Directors, Executive Directors and Key Senior Management are available on the Company's corporate website.

Details of the remuneration received by the Directors' and Key Senior Management for FY2025 (from both the Company and the Group) are as follows:

a) <u>Remuneration of Executive Directors</u>

The GCEO received remuneration from the Company in accordance with the terms of his contract of employment. He did not receive any remuneration from the subsidiaries of the Group. The GCEO's remuneration is reviewed and deliberated by the JRNC and approved by the Board upon the recommendation of the JRNC.

Corporate Governance Overview Statement

The annual discretionary bonus of the GCEO is determined based on the Group's performance and is subject to the recommendation of the JRNC and approval by the Board. During FY2025, the total remuneration received by the GCEO from the Company was as follows:

	Remuneration (RM)							
Executive Director	Fees	Salaries and bonuses	Defined contribution plan	*Fixed allowance	**Estimated monetary value of benefits-in-kind	LTIP	#Other emoluments	Total
Ramanrao bin Abdullah	-	2,300,000.00	366,600.00	144,000.00	22,698.90	-	892.80	2,834,191.70

* Comprised car allowance.
** Comprised driver, club subscription fees and petrol.
\# Comprised contribution to Social Security Organisation ("SOCSO").

The GCEO's remuneration package is structured to be performance-based, with linkages to both corporate and individual performance, aligned with the Group's corporate objectives, and subject to the approval by the Board. The GCEO is not entitled to Director's fee from the Group, nor does he receive any meeting allowances for attendance at Board or Board Committee meetings.

Termination of the contract of the GCEO may be exercised by either party by giving three (3) months' notice in writing.

b) **Remuneration of Non-Executive Directors**

The payment of Directors' fees and meeting allowances to Non-Executive Directors is determined in accordance with the Non-Executive Directors' Remuneration Framework, which is available on the Company's corporate website.

Non-Executive Directors are entitled to Directors' fees and additional fees for chairing or sitting in Board Committees. Fixed meeting allowances are also paid to cover expenses incurred in the course of their duties. They are also provided with a telecommunication device for the Company's official purpose.

Additionally, the Chairman is provided with a company car or car allowance, as well as benefits similar to those accorded to the Deputy Chairman, such as driver, petrol card, and a club subscription.

The Directors' fees and meeting allowances payable to Non-Executive Directors are in accordance with the Non-Executive Directors' Remuneration Framework, as follows:

Designation	Fixed fee per annum (RM)
Chairman	360,000
Deputy Chairman	240,000
Non-Executive Directors / Independent Directors	100,000
Senior Independent Director	112,000

Board Committees' Fee:

Designation	AC (Fixed fee per month) (RM)	JRNC (Fixed fee per month) (RM)	BRIC (Fixed fee per month) (RM)
Chairman of the Committee	2,875	1,150	1,150
Members of the Committee	2,300	1,150	1,150

The Board determines the remuneration of Non-Executive Directors, which is subject to approval by shareholders at the AGM. The Directors' fees and meeting allowances paid to the Non-Executive Directors during FY2025 were in line with their duties and responsibilities, and time commitment required to discharge their duties effectively.

The total remuneration received by each Non-Executive Directors from the Company in respect of FY2025 are set out below. None of the Non-Executive Directors received any remuneration from the subsidiaries of the Group:

Directors	Fees (RM)	Salaries and bonuses (RM)	Defined contribution plan (RM)	*Fixed allowance	**Estimated monetary value of benefits-in-kind (RM)	Meeting Allowances (RM)	#Other emoluments (RM)	Total (RM)
Tan Sri Dato' Seri Shamsul Azhar bin Abbas	360,000.00	-	-	108,000.00	11,434.17	17,250.00	-	496,684.17
Datuk Vivekananthan a/l M.V. Nathan	267,600.00	-	-	-	40,103.95	21,275.00	-	328,978.95
Lee Yoke Khai	167,199.96	-	-	-	-	47,150.00	-	214,349.96
Dato' Izham bin Mahmud	99,999.96	-	-	-	18,668.68	15,525.00	144,000.00	278,193.64
Datuk Manharlal a/l Ratilal	148,299.96	-	-	-	-	43,700.00	-	191,999.96
Datin Aisah Eden	155,199.96	-	-	-	-	40,250.00	-	195,449.96
Ainul Azhar bin Ainul Jamal *(Resigned w.e.f. 30 November 2025)*	91,666.63	-	-	-	-	29,325.00	-	120,991.63
Kathirithamby Sivasankar *(Alternate Director to Datuk Vivekananthan a/l M.V. Nathan)*	-	-	-	-	-	-	-	-
Total (RM)	1,289,966.47	-	-	108,000.00	70,206.80	214,475.00	144,000.00	1,826,648.27

* Comprised car allowance.
** Comprised prescribed value of company car, driver, petrol consumption and club subscription fees.
\# Comprised general and financial advisory services.

Corporate Governance Overview Statement

c) Remuneration of Key Senior Management

For FY2025, the aggregate total remuneration paid to Deleum Group's top five Key Senior Management personnel, who are not Directors, amounted to RM4,861,197.89, as set out below:

Remuneration (RM)						
Salaries and bonuses	Defined contribution plan	*Fixed allowances	**Estimated monetary value of benefits-in-kind	LTIP	#Other emoluments	Total
3,809,134.03	488,023.00	476,809.68	61,098.33	0	26,132.85	4,861,197.89

* Comprised car allowance.
** Comprised driver, petrol consumption and club subscriptions.
\# Comprised contribution to SOCSO, Employment Insurance Scheme (EIS) and award.

In addition, the Key Senior Management personnel are covered under the Group's insurance policies for Term Life, Hospitalisation and Personal Accident. The annual discretionary bonus is determined based on individual and Group's performance, and is subject to the recommendation of the JRNC and approval by the Board.

The remuneration received by the top five Key Senior Management personnel during the financial year is categorised within the following disclosure bands:

Remuneration Band (RM)	Number of Key Senior Management personnel
<500,000	1
500,001 – 600,000	1
600,001 – 650,001	-
700,001 – 800,000	1
800,001 – 900,000	-
900,001– 1,000,000	-
>1,000,000.00	2

The Board is of the view that the level and manner of disclosure of remuneration as presented above are appropriate.

The Directors and Officers of the Group are covered under a Directors and Officers Liability Insurance Policy against any liability incurred by them in their discharge of duties while in office. However, this coverage does not extend to any liability arising from intentional acts of fraud, breach of duty or breach of trust.

No Director or Key Senior Management personnel is involved in the determination of his or her own remuneration.

PRINCIPLE B
EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee and Financial Reporting

The Board is assisted by the AC in overseeing the Group's financial reporting process, including the quality of its financial reporting. The AC also ensures that the financial statements are prepared in accordance with appropriate accounting policies and comply with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the Companies Act 2016 ("CA 2016"). The accounting policies adopted are applied consistently and are supported by reasonable judgments and estimates.

The GCEO and the Group Chief Financial Officer provide written assurance to the AC that adequate processes and controls are in place, appropriate accounting policies have been adopted and applied consistently, and that the financial statements give a true and fair view of the state of affairs of the Company and the Group.

Statement of Directors' Responsibilities in Relation to Audited Financial Statements

Pursuant to the CA 2016, Directors are responsible for the preparation of financial statements for each financial year in accordance with the applicable MFRS, IFRS and the requirements of the CA 2016. The Board is responsible for ensuring that the quarterly and annual audited financial statements provide a balanced, clear and comprehensive assessment of the Group's financial position, performance and prospects for shareholders.

In preparing the financial statements of the Group for FY2025, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- ensured compliance with the MFRS, IFRS, CA 2016, with any material departures disclosed and explained in the financial statements;
- made estimates and judgments that are reasonable and prudent; and
- ensured that the financial statements are prepared on a going concern basis and give a true and fair view of the state of affairs of the Company and the Group.

The Directors have made inquiries of Management and the Auditors regarding any instances of fraud or irregularities that may have an impact on the Group. The Directors are also responsible for ensuring that the Group and the Company maintain proper accounting records that accurately reflect their financial positions and enable the preparation of financial statements in compliance with the CA 2016.

Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

External Auditors

The Company's external auditors report to the Company on their findings arising from the audit of the statutory financial statements for each financial year and, where applicable, from their review of the quarterly financial announcements. The AC and the Board have established formal and transparent arrangements to maintain an appropriate and independent relationships with the Company's external auditors in respect of all professional services rendered to the Group.

In accordance with the AC's Terms of Reference, the AC is responsible for recommending the appointment of external auditors to the Board, taking into consideration, among others, the adequacy of experience, resources, audit fees, and any matter relating to the resignation or dismissal of the external auditors.

The external auditors also submitted their independence statement to the Board as part of their audit process. In order to further maintain independence of the external auditors, the audit partner-in-charge is rotated every seven years with the latest rotation carried out in FY2024. The assessment of the external auditors is disclosed in the AC Report.

Corporate Governance Overview Statement

II. Risk Management and Internal Control Framework

The Board acknowledges its responsibility for ensuring the maintenance of a sound system of internal controls and effective risk management across the Group. The Company has in place the Enterprise Risk Management ("ERM") Policy and Framework to ensure proper and structured enterprise risk management processes for the identification, assessment, response, monitoring and reporting of risks on an enterprise-wide basis. The BRIC reviews the ERM Policy and Framework as and when necessary, to ensure its continued relevance and effectiveness.

Board Risk and Investment Committee

As the date of this Statement, the BRIC, which comprises a majority of Independent Directors, assists the Board in overseeing the Company's risk management framework and related policies.

The composition of the BRIC is as follows:

Name	Designation
Lee Yoke Khai	Chairman / Senior Independent Non-Executive Director
Datin Aisah Eden	Member / Independent Non- Executive Director
Datuk Vivekananthan a/l M. V. Nathan	Member / Non-Independent Non-Executive Deputy Chairman

During FY2025, four (4) meetings of the BRIC were held, with full attendance by all members, as reflected on page 126 of this Annual Report.

More comprehensive information, including a summary of the BRIC's activities during the financial year, is set out in the Statement on Risk Management and Internal Control of this Annual Report.

Internal Audit Function

Deleum engaged the services of Baker Tilly Monteiro Heng Governance as the outsourced Internal Audit Function ("IAF") in respect of FY2025. The IAF reports directly to the AC and is independent of Management. The IAF has full and unrestricted access to the Group's entities records and personnel.

A summary of the IAF's responsibilities and activities during the financial year is set out in the AC Report.

PRINCIPLE C
INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Board recognises the importance of maintaining effective and open communication with shareholders and the investment community. In this respect, the Group has established processes to ensure that disclosures are clear, accurate, relevant and timely, enabling shareholders and investors to make informed investment decisions and enjoy equal access to information.

The Group continued to engage with analysts and fund managers on investor relations. In FY2025, the Group held two (2) analyst briefings, in addition to private meetings, teleconferences and e-mail-based communications conducted as and when required, to provide updates to the investment community. Presentation materials from the analyst briefings are made available on the Company's corporate website to ensure universal access. These initiatives facilitate constructive dialogue between institutional investors, fund managers, analysts and Management, and provide stakeholders a balanced and complete view of the Group's business operations, financial performance, key operating statistics, corporate development and challenges.

Information on the Group's business operations and financial performance is also disseminated through various readily accessible channels, including announcements of quarterly and annual results to Bursa Securities, the Annual Report, media releases and the Company's corporate website. All disclosures are made in accordance with the Listing Requirements and the Group's Corporate Disclosure Policy, which outlines the timing and manner of disclosure of material information. The Group maintains high confidentiality measures over undisclosed material information.

Deleum's corporate website at www.deleum.com features a dedicated Investor Relations section, which provides relevant information on the Group, including announcements to Bursa Securities, share price information, reports (annual reports, quarterly reports and analysts reports), key financial highlights of the Group as well as the investor relation contact. The website also offers an e-mail alert service, through which shareholders and interested parties may register to receive the Company's latest announcements via e-mail.

II. Conduct of General Meetings

The AGM serves as a key platform and principal forum for dialogue and interaction between shareholders, the Board and Management, and provides an opportunity for shareholders to receive updates and offer constructive feedback. Shareholders who are unable to attend the AGM in person are entitled to appoint proxies to attend, participate and vote on their behalf.

The 20th AGM of the Company was convened physically in accordance with the directives issued by the Securities Commission Malaysia and Bursa Securities. The Company appointed Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") as the Poll Administrator for the 20th AGM to conduct the poll by way of electronic voting ("e-voting").

In line with best Corporate Governance practice, the notice of the 20th AGM, held on 22 May 2025, was issued to shareholders at least 28 days prior to the meeting. The Annual Report 2024, comprising the Audited Financial Statements for the financial year ended 31 December 2024, was issued on 21 April 2025. At the 20th AGM, the GCEO presented the Group's financial and business highlights, as well as overall strategic growth plan, to the shareholders.

Shareholders were invited to submit questions prior to the meeting via Tricor's TIIH Online website in relation to the agenda items. Shareholders were also encouraged to raise questions in person during the meeting, thereby fostering meaningful engagement between the Board and shareholders. All relevant questions raised by shareholders were duly addressed during the Questions and Answers session, with the Board, Management and the Company's External Auditors present to respond. Suggestions and comments received from shareholders were carefully noted and taken into consideration by the Board and Management.

Poll voting for all resolutions as set out in the notice of the AGM was conducted by way of e-voting at the designated e-voting stations. An independent scrutineer was appointed to verify and validate the votes cast for each resolution. The voting results were announced to the shareholders at the AGM, following which the Chairman declared that all resolutions were duly carried. The outcomes of the voting were subsequently announced to Bursa Securities and published on the Company's corporate website.

In line with the MCCG, the minutes of the 20th AGM were published on the Company's website at https://www.deleum.com/agm2025 within thirty (30) business days after the 20th AGM.

III. Dividends

Deleum remains committed to its dividend policy of distributing 50% of the Group's annual profit attributable to the equity holders of the Company, subject to the availability of adequate distributable reserves, operating cash flow, financial commitments and expansion plans.

For FY2025, the Company declared two dividend payments amounting to a total of RM9.30 sen per share, with the first payment made on 30 September 2025 and the second payment on 30 March 2026.

Corporate Governance Overview Statement

KEY FOCUS AREAS AND FUTURE PRIORITIES

The Board is satisfied that the Group has maintained high standards of corporate governance and has consistently upheld strong level of integrity and ethical values in all its business dealings.

Moving forward, the Board remains committed to the continuous enhancement of the Company's corporate governance practices and have identified the following forward-looking action items:

i. Anti-Corruption Compliance Journey

   As part of the Group's ongoing anti-corruption compliance journey, the Group have strengthened its commitment to ethical business practices by obtaining the MS ISO 37001:2016 Anti-Bribery Management System ("ABMS") certification for three (3) of the entities within the Group in 2024. Building on these milestones, the Group continued its efforts in 2025 through a campaign themed "Collaborate, Comply and Commit", aimed at reinforcing awareness and fostering a lasting culture of anti-bribery and corruption across the Group. In 2026, the Group intends to progressively extend the ABMS certification to other entities within the Group.

ii. Sustainability Framework and Roadmap

   In 2025, the Group reinforced its sustainability approach by refreshing its material sustainability matters, updating the Sustainability Framework, and formulating a Sustainability Roadmap. The refreshed materiality assessment, together with the Sustainability Framework and Roadmap, provides a structured foundation for embedding sustainability considerations into the Group's business strategies and operations. This structured approach will guide the Group in allocating resources effectively to ensure that all material matters are addressed adequately.

iii. Enhanced Sustainability Disclosures

   With the introduction of the National Sustainability Reporting Framework by the Securities Commission and the enhancement to sustainability reporting framework in the Listing Requirements, the Board has taken cognisance of the applicable compliance requirement and committed to work towards complying with the sustainability disclosures within the implementation dates.

   In 2025, the Group commenced the quantification of Scope 3 emissions, and the identification and assessment of sustainability-related and climate-related risks and opportunities. The quantification and assessment exercises will continue in 2026 to support full compliance with the applicable sustainability disclosure standard.

COMPLIANCE STATEMENT

The Board recognises the importance of, and is committed to, the principles and best practices set out in the MCCG. In this respect, where practical and appropriate, the Board has applied the principles and recommendations of the MCCG for FY2025.

The application of each practice under the MCCG for FY2025, together with the explanations for any departures is disclosed in the Corporate Governance Report, which is available on the Company's corporate website.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board of Directors passed on 26 March 2026.

Statement on Risk Management and Internal Control

The Statement on Risk Management and Internal Control ("SORMIC") is made in accordance with Paragraph 15.26(b) and Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and is in line with Principle B of Part II of the Malaysian Code on Corporate Governance 2021. The SORMIC is also guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies.

BOARD OF DIRECTORS RESPONSIBILITIES

The Board of Directors ("the Board") of Deleum Berhad ("Deleum" or "the Company") affirms its commitment and overall responsibility for reviewing the adequacy and effectiveness of the risk management and internal control systems of the Company and its subsidiaries ("the Group"). The systems in place are designed to manage the Group's key risks to an acceptable level in order to support the achievement of the Group's business objectives. The Group's risk management and internal control framework comprises ongoing activities and established processes tailored to the Group's specific business needs, strategic direction, operating requirements, and regulatory requirements.

The Board recognises that the Group's risk management and internal control systems are designed to provide reasonable and not absolute assurance against the risk of material errors, misstatements, fraud, or occurrences arising from unforeseeable circumstances.

RISK MANAGEMENT

Enterprise Risk Management ("ERM") Policy

Deleum's ERM Policy articulates the commitment from the Board and Management for the effective implementation of risk management across the Group's activities. The policy, which forms a key component of the Group's ERM Framework, was reviewed and approved by the Board.

Risk Appetite Statement

At Deleum, a Risk Appetite Statement has been established to define clear boundaries on the types of risks that the Group is willing and able to accept or retain after considering both qualitative and quantitative considerations. These considerations, include among others, stakeholders' expectations in relation to growth, returns, safety, health, anti-bribery, corruption, human capital, environmental, and sustainability matters. This statement guides how Deleum conducts its operations and manages risks across multiple dimensions, reflecting the Group's expanding business portfolio market and geographical footprint, as well as the diverse commercial environments in which the Group operates. This statement forms a vital component of the Group's ERM Framework and has been reviewed and approved by the Board.

The Enterprise Risk Management Framework

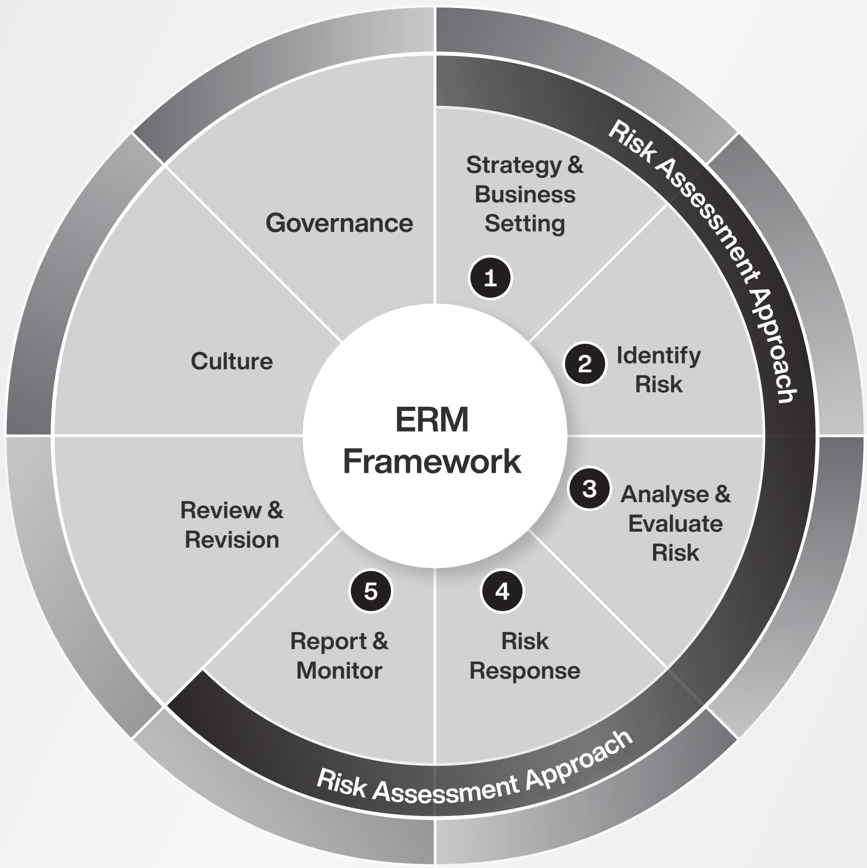
Deleum's ERM Framework establishes the foundation and organisational structure for managing risk across the Deleum Group. It encompasses a broad range of risk areas, including matters relating to external threats, business strategy, sustainability, financial, human capital, operational, governance and integrity, health and safety, as well as cyber and technology risks. The ERM Framework demonstrates the integration of risk management into the Group's organisational systems at all levels and across various operational contexts, embedding risk considerations as part of our everyday decision-making and business practices.

The framework has been approved by the Board and is principally aligned with the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") framework and ISO 31000:2018 Risk Management Guidelines.

Statement on Risk Management and Internal Control

The framework encompasses the following key components:

- **Governance** – Establishing guiding principles and setting the organisational tone through the definition of policies and risk appetite, while reinforcing the significance of clear roles and responsibilities across the organisation.
- **Risk Assessment Approach** – Integrating risk management into the Group's strategy through a structured process that includes strategy and business setting, identifying, assessing, evaluating, and prioritising risks, and implementing appropriate risk responses, as well as ongoing reporting and monitoring.
- **Review and Revision** – Periodically reviewing and updating the Group's risk management practices to ensure continued relevance and effectiveness in adapting to the changing business conditions.
- **Culture** - Promoting ethical values, responsible behaviours, and a shared understanding of risk across the organisation. This is achieved through strong leadership, clear accountability, and aligning behaviours with performance expectations, fostering a risk-aware culture.



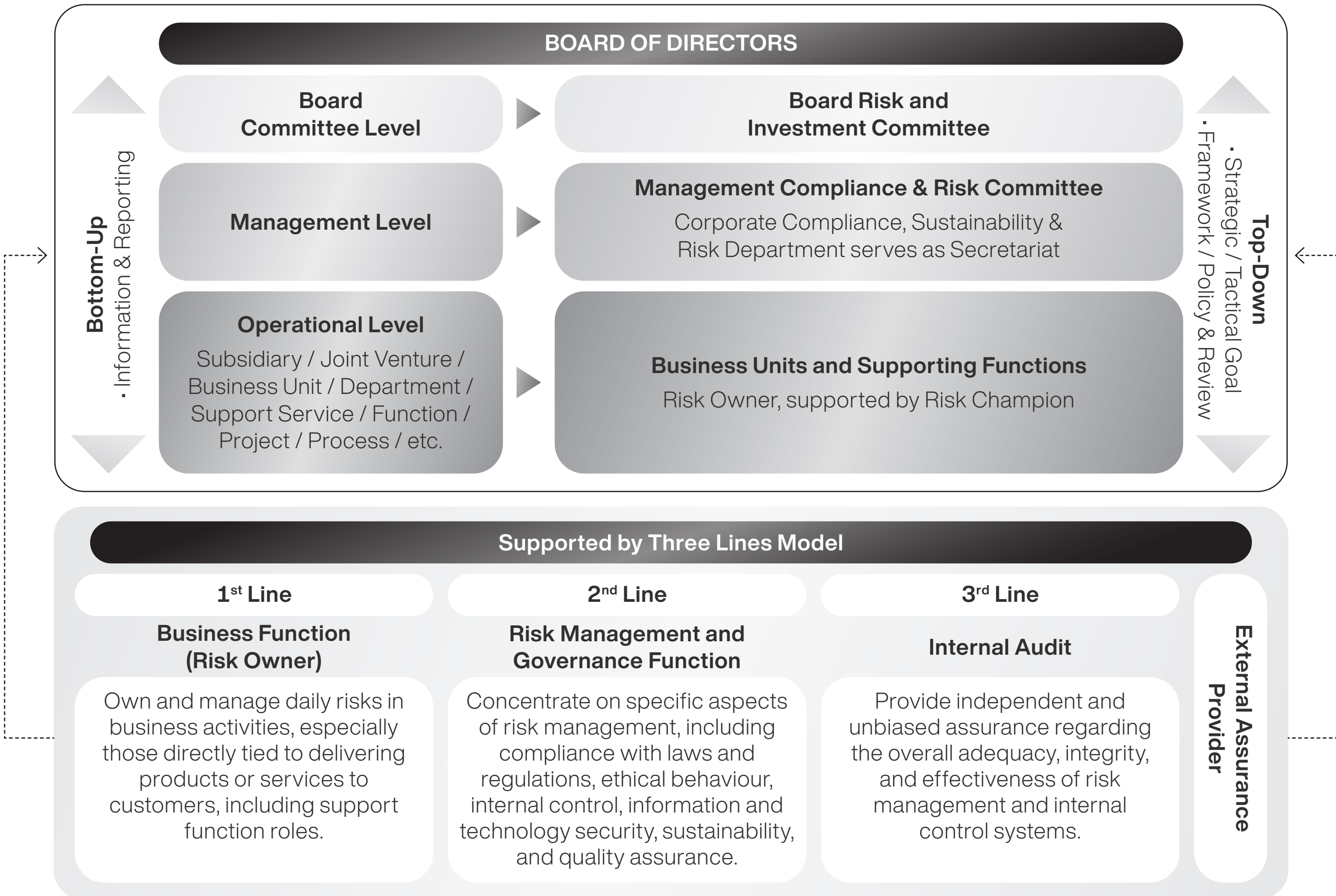
Enterprise Risk Management Framework

Governance

<u>Risk Management Governance Structure</u>

The Group adopts the 'Three Lines Model' in its risk management approach to provide a structured and robust framework for identifying, assessing, and managing risks arising from the day-to-day operational activities across the organisation.

The Board has the primary responsibility for risk oversight and discharges its fiduciary duties to Deleum Group's stakeholders, through among others regular reviews of the Group's risk management and internal control practices. Risk exposures are identified and escalated, on a quarterly basis, by business units, support functions, and risk owners, with the support by the Risk Champions, to the Group Management Compliance and Risk Committee ("MCRC"), the Board Risk and Investment Committee ("BRIC") and ultimately to the Board.



Board Risk and Investment Committee

Chaired by an Independent Non-Executive Director, the BRIC is guided by its approved Terms of Reference ("TOR") and convenes on a quarterly basis to review and evaluate the effectiveness of the Group's compliance, risk management, business continuity and sustainability frameworks and practices. During the financial year 2025, the BRIC was involved in the following activities:

- Overseeing the implementation of the risk management framework, including business continuity management, policies, and procedures to identify, assess and manage risks and resilience across the Group's operations, including new and emerging risks, as well as potential growth and investment opportunities.
- Overseeing governance and compliance matters, addressing issues of corruption, fraud, malpractices, and unethical conduct by fostering a culture of good governance, ethics, and integrity across the Group.
- Overseeing the Group's compliance framework and governance matters, including the implementation of the Anti-Bribery Management System ("ABMS") in accordance with MS ISO 37001:2016.
- Supporting the Board with the whistleblowing oversight by ensuring appropriate mechanisms are in place for legitimate concerns to be reported, independently investigated, and appropriately addressed.
- Overseeing sustainability initiatives, including the formulation and implementation of sustainability strategies and monitoring performance. This includes activities such as materiality assessments, development of the sustainability roadmap, greenhouse gas emissions reporting and independent assurance, with an emphasis on key issues such as climate change.
- Assessing investment opportunities to ensure alignment with the Group's strategic objectives, risk appetite, and governance requirements.

Statement on Risk Management and Internal Control

Management Compliance and Risk Committee

The MCRC, guided by its TOR, is chaired by the Group Chief Executive Officer ("GCEO"). The MCRC comprises members of the senior management, including the Group Chief Financial Officer ("GCFO"), Chief Executive Officers of the Business Units, Chief Business Development Officer, Chief Technology Officer, Head of Group Corporate Services, Head of Group Quality, Health, Safety and Environment ("QHSE"), Head of Group Supply Chain, and Head of Group Human Resources. The Head of Corporate Compliance, Sustainability and Risk ("CCSR") serves as the Secretariat to the Committee.

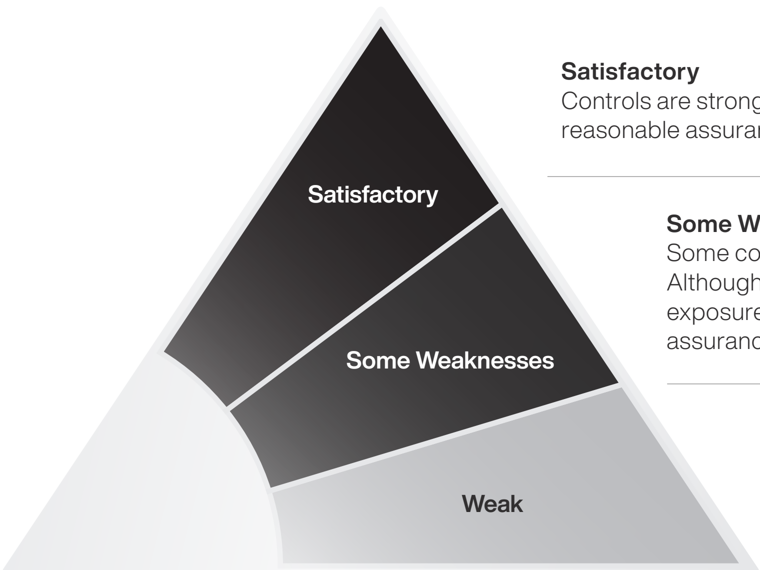
The MCRC convenes on a quarterly basis and reports to the BRIC within the same quarter, to ensure the effective implementation of corporate compliance, sustainability, and risk management practices across the Group. The MCRC members are collectively responsible for providing assurance to the BRIC that material risks identified at both the Group and Business Unit levels are managed effectively.

<u>Risk Assessment Approach</u>

The risk assessment approach encompasses the end-to-end process of strategy formulation and business planning, including identifying, analysing, evaluating, and prioritising risks. This process culminates in the implementation of appropriate risk responses or action plans to address the identified risks, supported by ongoing reporting and monitoring. The schematic diagram of the process steps is as follows:

Risk Assessment Approach

1. **Strategy and Business Setting** - Integrating risk management with strategy ensures a clear understanding and management of risks associated with the achievement of business objectives. This integration guides decision-making, daily operations and the setting of priorities.
2. **Identify Risk** – Risks are identified with direct reference to both strategic and operational objectives, ensuring that potential threats and opportunities are considered within the context of the Group's overall direction and day-to-day activities.
3. **Analyse and Evaluate Risk** – Risks are analysed by assessing existing controls to ascertain their effectiveness in mitigating the driving factors or root causes of the risks.



Satisfactory
Controls are strong and operating properly, providing reasonable assurance that the objectives are being achieved.

Some Weaknesses
Some control weaknesses/inefficiencies have been identified. Although these are not considered to present a serious risk exposure, improvements are required to provide reasonable assurance that the objectives will be achieved.

Weak
Controls do not meet an acceptable standard, as many weaknesses/inefficiencies exist. Controls do not provide reasonable assurance that the objectives will be achieved.

Control Effectiveness Rating

Risks are subsequently assessed and evaluated using a heat map/matrix format, with prioritisation based on their likelihood, impact, and risk ratings classified as Low, Medium, Significant, or High. The prioritised risks serve as a guide for allocating resources and capabilities needed to mitigate the risks within the Group's defined risk appetite.

Risk Heat Map / Matrix	Impact			
Likelihood	Minor	Moderate	Major	Critical
Almost Certain	Medium	Significant	High	High
Likely	Medium	Significant	High	High
Possible	Low	Medium	Significant	Significant
Unlikely	Low	Low	Medium	Medium

4. **Risk Response** – Responding to risk may comprise some or all of the following strategies:

Risk Response Option

5. **Report and Monitor** - Risk events and trends are continually identified, assessed, and monitored. The identified material risks are escalated to the MCRC, BRIC, and the Board, where they are subject to comprehensive review and informed decision-making process.

Statement on Risk Management and Internal Control

Summary of Risk Management Activities

Several risk management activities were carried out in 2025, including the following:

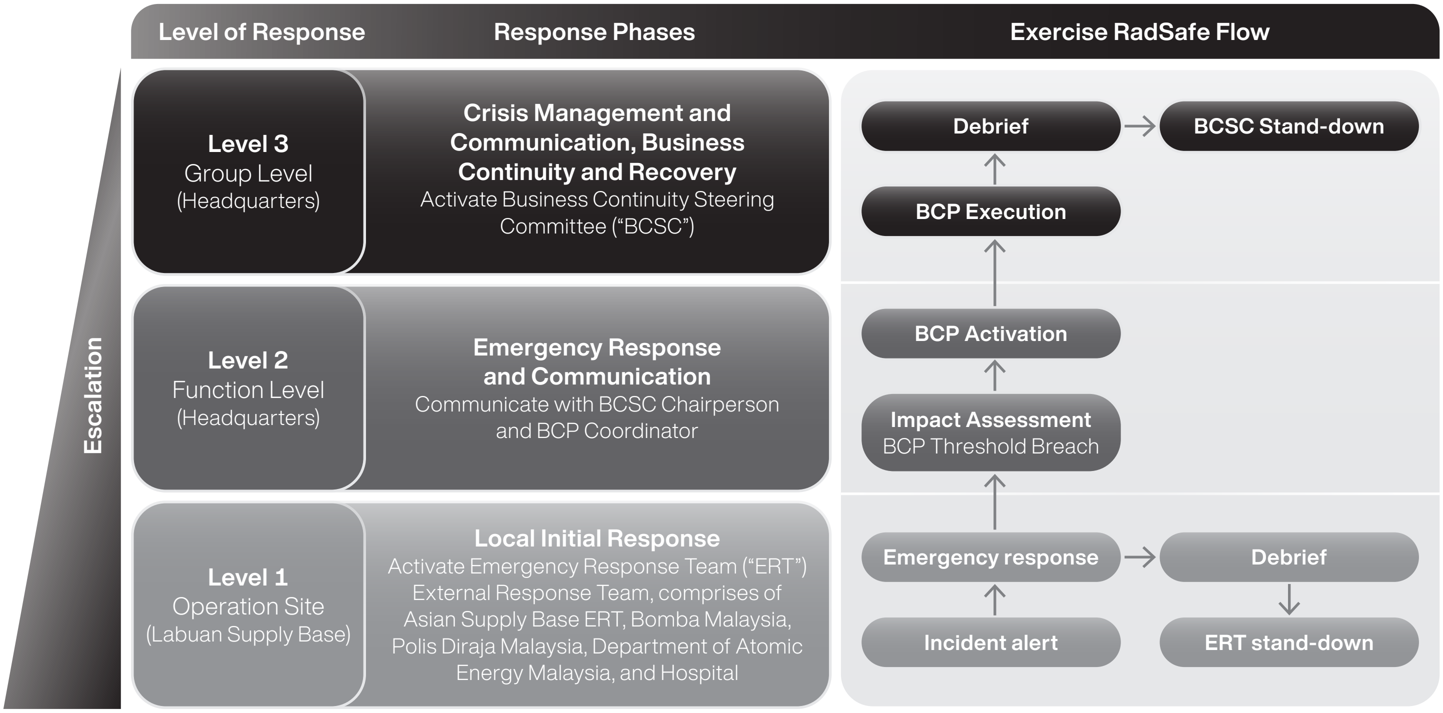
- Reviewed the existing TOR of the MCRC and BRIC to ensure consistency and alignment with evolving responsibilities and organisational changes.
- Monitored, reviewed, and updated the Group's Key Risk Profile and Business Unit's Key Risk Profile including overseas operations on a regular basis, with reports presented to the MCRC, BRIC and Board. This process reflects a comprehensive assessment of risks across key areas including external threats, business strategy, sustainability, financial, human capital, operations, governance and integrity, health and safety, as well as cyber and technology risks.
- Integrated sustainability risks into a comprehensive enterprise-wide risk heat map, encompassing risks such as human rights and labour standards, and climate-related risks (e.g., greenhouse gas emissions, waste and water management, transition risks, and physical risks).
- Empowered risk champions to conduct Risk Control Self-Assessments to review and monitor the effectiveness of risk controls across business units and support functions.
- Facilitated and provided risk assessment consultations for projects, operations, potential investments and business opportunities.
- Continued to strengthen a proactive risk awareness culture across the Group through:
  - Assigning Risk Champions to reinforce accountability and enhance risk management practices within individual business units and support functions.
  - Conducting regular risk awareness briefings and risk assessment sessions.
  - Introducing the CCSR One Stop Centre webpage, consolidating risk and business continuity related news, resources, events, updates, policies, frameworks, etc.
  - Continuously enhancing risk management practices within the Group, through ongoing review and refinement of risk profiling, categorisation, assessment, and reporting processes.

BUSINESS CONTINUITY MANAGEMENT ("BCM")

During the year ended 2025, the following BCM documents were reviewed and updated to enhance organisational preparedness, minimise operational disruptions, and safeguard stakeholder interests In the event of unforeseen disruptions.

- BCM Framework
- Guideline for Business Continuity Plan ("BCP")
- Guideline for Crisis Communication Plan

Towards the end of 2025, the Group conducted an emergency response and business continuity testing and exercise programme named "Exercise RadSafe" ("Exercise") at Labuan Supply Base and Deleum HQ, respectively to simulate a major fire incident involving the presence of active radiation sources at Labuan Supply Base. The Exercise involved the physical mobilisation of various responders including government agencies, relevant authorities, and members of the Business Continuity Steering Committee to test the Group's end-to-end crisis response and escalation process as depicted in the table below:



From a holistic perspective, the Exercise enabled the Group to strengthen coordination between response teams at both corporate and operational levels, while assessing response times, level of competency, and the robustness of existing BCP against scenario injections involving compromised business-critical facilities, equipment, and workforce.

Looking ahead to 2026, the Group will continue to conduct various BCM awareness training sessions and workshops to update the Business Impact Analysis and BCP for all business units and support functions. These initiatives are aimed at strengthening a strong BCM culture and enhancing the Group's overall BCM readiness.

CORPORATE COMPLIANCE

At Deleum, we build strong foundations for sustainable growth through expansion, financial stability, and upholding our Core Values of integrity and accountability. The Group adheres to robust corporate governance practices, ensuring that all activities are conducted in compliance with the Corporate Anti-Bribery and Corruption Policy. The Board provides continuous oversight of the policy including its periodic maintenance and updates, guided by relevant legal requirements like the Malaysian Anti-Corruption Commission ("MACC") Act 2009, Malaysian Anti-Corruption Commission (Amendment) Act 2018, Guidelines on Adequate Procedures issued by the Prime Minister's Department, and other relevant local and overseas legislations and regulations.

During the year, the Group embarked on a new corporate compliance journey themed "Collaborate, Comply, and Commit". This initiative was designed to reinforce the Group's unwavering commitment to ethical conduct and its zero-tolerance stance on bribery and corruption by raising awareness and fostering a lasting culture of anti-bribery and corruption across the Group.

Deleum continues to maintain and implement the following codes, policies, and procedures to reinforce its commitment to anti-bribery and anti-corruption efforts:

1. **Code of Business Conduct ("COBC")**
   - Deleum is committed to conducting its business with integrity, guided by its Core Values that emphasise transparency, open communication, mutual respect, high standards of safety and health, and a pursuit of excellence with a focus on continuous improvement.
   - The COBC is applicable to all Deleum directors, officers, employees, and relevant third parties, and serves as a guide for maintaining ethical standards in work performance and business practices. Deleum strictly prohibits any illegal or unethical conduct in its business dealings.

Statement on Risk Management and Internal Control

2. **Anti-Bribery Management System ("ABMS") Policy**
   - Deleum is committed to conducting business with the highest standards of integrity. Employees and business associates involved in the Group's activities are required to comply with this policy. Any violations may result in legal action and appropriate disciplinary measures in accordance with the Group's policies, procedures, directives, and guidelines.

3. **Corporate Anti-Bribery and Corruption ("ABC") Policy**
   - The Corporate ABC Policy outlines Deleum's position on bribery and corruption in its operations. It is designed to prevent, detect, and address such issues by promoting a culture of integrity, transparency, and compliance. The policy provides direction on identifying and managing potential acts of bribery and corruption risks encountered during operations.

4. **ABMS Manual**
   - The Group has established, documented, and continuously improved its ABMS in alignment with ISO 37001:2016, the ABMS Policy, and the COBC. Deleum has integrated the "Adequate Procedures – T.R.U.S.T" principles from the Ministerial Guidelines into its business operations.

5. **Gift, Hospitality, Donation and Sponsorship ("GHDS") Procedure**
   - The GHDS Procedure provides guidance on acceptable practices relating to gifts, hospitality, donations, and sponsorships, to ensure compliance with applicable anti-bribery and corruption laws. It was first established in 2020 and revised in 2025, the procedure outlines due processes and monitoring mechanisms for directors and employees to manage courtesies extended to public/government officials.

6. **Whistleblowing ("WB") Procedure**
   - The WB Procedure provides a channel for Deleum employees, third parties, and members of the public to report suspected wrongdoings, with assurance of confidentiality and protection.
   - The WB Procedure was enhanced in 2025 and aligned with ISO 37002:2021, including the establishment of a Whistleblowing Committee, its Terms of Reference, provisions for anonymous reporting, and a prescribed Lodgment Form.

7. **Corruption Risk Management Procedure**
   - This procedure is designed to identify, assess and manage corruption risks arising from activities and processes across the Group during service execution. The identified corruption risks are evaluated and addressed through appropriate risk treatment plans to mitigate the likelihood and impact of potential corruption incidents.

8. **Anti-Money Laundering and Counter Financing of Terrorism Guidelines**
   - Deleum is committed to preventing money laundering and terrorism financing to protect the Group from financial crime and reputational risks. This commitment prohibits directors, officers, and employees from engaging in financial transactions involving properties or funds derived from criminal activities, as well as from financing, sponsoring, facilitating, or assisting terrorist persons, activities, or organisations.

9. **Conflict of Interest ("COI") Guidelines**
   - The COI Guidelines provide guidance on identifying, disclosing, and managing actual or perceived conflicts of interest within the Group. Compliance with the Guidelines promotes transparency and supports objective, informed decision-making.

10. **Third-Party Anti-Bribery and Corruption Management Guidelines ("TPABCMG")**
    - The TPABCMG establishes minimum standards for managing bribery and corruption risks associated with third-party relationships. The Group adopts a structured approach encompassing scoping, due diligence, risk assessment, management controls, record-keeping, and ongoing monitoring, with particular focus on identifying and managing high-risk third parties.

11. **Integrity-Related Policies Addendums for Overseas Operations**
    - The integrity-related policies addendums for overseas operations are designed to supplement the existing policies requirements in ensuring compliance with the local laws and regulations.

Summary of Corporate Compliance Activities in 2025

In 2025, the Group undertook targeted initiatives to strengthen business integrity and ethical conduct by addressing integrity-related risks through programmes focused on education, awareness, and governance. Key activities conducted during the year included:

- Conducted the ABMS Internal Audit 2025 to verify compliance with anti-bribery requirements, assess the effectiveness of controls, and support continual improvement in preventing, detecting, and responding to bribery.
- Organised Integrity Day in Labuan, themed "Integrity Beyond Horizons", to reinforce the Group's commitment to uphold and reinforce the culture of integrity, ethics, and accountability among employees and local business partners, including a collective declaration of commitment against corruption.
- Conducted the Compliance Champion Engagement Programme to support and guide Compliance Champions in implementing compliance-related guidelines, policies, and procedures within their respective Business Units and Departments.
- Conducted Financial Literacy and Awareness Programme across operational sites to promote sound financial management and reduce the risk of corruption and unethical behaviour arising from personal financial pressure.
- Enhanced employee awareness of ABC, COI, Speak-Up Listen-Up, WB Procedures through various communication channels.
- Conducted COBC and ABC refresher awareness sessions across operational sites for all directors and employees, including mandatory COBC assessments, and ABC and COI declarations.
- Guided and facilitated Compliance Champions in conducting Corruption Risk Assessment within the business units and support functions.
- Reviewed the existing integrity-related policies and procedures together with the local legal counsel to draft relevant addendum ensuring compliance with local laws and regulations for overseas operations.
- Embedded integrity messages at the commencement of MCRC meetings.

CONTROL STRUCTURE

The key features of the Group's control structure are as follows:

- **The Board**
  The Board provides strategic direction and oversight of the Group and is supported by the Audit Committee ("AC"), Joint Remuneration and Nomination Committee, and BRIC. Each Committee operates under formally defined TOR and reports on their respective activities are presented to the Board on a regular basis. The Committee's TOR and the Board Charter are available for reference on the Group's corporate website.

- **Group Strategy, Budgeting, and Reporting**
  Each business unit and support function develops and submits its strategy and budget for the upcoming financial year. These submissions are then consolidated into the Group Strategies and Budget.

  The Group Strategies and Budget for the upcoming year comprise of, inter alia, (i) the Group's key focus areas namely growth plans, growth opportunities and strategic initiatives, and segmental strategies and budgets (ii) operating and financial budgets and performance targets, (iii) capital expenditure plans, (iv) cash flow projections, and (v) statements of financial position and ratio analysis.

  The Group's and business units' performances against the approved Group Budget is reported to the GCEO by the respective business units. The monitoring of actual results and projections are tracked and deliberated at the monthly operational management meetings.

  The Board reviews the Group's quarterly financial results against the approved Group Budget and historical performance prior to the quarterly announcement to Bursa Securities. A dashboard reporting which entails further details of the Group's financial performance comparing against corresponding and preceding quarters is prepared by the Management for the AC's notation. The report also consists of summary of key issues, updates on the business segments of the Group, balance sheet highlights, cash flow projections, and any significant accounting matters to facilitate the effective oversight and informed deliberation by the AC and the Board.

Statement on Risk Management and Internal Control

- **Audit Committee**
  The AC evaluates the adequacy and integrity of the Group's internal control systems and oversees the effectiveness of the Group's internal control, audit processes, compliance, and corporate governance practices. The AC also monitors the independence and effectiveness of the external auditors, and reviews and receives internal audit reports from the outsourced internal auditors relating to their reviews of the Group's internal control systems. Where appropriate, the AC is briefed on matters relating to corporate governance, financial reporting standards, listing requirements, legal and regulatory requirements as well as key matters affecting the interim and annual financial statements. Further details of the AC's activities and responsibilities are set out in the AC Report in this Annual Report.

- **Internal Audit**
  In 2025, Baker Tilly Monteiro Heng Governance Sdn Bhd ("Baker Tilly") was engaged to conduct internal audit reviews for the Group. Baker Tilly's primary role is to assess the adequacy and effectiveness of the Group's internal control systems, as outlined in the annual internal audit plan approved by the AC. They report on the sufficiency and reliability of the Group's internal controls and governance framework within the agreed audit scope. Their assessment provides an independent and objective evaluation of the effectiveness of risk management, internal control, and governance processes. Any identified weaknesses in internal controls or areas for improvement identified during the financial period under review are addressed by the Management through appropriate remedial actions and follow up measures.

- **Group Core Values and Code of Business Conduct**
  The Group's Core Values – Service Quality, Health, Safety & Environment, Integrity, and Sustainability, are communicated to employees through multiple platforms, including the Group's corporate website, new hire orientation and on-boarding communications as well as quarterly town hall sessions. Aligned with Deleum's Vision, Mission, and Core Values, the Board, Management, and employees are committed to nurturing and sustaining a corporate culture that upholds ethical practices and integrity. Furthermore, refresher trainings and updates on the COBC and/or relevant business policies are also regularly communicated to all employees.

  To further enhance awareness, posters highlighting COBC key elements are displayed in common areas at the Group's offices and operational sites. The COBC refresher programme 2025 continued to be conducted for Deleum's directors and employees, reinforcing the importance of ethical behaviour and compliance with established standards. For contractors, subcontractors, vendors, and other service providers, the COBC requirements are directly communicated through the Group's standard business terms and conditions.

  Deleum's Board of Directors and employees of the Group completed the annual COI Declaration, a mandatory exercise requiring disclosure of shareholdings, business interests, and relationships with specific parties or vendors. This vital declaration supports the maintenance of integrity, transparency and professionalism, aligning with the Group's Core Values and the COBC.

  Deleum is also committed to upholding the principles of the Universal Declaration of Human Rights, a commitment integrated into the Group's Human Resources Policies and communicated to employees during their onboarding process. The Universal Declaration of Human Rights is featured on Deleum's corporate website, and suppliers and subcontractors are encouraged to observe its principles. References to the Declaration are also included in the Group's general terms and conditions for the procurement of goods and services.

- **Authorisation Limits**
  The Delegation of Authority sets out the levels of authority delegated to various levels of management within the Group, as well as matters reserved for decision by Deleum's Board of Directors and shareholders. Authority limits are clearly defined to ensure accountability and responsibility across the Group.

- **Policies and Procedures**
  Comprehensive internal policies and procedures are documented and are made available to all employees across the Group to ensure strict compliance with established internal controls, rules, and regulations. These policies and procedures are reviewed and updated by the respective business and functional units through a structured review process to address changes in applicable laws and regulations as well as evolving business and operational requirements. The internal auditors periodically assess the adequacy and effectiveness of these policies and procedures to identify any gaps or areas of improvements. The Group's Process Improvement function periodically reviews the efficiency and effectiveness of existing processes and procedures, aligning them with the Groups' overarching business goals. This ongoing assessment ensures the Group remains compliant, agile, and strategically aligned in a dynamic operating environment.

- **Quality Management System ("QMS") and Environmental Management System ("EMS")**

  Under the purview of Group QHSE, the Group has successfully maintained its ISO 9001:2015 certification for Deleum Services Sdn Bhd ("DSSB") covering its subsidiaries - Deleum Oilfield Services Sdn Bhd ("DOSSB"), Deleum Technology Solutions Sdn Bhd ("DTSSB"), Deleum Chemicals Sdn Bhd ("DCSB"), as well as Turboservices Sdn Bhd. The continued certification demonstrates the Group's commitment to consistent quality management practices, operational discipline, and the delivery of products and services that meet customer and regulatory requirements across its operations.

  The Group also retained its ISO 14001:2015 EMS certification for DCSB. This certification provides customers with assurance of the Group's commitment to effective environmental management, environmentally responsible operations, regulatory compliance and the delivery of products and services in an environmentally sustainable manner.

  In addition to ISO 9001:2015 and ISO 14001:2015 certification, DOSSB Kemaman operations maintained the American Petroleum Institute ("API") Specification Q2 2nd Edition. This certification demonstrates adherence to recognised quality management and oilfield service–specific standards.

  In 2025, Deleum, DSSB, and DTSSB have successfully completed the external surveillance audit for ISO 37001: 2016. This achievement reinforces stakeholder confidence, particularly among key customers. Furthermore, the Group also applies consistent ABMS principles and practices across all its subsidiaries.

  Competent and certified Lead Auditors conduct annual internal audits to assess the continued effectiveness and compliance of the Group's management systems. The annual internal audits conducted in 2025 include:
  - ISO 14001:2015 Environmental Management System
  - ISO 9001:2015 Quality Management System
  - API Specification Q2 2nd Edition
  - ISO 37001:2016 Anti-Bribery Management System

- **Commitment to Competence**

  The Group fosters a competent workforce through training and professional development programmes, supported by the newly established Learning Management System as an additional platform for delivering and tracking training programmes. By attracting the right talent through competitive benchmarking and maintaining a supportive, well-equipped work environment, the Group enhances employee engagement, morale, and retention. Regular reviews are conducted to ensure that training and development programmes remain effective and aligned with the Group's evolving organisational needs and industry requirements.

- **Insurance on Assets and People**

  Adequate insurance coverage and physical safeguards are in place to protect the Group's assets and employees, against potential incidents that may result in material loss and/or human bodily injury. This insurance coverage includes protection against damage to or loss of assets, liability arising from accidents, bodily injury, or property damage, and medical coverage for treating injuries, illnesses, rehabilitation, and fatalities. Regular reviews of insurance coverage is conducted to ensure its adequacy and relevance, considering changes in the business environment, assets and people.

- **Supply Chain**

  The Group Supply Chain function operates as a centralised and coordinated unit, overseeing and managing procurement activities across the Group. Potential risks associated with procurement and supply chain operations are mitigated through established procedural governance supported by ongoing compliance monitoring of processes and practices. Procurement policies and procedures are subject to periodic reviews and updates, ensuring a continuous enhancement of internal controls and incorporating any necessary process improvements.

  Embedded within the Group's procurement framework is the COBC, reflecting Deleum's commitment to aligning procurement activities with the organisation's core values, promoting trust among stakeholders and reinforcing a culture of accountability and responsibility. Group Supply Chain function reinforces the commitment to ethical procurement practices by embedding anti-bribery clauses into contracts with suppliers and contractors. These clauses are strategically included to serve as a safeguard against potential risks particularly associated with bribery and corruption within procurement activities.

Statement on Risk Management and Internal Control

- **Management Information Systems**
  The use of Management Information Systems is governed by established policies and procedures to ensure appropriate, secure, and authorised usage by employees. In prioritising cybersecurity and data protection, the Group enforces strong access controls and conducts regular security assessments, penetration testing, and system audits. The Group continues to invest in enhanced technologies aligned with the Group's cybersecurity initiatives to strengthen system resilience. This proactive approach supports compliance with applicable regulatory requirements and safeguards the Group against evolving cyber and information security threats.

- **Corporate Secretariat**
  The Company Secretarial function is overseen by the Group Corporate Services Department, under the stewardship of the Company Secretaries whose roles and responsibilities are outlined in the Corporate Governance Overview Statement of this Annual Report.

- **Centralised Functions**
  The Corporate Resources functions, including Group Finance, Group Human Resources, Group Supply Chain, Corporate Compliance, Sustainability and Risk, Group Corporate Services, Information, Communications and Technology, Group QHSE, Process and System Improvement, Corporate Affairs, and Group Facilities Management are centralised at the Group level. This centralisation promotes greater independence from the business units and supports a more structured governance framework with standardised processes and procedures, thereby enhancing operational efficiency, consistency and effectiveness across the Group.

ADEQUACY AND EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board had reviewed the effectiveness of the Group's risk management and internal control systems for the year under review and up to the date of approval of this Statement for inclusion in this Annual Report.

The Board is satisfied with the Group's ongoing process for identifying, evaluating, managing, and monitoring the risks of the business, including the scope and frequency of reports on both risk management and internal controls.

The Board is of the opinion that there are sufficient controls and appropriate management action plans in place to meet the business objectives and strategies of the Group. No weaknesses in internal control, nor any unanticipated events, that have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report were noted. Management is continuously reviewing the processes and procedures within the Group to further enhance the internal control systems.

Deleum's internal control systems are not extended to the associate companies in which the Group's interests are monitored through board representation.

CONCLUSION

The external and internal auditors, in the course of executing their work based on the pre-approved review plans had highlighted their findings and recommendations for addressing the deficiencies and lapses in controls noted during their work. Management have considered their recommendations and implemented appropriate action plans on their findings and Management is of the view that the internal control systems are adequate.

For the financial year under review, the Board had received representations from the GCEO and GCFO, that the risk management and internal control processes were adequate to safeguard shareholders' investments and the Group's assets.

REVIEW OF THIS STATEMENT

As required by paragraph 15.23 of the Bursa Securities Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in this Annual Report, issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement on Risk Management and Internal Control Report are made in accordance with a resolution of the Board of Directors passed on 24 February 2026.

Audit Committee Report

The Board of Directors of Deleum Berhad ("Deleum" or "the Company") presents the Audit Committee Report in accordance with Paragraph 15.15 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") which provides insights into the manner in which the Audit Committee ("AC") discharged its functions for Deleum and its subsidiaries ("the Group") for the financial year ended 31 December 2025 ("FY2025"). This report has been reviewed by the AC to ensure that they were prepared in compliance with the relevant regulatory requirements and guidelines.

The AC reviews the Group's system of internal control, audit process, compliance, and governance. In addition, the AC monitors the independence and effectiveness of the external and internal auditors. The management of risks is the responsibility of the Board Risk and Investment Committee ("BRIC") which reports directly to the Board. The Chairman of the BRIC is also a member of the AC.

The roles and responsibilities of the AC are set out in the Terms of Reference ("TOR"), a copy of which is made available at the Company's website at www.deleum.com.

(I) COMPOSITION

The AC meets the requirements of Paragraph 15.09(1)(a) and (b) of the MMLR and Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance ("MCCG"), which require the AC to comprise a minimum of three members, all of whom are non-executive directors, with a majority being independent directors.

The AC currently comprises three members, all Independent Non-Executive Directors, who possesses a sound understanding of the Group's business and are financially literate. The members undertake continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules. All of the Independent Non-Executive Directors satisfy the test of independence under the MMLR.

The AC members are:

Name of Committee Members	Appointment Date	Designation
Datuk Manharlal a/l Ratilal	1 October 2020	Chairman / Independent Non-Executive Director
Lee Yoke Khai	15 March 2019	Member / Senior Independent Non-Executive Director
Datin Aisah Eden	1 June 2023	Member / Independent Non-Executive Director

Mr. Lee Yoke Khai is a member of the Malaysian Institute of Accountants ("MIA") and the Malaysian Association of Certified Public Accountants, which is in compliance with Paragraph 15.09(1)(c) of the MMLR.

In accordance with the AC's TOR, the AC has a policy that requires a former key audit partner to observe a cooling-off period of at least three years before being appointed as a member of the AC.

The Board via the AC also observed the requirement under Paragraph 15.09(2) of the MMLR to ensure that no alternate director is appointed as a member of the AC.

(II) COMMITTEE MEETINGS

The AC held six (6) meetings in 2025 with full attendance of the members. Details of the AC meeting attendance are set out in the Corporate Governance Overview Statement. By invitation, the Group Chief Executive Officer, the Group Chief Financial Officer and other relevant senior management personnel, and representatives from the external and internal auditors attended the AC meetings to brief and provide clarification to the AC on their areas of responsibility. At the Board meeting, the Chairman of the AC highlighted the relevant findings and issues and presented the AC's recommendations.

The external and internal auditors were present during deliberations at AC meetings on matters relating to external audit and internal audit, respectively.

Time was also set aside for both the external and internal auditors to have separate private discussions with the AC in the absence of Management.

Audit Committee Report

The Company Secretary is the Secretary of the AC who keeps records of the minutes of AC meetings. Minutes of each AC meeting is circulated to the AC members after the meeting for review and comments before confirmation at the next AC meeting and subsequently tabled to the Board meeting for notation.

During FY2025, the matters in relation to the quarterly and annual financial results and annual reporting, key audit matters, internal control reviews, and related party transactions were discussed at AC meetings which were summarised under Section (III) of this Report.

(III) SUMMARY OF KEY ACTIVITIES

During the financial year under review, the AC's key focus areas were as follows:
- Quarterly and annual financial results and annual reporting;
- External audit;
- Internal audit; and
- Related party transactions.

1. Financial Results and Annual Reporting

a) Reviewed with Management and the external auditors the appropriateness of the unaudited quarterly interim reporting and annual financial statements, before recommending them to the Board for consideration and approval and the release of the Group's results to Bursa Securities, with emphasis being given to:
- the quality and appropriateness of accounting policies and practices;
- the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
- key areas in which significant judgements and estimates have been applied and used for the preparation of the financial statements;
- whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- any correspondence from regulators in relation to financial reporting; and
- the significant audit issues the AC considered in relation to the financial reporting.

When considering the quarterly interim reporting and annual financial statements, the AC considered the quarterly financial reporting from the Group Finance function, and the reports from the external auditors on their quarterly review, where relevant, and annual audit. In this respect, the AC reviewed the significant audit and accounting issues and the Group's critical accounting policies, with particular on the following:

i. Revenue Recognition

The Group recognised revenue mainly derived from its sales of gas turbines packages after sale support and services, sales of valves and flow regulator, provision of slickline equipment and services, and provision of integrated corrosion and inspection, blasting technology, maintenance, construction and modification services. Revenue from certain business streams is recognised over time and the remaining is based on at a point of time. The external auditors have placed their audit emphasis on the revenue in view of its significant value reported and the significant time spent auditing the revenue amounts by undertaking various audit procedures to evaluate and test the effectiveness of key controls on material revenue, performing substantive procedures on significant revenue balances by examining sale transactions for proof of delivery to customers and to signed contracts; performing cut off procedures on revenue; and examined non-standard journal entries and other material adjustments relating to revenue accounts. The findings and conclusions were brought to the meeting for discussion and deliberation with the AC members.

ii. Acquisition During the Financial Year

On 3 June 2025, Deleum Services Sdn. Bhd. ("DSSB"), a wholly owned subsidiary of the Company, completed the acquisition of a 70% equity interest in PT OSA Industries Indonesia ("OSAII") in Indonesia, for a purchase consideration of USD7,350,000 (RM31,417,018), inclusive of profit sharing incentive. Following the acquisition, OSAII became a 70%-owned subsidiary of DSSB, which is in turn wholly owned by the Company. A purchase price allocation exercise was performed by an external professional firm which involved management judgement in determining the fair value of identifiable assets acquired and liabilities assumed, the intangible assets as well as the resulting goodwill. The external auditors have placed their emphasis on the estimation and judgement involved in the purchase price allocation. Key audit procedures performed involve assessing the purchase price allocation and testing the fair value of identifiable assets acquired and liabilities assumed, involving its internal valuation specialists to evaluate the methodologies and key assumptions used in valuing the intangible assets, and comparing key assumptions, such as discount rates to external market data and the Group's historical performance.

The AC has reviewed the accounting treatment and disclosures relating to the acquisition, discussed with Management and the external auditors, and considered the significant judgements applied in the purchase price allocation and the valuation of identifiable intangible assets and goodwill. The AC is satisfied that the acquisition has been appropriately accounted for and disclosed in the financial statements.

The AC has satisfied itself that the reviews and related actions taken for the above have been properly prepared by the Management and reviewed by the external auditors.

b) Reviewed the annual consolidated audited financial statements for the year under review before recommending to the Board for consideration and approval. The review was to ensure that the financial reporting and disclosures were updated and in compliance with:
- MMLR of Bursa Securities;
- Companies Act 2016 and other relevant legal and regulatory requirements; and
- Applicable approved Malaysian Financial Reporting Standards and International Financial Reporting Standards.

c) Reviewed the Statement on Risk Management and Internal Control and the AC Report to ensure adherence to legal and regulatory reporting requirements prior to the Board's approval for inclusion into this Annual Report.

2. External Audit

a) Reviewed the external auditors' scope of work, audit plan and audit strategy for FY2025 to ensure appropriate focus on the key risk areas.

b) Reviewed the external auditors' report to the AC in relation to their review of the relevant quarterly results and announcements along with resolution of issues highlighted in their report to the AC.

c) Reviewed the external auditors' report to the AC for the year under review in relation to the audit and accounting issues arising from the audit and Management's responses.

d) Reviewed the internal control findings and system of internal control and discussed the impact on the overall soundness of the internal control procedures and processes.

e) Reviewed other matters relating to accounting, auditing, financial reporting practices and processes, legal, regulatory and taxation matters of the Group.

f) Reviewed the independence and objectivity of the external auditors, guided by the procedure set out in the AC's TOR.

As part of the annual audit exercise, the Company had obtained written assurance from PricewaterhouseCoopers PLT ("PwC") confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. PwC has complied with the requirement of MIA and the firm's Guidelines in rotating audit partners every seven years.

g) Monitored the non-audit related fees paid to the external auditors, so that the services provided did not affect the objectivity and independence of the external auditors.

The amount of audit fees and non-audit fees paid/payable to PwC or a firm or corporation affiliated to PwC by the Company and the Group respectively in respect of FY2025 were as follows:

	Company (RM)	Group (RM)
Statutory audit fee	183,053	995,056
Audit related services	186,413	186,413
Non-audit services	39,800	117,500

The non-audit services conducted during FY2025 by other PwC entities comprised provision of Malaysian stamp duty training in relation to the implementation of Stamp Duty Self-Assessment System and tax services.

The provision of non-audit services during FY2025 did not compromise PwC's independence and objectivity as the non-audit services were conducted by different teams from the statutory audit team of PwC. The AC concluded that it continued to be satisfied with the performance of PwC and that throughout the year the objectivity and independence of PwC in relation to the audit was not in any way impaired by either the nature of the non-audit related services, the level of non-audit fees charged, or any other facts or circumstances.

h) Reviewed the performance and effectiveness of the external auditors and recommended to the Board for their re-appointment and fees for statutory audit.

i) Reviewed with the external auditors the impact of new or proposed changes in accounting standards, regulatory requirements including changes in tax legislation and recent development. The AC will continue to monitor and review with the external auditors on regulatory updates and the impact to the accounting, auditing and financial reporting practices and processes.

j) Held at least two private meetings with the external auditors without the presence of the Executive Director and Management or employees of the Company. The AC is satisfied that appropriate actions were taken to address the issues and concerns raised by the external auditors arising from these meetings.

k) Noted PwC's 2025 Transparency Report, which outlines the firm's governance, quality control, independence practices, and adherence to professional and regulatory standards.

l) Carried out evaluation of the external auditors and internal auditors, the details of which are in Section (VI) – "Evaluation" of this Report.

3. Internal Audit

a) Reviewed and approved the Internal Audit Plan prepared by the internal auditors, Baker Tilly Monteiro Heng Governance ("Baker Tilly") to ensure the adequacy of its scope and coverage of the Group's activities.

b) Reviewed and assessed the resources, performance and competency of the internal auditors.

c) Reviewed the Internal Audit reports, audit recommendations made and Management's responses to these recommendations, including actions taken to improve the system of internal control and procedures.

d) Ensured that appropriate and prompt remedial actions and improved procedures were implemented by Management arising from the findings raised in the internal audit reviews and in respect of outstanding issues identified from the follow-up audits.

e) Held one private meeting with the internal auditors without the presence of the Executive Director and Management or employees of the Company to discuss any areas of concern.

4. **Related Party Transactions and Conflict of Interest Situations**

   a) Apprised the recurrent related party transactions to ensure that the amounts transacted were within the approved shareholders' mandate obtained.

   b) Reviewed the related party transactions of the Group to ensure that they are based on the Group's normal commercial terms and are not to the detriment of the Group's minority shareholders.

   c) Reviewed the adequacy of procedures and processes in identifying, monitoring, reviewing and reporting of related party transactions.

   d) Reviewed a new recurrent related party transaction entered into by a subsidiary of the Company. In its deliberation, the AC considered the terms of the transaction, noted that a shareholders' mandate was required to be obtained, and accordingly reviewed and recommended the same to the Board.

   e) Reviewed the circular to shareholders in respect of the new and annual shareholders' mandate for recurrent related party transactions prior to recommendation to the Board for consideration and approval.

   f) Reviewed the conflict-of-interest declaration (if any) made by all the Directors and Senior Management of the Company, including any potential conflicts of interest.

   g) Revised the TOR of the AC to align with the updates to the MMLR, MCCG, Companies Act 2016 and any other applicable law/guidelines.

(IV) <u>INTERNAL AUDIT FUNCTION</u>

The AC is supported by Baker Tilly, a well-established firm that complies with the International Professional Practices Framework issued by the Institute of Internal Auditors, as the Internal Audit Function ("IAF") of the Group. In carrying out the internal audit for the Group, the IAF team is headed by Partner of Internal Audit & Risk Advisory of Baker Tilly who possesses the relevant qualifications and experience and who is assisted by no fewer than four staff including a senior manager.

The IAF's primary role is to assist the AC in reviewing the state of the systems of internal control maintained by Management and to provide assurance to the AC on the adequacy and integrity of the internal control and governance framework of the Group. The IAF reviews and assesses whether the systems of internal control and related procedures are effective and provides recommendations to strengthen internal control procedures and processes.

The IAF independently reviews the approved audit areas and reports directly to the AC. The IAF team has, and exercises, direct access to the members of the AC as deemed necessary. The AC reviews and approves the internal auditors' annual audit plan. The IAF also works closely with the external auditors to avoid any activity overlap and to share their findings.

During the financial year, the cost incurred for the outsourced IAF amounted to RM116,000.00 excluding the out-of-pocket expenses and relevant applicable government tax. The activities carried out by the IAF were as follows:

a) Conducted Internal Audit engagements consistent with the annual audit plan presented to and approved by the AC.

   The plan adopts a risk-based methodology by focusing on key risk areas, which is partly guided by the Group's Enterprise Risk Management Framework. The plan is designed and executed upon with the express objectives of testing financial, operational and compliance controls of the Group, as well as the design and operation of key business processes operated. Each annual plan is reviewed throughout the course of the fiscal year and presented to Management and the AC to ensure continued relevance of areas covered in each fiscal year.

   There were four internal control reviews performed in year 2025 based on the approved Internal Audit Plan. The findings from these reviews, together with related recommendations and Management's responses thereto, are reported to the AC on a quarterly basis.

Audit Committee Report

b) Reviewed the adequacy and integrity of the system of controls to ensure there is a systematic methodology for identifying, assessing, and managing risk areas with regard to:
- reliability and integrity of financial and operational information;
- effectiveness and efficiency of operations;
- safeguarding of assets and resources; and
- compliance with laws, regulations and contractual obligations within the Company's governance, operations and information systems.

c) Conducted follow up reviews on actions taken by Management in implementing their recommendations arising from prior audits.

The Company continues to outsource its IAF of the Group for the ensuing year as opposed to establishing an in-house IAF after considering the size of the Group as well as in-house resources and difficulty in attracting and retaining qualified and competent internal audit staff.

Baker Tilly has no relationship with the Group and is independent from Management, staff, Directors, and substantial shareholders.

(V) EVALUATION

The evaluations of the external and internal auditors were reviewed by the AC based on the feedback obtained from the AC members and self-assessment carried out by external auditors and internal auditors respectively. Summary of results of the assessments were tabled to the AC for deliberation at the meeting.

The AC was satisfied with the performance of PwC as the external auditor and Baker Tilly as the internal auditor. For PwC, the AC concluded that its objectivity and independence throughout the year remained unimpaired by the nature or scope of non-audit related services, the level of non-audit fees charged, or any other facts or circumstances. Similarly, the AC was satisfied that Baker Tilly delivered its internal audit responsibilities effectively, maintaining independence and providing comprehensive and valuable insights to support the Group's governance and internal control framework. In this regard, the AC also approved the continuation of Baker Tilly for the ensuing year.

The Board on the recommendation of the AC, is satisfied that PwC remains effective, objective and independent in carrying out its role as external auditors of the Company. The Board has at the Board meeting held on 24 February 2026 approved the AC's recommendation for the re-appointment of PwC for the ensuing year to be tabled at the Twenty-First Annual General Meeting for shareholders' approval.

The Board through the Joint Remuneration and Nomination Committee ("JRNC") had conducted an annual evaluation and assessment on the performance of the AC and its members in respect of FY2025. The evaluation was based on self and peer assessment carried out by the AC members to monitor their overall effectiveness in meeting their responsibilities.

The evaluation focused on the structure and process including the composition and level of accountability and responsibility demonstrated by the AC. The JRNC was satisfied that the AC had carried out its duties and responsibilities effectively in accordance with its TOR and had demonstrated a high level of diligence, independence and commitment in discharging its responsibilities. The results of the evaluation were reported to the Board accordingly.

The AC members have considerable accounting, financial and business experience and the Board is satisfied with the composition of the AC and considers that the membership as a whole has sufficient relevant expertise and resource to discharge its responsibilities effectively.

The Directors are pleased to submit their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment holding company.

The principal activities of the Group consist of 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.

There were no significant changes in the nature of these activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year attributable to		
- Equity holders of the Company	71,086,724	34,916,026
- Non-controlling interests	29,860,184	0
Profit for the financial year	100,946,908	34,916,026

DIVIDENDS

The dividends on ordinary shares paid or declared by the Company since 31 December 2024 were as follows:

	RM
In respect of the financial year ended 31 December 2024, as shown in the Directors' report of that year, a second interim single tier dividend of 5.30 sen per share on 401,553,500 ordinary shares, paid on 28 March 2025	21,282,336
In respect of the financial year ended 31 December 2025, a first interim single tier dividend of 4.00 sen per share on 401,553,500 ordinary shares, paid on 30 September 2025	16,062,140
	37,344,476

The Directors, had on 24 February 2026 declared a second interim single tier dividend of 5.30 sen per share in respect of the financial year ended 31 December 2025, totalling RM21,282,336 payable on 30 March 2026.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2025.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year other than those disclosed in the financial statements.

SHARE CAPITAL AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

Directors' Report

DIRECTORS OF THE COMPANY

The Directors of the Company who have held office during the financial year and up to the date of this report are as follows:

Tan Sri Dato' Seri Shamsul Azhar bin Abbas
Datuk Vivekananthan a/l M.V. Nathan
Ramanrao bin Abdullah
Dato' Izham bin Mahmud
Lee Yoke Khai
Datuk Manharlal a/l Ratilal
Datin Aisah Eden
Kathirithamby Sivasankar (Alternate Director to Datuk Vivekananthan a/l M.V. Nathan) (appointed on 2 January 2025)
Ainul Azhar bin Ainul Jamal (resigned on 30 November 2025)

DIRECTORS OF SUBSIDIARIES

The Directors who have held office in the subsidiaries of the Company (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report are as follows:

Directors of Subsidiaries	Subsidiary
Mohammad Kamal bin Md Yosof	Deleum Technology Solutions Sdn. Bhd.
Noorjuliana @ Jamillah binti Jasmis	Deleum Technology Solutions Sdn. Bhd.
Ahmad Rizal bin Omar	Deleum Rotary Services Sdn. Bhd. (In members' voluntary liquidation)
Nuruzzatulain binti Sahamah	Turboservices Sdn. Bhd.
Zamani bin Abd Ghani (appointed on 2 January 2025)	Turboservices Sdn. Bhd.
Seow Keng Seng	Turboservices Sdn. Bhd.
Daryl Uei Wang	Turboservices Sdn. Bhd.
Nurul Aznin binti Mamat (resigned on 2 January 2025)	Turboservices Sdn. Bhd.
Eric Kurt Strecker	Penaga Dresser Sdn. Bhd.
Azman bin Jemaat @ Hassan	Penaga Dresser Sdn. Bhd.
Nuruzzatulain binti Sahamah	Penaga Dresser Sdn. Bhd.
Imran Hakim bin Abdul Aziz	Penaga Dresser Sdn. Bhd.
Mohamad Azrie bin Mohamad Nasrun (appointed on 12 August 2025)	Penaga Dresser Sdn. Bhd.
Muhammed Azlie bin Kemaluddin (resigned on 12 August 2025)	Penaga Dresser Sdn. Bhd.
Noorjuliana @ Jamillah bt Jasmis (Alternate Director to Azman bin Jemaat @ Hassan) (appointed on 12 August 2025)	Penaga Dresser Sdn. Bhd.
Azman bin Jemaat @ Hassan	Deleum Services Sdn. Bhd.
Imran Hakim bin Abdul Aziz	Deleum Services Sdn. Bhd.
Zamani bin Abd Ghani	Deleum Services Sdn. Bhd.
Imran Hakim bin Abdul Aziz	Deleum Oilfield Services Sdn. Bhd.
Sheikh Muzafar Shahrizan bin Mustafah (appointed on 22 December 2025)	Deleum Oilfield Services Sdn. Bhd.
Imran Hakim bin Abdul Aziz	Deleum Oilfield Solutions (Thailand) Co. Ltd.
Suthee Chivaphongse	Deleum Oilfield Solutions (Thailand) Co. Ltd.
Imran Hakim bin Abdul Aziz	Deleum Services (Sarawak) Sdn. Bhd.
Mohammad Noorazam bin Su'ut	Deleum Services (Sarawak) Sdn. Bhd.
Jilan Anak Jenggi	Deleum Services (Sarawak) Sdn. Bhd.
Zamani bin Abd Ghani	Deleum Services (Sabah) Sdn. Bhd.
Jimi bin Muksin (appointed on 15 July 2025)	Deleum Services (Sabah) Sdn. Bhd.
Rahila binti Ahmad Bashir Khan (resigned on 15 July 2025)	Deleum Services (Sabah) Sdn. Bhd.
Azman bin Jemaat @ Hassan (appointed on 3 June 2025) (resigned on 28 July 2025) (re-appointed on 28 July 2025)	PT OSA Industries Indonesia
Agung Cahyono (appointed on 28 July 2025)	PT OSA Industries Indonesia

DIRECTORS OF SUBSIDIARIES (CONTINUED)

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company was a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Directors has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' REMUNERATION

The aggregate amounts of emoluments received and receivable by Directors of the Company during the financial year are as follows:

	Company	
	2025 RM	2024 RM
Executive Director:		
- salaries and bonuses	2,300,000	1,899,032
- defined contribution plan	366,600	308,515
- other emoluments	144,893	158,513
- estimated monetary value of benefits-in-kind	22,699	24,782
	2,834,192	2,390,842
Non-Executive Directors:		
- fees	1,289,966	1,214,967
- other emoluments	466,475	436,000
- estimated monetary value of benefits-in-kind	70,207	58,354
	1,826,648	1,709,321
	4,660,840	4,100,163

Directors' Report

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares in the Company and its related corporations were as follows:

	Number of ordinary shares in the Company			
	At 1.1.2025	Acquired	Sold	At 31.12.2025
Direct interest				
Dato' Izham bin Mahmud	11,310,000	0	0	11,310,000
Datuk Vivekananthan a/l M.V. Nathan	43,530,600	0	0	43,530,600
Tan Sri Dato' Seri Shamsul Azhar bin Abbas	1,000,000	0	0	1,000,000
Indirect interest				
Dato' Izham bin Mahmud	56,765,698	0	0	56,765,698
Datuk Vivekananthan a/l M.V. Nathan	81,740,900	0	0	81,740,900
Ramanrao bin Abdullah	81,740,900	0	0	81,740,900

By virtue of their interest in shares in the Company pursuant to Section 8 of the Companies Act 2016, Dato' Izham bin Mahmud, Datuk Vivekananthan a/l M.V. Nathan and Ramanrao bin Abdullah are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

Other than as disclosed above, according to the Register of Directors' Shareholdings, the other Directors in office at the end of the financial year did not hold any interest in shares, grants and options over shares in the Company or shares, grants and options over shares and debentures of its related corporations during the financial year.

INDEMNITY AND INSURANCE COSTS

The Group has in force a Directors and Officers Liability insurance policy essentially covering the acts of Directors and Officers. The current policy has a limit of liability of RM70,000,000. Annual premiums paid amounted to RM53,200.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of comprehensive income and statements of financial position were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business at their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

(a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made.

Directors' Report

SUBSIDIARIES

Details of subsidiaries are set out in Note 34 to the financial statements.

AUDITORS

Auditors' remuneration for the financial year is as follows:

	Group		Company	
	2025 RM	**2024 RM**	**2025 RM**	**2024 RM**
Auditors' remuneration:				
- statutory audit	995,056	620,247	183,053	221,397
- other audit related services	186,413	179,242	186,413	179,242
- non-audit related services	117,500	65,406	39,800	10,050
	1,298,969	864,895	409,266	410,689

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 16 March 2026.

TAN SRI DATO' SERI SHAMSUL AZHAR BIN ABBAS
DIRECTOR

RAMANRAO BIN ABDULLAH
DIRECTOR

Statements of Comprehensive Income

For the Financial Year Ended 31 December 2025

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Revenue	5	997,146,233	907,478,294	73,767,100	70,903,000
Cost of sales		(733,390,551)	(672,030,645)	(34,333,100)	(29,457,000)
Gross profit		263,755,682	235,447,649	39,434,000	41,446,000
Other operating income		7,070,533	8,578,087	229,608	610,595
Selling and distribution costs		(49,538,921)	(49,936,158)	0	0
Administrative expenses		(84,902,401)	(63,838,956)	(4,293,175)	(3,940,820)
Other operating (losses)/gains		(6,039,736)	(484,124)	9,820	(336,447)
Operating profit		130,345,157	129,766,498	35,380,253	37,779,328
Finance cost	8	(1,323,894)	(486,396)	(318)	(42)
Share of results of a joint venture (net of tax)	16	824,905	769,501	0	0
Share of results of an associate (net of tax)	17	3,879,120	6,160,630	0	0
Profit before tax	6	133,725,288	136,210,233	35,379,935	37,779,286
Tax expense	9	(32,778,380)	(35,255,727)	(463,909)	(450,779)
Profit for the financial year		100,946,908	100,954,506	34,916,026	37,328,507
OTHER COMPREHENSIVE (LOSS)/INCOME					
Item that will not be subsequently reclassified to profit or loss:					
Fair value changes of financial assets at fair value through other comprehensive income ("FVOCI")	18	(71,529)	0	0	0
Items that may be subsequently reclassified to profit or loss:					
Currency translation differences of foreign operations		(2,050,631)	1,625	0	0
Reclassification of reserves upon liquidation of a subsidiary during the financial year	39	0	1,685,963	0	0
Total comprehensive income for the financial year		98,824,748	102,642,094	34,916,026	37,328,507
Profit attributable to:					
Owners of the Company		71,086,724	74,154,450	34,916,026	37,328,507
Non-controlling interests		29,860,184	26,800,056	0	0
		100,946,908	100,954,506	34,916,026	37,328,507
Total comprehensive income attributable to:					
Owners of the Company		70,553,153	75,841,209	34,916,026	37,328,507
Non-controlling interests		28,271,595	26,800,885	0	0
		98,824,748	102,642,094	34,916,026	37,328,507
Earnings per share (sen)					
- Basic/diluted	10	17.70	18.47		

The above statements of comprehensive income are to be read in conjunction with the material accounting policies and notes 1 to 41 to the Financial Statements.

Statements of Financial Position

As at 31 December 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
NON-CURRENT ASSETS					
Property, plant and equipment	12	106,076,096	91,327,042	4,437,889	3,970,660
Investment properties	13	629,394	652,970	0	0
Intangible assets	14	36,627,241	151,728	296,322	42,709
Subsidiaries	15	0	0	132,384,848	132,384,848
Joint venture	16	36,738,378	35,913,473	29,375,937	29,375,937
Associate	17	22,283,682	23,204,562	0	0
Financial assets at FVOCI	18	6,780,194	6,515,463	0	0
Deferred tax assets	28	6,057,546	4,496,662	1,024,085	1,687,774
Other receivables	21	9,651,784	9,503,799	0	0
Amounts due from subsidiaries	19	0	0	29,379,324	16,791,705
Cash and bank balances	24	0	3,852,686	0	0
		224,844,315	175,618,385	196,898,405	184,253,633
CURRENT ASSETS					
Amounts due from subsidiaries	19	0	0	44,239,189	46,921,953
Tax recoverable		5,451,806	1,559,729	763,100	0
Inventories	20	23,068,543	45,420,677	0	0
Accrued lease rental		121,413	0	0	0
Receivables, deposits and prepayments	21	327,451,028	313,050,709	850,218	1,249,561
Amounts due from an associate	22	1,290,984	1,280,000	130	0
Amounts due from a joint venture	23	326,515	535,556	322,803	532,954
Financial assets at fair value through profit or loss (“FVTPL”)		115,891	0	7,772	0
Cash and bank balances	24	242,224,047	195,405,774	6,303,729	9,995,391
Derivative financial instrument	26	0	100,430	0	0
		600,050,227	557,352,875	52,486,941	58,699,859

Statements of Financial Position

As at 31 December 2025

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
LESS: CURRENT LIABILITIES					
Amounts due to subsidiaries	19	0	0	20,339,858	8,899,783
Borrowings	25	10,460,620	7,342,971	49,070	37,011
Derivative financial instrument	26	36,646	0	0	0
Taxation		9,180,887	11,170,840	0	173,289
Trade and other payables and contract liabilities	27	198,101,861	199,636,787	4,479,243	6,895,324
		217,780,014	218,150,598	24,868,171	16,005,407
NET CURRENT ASSETS		382,270,213	339,202,277	27,618,770	42,694,452
NON-CURRENT LIABILITIES					
Borrowings	25	27,582,504	7,768,797	96,312	98,772
Deferred tax liabilities	28	12,760,419	8,736,285	0	0
Other payable	27	1,140,786	0	0	0
Deferred income	29	133,339	169,704	0	0
		41,617,048	16,674,786	96,312	98,772
NET ASSETS		565,497,480	498,145,876	224,420,863	226,849,313
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	30	201,801,508	201,801,508	201,801,508	201,801,508
Retained earnings		345,000,836	311,258,588	22,619,355	25,047,805
Merger deficit	31	(50,000,000)	(50,000,000)	0	0
Foreign currency translation		(477,726)	(15,684)	0	0
Fair value reserve		(71,529)	0	0	0
Shareholders' equity		496,253,089	463,044,412	224,420,863	226,849,313
NON-CONTROLLING INTERESTS	15	69,244,391	35,101,464	0	0
TOTAL EQUITY		565,497,480	498,145,876	224,420,863	226,849,313

The above statements of financial position are to be read in conjunction with the material accounting policies and notes 1 to 41 to the Financial Statements.

Statement of Changes in Equity

For the Financial Year Ended 31 December 2025

		Attributable to equity holders of the Company								
		Issued and fully paid ordinary shares		Non-distributable			Distributable			
Group	Note	Number of shares	Share capital RM	Foreign currency translation RM	Fair value reserve RM	Merger deficit RM	Retained earnings RM	Total RM	Non-controlling Interests RM	Total equity RM
At 1 January 2025		401,553,500	201,801,508	(15,684)	0	(50,000,000)	311,258,588	463,044,412	35,101,464	498,145,876
Profit for the financial year		0	0	0	0	0	71,086,724	71,086,724	29,860,184	100,946,908
Other comprehensive loss for the financial year		0	0	(462,042)	0	0	0	(462,042)	(1,588,589)	(2,050,631)
Fair value changes of financial assets at FVOCI		0	0	0	(71,529)	0	0	(71,529)	0	(71,529)
Total comprehensive (loss)/income for the financial year		0	0	(462,042)	(71,529)	0	71,086,724	70,553,153	28,271,595	98,824,748
Dividends	11	0	0	0	0	0	(37,344,476)	(37,344,476)	(20,986,120)	(58,330,596)
Acquisition of a subsidiary company	39	0	0	0	0	0	0	0	26,857,452	26,857,452
At 31 December 2025		401,553,500	201,801,508	(477,726)	(71,529)	(50,000,000)	345,000,836	496,253,089	69,244,391	565,497,480

Statement of Changes in Equity

For the Financial Year Ended 31 December 2025

Group	Note	Attributable to equity holders of the Company						Non-controlling interests	Total equity
		Issued and fully paid ordinary shares		Non-distributable		Distributable			
		Number of shares	Share capital RM	Foreign currency translation RM	Merger deficit RM	Retained earnings RM	Total RM	RM	RM
At 1 January 2024		401,553,500	201,801,508	(1,702,443)	(50,000,000)	263,291,221	413,390,286	33,060,742	446,451,028
Profit for the financial year		0	0	0	0	74,154,450	74,154,450	26,800,056	100,954,506
Other comprehensive income for the financial year		0	0	796	0	0	796	829	1,625
Reclassification of reserves upon liquidation a subsidiary during the financial year	39	0	0	1,685,963	0	0	1,685,963	0	1,685,963
Total comprehensive income for the financial year		0	0	1,686,759	0	74,154,450	75,841,209	26,800,885	102,642,094
Dividends	11	0	0	0	0	(30,919,620)	(30,919,620)	(12,442,960)	(43,362,580)
Liquidation of a subsidiary with non-controlling interest	39	0	0	0	0	0	0	(322,666)	(322,666)
Acquisition of additional equity interest in a subsidiary	39	0	0	0	0	4,732,537	4,732,537	(12,075,537)	(7,343,000)
Incorporation of subsidiaries with non-controlling interests	39	0	0	0	0	0	0	81,000	81,000
At 31 December 2024		401,553,500	201,801,508	(15,684)	(50,000,000)	311,258,588	463,044,412	35,101,464	498,145,876

The above statement of changes in equity is to be read in conjunction with the material accounting policies and notes 1 to 41 to the Financial Statements.

Statement of Changes in Equity

For the Financial Year Ended 31 December 2025

Company	Note	Issued and fully paid ordinary shares Number of shares	Issued and fully paid ordinary shares Nominal value RM	Distributable Retained earnings RM	Total RM
At 1 January 2025		401,553,500	201,801,508	25,047,805	226,849,313
Total comprehensive income for the financial year		0	0	34,916,026	34,916,026
Dividends	11	0	0	(37,344,476)	(37,344,476)
At 31 December 2025		401,553,500	201,801,508	22,619,355	224,420,863
At 1 January 2024		401,553,500	201,801,508	18,638,918	220,440,426
Total comprehensive income for the financial year		0	0	37,328,507	37,328,507
Dividends	11	0	0	(30,919,620)	(30,919,620)
At 31 December 2024		401,553,500	201,801,508	25,047,805	226,849,313

The above statement of changes in equity is to be read in conjunction with the material accounting policies and notes 1 to 41 to the Financial Statements.

Statements of Cash Flows

For the Financial Year Ended 31 December 2025

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the financial year		100,946,908	100,954,506	34,916,026	37,328,507
Adjustments for:					
Trade receivables:					
- impairment		178,083	0	0	0
- write back of impairment		(292,036)	(1,053,428)	0	0
Contract assets:					
- impairment		0	869,200	0	0
Other receivables:					
- impairment		0	2,461,116	0	0
- write back of impairment		(73,322)	(70,027)	0	0
Amounts due from subsidiaries					
- impairment		0	0	600,000	300,000
- write back of impairment		0	0	(600,000)	0
Inventories:					
- impairment		1,572,448	4,557,527	0	0
- write back of impairment		(3,913,619)	(3,229,597)	0	0
Foreseeable loss:					
- provision		4,680	0	0	0
Income accretion on other receivable		0	(52,119)	0	0
Amortisation of intangible assets		1,640,316	32,330	27,947	32,330
Amortisation of government grants		(36,365)	(36,365)	0	0
Depreciation:					
- property, plant and equipment		29,163,775	29,996,917	588,312	601,405
- investment properties		23,576	23,576	0	0
Liquidated damages:					
- provision		1,051,642	2,057,516	0	0
- write back		(1,793,994)	(423,168)	0	0
Gain on disposal of property, plant and equipment		(25,977)	(65,703)	(580)	(113,300)
Gain on lease termination of right-of-use assets		(980)	(276)	0	0
Write off:					
- property, plant and equipment		13,749	8,810	0	0
- inventories		106,569	211,787	0	0
- trade receivables		1,697,069	0	0	0
- other receivables		0	300	0	0
Interest income		(5,284,028)	(6,487,135)	(220,131)	(344,126)
Dividend income		0	0	(36,000,000)	(38,500,000)
Finance cost		1,323,894	486,396	318	42
Share of results of an associate		(3,879,120)	(6,160,630)	0	0
Share of results of a joint venture		(824,905)	(769,501)	0	0
Loss on liquidation of subsidiaries		0	1,363,297	0	0
Tax expense		32,778,380	35,255,727	463,909	450,779
Unrealised net foreign exchange (gain)/loss		(648,734)	2,758,638	0	0
Fair value gain on financial assets at FVTPL		(916,565)	(1,006,530)	(1,697)	(145,969)
Net fair value loss/(gain) on forward foreign currency exchange contracts		1,497,254	(4,075,425)	0	0
Operating profit/(loss) before working capital changes		154,308,698	157,607,739	(225,896)	(390,332)

Statements of Cash Flows

For the Financial Year Ended 31 December 2025

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Changes in working capital					
Amounts due from subsidiaries		0	0	(20,161,288)	(8,034,400)
Inventories		29,618,570	(29,224,290)	0	0
Receivables, deposits, prepayments and contract assets		1,740,335	(83,801,715)	400,652	(542,866)
Amounts due to/(from) a joint venture		0	0	142,476	(160,800)
Amounts due to subsidiaries		0	0	10,915,438	4,964,403
Trade and other payables and contract liabilities		(11,573,827)	46,198,255	(2,416,081)	1,443,463
Cash generated from/(used in) operation		174,093,776	90,779,989	(11,344,699)	(2,720,532)
Tax paid		(40,059,937)	(35,500,048)	(736,609)	(992,152)
Tax refunded		147,437	1,175	0	0
Interest paid		(1,314,533)	(470,155)	(6,518)	(4,942)
Net cash generated from/(used in) operating activities		132,866,743	54,810,961	(12,087,826)	(3,717,626)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received		4,999,937	6,234,057	218,822	334,005
Purchase of property, plant and equipment		(36,309,538)	(35,387,726)	(999,839)	(449,646)
Purchase of intangible assets		(281,560)	0	(281,560)	0
Proceeds from disposal of property, plant and equipment		84,943	875,217	580	113,300
Amounts due from an associate		(10,984)	0	(130)	0
Amounts due to/(from) a joint venture		209,041	(166,521)	67,675	(7,154)
Dividends received from subsidiaries		0	0	38,500,000	33,000,000
Dividends received from an associate		4,800,000	4,480,000	0	0
Net repayment from/(advances to) subsidiaries		0	0	7,762,633	(798,313)
Acquisition of an investment		0	(3,125,150)	0	0
Acquisition of additional equity interest in a subsidiary	39	0	(7,343,000)	0	0
Incorporation of subsidiaries with non-controlling interests	39	0	81,000	0	0
Purchase of financial assets at FVOCI		(336,260)	(5,348,713)	0	0
Purchase of financial assets at FVTPL		(149,100,000)	(126,750,000)	(5,600,000)	(11,250,000)
Proceeds from disposal of financial assets at FVTPL		149,900,674	127,756,530	5,593,925	11,395,969
Placement of deposits with licensed banks with maturity over three (3) months		(7,231,653)	(8,490,672)	0	0
Uplift of deposits with licensed banks with maturity over three (3) months		5,236,543	16,584,734	0	0
Increase in restricted cash		(1,291,361)	(1,265,243)	0	0
Acquisition of a subsidiary net of cash and cash equivalent	39	(19,929,492)	0	0	0
Net cash (used in)/generated from investing activities		(49,259,710)	(31,865,487)	45,262,106	32,338,161

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Term loan:					
- drawdown		24,971,000	8,000,000	0	0
- repayments		(3,661,866)	0	0	0
Revolving credit:					
- drawdown		7,300,000	13,000,000	0	0
- repayments		(12,300,000)	(8,000,000)	0	0
Lease liabilities:					
- repayments		(3,145,105)	(1,816,314)	(46,103)	(38,602)
Dividends paid to:					
- shareholders		(37,344,476)	(30,919,620)	(37,344,476)	(30,919,620)
- non-controlling interest		(20,986,120)	(12,442,960)	0	0
Advances received from subsidiaries		0	0	524,637	0
Net cash used in financing activities		(45,166,567)	(32,178,894)	(36,865,942)	(30,958,222)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		38,440,466	(9,233,420)	(3,691,662)	(2,337,687)
FOREIGN CURRENCY TRANSLATION		(1,768,958)	(558,841)	0	0
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		188,451,505	198,243,766	9,995,391	12,333,078
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	24	225,123,013	188,451,505	6,303,729	9,995,391
COMPOSITION OF CASH AND CASH EQUIVALENTS					
Deposits with licensed banks		200,711,686	177,489,758	6,276,000	9,965,000
Cash and bank balances		41,512,361	21,768,702	27,729	30,391
		242,224,047	199,258,460	6,303,729	9,995,391
Cash held in a designated account		(956,439)	(4,620,097)	0	0
Restricted cash		(948,213)	0	0	0
Deposits pledged as security		(10,546,981)	0	0	0
Fixed deposit with maturity period over three (3) months		(4,649,401)	(6,186,858)	0	0
Cash and cash equivalents at the end of financial year		225,123,013	188,451,505	6,303,729	9,995,391
Fixed deposit with maturity period over three (3) months represented by:					
Non-current		0	3,852,686	0	0
Current		4,649,401	2,334,172	0	0
		4,649,401	6,186,858	0	0

The above statements of cash flows are to be read in conjunction with the material accounting policies and notes 1 to 41 to the Financial Statements.

Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2025

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

A BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention, except as disclosed in the summary of material accounting policies below.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

(a) Amendments to published standard that are effective and applicable to the Group and the Company

The new amendments to published standard that are effective for the Group and the Company's financial year beginning on or after 1 January 2025 are as follows:

- Amendments to MFRS 121 'Lack of Exchangeability'

The adoption of the amendments to published standard listed above did not have any material impact to the Group and the Company on the current periods or any prior period and is not likely to affect future periods.

(b) Standards and amendments to published standards that are applicable to the Group and the Company but not yet effective

The Group and the Company will apply the new standards and amendments to published standards in the following periods:

(i) Financial year beginning on or after 1 January 2026

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments'
- Annual Improvements to MFRS Accounting Standards 'Volume 11'

(ii) Financial year beginning on or after 1 January 2027

- MFRS 18 'Presentation and Disclosure in Financial Statements'
- MFRS 19 'Subsidiaries without Public Accountability: Disclosures'
- Amendments to MFRS 121 'Translation to a Hyperinflationary Presentation Currency'

(iii) The effective date has been deferred to a date to be determined by Malaysian Accounting Standards Board

- Amendments to MFRS 10 and MFRS 128 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'

A BASIS OF PREPARATION (CONTINUED)

(b) Standards and amendments to published standards that are applicable to the Group and the Company but not yet effective (continued)

The adoption of these amendments will not have material impact to the Group and the Company in future periods, other than as disclosed below:

MFRS 18 'Presentation and Disclosure in Financial Statements' which becomes effective for financial year beginning on 1 January 2027, will replace MFRS 101 'Presentation of Financial Statements' and is expected to have a significant impact on the presentation and disclosure in financial statements of the Group and of the Company as described in the following sections.

- MFRS 18 introduces a new structure of profit or loss statement.

  (i) Income and expenses are classified into 3 new main categories: Operating category, Investing category and Financing category;

  (ii) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.

- Management-defined performance measures ('MPMs') are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.

- Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The Group and the Company are currently assessing the impact of MFRS 18, particularly with respect to the structure of the statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group and the Company are also assessing the impact on aggregation and disaggregation on how information is grouped in the financial statements.

B CONSOLIDATION

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss. Refer to accounting policy Note C(a) on goodwill.

Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2025

B CONSOLIDATION (CONTINUED)

(a) Subsidiaries (continued)

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange.

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent. At the end of reporting period, non-controlling interest consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior financial years is not restated.

Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as a non-distributable reserve. Any other reserves which are attributable to share capital of the merged enterprises, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in merger deficit.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. Any change in ownership interest will result in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(c) Disposal of subsidiaries

When the Group ceases to have control over a subsidiary, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

B CONSOLIDATION (CONTINUED)

(d) Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position. Under the equity method, the investment in a joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the joint venture in profit or loss, and the Group's share of movements in other comprehensive income of the joint venture in other comprehensive income. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture, including any long-term interests that, in substance, form part of the Group's net investment in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment loss is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount. The Group presents the impairment loss adjacent to "share of profit/(loss) of a joint venture" in the statement of comprehensive income.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

(e) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. Carrying amount of the investment is reduced by dividends receivable from associates when the Group's right to receive payment is established. Dividends receivable is presented within amounts due from an associate.

The Group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that associate, with a resulting gain or loss being recognised in profit or loss. Any retained interest in the former associate at the date when significant influence is lost is re-measured at fair value and this amount is regarded as the initial carrying amount of a financial asset.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2025

B CONSOLIDATION (CONTINUED)

(e) Associates (continued)

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of profit/(loss) of an associate" in the statement of comprehensive income.

(f) Transactions with non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the statement of comprehensive income as an allocation of the profit or loss on the total comprehensive income for the financial year between non-controlling interests and owners of the Company.

C INTANGIBLE ASSETS

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the aggregate of the acquisition date fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the net of the acquisition date fair value of the identifiable assets acquired and liabilities assumed. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in the profit or loss.

Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Contracts

Customer contracts acquired as part of the business combination have finite useful life which ranges between one to two years and are capitalised at fair value at acquisition date and amortised using the straight line basis over their contractual periods or estimated useful lives, whichever is shorter. Customer contracts are carried at cost less accumulated amortisation and is tested for impairment whenever indication of impairment exists.

Distributor rights contract acquired as part of the business combination has finite useful life of nine years and is capitalised at fair value at acquisition date and amortised using the straight line basis over their contractual periods or estimated useful lives, whichever is shorter. Distributor rights contract is carried at cost less accumulated amortisation and is tested for impairment whenever indication of impairment exists.

C INTANGIBLE ASSETS (CONTINUED)

(c) Software costs

Software costs are recognised when the Group and the Company can demonstrate the technical feasibility of completing the intangible assets so that it will be available for use, its intention to complete and its ability to use, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software costs recognised as assets are amortised using the straight line basis over their estimated useful lives, which does not exceed five years.

Computer software costs for assets in progress are not amortised until they are ready for their intended use.

(d) Customer relationships

The customer relationships acquired as part of the business combination have finite useful life of nine years and are capitalised at fair value at acquisition date and amortised using the straight line basis over its estimated economic useful lives. Customer relationships are carried at cost less accumulated amortisation and is tested for impairment whenever indication of impairment exists.

(e) Contractual backlog

The contractual backlog acquired as part of the business combination have finite useful life of two years and are capitalised at fair value at acquisition date and amortised using the straight line basis over its estimated economic useful lives. Contractual backlog are carried at cost less accumulated amortisation and is tested for impairment whenever indication of impairment exists.

D INVESTMENTS IN SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE

In the Company's separate financial statements, investments in subsidiaries, joint venture and associate are carried at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount (see accounting policy Note I on impairment of non-financial assets). Impairment losses are charged to profit or loss.

On disposal of investments in subsidiaries, joint venture and associate, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

E PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially stated at cost. All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (refer to accounting policy Note R on borrowings).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial year in which they are incurred.

Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2025

E PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on the straight line basis to allocate the cost of each asset to their residual values over their estimated useful lives at the following annual rates:

Building	2%
Office equipment, furniture and fittings	10% - 33 1/3%
Renovations and improvement	5% - 20%
Plant, machinery and other equipment	6 2/3% - 33 1/3%
Motor vehicles	12 1/2% - 20%

Residual values and useful lives of assets are reviewed and adjusted where appropriate at the end of each reporting period.

At the end of the reporting period, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount (refer to accounting policy Note I on impairment of non-financial assets).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in other income or other operating losses in profit or loss.

F LEASES

Accounting by lessee

Leases are recognised as right-of-use ("ROU") assets and a corresponding liability at the date which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contract may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are lessee, they have elected the practical expedient provided in MFRS 16 'Lease' not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

Lease term

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company re-assess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affects whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of the lease term, or not to exercise an option previously included in the determination of the lease term. A revision in lease term results in re-measurements of the lease liabilities.

F LEASES (CONTINUED)

Accounting by lessee (continued)

ROU assets

ROU assets are initially measured at cost, which comprise the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, less any lease incentives received.

ROU assets that are not investment properties are subsequently measured at costs, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU asset shall be depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain re-measurements of the lease liabilities. The Group and the Company present the ROU assets within the 'property, plant and equipment' line item in the statement of financial position. For existing leasehold properties with no corresponding lease liabilities due to full settlement upfront, at initial date of adoption of MFRS 16, these leasehold properties shall continue to be presented as part of property, plant and equipment.

Leasehold land and buildings classified as lease is amortised in equal instalments over the period of the respective leases that range from 20 to 99 years.

Lease liabilities

Lease liability is initially measured at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group and the Company under residual value guarantees;
- exercise price of a purchase and extension options if the Group and the Company is reasonably certain to exercise that option; and
- penalties payments for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Group and the Company present the lease liabilities within the borrowings line item in the statements of financial position. Interest expense on the lease liabilities is presented within the finance cost in the statements of comprehensive income.

Short term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. Payments associated with short-term leases of tools and equipment for oilfield activities, tools and equipment and chartering of vessels for project based activities of short tenure and leases of low value assets are recognised on a straight-line basis over the lease term as expense in profit or loss.

Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2025

G INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average method. Cost of purchased inventories for resale purpose is determined after deducting discounts and rebates. For other inventories, the cost comprises raw materials, direct labour, other direct costs and related production overheads, but excludes borrowing costs. Work-in-progress consists of cost incurred for valves yet to be assembled as of the financial year end.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

Where a subsidiary adopts accounting policies that are different from the Group, their reported results shall be re-stated to comply with the Group accounting policies unless the discrepancy is immaterial.

H CASH AND CASH EQUIVALENTS

For the purposes of the statements of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments (less than 3 months maturity) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

I IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example goodwill are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to profit or loss. Any subsequent increase in recoverable amount is recognised in profit or loss. Impairment losses on goodwill are not reversed.

J FINANCIAL ASSETS

(a) Classification

The Group and the Company classify its financial assets at the time it is initially recognised and is subsequently measured at either amortised costs, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL").

The classification of financial asset at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and Company's business model for managing the financial assets. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income ("OCI"). For investments in equity instruments that are not held for trading, this will depend on whether the Group and the Company have made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group and the Company reclassify debt investments when and only when its business model for managing those assets change.

J FINANCIAL ASSETS (CONTINUED)

(b) Recognition and initial measurement

At initial recognition, with the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient is measured at the transaction price as determined under MFRS 15 'Revenue from contracts with customers' (see accounting policy Note O and Note S).

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(c) Subsequent measurement – debts instruments

Subsequent measurement of debt instruments depends on the Group's and Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

(i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on de-recognition of the Group's and Company's financial assets are recognised directly in profit or loss and presented in other operating gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

(ii) FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is de-recognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other operating gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented in other operating gains/(losses). When it is deemed to be material in nature, the impairment expenses shall be presented as separate line item in the statement of comprehensive income.

(iii) FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other operating gains/(losses) in the period in which it arises.

(d) Subsequent measurement – equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other operating gains/(losses) in the statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2025

J FINANCIAL ASSETS (CONTINUED)

(e) Impairment of financial assets

The Group and the Company assess on a forward looking basis on the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost, at FVOCI and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) General 3-stage approach for other receivables, amounts due from subsidiaries, amounts due from an associate and amounts due from a joint venture

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

(ii) Simplified approach for trade receivables, accrued lease rental and contract assets

The Group and the Company apply the MFRS 9 'Financial Instruments' simplified approach to measure ECL which uses a lifetime ECL for all trade receivables, accrued lease rental and contract assets.

<u>Significant increase in credit risk</u>

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward looking information that includes historical default rate, internal and external credit rating (as applicable), actual or expected changes in economic and regulatory environment that are expected to cause a significant change to the debtor's ability to meet its obligations.

A significant increase in credit risk is presumed if a debtor become inactive, indication of consistent delay in making contractual payments that are long past due with history of default or the debtor is expected to/or is experiencing significant financial difficulties and cash flow problems.

<u>Definition of default and credit-impaired financial assets</u>

The Group and the Company define a financial instrument as default when counterparty become inactive and/or consistently slow in making contractual payments that are long past due with history of default or the debtor is insolvent or has significant financial difficulties. For certain categories of financial assets such as trade receivables and contract assets balances, they are assessed on an individual basis.

Prior to the adoption of the new MFRS 9, a financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

J FINANCIAL ASSETS (CONTINUED)

(f) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership.

Receivables that are factored out to banks and other financial institutions with recourse to the Group and the Company are not de-recognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

K FINANCIAL LIABILITIES

(a) Classification

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. Management determines the classification of financial liabilities at initial recognition.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. The Group's and the Company's financial liabilities comprised of "amounts due to subsidiaries", "borrowings" and "trade and other payables (excluding contract liabilities and statutory obligations)" in the statements of financial position (Notes 19, 25 and 27).

(b) Recognition and measurement

Trade and other payables are recognised initially at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

All fair value changes on financial liabilities which are irrecoverably designated as FVTPL is to be recognised in the profit or loss other than the amount of change in the fair value of the financial liability that is attributable to the change in the Group and the Company's own equity credit risks which is to be presented in the OCI.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company have a right to defer settlement of the liability for at least 12 months after the reporting period.

(c) De-recognition

A financial liability is de-recognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statements of comprehensive income.

L OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount is presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2025

M DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into derivative financial instruments to manage its exposure to foreign currency exchange rate risk, comprising of forward foreign currency exchange contracts.

Derivatives are initially recognised at their fair values at the date the derivative contract is entered into and are subsequently re-measured at their fair values at the end of each reporting period. The method on recognising the subsequent changes in the fair value depends on whether the derivative is designated and effective as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss upon when the fair value changes on the derivatives arise.

N SHARE CAPITAL

(a) Classification

Ordinary shares are classified as equity. Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

(b) Dividends to shareholders of the Company

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the end of reporting period. A dividend proposed or declared after the end of the reporting period, but before the financial statements are authorised for issue, is not recognised as a liability at the end of the reporting period. Upon the dividend becoming payable, it will be accounted as a liability. Distributions to holders of an equity instrument is recognised directly in equity.

O RECEIVABLES, DEPOSITS AND PREPAYMENTS

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group and the Company. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest rate method. See accounting policy Note J(e) on impairment of financial assets.

P TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods or services provided to the Group and the Company prior to the end of financial year which are unpaid. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value net of directly attributable transaction costs and subsequently re-measured at amortised cost using the effective interest method.

Q CONTRACT BALANCES

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditional on something other than the passage of time. Contract asset is the excess of cumulative revenue earned over the billings to-date. Contract asset also includes advance payment to supplier or advance billing from suppliers where the performance obligation is yet to be satisfied.

Impairment on contract asset is assessed based on the policy in Note J(e).

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or is the excess of the billings to-date over the cumulative revenue earned.

R BORROWINGS AND BORROWING COSTS

(a) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method, except for borrowing costs incurred for the construction of any qualifying asset.

Borrowings are classified as current liabilities unless the Group and the Company have a right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Borrowings are removed from the statements of financial position when the obligation specified in the contract is discharged, cancelled or expired.

(b) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

S REVENUE RECOGNITION

Revenue from contracts with customers is recognised by reference to each distinct promise of goods and services (a performance obligation) in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. When the standalone selling prices are not directly observable, they are estimated based on expected cost-plus margin. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2025

S REVENUE RECOGNITION (CONTINUED)

Performance obligations by segment are as follows:

(a) Power and Machinery ("P&M")

P&M segment revenue focuses on the sale and provision of after sales support services for gas turbines generators and compressors packages, supply, installation, repair and maintenance of safety valves and flow regulators, and maintenance, repair and overhaul services for motor, generators and transformers.

(i) Sale of gas turbine packages and after sales support services

After sales support services

The Group provides various after sales support services in respect of gas turbines generators and compressors that the Group sells. After sales support services includes but not limited to gas turbines exchange services, compressors maintenance and technical services, and sale of gas turbines parts and components with installation services and other ancillary services. Provision of maintenance services is either performed based on a scheduled interval periods or on an ad hoc basis at the request of customers.

Revenue from gas turbines exchange services which involve the delivery of the gas turbine is recognised when the customer accepts the delivery of the gas turbines.

Revenue from maintenance and technical services is recognised over the period in which the services are rendered.

Maintenance and technical services may be bundled with sale of parts and components. Sale of parts and components is assessed as separate performance obligations and revenue allocated to the parts and components is recognised when the parts and components are delivered and accepted by customers.

Sale of parts and components with installation services is assessed as separate performance obligations and revenue allocated to the parts and components is recognised when the parts and components are delivered and accepted by customers. Revenue allocated to installation services is recognised over the period in which the services is rendered based on input method.

For contract with payment/billing schedule, contract asset is recognised if the services rendered by the Group exceed the payment. If the payments exceed the services rendered, a contract liability is recognised.

Sale of gas turbine generators and compressors packages

Revenue from the sale of gas turbine generators and compressors including sale of parts and components ("gas turbine packages") is recognised when the control of the gas turbine packages has been transferred, being when these gas turbine packages are delivered and accepted by the customers.

S REVENUE RECOGNITION (CONTINUED)

(a) Power and Machinery ("P&M") (continued)

(i) Sale of gas turbine packages and after sales support services (continued)

Sale of gas turbine generators and compressors packages (continued)

Revenue from the provision of freight and handling services is assessed as a single performance obligation with the sale of gas turbine parts and components as the control of goods are transferred after the delivery services. Revenue is recognised when the gas turbine parts and components are delivered and accepted by customers.

There is no element of financing contained in the revenue as sales are generally made with a standard credit terms which is consistent with market practises unless otherwise as applicable and disclosed in the financial statements.

(ii) Sale of valves and flow regulators and after sales support services

After sales support services

The Group provides after sales support services including repair and maintenance in relation to valves and flow regulators that the Group sells.

Revenue from repair and maintenance services is recognised over the period in which the services are rendered.

Repair and maintenance services may be bundled with sale of valves and flow regulators. Sale of valves and flow regulators is assessed as separate performance obligations and revenue allocated to the sale of valves and flow regulators is recognised when the valves and flow regulators are delivered and accepted by the customers.

For contract with payment/billing schedule, contract asset is recognised if the services rendered by the Group exceed the payment. If the payments exceed the services rendered, a contract liability is recognised.

Sale of valves and flow regulators

Revenue from sale of valves and flow regulators on stand-alone is recognised when the Group sells the valves and flow regulators to customers and control of the valves and flow regulators has been transferred, being when the valves and flow regulators are delivered and accepted by the customer.

Revenue for provision of installation, repair and maintenance of valves and flow regulators are recognised over the period in which the performance of services is rendered.

Revenue from the provision of freight services is assessed as a single performance obligation with the sale of valve and flow regulators as the control of goods is transferred after the delivery services. Revenue is recognised when the valves and flow regulators are delivered and accepted by customer.

There is no element of financing contained in the revenue as sales are generally made with a standard credit terms which is consistent with market practises unless otherwise as applicable and disclosed in the financial statements.

Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2025

S REVENUE RECOGNITION (CONTINUED)

(a) Power and Machinery ("P&M") (continued)

(iii) Sale, repair and maintenance of motors, generators and transformers

Sale of motors, generators and transformers

Revenue from sale of motors, generators and transformers including parts and components is recognised when the Group sells the motors, generators and transformers to customers and control of the motors, generators and transformers has transferred, being when the motors, generators and transformers are delivered and accepted by the customer.

Revenue from the provision of freight services is assessed as a single performance obligation with the sale of motors, generators and transformers as the control of goods is transferred after the delivery services. Revenue is recognised when the motors, generators and transformers are delivered and accepted by customer.

Repair and maintenance services

The Group provides repair and maintenance services in relation to motors, generators and transformers that the Group sells. Revenue from repair and maintenance services is recognised over the period in which the services is rendered.

There is no element of financing contained in the revenue as sales are generally made with a standard credit terms which is consistent with market practises unless otherwise as applicable and disclosed in the financial statements.

(b) Oilfield Integrated Services ("OIS")

Oilfield Integrated Services segment specialises mainly in upstream operations, topside and downhole support services which consist of the provision of slickline equipment and services, well intervention and cased hole logging services, asset integrated solution services, gas lift valve and insert strings equipment, accessories and services and drilling and production services, provision of specialty chemicals, solid control and well stimulation services, provision of integrated corrosion and inspection, blasting technology, maintenance, construction and modification ("MCM") maintenance services.

(i) Provision of slickline equipment and services, integrated wellhead maintenance services, well intervention, asset integrated solution services, cased hole logging services, gas lift valve and insert strings equipment, accessories and services, subsurface engineering services and drilling and completion services.

The Group provides slickline equipment and services, integrated wellhead maintenance services, well intervention, asset integrated solution services, cased hole logging services, gas lift valve and insert strings equipment, accessories and services, subsurface engineering services and drilling and completion services.

Revenue from slickline equipment and services, integrated wellhead maintenance services, well intervention, asset integrated solution services, cased hole logging services, gas lift valve services and subsurface engineering services is recognised over the period in which the services is rendered.

Revenue from sale of insert strings equipment, accessories and/or drilling products are recognised when the control of insert strings equipment, accessories and/or drilling products have transferred, being when the insert strings equipment, accessories and drilling products are delivered and accepted by the customer.

(ii) Provision of specialty chemicals, solid control and well stimulation services

Well stimulation services

The Group provides well stimulation services at request from customers. Revenue from well stimulation services is recognised over the period in which the services are rendered.

Well stimulation services may be bundled with sale of specialty chemicals. Sale of specialty chemicals is assessed as separate performance obligations and revenue allocated to the sale of specialty chemicals is recognised when the chemicals are delivered and accepted by customers.

S REVENUE RECOGNITION (CONTINUED)

(b) Oilfield Integrated Services ("OIS") (continued)

(ii) Provision of specialty chemicals, solid control and well stimulation services (continued)

Solid control services

The Group provides solid control services to customers. Revenue from solid control is recognised over the period in which the services are rendered.

Sale of chemicals

Revenue from chemicals is recognised when the Group sells the chemicals to customers and control of the chemicals has been transferred, being when the chemicals are delivered to the customer.

Revenue from the provision of freight services is assessed as a single performance obligation with the sale of chemicals as the control of goods is transferred after the delivery services. Revenue is recognised when the chemicals are delivered and accepted by customer.

There is no element of financing contained in the revenue as sales are generally made with a standard credit terms which is consistent with market practises unless otherwise as applicable and disclosed in the financial statements.

(iii) Provision of integrated corrosion and inspection services, blasting technology and maintenance services

The Group provides integrated corrosion and inspection services, blasting technology and maintenance services in relation to corrosion for tanks, structures and piping.

Revenue from integrated corrosion and inspection services, blasting technology and maintenance services is recognised over the service period as customer receives and consumes the benefit of the Group's performance as the Group performs.

Revenue is recognised based on the actual service provided to the end of the financial year as a proportion of the total services to be provided. This is determined based on the actual costs incurred relative to the total budgeted costs. This method represents a faithful depiction of the service as the actual costs incurred represents the percentage of service rendered.

Revenue recognised from provision of integrated corrosion and inspection services, blasting technology and maintenance services involves management's estimation on the total budgeted costs. Estimates of total budgeted costs are revised if circumstances change. Any resulting increases or decreases in the estimates of total budgeted costs would result in a change in the measure of progress and a corresponding change in the amount of revenue recognised. The change in estimates are reflected in profit or loss in the period in which the circumstances that give rise to the revision occurs.

Provision of integrated corrosion and inspection services, blasting technology and maintenance services may be bundled with sale of sponge jet media and consumables. Sale of sponge jet media and consumables are assessed as separate performance obligations and revenue allocated to the sale of sponge jet media and consumables respectively are recognised when the sponge jet media and consumables are delivered and accepted by customers.

For contract with payment/billing schedule, contract asset is recognised if the services rendered by the Group exceed the payment. If the payments exceed the services rendered, a contract liability is recognised.

There is no element of financing contained in the revenue as sales are generally made with a standard credit terms which is consistent with market practises unless otherwise as applicable and disclosed in the financial statements.

Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2025

S REVENUE RECOGNITION (CONTINUED)

(b) Oilfield Integrated Services ("OIS") (continued)

(iv) Provision of maintenance, construction and modification ("MCM") services

Provision of MCM services covers provision of site surveys, supply of materials and consumables, fabrication and offshore maintenance services, and provision of marine spread.

<u>Provision of site surveys</u>

Revenue from site surveys is recognised when the reports on site survey are completed and accepted by customers.

<u>Supply of materials and consumables</u>

The Group sells materials and consumables to customers upon request. Revenue from supply of materials and consumables are recognised when the customer accepts the delivery of the goods.

Revenue from the provision of freight services is assessed as a single performance obligation with the sale of materials and consumables as the control of goods is transferred after the delivery services. Revenue is recognised when the supply of materials and consumables are delivered and accepted by customer.

<u>Fabrication and offshore maintenance services</u>

The Group provides fabrication or offshore maintenance services at the request of the customer. Revenue from fabrication or offshore maintenance services is recognised over the services period as the customer receives and consumes the benefit of the Group's performance as the Group performs and/or the Group is enhancing the assets that the customer controls.

Revenue is recognised based on the actual service provided to the end of the financial year as a proportion of the total services to be provided. This is determined based on the actual costs incurred relative to the total budgeted costs. This method represents a faithful depiction of the service as the actual costs incurred represents the percentage of service rendered.

Revenue recognised from the provision of fabrication or offshore maintenance services involves management's estimation on the total budgeted costs. Estimates of total budgeted costs are revised if circumstances change. Any resulting increases or decreases in the estimates of total budgeted costs would result in a change in the measure of progress and a corresponding change in the amount of revenue recognised. The change in estimates are reflected in profit or loss in the period in which the circumstances that give rise to the revision occurs.

For contract with payment/billing schedule, contract asset is recognised if the services rendered by the Group exceed the payment. If the payments exceed the services rendered, a contract liability is recognised.

<u>Marine spread</u>

The Group provides vessels and associated services to customers at the request of the customer. Provision of vessels and associated services is a single performance obligation. Revenue from marine spread is recognised over the period based on time elapsed method, determined based on the actual time lapsed relative to the total services period.

There is no element of financing contained in the revenue as sales are generally made with a standard credit term which is consistent with market practises unless otherwise as applicable and disclosed in the financial statements.

Other revenue earned by the Group and the Company includes management fees, principal and commission based income services. Revenue from third party based transactions is recognised upon when the Group's and the Company's right to receive the payment is established.

S REVENUE RECOGNITION (CONTINUED)

Other operating income

Government grant is recognised initially as deferred income at fair value when there is reasonable assurance that the Group will comply with the conditions attached to the grant and that the grant will be received. The grant is treated as part of deferred income under non-current liabilities and that they are credited to profit or loss on a straight-line basis over the expected lives of the related assets or over the period of the operating expenditures to which the grant is intended to compensate.

Other than income from government grants, other operating income earned by the Group and the Company is recognised on the following basis:

(i) Interest income – using the effective interest method.
(ii) Rental income – on a straight-line basis over the lease term.
(iii) Dividend income – when the Group's right to receive payment is established.

T EMPLOYEE BENEFITS

(a) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and the Company.

The Group and the Company recognise a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group and the Company recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(b) Defined contribution plan

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into the Kumpulan Wang Simpanan Pekerja fund.

The Group's and the Company's contributions to defined contribution plan are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

U CURRENT AND DEFERRED INCOME TAXES

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries, joint venture and associate operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2025

U CURRENT AND DEFERRED INCOME TAXES (CONTINUED)

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax liabilities are recognised on temporary differences arising on investments in subsidiaries, associates and a joint venture except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group's share of income taxes of joint venture and associate are included in the Group's share of results of joint venture and associate.

V FOREIGN CURRENCIES

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

Foreign exchange gains and losses arising from the settlement on foreign currency transactions and retranslation of balances on monetary assets and liabilities that are denominated in foreign currencies are presented in profit or loss on a net basis within "other operating gains/(losses)".

(c) Group companies

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognised in other comprehensive income. When a foreign operation is partially sold or disposed of that will result in a loss of control, exchange differences that were recorded in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss. If the partial disposal did not result in a loss of control over a subsidiary that includes a foreign operation, the proportionate shares of exchange differences that were recorded in other comprehensive income and accumulated in the separate component of equity shall be reclassified to non-controlling interest.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences are recognised in other comprehensive income.

W SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment has been identified as the Group Chief Executive Officer who makes strategic decisions.

X CONTINGENT LIABILITIES

The Group and the Company do not recognise contingent liabilities but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

Y FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts are contracts that require the Group or the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of the debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time when the guarantee is issued. The liability is initially measured at fair value.

The fair value of financial guarantees on initial recognition equals the present value of the premium in an arm's length transaction.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 'Financial Instruments' and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 'Revenue from Contracts with Customers', where appropriate.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

1 GENERAL INFORMATION

The principal activity of the Company is that of an investment holding company.

The principal activities of the Group consist of 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 Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The address of the registered office and principal place of business of the Company is:

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

2 FINANCIAL RISK MANAGEMENT POLICIES

The Group's activities expose it to a variety of financial risks from its operations including market risk, credit risk and liquidity risk. The Group's overall financial risk management objectives are to ensure that the Group creates value for its shareholders and to ensure that adequate financial resources are available for the development of the Group's businesses. The Group operates within clearly defined guidelines that are approved by the Board and seeks to minimise potential adverse effects on its financial performance. Such guidelines are reviewed periodically to ensure that the Group's policy guidelines are complied with.

Referring to Foreign Exchange Administration Rules (FEA) which come into effect on 15th April 2021, Bank Negara Malaysia (BNM) has announced further liberalisation of foreign exchange policy (FEP) which provides greater flexibilities. This is by allowing Resident to make or receive payment in Foreign Currency, to or from another Resident for settlement of domestic trade in goods and services between Resident exporter and Resident entity involved in Global Supply Chain operations in Malaysia. However, despite the flexibility, the Group has some clients that are not categorised under Global Supply Chain due to the activities held within Malaysia and/or not meeting BNM's requirements. To mitigate this risk, the Group had reviewed its financial risk management policies and framework of which a new foreign exchange management policy was established during that year that permits derivatives to be undertaken principally on forward foreign currency exchange contracts by the Group to manage its foreign currency exchange risks. Fair value changes on derivatives undertaken shall be charged to profit or loss as and when it arises.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

<u>Market risk</u>

Market risk refers to the risk that changes in market prices such as foreign exchange rates, interest rates and prices will affect the Group's financial position and cash flows.

(i) <u>Foreign currency exchange risk</u>

The Group is exposed to currency risk as a result of foreign currency transactions entered into currencies other than their functional currency. The Group uses financial instruments such as forward foreign currency exchange contracts to minimise the exposure of transaction risk in addition to the natural hedges by matching foreign currency receivables against foreign currency payables.

2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Market risk (continued)

(i) Foreign currency exchange risk (continued)

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the functional currencies are as follows:

	Group			
	2025		2024	
	Assets RM	Liabilities RM	Assets RM	Liabilities RM
US Dollar	110,589,632	115,514,394	150,069,235	134,459,909
Others	5,217,779	5,213,064	2,751,058	589,831
	115,807,411	120,727,458	152,820,293	135,049,740

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in US Dollar against Ringgit Malaysia and Indonesian Rupiah. 10% sensitivity rate represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items adjusted, based on the translation value at the period end, for a 10% change in foreign currency rates.

If US Dollar weakens/strengthens by 10% against the functional currencies, the profit or loss will increase/(decrease) by:

	Group	
	2025 RM	2024 RM
Weaken by 10% impact to profit or loss		
US Dollar	374,282	(1,186,309)
Strengthen by 10% impact to profit or loss		
US Dollar	(374,282)	1,186,309

The exposure to other foreign currency risk of the Group is not material and hence, sensitivity analysis is not presented.

2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Market risk (continued)

(ii) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in interest rates. Interest rate exposure arises from the Group's borrowings and deposits and is managed through the use of fixed and floating rate borrowings and deposits with short term tenure.

Interest rate sensitivity

This is mainly attributable to the Group's exposure to interest rates on its floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment. At the reporting date, if interest rates had been 100 basis points lower, with all other variables held constant, the Group's profit or loss would increase by RM222,749 (2024: RM98,800). Similarly, if interest rates had been 100 basis points higher, with all other variables held constant, the Group's profit or loss would decrease by a similar amount.

(iii) Price risk

The Group is not materially affected by price fluctuation and does not have exposure to price risk.

The Group does not have exposure to share price risk as it does not hold investment in quoted equity instruments.

The Group is not subject to significant exposure to price risk in respect of financial assets at FVOCI and accordingly, no sensitivity analysis is being presented.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group and the Company.

(i) Receivables, accrued lease rental and contract assets (excluding contract cost assets)

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amounts of receivables, accrued lease rental and contract assets recognised in the statements of financial position.

The Group's exposure to credit risk is monitored on an ongoing basis. The risk is managed through the application of the Group's credit management procedures which include the application of credit approvals whereby credit evaluations are performed on all customers requiring credit over a certain amount and period, adherence to credit limits, regular monitoring and follow up procedures.

The Group's customers are mainly from the oil and gas industry. The Group considers the material loss in the event of non-performance by a customer to be low.

The Group applies the MFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables, accrued lease rental and contract assets. To measure the ECL, trade receivables, accrued lease rental and contract assets are assessed individually.

The expected loss rates are determined based on historical information about counterparty default rates. The historical loss rates are adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Credit risk (continued)

(i) Receivables, accrued lease rental and contract assets (excluding contract cost assets) (continued)

Trade receivables

	Group	
	2025 RM	2024 RM
Neither past due nor impaired:		
Counterparties without external credit rating		
- New customers during the financial year	1,032,809	1,217,659
- Existing customers with no defaults in the past	84,032,274	81,827,185
Total unimpaired trade receivables	85,065,083	83,044,844
Past due but not impaired:		
Counterparties without external credit rating		
- New customers during the financial year	311,112	52,804
- Existing customers with no defaults in the past	30,657,929	42,665,346
Total past due but not impaired trade receivables	30,969,041	42,718,150
Past due and impaired:		
Counterparties without external credit rating		
- Existing customers	1,228,947	473,700
Total past due and impaired trade receivables	1,228,947	473,700

Contract assets (excluding contract cost assets)

	Group	
	2025 RM	2024 RM
Neither past due nor impaired:		
Counterparties without external credit rating		
- New customers during the financial year	9,069,836	1,218,202
- Existing customers	166,165,722	169,198,757
Total unimpaired contract assets	175,235,558	170,416,959
Not past due but impaired:		
Counterparties without external credit rating		
- Existing customers	0	869,200
Total not past due but impaired contract assets	0	869,200

2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Credit risk (continued)

(i) Receivables, accrued lease rental and contract assets (excluding contract cost assets) (continued)

Accrued lease rental

	Group	
	2025 RM	2024 RM
Neither past due nor impaired:		
Counterparty without external credit rating		
- New customer during the financial year	121,413	0
Total unimpaired accrued lease rental	121,413	0

(ii) Other financial assets

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amounts of other financial assets recognised in the statements of financial position.

The Group's and the Company's exposure to credit risks for other financial assets arises from other receivables and deposits, amounts due from subsidiaries, an associate and a joint venture. Management has taken reasonable steps to ensure these financial assets are recoverable.

These financial assets are assessed on an individual basis for ECL measurement and the impairment losses recognised are disclosed in Note 19 and Note 21 to the financial statements.

(iii) Cash and bank balances

For cash and bank balances, the Group and the Company seek to ensure that cash assets are invested safely and profitably by assessing counterparty risks and allocating placement limits for various creditworthy financial institutions.

No expected credit loss was recognised arising from cash at banks, deposits with licensed banks and other financial institutions because the probability of default from these financial institutions is negligible.

Bank balances are with approved financial institutions with credit ratings of AA and above.

As at the end of the reporting period, the maximum exposure to credit risk arising from cash and bank balances is represented by the carrying amounts in the statements of financial position.

Management does not expect any counterparties to fail to meet their obligations. The credit qualities of the financial institutions in respect of bank balances are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
AAA	242,169,663	198,994,979	6,300,439	9,991,922
AA	23,972	234,069	2,267	2,299

The credit quality of the above bank balances is assessed by reference to RAM Ratings Services Berhad and PT Pemeringkat Efek Indonesia.

2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Credit risk (continued)

(iv) Financial guarantee contracts

The Company provides corporate guarantee to financial institutions on certain subsidiaries' borrowings facilities as of the reporting date.

All the financial guarantee contracts have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowance was identified based on 12 months ECL.

As the Company does not hold any collateral from its subsidiaries for the corporate guarantee provided to the financial institutions, the Company's maximum exposure to credit risk is the carrying amount of the subsidiaries' revolving credits and term loans amounting to RM6,992,000 (2024: RM13,000,000) as at the reporting date.

Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and the Company have sufficient cash and bank balances and maintain standby credit lines to ensure availability of funding to meet operational requirements. The Group's and the Company's borrowings and standby credit lines are provided by financial institutions with sound credit ratings.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2025			
	Within one year RM	One to two years RM	Two to five years RM	Total RM
Group				
Financial liabilities				
Trade and other payables (excluding contract liabilities, staff costs and statutory obligations)	149,625,342	267,645	873,141	150,766,128
Borrowings	11,784,816	12,131,560	17,125,545	41,041,921
Total undiscounted financial liabilities	161,410,158	12,399,205	17,998,686	191,808,049
Company				
Financial liabilities				
Amounts due to subsidiaries*	20,339,858	0	0	20,339,858
Borrowings	54,000	49,260	51,940	155,200
Other payables and accruals (excluding contract liabilities, staff costs and statutory obligations)	931,432	0	0	931,432
Financial guarantee contracts	2,252,607	2,173,983	3,049,830	7,476,420
Total undiscounted financial liabilities	23,577,897	2,223,243	3,101,770	28,902,910

* Amounts due to subsidiaries are payable on demand.

2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	2024			
	Within one year RM	One to two years RM	Two to five years RM	Total RM
Group				
Financial liabilities				
Trade and other payables (excluding contract liabilities, staff costs and statutory obligations)	165,082,330	0	0	165,082,330
Borrowings	8,046,785	3,011,300	5,107,530	16,165,615
Total undiscounted financial liabilities	173,129,115	3,011,300	5,107,530	181,247,945
Company				
Financial liabilities				
Amounts due to subsidiaries*	8,899,783	0	0	8,899,783
Borrowings	41,641	41,640	62,741	146,022
Other payables and accruals (excluding contract liabilities, staff costs and statutory obligations)	1,781,117	0	0	1,781,117
Financial guarantee contracts	6,819,384	2,259,424	4,875,069	13,953,877
Total undiscounted financial liabilities	17,541,925	2,301,064	4,937,810	24,780,799

* Amounts due to subsidiaries are payable on demand.

Fair value estimation

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Fair value estimation (continued)

(i) Financial instrument carried at amortised cost

The carrying amount of financial liability of the Group at the reporting date approximated its fair value except as set out below measured using Level 2 valuation technique:

	2025		2024	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Group				
Financial liability				
Borrowings	29,309,134	31,697,100	13,000,000	13,953,876

The fair value of borrowings is determined using KLIBOR plus cost of funding as at each reporting date.

(ii) Financial instruments carried at FVTPL

The following table represents the financial asset and liability measured at fair value as at the reporting date:

	2025		
	Level 1 RM	Level 2 RM	Total RM
Group			
Financial asset			
Investment in unit trust fund	115,891	0	115,891
Financial liability			
Derivative financial instrument	0	36,646	36,646
Company			
Financial asset			
Investment in unit trust fund	7,772	0	7,772

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

Fair value estimation (continued)

(ii) Financial instruments carried at FVTPL (continued)

	2024		
	Level 1 RM	Level 2 RM	Total RM
Group			
Financial asset			
Derivative financial instrument	0	100,430	100,430

The fair values of forward foreign currency exchange contracts are determined using forward foreign currency exchange rates as at each reporting date.

The fair values of unit trust fund are determined based on the net asset value of the fund as at each reporting date.

(iii) Financial instrument carried at FVOCI

The following table represents the asset measured at fair value, using Level 3 valuation technique, at reporting date:

	Group	
	2025 RM	2024 RM
Financial assets at FVOCI	6,780,194	6,515,463

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and judgments

The Group makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(i) Impairment of trade receivables and contract assets

The impairment loss for trade receivables and contract assets are based on assumptions about risk of default and expected loss rates. The Group uses judgements in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, expected change in economy and regulatory environment that results in change in credit risks, expected change in internal or external credit rating, if any, changes in operating results as well as forward looking estimates at the end of each reporting period.

(ii) Recognition of fair value adjustments and intangible assets arising from acquisitions

During the financial year, the Group has undertaken a purchase price allocation exercise for the acquisition completed during the financial year which involved significant assumptions in determining the fair value of the purchase consideration, identifiable assets acquired and liabilities assumed. The Group has recognised the fair value adjustments and goodwill amounted to RM15.3 million and RM17.7 million respectively. In deriving these fair value adjustments, the Group has used a range of assumptions regarding the useful life, revenue growth rate, earnings before interest, tax, depreciation and amortisation margins and customer attrition rate. Details of the acquisition are set out in Note 39.

(b) Critical judgments in applying the Group's accounting policies

In determining and applying accounting policies, judgments are often required in respect of items where the choice of specific policy could materially affect the reported results and financial position of the Group. There are no critical judgments which may materially affect the reported results and financial position of the Group.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

4 SEGMENTAL REPORTING

The Group's Chief Operating Decision Maker ("CODM") has set the Group's overall strategic goals and objectives to have a unified approach towards market expansion and as such, the preparation of the reporting package to the CODM and the presentation of the segment information have been changed to be aligned with this new strategic direction.

The Group Chief Executive Officer is the CODM. Management has determined the operating segments based on the information reviewed by the Group Chief Executive Officer for the purposes of allocating resources and assessing performance. The Group is now primarily engaged in the following segments, by nature of business activities:

- Power and Machinery ("P&M") – Mainly consists of:
  - Sale of gas turbines and related parts, and overhaul of turbines, maintenance and technical services, including complete installation turnkey for new installations, package renewal and retrofit;
  - Supply and commission of combined heat and power plants; and
  - Supply, install, repair and maintenance of valves, flow regulators and other production related equipment.

- Oilfield Integrated Services ("OIS") – Mainly consists of:
  - Provision of slickline equipment and services;
  - Provision of integrated wellhead maintenance services;
  - Provision of well intervention and cased hole logging services;
  - Provision of specialty chemicals and well stimulation services;
  - Provision of solid control services;
  - Provision of drilling and completions services;
  - Provision of gas lift valve and insert strings equipment, accessories and services;
  - Provision of subsurface engineering services; and
  - Provision of integrated corrosion and inspection services, blasting technology, maintenance services and maintenance, construction and modification ("MCM") services.

- Other non-reportable segment comprises management fees charged to a joint venture which does not meet the quantitative threshold for a reporting segment in 2025.

The P&M and OIS segments comprise a series of cohesive and linked business activities within each of this segment within the Group. These business activities are aggregated to form an operating segment due to the similar nature and economic characteristics of the products and services.

Segment operating profit or loss is derived from the segment revenue less cost of sales and operating expenses directly attributed to the respective segments and including other income.

Unallocated income comprises mainly interest income earned by the Group. These income are not allocated to the business segments, as these types of activities are driven by the Group treasury function, which manages the cash position of the Group.

4 SEGMENTAL REPORTING (CONTINUED)

Unallocated corporate expenses represent the Group's corporate expenses including depreciation of property, plant and equipment of corporate assets and other common corporate overhead costs that are not charged to business segments.

Tax expenses and results of joint venture and associate are not allocated to the business segments as they are measured at the entity level.

Unallocated corporate assets represent the Group's corporate assets including property, plant and equipment, investment properties, intangible assets, investments in joint venture and associate, deferred tax assets, tax recoverable, other receivables, financial assets at FVOCI and cash and bank balances that are not allocated by business segments.

Unallocated corporate liabilities represent the Group's corporate liabilities including deferred tax liabilities, taxation, other payables and lease liabilities that are not allocated by business segments.

(a) Business Segments

	Power and machinery RM	Oilfield integrated services RM	Total RM
2025			
SEGMENT REVENUE			
External revenue	761,895,029	234,213,804	996,108,833
Other non-reportable segment			1,037,400
			997,146,233
SEGMENT RESULTS			
Segment operating profit	131,238,328	6,148,190	137,386,518
Other non-reportable segment			101,300
			137,487,818
Profit from operations			137,487,818
Unallocated income			222,408
Unallocated corporate expenses			(8,688,963)
Share of results of a joint venture			824,905
Share of results of an associate			3,879,120
Profit before tax			133,725,288
Tax expense			(32,778,380)
Profit for the financial year			100,946,908

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

4 SEGMENTAL REPORTING (CONTINUED)

(a) Business Segments (continued)

	Power and machinery RM	Oilfield integrated services RM	Unallocated RM	Total RM
2025 (continued)				
Other information:				
Cost of equipment and services, purchase of products, parts and consumable, inventories consumed and recognised as cost of sales	567,566,148	81,854,142	0	649,420,290
Other cost of sales	113,891	17,562,775	936,100	18,612,766
Staff costs	32,541,309	65,161,176	28,000,180*	125,702,665
Subcontractor cost	6,312	0	0	6,312
Depreciation and amortisation	4,217,022	24,894,962	1,715,683	30,827,667
Interest income	(4,542,448)	(521,448)	(220,132)	(5,284,028)
Other material items:				
Impairment for:				
- trade receivables				
- impairment	87,436	90,647	0	178,083
- write back of impairment	0	(292,036)	0	(292,036)
- other receivables				
- write back of impairment	(6,470)	0	(66,852)	(73,322)
Inventories				
- impairment	647,499	924,949	0	1,572,448
- write back	(755,608)	(3,158,011)	0	(3,913,619)
Write off of				
- property, plant and equipment	11,952	1,797	0	13,749
- trade receivables	0	1,697,069	0	1,697,069
- inventories	56,620	49,949	0	106,569
Liquidated damages				
- provision	1,051,642	0	0	1,051,642
- write back	(1,793,994)	0	0	(1,793,994)
Unrealised net foreign exchange gain	(422,838)	(225,896)	0	(648,734)
Net fair value loss on forward foreign currency exchange contracts	1,497,254	0	0	1,497,254

4 SEGMENTAL REPORTING (CONTINUED)

(a) Business Segments (continued)

	Power and machinery RM	Oilfield integrated services RM	Unallocated RM	Total RM
2025 (continued)				
Other information: (continued)				
Finance cost	49,262	850,657	423,975	1,323,894
Revenue contributed by major customer which individually contributed to more than 10% of the Group's total revenue:				
- Customer A	203,844,670	193,111,936	0	396,956,606
- Customer B	82,521,174	0	0	82,521,174
Additions of plant and equipment	(3,254,890)	(27,658,148)	(1,946,854)	(32,859,892)
Amortisation of government grants	0	(36,365)	0	(36,365)
Gain on disposal of property, plant and equipment	(24,725)	(672)	(580)	(25,977)
Fair value gain on financial assets at FVTPL	(914,868)	0	(1,697)	(916,565)

* This amount includes a reconciling item of RM24,807,600 which represents staff costs that was allocated to the P&M and OIS segment via management fees.

	Power and machinery RM	Oilfield integrated services RM	Total RM
2025			
Segment assets	480,792,769	229,675,505	710,468,274
Unallocated corporate assets			114,426,268
Total assets			824,894,542
Segment liabilities	148,513,890	51,297,557	199,811,447
Unallocated corporate liabilities			59,585,615
Total liabilities			259,397,062

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

4 SEGMENTAL REPORTING (CONTINUED)

(a) Business Segments (continued)

	Power and machinery RM	Oilfield integrated services RM	Total RM
2024			
SEGMENT REVENUE			
External revenue	716,720,285	189,867,309	906,587,594
Other non-reportable segment			890,700
			907,478,294
SEGMENT RESULTS			
Segment operating profit	135,618,242	4,181,441	139,799,683
Other non-reportable segment			87,800
			139,887,483
Profit from operations			139,887,483
Unallocated income			926,060
Unallocated corporate expenses			(11,533,441)
Share of results of a joint venture			769,501
Share of results of an associate			6,160,630
Profit before tax			136,210,233
Tax expense			(35,255,727)
Profit for the financial year			100,954,506

4 SEGMENTAL REPORTING (CONTINUED)

(a) Business Segments (continued)

	Power and machinery RM	Oilfield integrated services RM	Unallocated RM	Total RM
2024 (continued)				
Other information:				
Cost of equipment and services, purchase of products, parts and consumable, inventories consumed and recognised as cost of sales	528,307,604	54,914,935	0	583,222,539
Other cost of sales	3,855	16,656,591	802,900	17,463,346
Staff costs	34,658,029	55,749,993	24,910,609*	115,318,631
Subcontractor cost	599,990	0	0	599,990
Depreciation and amortisation	2,246,195	26,340,938	1,465,690	30,052,823
Interest income	(5,811,211)	(331,797)	(344,127)	(6,487,135)
Other material items:				
Impairment for:				
- trade receivables				
- write back of impairment	(13,470)	(1,039,958)	0	(1,053,428)
- other receivables				
- impairment	12,470	0	2,448,646	2,461,116
- write back of impairment	(2,000)	0	(68,027)	(70,027)
- contract assets				
- impairment	0	869,200	0	869,200
Inventories				
- impairment	869,824	3,687,703	0	4,557,527
- write back	(1,007,903)	(2,221,694)	0	(3,229,597)
Write off of				
- property, plant and equipment	8,810	0	0	8,810
- other receivables	300	0	0	300
- inventories	3,088	208,699	0	211,787
Liquidated damages				
- provision	2,057,516	0	0	2,057,516
- write back	(423,168)	0	0	(423,168)
Unrealised net foreign exchange loss	2,183,980	574,658	0	2,758,638
Net fair value gain on forward foreign currency exchange contracts	(4,075,425)	0	0	(4,075,425)

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

4 SEGMENTAL REPORTING (CONTINUED)

(a) Business Segments (continued)

	Power and machinery RM	Oilfield integrated services RM	Unallocated RM	Total RM
2024 (continued)				
Other information: (continued)				
Finance cost	64,559	418,719	3,118	486,396
Revenue contributed by major customer which individually contributed to more than 10% of the Group's total revenue:				
- Customer A	222,557,021	115,188,915	0	337,745,936
- Customer B	118,926,397	188,767	0	119,115,164
Additions of plant and equipment	(3,321,472)	(24,141,473)	(2,048,024)	(29,510,969)
Amortisation of intangible assets	0	0	32,330	32,330
Amortisation of government grants	0	(36,365)	0	(36,365)
(Gain)/loss on disposal of property, plant and equipment	(59)	56,063	(121,707)	(65,703)
Fair value gain on financial assets at FVTPL	(860,561)	0	(145,969)	(1,006,530)

* This amount includes a reconciling item of RM22,086,900 which represents staff costs that was allocated to the P&M and OIS segment via management fees.

	Power and machinery RM	Oilfield integrated services RM	Total RM
2024			
Segment assets	422,348,774	211,224,254	633,573,028
Unallocated corporate assets			99,398,232
Total assets			732,971,260
Segment liabilities	154,956,000	46,965,426	201,921,426
Unallocated corporate liabilities			32,903,958
Total liabilities			234,825,384

4 SEGMENTAL REPORTING (CONTINUED)

(b) Geographical information

Revenue and non-current assets other than financial instruments and deferred tax assets based on geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysia	958,649,434	907,452,008	170,965,196	164,355,127
Indonesia	33,828,659	0	38,420,942	0
Other countries	4,668,140	26,286	2,620,437	251,133
	997,146,233	907,478,294	212,006,575	164,606,260

5 REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	204 RM
Revenue from contracts with customers:				
- Goods and services	993,813,948	906,587,594	0	0
- Management fees*	1,029,900	883,200	37,767,100	32,403,000
Revenue from other source:				
- Dividend income	7,500	7,500	36,000,000	38,500,000
- Rental income	2,294,885	0	0	0
	997,146,233	907,478,294	73,767,100	70,903,000

* Management fees are being recognised over time as the services are being rendered.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

5 REVENUE (CONTINUED)

Revenue from contracts with customers:

	Power and machinery RM	Oilfield integrated services RM	Group RM
2025			
Type of goods and services			
Sale of gas turbine packages and after sales support and services	527,517,459	0	527,517,459
Commission based income services	856,957	0	856,957
Principal based income services	26,604,444	416,777	27,021,221
Sale of valves and flow regulators and after sales support and services	206,916,169	0	206,916,169
Provision of slickline equipment and services, integrated wellhead maintenance services, well intervention, asset integrated solution services, cased hole logging services, gas lift valve and insert strings equipment, accessories and services, subsurface engineering services and drilling and completion services	0	124,891,389	124,891,389
Provision of specialty chemicals and well stimulation services	0	15,510,188	15,510,188
Provision of solid control services	0	14,772,183	14,772,183
Provision of integrated corrosion and inspection services, blasting technology and maintenance services	0	140,078	140,078
Provision of maintenance, construction and modification services	0	76,188,304	76,188,304
	761,895,029	231,918,919	993,813,948
Timing of revenue recognition:			
- At a point in time	616,246,957	18,332,512	634,579,469
- Over time	145,648,072	213,586,407	359,234,479
	761,895,029	231,918,919	993,813,948

5 REVENUE (CONTINUED)

Revenue from contracts with customers: (continued)

	Power and machinery RM	Oilfield integrated services RM	Group RM
2024			
Type of goods and services			
Sale of gas turbine packages and after sales support and services	543,711,308	0	543,711,308
Commission based income services	4,189,859	0	4,189,859
Principal based income services	25,544,259	553,937	26,098,196
Sale of valves and flow regulators and after sales support and services	143,274,859	0	143,274,859
Provision of slickline equipment and services, well intervention, asset integrated solution services, cased hole logging services, gas lift valve services, and drilling and completion services	0	142,828,312	142,828,312
Provision of specialty chemicals and well stimulation services	0	10,142,228	10,142,228
Provision of solid control services	0	11,970,178	11,970,178
Provision of integrated corrosion and inspection services, blasting technology and maintenance services	0	742,928	742,928
Provision of maintenance, construction and modification maintenance services	0	23,629,726	23,629,726
	716,720,285	189,867,309	906,587,594
Timing of revenue recognition:			
- At a point in time	582,703,582	9,960,996	592,664,578
- Over time	134,016,703	179,906,313	313,923,016
	716,720,285	189,867,309	906,587,594

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

6 PROFIT BEFORE TAX

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
The following items have been charged/(credited) in arriving at profit before tax from operations:				
Inventories consumed and recognised as cost of sales	183,983,850	136,147,307	0	0
Cost of equipment and services	408,061,052	396,124,879	0	0
Purchase of products, parts and consumable	57,375,388	50,950,353	0	0
Impairment for:				
- trade receivables				
- impairment	178,083	0	0	0
- write back of impairment	(292,036)	(1,053,428)	0	0
- write off	1,697,069	0	0	0
- contract assets				
- impairment	0	869,200	0	0
- other receivables				
- impairment	0	2,461,116	0	0
- write back of impairment	(73,322)	(70,027)	0	0
- write off	0	300	0	0
- amounts due from subsidiaries				
- impairment	0	0	600,000	300,000
- write back of impairment	0	0	(600,000)	0
Property, plant and equipment:				
- write off	13,749	8,810	0	0
Depreciation:				
- property, plant and equipment	29,163,775	29,996,917	588,312	601,405
- investment properties	23,576	23,576	0	0
Amortisation of intangible assets	1,640,316	32,330	27,947	32,330
Amortisation of government grants	(36,365)	(36,365)	0	0
Liquidated damages:				
- provision	1,051,642	2,057,516	0	0
- write back	(1,793,994)	(423,168)	0	0
Loss on liquidation of subsidiaries	0	1,363,297	0	0

6 PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
The following items have been charged/(credited) in arriving at profit before tax from operations: (continued)				
Fees to PricewaterhouseCoopers PLT Malaysia:				
- statutory audit services	707,323	604,059	183,053	221,397
- audit related services	186,413	179,242	186,413	179,242
Fees to member firms of PricewaterhouseCoopers PLT, Malaysia:				
- non-audit related services*	117,500	65,406	39,800	10,050
Fee to PricewaterhouseCoopers ABAS Ltd.:				
- statutory audit service	22,083	16,188	0	0
Fee to KAP Rintis, Jumadi, Rianto & Rekan:				
- statutory audit service	265,650	0	0	0
Loss/(gain) on foreign exchange:				
- realised	733,183	(3,843,562)	(23,098)	7,360
- unrealised	(648,734)	2,758,638	0	0
Net fair value loss/(gain) on forward foreign currency exchange contracts	1,497,254	(4,075,425)	0	0
Inventories:				
- impairment	1,572,448	4,557,527	0	0
- write back	(3,913,619)	(3,229,597)	0	0
- write off	106,569	211,787	0	0
Foreseeable loss:				
- provision	4,680	0	0	0
Interest income	(5,284,028)	(6,487,135)	(220,131)	(344,126)
Rental expenses:				
- business premises	2,143,393	2,302,937	0	0
- equipment	17,891,307	16,780,743	108,818	34,705
Staff cost (including Executive Directors' remuneration as disclosed in Note 7)				
- wages, salaries and others	112,567,734	103,890,898	25,317,479	22,481,682
- defined contribution plan	13,134,931	11,427,733	2,682,701	2,428,924
Subcontractor cost	6,312	599,990	0	0
Fair value gain on financial assets at FVTPL	(916,565)	(1,006,530)	(1,697)	(145,969)
Gain on disposal of property, plant and equipment	(25,977)	(65,703)	(580)	(113,300)
Gain on lease termination	(980)	(276)	0	0

* Non-audit services comprise mainly tax and training services.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

7 DIRECTORS' REMUNERATION

The aggregate amounts of emoluments received and receivable by Directors of the Company during the financial year are as follows:

	Company	
	2025 RM	2024 RM
Executive Director:		
- salaries and bonuses	2,300,000	1,899,032
- defined contribution plan	366,600	308,515
- other emoluments	144,893	158,513
- estimated monetary value of benefits-in-kind	22,699	24,782
	2,834,192	2,390,842
Non-Executive Directors:		
- fees	1,289,966	1,214,967
- other emoluments	466,475	436,000
- estimated monetary value of benefits-in-kind	70,207	58,354
	1,826,648	1,709,321
	4,660,840	4,100,163

8 FINANCE COST

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest on revolving credit facility	200,081	210,033	0	0
Interest on term loans	720,260	169,191	0	0
Interest on lease liabilities	403,553	107,172	318	42
	1,323,894	486,396	318	42

9 TAX EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax:				
- Malaysian tax	31,869,025	37,742,955	152,736	968,294
- Foreign tax	3,242,774	0	0	0
(Over)/under provision in prior financial years:				
- Malaysian tax	(964,887)	(243,449)	(352,516)	(138,618)
- Foreign tax	895,484	0	0	0
Deferred tax (Note 28):				
- Origination and reversal of temporary differences	(2,640,550)	(2,143,933)	501,586	(275,330)
- Under/(over) recognition of prior financial year temporary differences	376,534	(99,846)	162,103	(103,567)
	32,778,380	35,255,727	463,909	450,779

The explanation of the relationship between tax expense and profit before tax is as follows:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Numerical reconciliation between the effective tax rate and the Malaysian tax rate				
Malaysian tax rate	24	24	24	24
Tax effects of:				
- Expenses not deductible for tax purposes	2	3	2	2
- Income not subject to tax	0	(1)	(24)	(24)
- Share of results of associate and joint venture	(1)	(1)	0	0
- Deferred tax assets not recognised	2	1	0	0
- Utilisation of previously unrecognised deferred tax assets	(3)	0	0	0
- Under/(over) provision in prior financial years:				
- Malaysian tax	0	0	(1)	(1)
- Foreign tax	1	0	0	0
Effective tax rate	25	26	1	1

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

10 EARNINGS PER SHARE

Basic and diluted earnings per share

Basic and diluted earnings per share of the Group is calculated by dividing the profit attributable to equity holders of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Company	
	2025 RM	2024 RM
Profit for the financial year attributable to equity holders of the Company	71,086,724	74,154,450
Number of ordinary shares	401,553,500	401,553,500
Adjusted weighted average number of ordinary shares	401,553,500	401,553,500
Basic and diluted earnings per share (sen)	17.70	18.47

11 DIVIDENDS

The dividends paid or declared by the Company during the financial year are as set out below:

	2025		2024	
	Gross dividend per share sen	Amount of dividend RM	Gross dividend per share sen	Amount of dividend RM
<u>In respect of the financial year ended 31 December 2023</u>				
Second interim single tier dividend, on 401,553,500 ordinary shares, paid on 29 March 2024	0	0	3.70	14,857,480
<u>In respect of the financial year ended 31 December 2024</u>				
First interim single tier dividend, on 401,553,500 ordinary shares, paid on 30 September 2024	0	0	4.00	16,062,140
		0		30,919,620

11 DIVIDENDS (CONTINUED)

The dividends paid or declared by the Company during the financial year are as set out below: (continued)

	2025		2024	
	Gross dividend per share sen	Amount of dividend RM	Gross dividend per share sen	Amount of dividend RM
<u>In respect of the financial year ended 31 December 2024</u>				
Second interim single tier dividend, on 401,553,500 ordinary shares, paid on 28 March 2025	5.30	21,282,336	0	0
<u>In respect of the financial year ended 31 December 2025</u>				
First interim single tier dividend, on 401,553,500 ordinary shares, paid on 30 September 2025	4.00	16,062,140	0	0
		37,344,476		0

The Directors, had on 24 February 2026 declared a second interim single tier dividend of 5.30 sen per share in respect of the financial year ended 31 December 2025, totalling RM21,282,336 payable on 30 March 2026.

Total dividend for the financial year ended 31 December 2025 is 9.30 sen (2024: 9.30 sen) based on ordinary shares of 401,553,500 (2024: 401,553,500).

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2025.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

12 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land RM	Buildings, renovations and improvements RM	Office equipment, furniture and fittings RM	Plant, machinery and other equipment RM	Motor vehicles RM	Total RM
2025						
Net book value						
At 1 January 2025	2,589,335	6,795,315	3,727,165	77,121,960	1,093,267	91,327,042
Additions	0	13,633,521	2,834,929	26,188,520	0	42,656,970
Acquisition of subsidiary (Note 39)	0	23	582,642	822,959	72,676	1,478,300
Written off	0	(110)	(1,774)	(11,865)	0	(13,749)
Disposals	0	(1)	(22,458)	(1)	(58,277)	(80,737)
Depreciation charge	(87,746)	(4,414,187)	(2,412,264)	(21,950,761)	(298,817)	(29,163,775)
Exchange differences	0	(1)	(44,774)	(81,428)	(1,752)	(127,955)
At 31 December 2025	2,501,589	16,014,560	4,663,466	82,089,384	807,097	106,076,096
At 31 December 2025						
Cost	4,387,284	46,571,351	15,781,448	430,222,978	3,099,192	500,062,253
Accumulated depreciation	(1,885,695)	(27,289,577)	(11,117,982)	(317,885,686)	(2,292,095)	(360,471,035)
Accumulated impairment	0	(3,267,214)	0	(30,247,908)	0	(33,515,122)
Net book value	2,501,589	16,014,560	4,663,466	82,089,384	807,097	106,076,096
At 31 December 2024						
Cost	4,387,284	36,150,322	14,397,328	415,199,153	3,279,963	473,414,050
Accumulated depreciation	(1,797,949)	(26,087,793)	(10,670,163)	(305,736,319)	(2,186,696)	(346,478,920)
Accumulated impairment	0	(3,267,214)	0	(32,340,874)	0	(35,608,088)
Net book value	2,589,335	6,795,315	3,727,165	77,121,960	1,093,267	91,327,042

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Leasehold land RM	Buildings, renovations and improvements RM	Office equipment, furniture and fittings RM	Plant, machinery and other equipment RM	Motor vehicles RM	Total RM
2024						
Net book value						
At 1 January 2024	2,677,090	5,869,870	2,746,080	78,733,976	1,118,003	91,145,019
Additions	0	3,126,202	2,224,909	25,343,681	340,029	31,034,821
Written off	0	(966)	(4,854)	(2,990)	0	(8,810)
Disposals	0	(31)	(131,935)	(719,345)	0	(851,311)
Reclassification	0	0	4,240	0	0	4,240
Depreciation charge	(87,755)	(2,199,760)	(1,111,275)	(26,233,362)	(364,765)	(29,996,917)
At 31 December 2024	2,589,335	6,795,315	3,727,165	77,121,960	1,093,267	91,327,042
At 31 December 2024						
Cost	4,387,284	36,150,322	14,397,328	415,199,153	3,279,963	473,414,050
Accumulated depreciation	(1,797,949)	(26,087,793)	(10,670,163)	(305,736,319)	(2,186,696)	(346,478,920)
Accumulated impairment	0	(3,267,214)	0	(32,340,874)	0	(35,608,088)
Net book value	2,589,335	6,795,315	3,727,165	77,121,960	1,093,267	91,327,042
At 31 December 2023						
Cost	4,387,284	34,310,971	13,513,647	392,617,443	3,536,470	448,365,815
Accumulated depreciation	(1,710,194)	(25,173,887)	(10,767,567)	(281,542,593)	(2,418,467)	(321,612,708)
Accumulated impairment	0	(3,267,214)	0	(32,340,874)	0	(35,608,088)
Net book value	2,677,090	5,869,870	2,746,080	78,733,976	1,118,003	91,145,019

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Leasehold land RM	Buildings, renovations and improvements RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
2025					
Net book value					
At 1 January 2025	1,666,421	1,115,622	638,655	549,962	3,970,660
Additions	0	663,525	392,016	0	1,055,541
Depreciation charge	(48,880)	(109,001)	(290,015)	(140,416)	(588,312)
At 31 December 2025	1,617,541	1,670,146	740,656	409,546	4,437,889
At 31 December 2025					
Cost	2,444,000	5,172,913	3,451,997	703,970	11,772,880
Accumulated depreciation	(826,459)	(3,502,767)	(2,711,341)	(294,424)	(7,334,991)
Net book value	1,617,541	1,670,146	740,656	409,546	4,437,889
At 31 December 2024					
Cost	2,444,000	4,509,388	3,059,981	703,970	10,717,339
Accumulated depreciation	(777,579)	(3,393,766)	(2,421,326)	(154,008)	(6,746,679)
Net book value	1,666,421	1,115,622	638,655	549,962	3,970,660

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Leasehold land RM	Buildings, renovations and improvements RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
2024					
Net book value					
At 1 January 2024	1,715,310	1,125,626	494,534	702,080	4,037,550
Additions	0	75,566	454,709	0	530,275
Reclassification	0	0	4,240	0	4,240
Depreciation charge	(48,889)	(85,570)	(314,828)	(152,118)	(601,405)
At 31 December 2024	1,666,421	1,115,622	638,655	549,962	3,970,660
At 31 December 2024					
Cost	2,444,000	4,509,388	3,059,981	703,970	10,717,339
Accumulated depreciation	(777,579)	(3,393,766)	(2,421,326)	(154,008)	(6,746,679)
Net book value	1,666,421	1,115,622	638,655	549,962	3,970,660
At 31 December 2023					
Cost	2,444,000	4,433,822	2,708,788	1,186,880	10,773,490
Accumulated depreciation	(728,690)	(3,308,196)	(2,214,254)	(484,800)	(6,735,940)
Net book value	1,715,310	1,125,626	494,534	702,080	4,037,550

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

* Included in the property, plant and equipment are right-of-use assets of the Group and of the Company as follows:

Group	Leasehold land RM	Leasehold buildings RM	Rented office and warehouse RM	Office equipment under lease RM	Motor vehicle under lease RM	Total RM
2025						
Net book value						
At 1 January	2,589,335	2,202,930	1,674,100	428,768	0	6,895,133
Additions	0	0	9,694,928	102,150	0	9,797,078
Acquisition of subsidiary	0	23	0	0	0	23
Lease termination	0	0	0	(21,771)	0	(21,771)
Depreciation charge	(87,746)	(75,556)	(3,345,354)	(129,464)	0	(3,638,120)
Exchange differences	0	(1)	0	0	0	(1)
At 31 December	2,501,589	2,127,396	8,023,674	379,683	0	13,032,342
Cost	4,387,284	5,849,204	11,502,617	666,130	0	22,405,235
Accumulated depreciation	(1,885,695)	(3,721,808)	(3,478,943)	(286,447)	0	(9,372,893)
At 31 December	2,501,589	2,127,396	8,023,674	379,683	0	13,032,342
2024						
Net book value						
At 1 January	2,677,090	2,282,458	2,156,680	223,371	5,524	7,345,123
Additions	0	0	1,172,519	351,333	0	1,523,852
Lease termination	0	0	0	(5,581)	0	(5,581)
Depreciation charge	(87,755)	(79,528)	(1,655,099)	(140,355)	(5,524)	(1,968,261)
At 31 December	2,589,335	2,202,930	1,674,100	428,768	0	6,895,133
Cost	4,387,284	5,880,747	5,934,990	807,642	0	17,010,663
Accumulated depreciation	(1,797,949)	(3,677,817)	(4,260,890)	(378,874)	0	(10,115,530)
At 31 December	2,589,335	2,202,930	1,674,100	428,768	0	6,895,133

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

* Included in the property, plant and equipment are right-of-use assets of the Group and of the Company as follows: (continued)

Company	Leasehold land RM	Leasehold buildings RM	Office equipment under lease RM	Total RM
2025				
Net book value				
At 1 January	1,666,421	864,270	132,510	2,663,201
Additions	0	0	55,702	55,702
Depreciation charge	(48,880)	(26,190)	(47,754)	(122,824)
At 31 December	1,617,541	838,080	140,458	2,596,079
Cost	2,444,000	1,309,500	244,991	3,998,491
Accumulated depreciation	(826,459)	(471,420)	(104,533)	(1,402,412)
At 31 December	1,617,541	838,080	140,458	2,596,079
2024				
Net book value				
At 1 January	1,715,310	890,460	91,604	2,697,374
Additions	0	0	80,629	80,629
Depreciation charge	(48,889)	(26,190)	(39,723)	(114,802)
At 31 December	1,666,421	864,270	132,510	2,663,201
Cost	2,444,000	1,309,500	189,289	3,942,789
Accumulated depreciation	(777,579)	(445,230)	(56,779)	(1,279,588)
At 31 December	1,666,421	864,270	132,510	2,663,201

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Group	
	2025 RM	2024 RM
Net book value of property, plant and equipment of the Group pledged as security:		
- long term leasehold land	884,054	922,917
- long term leasehold buildings	430,749	449,231
- office equipment and furniture and fittings	1,091,211	519,798
- plant, machinery and other equipment	70,481,002	74,185,062
	72,887,016	76,077,008

The property, plant and equipment above have been pledged as security for borrowings as disclosed in Note 25 and the unutilised banking facilities as at financial year end.

The net cash outflow for the purchase of property, plant and equipment during the financial year is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Purchase of property, plant and equipment	32,859,892	29,510,969	999,839	449,646
Less: Capitalisation on the advance payment made in prior year	(5,876,757)	0	0	0
Add: Advance payment for property, plant and equipment made during current financial year	9,326,403	5,876,757	0	0
Net cash outflow	36,309,538	35,387,726	999,839	449,646

During the financial year, the Group performed an impairment assessment in accordance with its accounting policy Note I on impairment of non-financial assets. As a result of the loss making position of the Solid Control business as at the financial year end, the Group has performed an impairment assessment on the property, plant and equipment in the OIS segment based on the smallest identifiable cash generating unit ("CGU").

13 INVESTMENT PROPERTIES

	Group	
	2025 RM	2024 RM
Net book value		
At 1 January	652,970	676,546
Depreciation charge	(23,576)	(23,576)
At 31 December	629,394	652,970
Cost	1,178,764	1,178,764
Accumulated depreciation	(517,907)	(494,331)
Accumulated impairment loss	(31,463)	(31,463)
	629,394	652,970
Fair value of investment properties	1,542,500	1,542,500

The following is recognised in profit or loss in respect of investment properties:

	Group	
	2025 RM	2024 RM
Rental income	99,952	85,152

There were no direct operating expenses incurred in respect of investment properties as they were borne by the lessee.

The fair value of the investment properties was estimated by using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for difference in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

The Group measures the fair value using the level 3 fair value hierarchy. This level represents unobservable inputs to valuation techniques used to measure fair value.

Description	Valuation technique	Unobservable input	Unobservable input	Relationships of unobservable inputs to fair value
Office lot – Mutiara Bangsar	Sales comparison approach	Price per square foot	RM500	The higher the price per square foot, the higher fair value

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

14 INTANGIBLE ASSETS

Group	Goodwill RM	Contractual backlog RM	Customer relationships RM	Contracts RM	Software costs RM	Club membership RM	Total RM
2025							
Net book value							
At 1 January	108,997	0	0	0	42,731	0	151,728
Additions	0	0	0	0	34,560	247,000	281,560
Acquisition of subsidiary (Note 39)	17,655,149	1,342,120	3,356,080	15,480,920	0	0	37,834,269
Amortisation	0	(391,452)	(217,524)	(1,003,393)	(27,947)	0	(1,640,316)
At 31 December	17,764,146	950,668	3,138,556	14,477,527	49,344	247,000	36,627,241
Cost	17,764,146	1,342,120	3,356,080	19,434,730	899,840	247,000	43,043,916
Accumulated amortisation	0	(391,452)	(217,524)	(4,957,203)	(850,496)	0	(6,416,675)
Net book value	17,764,146	950,668	3,138,556	14,477,527	49,344	247,000	36,627,241

Group	Goodwill RM	Contracts RM	Software costs RM	Total RM
2024				
At 1 January	108,997	0	79,301	188,298
Reclassification	0	0	(4,240)	(4,240)
Amortisation	0	0	(32,330)	(32,330)
At 31 December	108,997	0	42,731	151,728
Cost	108,997	3,953,810	2,393,292	6,456,099
Accumulated amortisation	0	(3,953,810)	(2,350,561)	(6,304,371)
At 31 December	108,997	0	42,731	151,728

14 INTANGIBLE ASSETS (CONTINUED)

Company	Software costs RM	Club membership RM	Total RM
2025			
At 1 January	42,709	0	42,709
Additions	34,560	247,000	281,560
Amortisation	(27,947)	0	(27,947)
At 31 December	49,322	247,000	296,322
Cost	227,518	247,000	474,518
Accumulated amortisation	(178,196)	0	(178,196)
	49,322	247,000	296,322
2024			
At 1 January	79,279	0	79,279
Reclassification	(4,240)	0	(4,240)
Amortisation	(32,330)	0	(32,330)
At 31 December	42,709	0	42,709
Cost	192,958	0	192,958
Accumulated amortisation	(150,249)	0	(150,249)
	42,709	0	42,709

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

15 SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Unquoted shares at cost	132,384,848	132,384,848
Less: Impairment loss	0	0
	132,384,848	132,384,848

Details of subsidiaries, the Group's effective interest, principal activities and country of incorporation are set out in Note 34 to the financial statements.

During the financial year, the Company performed impairment assessment on its investment in subsidiaries for any potential impairment of its subsidiaries which show indicators of impairment. Based on the result of the impairment assessment, no further impairment is required.

Movement in allowance for impairment loss is as follows:

	Group	
	2025 RM	2024 RM
At 1 January	0	13,832,519
Written off during the financial year*	0	(13,832,519)
At 31 December	0	0

* The cost of investment in Deleum Services Holdings Limited had been written off in the previous financial year as the deregistration under Section 751 of the Companies Ordinance completed on 19 January 2024.

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	Penaga Dresser Sdn. Bhd.	Turboservices Sdn. Bhd.	Deleum Technology Solutions Sdn. Bhd.	PT OSA Industries Indonesia	*Others	Total
In RM						
2025						
NCI percentage of ownership interest and voting interest (%)	49%	10%	13.33%	30%		
Carrying amount of NCI	35,220,648	8,383,822	(1,294,960)	8,168,149	18,766,732	69,244,391
2024						
NCI percentage of ownership interest and voting interest (%)	49%	10%	13.33%			
Carrying amount of NCI	27,921,329	7,759,550	(84,420)	0	(494,995)	35,101,464

* Others comprise a company wholly owned by NCI.

15 SUBSIDIARIES (CONTINUED)

Summarised financial information on subsidiaries with material NCI

Summarised statements of comprehensive income

	Penaga Dresser Sdn. Bhd.		Turboservices Sdn. Bhd.		Deleum Technology Solutions Sdn. Bhd.		PT OSA Industries Indonesia	
	2025 RM	2024 RM	2025 RM	2024 RM	2025 RM	2024 RM	2025 RM	2024 RM
Revenue	173,422,480	143,274,859	526,846,439	540,075,093	76,730,744	24,775,433	26,757,631	0
Profit/(loss) before tax	74,855,097	55,047,127	13,004,300	42,583,648	(8,183,568)	(7,926,741)	10,240,442	0
Tax expense	(17,958,529)	(13,294,845)	(2,700,372)	(10,881,283)	(895,484)	0	(2,005,482)	0
Profit/(loss) for the financial year/Total comprehensive income/(loss) for the financial year	56,896,568	41,752,282	10,303,928	31,702,365	(9,079,052)	(7,926,741)	8,234,960	0
Total profit/(loss) allocated to NCI	27,879,318	20,458,618	1,030,393	7,902,872	(1,210,540)	(1,056,635)	2,470,488	0
Total comprehensive income/(loss) allocated to NCI	27,879,318	20,458,618	1,030,393	7,902,872	(1,210,540)	(1,056,635)	2,270,205	0
Dividends to NCI	20,580,000	10,780,000	406,120	1,662,960	0	0	0	0

Summarised statements of financial position

	Penaga Dresser Sdn. Bhd.		Turboservices Sdn. Bhd.		Deleum Technology Solutions Sdn. Bhd.		PT OSA Industries Indonesia	
	2025 RM	2024 RM	2025 RM	2024 RM	2025 RM	2024 RM	2025 RM	2024 RM
Current								
Assets	89,873,573	79,354,661	237,653,766	235,601,124	42,812,871	26,854,731	21,630,415	0
Liabilities	(26,267,562)	(29,540,508)	(153,731,707)	(162,190,357)	(56,797,124)	(26,890,529)	(10,329,900)	0
Total net current assets/(liabilities)	63,606,011	49,814,153	83,922,059	73,410,767	(13,984,253)	(35,798)	11,300,515	0
Non-current								
Assets	8,863,178	7,799,083	74,301	4,274,768	10,380,866	523,896	1,960,310	0
Liabilities	(165,075)	(205,690)	(158,135)	(90,038)	(4,987,567)	0	0	0
Total net non-current assets/(liabilities)	8,698,103	7,593,393	(83,834)	4,184,730	5,393,299	523,896	1,960,310	0
Net assets/(liabilities)	72,304,114	57,407,546	83,838,225	77,595,497	(8,590,954)	488,098	13,260,825	0

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

15 SUBSIDIARIES (CONTINUED)

Summarised statements of cash flows

	Penaga Dresser Sdn. Bhd.		Turboservices Sdn. Bhd.		Deleum Technology Solutions Sdn. Bhd.		PT OSA Industries Indonesia	
	2025 RM	2024 RM	2025 RM	2024 RM	2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities								
Cash generated from/ (used in) operations	76,024,132	46,781,461	34,388,651	6,750,536	(27,786,002)	(19,422,152)	14,882,585	0
Tax paid	(17,238,591)	(13,244,626)	(6,156,995)	(8,620,116)	(44,101)	(202,786)	(517,127)	0
Interest (paid)/received	(43,434)	(24,341)	2,107,868	2,143,327	(356,679)	(24,972)	(183,441)	0
Net cash generated from/ (used in) operating activities	58,742,107	33,512,494	30,339,524	273,747	(28,186,782)	(19,649,910)	14,182,017	0
Net cash (used in)/ generated from investing activities	(2,017,130)	(3,006,307)	(122,967)	617,039	(3,714,243)	(298,023)	(9,977,348)	0
Net cash (used in)/ generated from financing activities	(42,529,129)	(22,466,830)	(5,136,886)	1,907,213	31,456,523	17,298,274	(3,289,000)	0
Net increase/(decrease) in cash and cash equivalents	14,195,848	8,039,357	25,079,671	2,797,999	(444,502)	(2,649,659)	915,669	0

16 JOINT VENTURE

	Company	
	2025 RM	2024 RM
Unquoted shares at cost	29,375,937	29,375,937

	Group	
	2025 RM	2024 RM
Group's share of net assets of joint venture	36,738,378	35,913,473

The Group has an equity interest of 80.55% in TOSB, however, based on the Subscription Agreement with STICO, both parties' approval on relevant activities is required. Based on MFRS and in the opinion of the Directors, TOSB is regarded as a material joint venture and its results and net assets are accounted for under the equity method of accounting.

The capital of TOSB consists of ordinary shares and redeemable convertible preference shares. It is a private company and there is no readily available quoted market price available for its shares.

Summarised statement of comprehensive income

	2025 RM	2024 RM
Revenue	4,064,706	4,062,536
Depreciation	(1,146,882)	(1,183,638)
Interest expense	(360)	(509)
Interest income	1,137,383	1,087,642
Profit before tax	1,356,611	1,267,832
Tax expense	(332,520)	(312,523)
Profit for the financial year/Total comprehensive income for the financial year	1,024,091	955,309
Interest in joint venture (80.55%)		
Share of results for the financial year	824,905	769,501

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

16 JOINT VENTURE (CONTINUED)

Summarised statement of financial position

	2025 RM	2024 RM
Current		
Cash and bank balances	37,453,661	35,615,787
Other current assets	279,194	511,085
Total current assets	37,732,855	36,126,872
Financial liabilities (excluding trade payables)	(241,501)	(293,553)
Other current liabilities (including trade payables)	(471,405)	(592,193)
Total current liabilities	(712,906)	(885,746)
Non-current		
Assets	8,969,591	9,851,751
Liabilities	(380,131)	(507,559)
Net assets	45,609,409	44,585,318

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint venture.

	2025 RM	2024 RM
1 January	44,585,318	43,630,009
Profit for the financial year/Total comprehensive income for the financial year	1,024,091	955,309
31 December	45,609,409	44,585,318
Interest in joint venture (80.55%)	36,738,378	35,913,473
Carrying value	36,738,378	35,913,473

17 ASSOCIATE

	Group	
	2025 RM	2024 RM
Group's share of net assets of associate	22,283,682	23,204,562

In the opinion of the Directors, Malaysian Mud and Chemicals Sdn. Bhd. ("MMC") is a material associate. The Group's effective equity interest in the associate, the nature of the relationship and place of business/country of incorporation is set out in Note 34 to the financial statements. The associate has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation is also their principal place of business.

MMC, being the sole associate to the Group, is a private company and there is no quoted market price available for the shares.

There are no contingent liabilities relating to the Group's interest in the associate.

Summarised statement of comprehensive income

	2025 RM	2024 RM
Revenue	34,601,448	49,362,268
Depreciation	(7,272,139)	(7,066,876)
Profit before tax	16,297,352	25,012,617
Tax expense	(3,584,206)	(5,747,787)
Profit for the financial year/Total comprehensive income for the financial year	12,713,146	19,264,830
Interest in associate (32%)		
Share of results for the financial year	4,068,207	6,164,746
Others	(189,087)	(4,116)
	3,879,120	6,160,630
Dividends receivable/distribution of net asset surplus from associate	4,800,000	5,760,000

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17 ASSOCIATE (CONTINUED)

Summarised statement of financial position

	2025 RM	2024 RM
Current		
Cash and bank balances	6,797,282	3,621,116
Other current assets	27,161,546	33,235,553
Total current assets	33,958,828	36,856,669
Financial liabilities (excluding trade payables)	(2,683,642)	(3,594,630)
Other current liabilities (including trade payables)	(1,633,900)	(2,593,672)
Total current liabilities	(4,317,542)	(6,188,302)
Non-current		
Assets	46,917,455	48,247,656
Liabilities	(6,922,236)	(6,401,766)
Net assets	69,636,505	72,514,257

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associate.

	2025 RM	2024 RM
1 January	72,514,257	71,262,291
Other adjustments	(590,898)	(12,864)
Profit for the financial year/Total comprehensive income for the financial year	12,713,146	19,264,830
Dividends	(15,000,000)	(18,000,000)
31 December	69,636,505	72,514,257
Interest in associate (32%)	22,283,682	23,204,562
Carrying value	22,283,682	23,204,562

18 FINANCIAL ASSETS AT FVOCI

	Group	
	2025 RM	2024 RM
Financial assets at FVOCI		
Unquoted shares outside Malaysia	6,780,194	6,515,463

Financial assets at FVOCI mainly represent the strategic investment for which the Group considers this classification to be appropriate and relevant.

The fair value of the unquoted shares is categorised into Level 3 of the fair value hierarchy and the reconciliation during the financial year is as follows:

	Group	
	2025 RM	2024 RM
At 1 January	6,515,463	1,166,750
Addition on investments during the financial year	336,260	5,348,713
Fair value changes	(71,529)	0
At 31 December	6,780,194	6,515,463

Sensitivity analysis for investments in unquoted shares is not disclosed as it is not material to the Group.

19 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Amounts due from subsidiaries		
Non-current		
Trade	18,959,979	3,517,949
Less: Impairment of amounts due from subsidiaries	(887,909)	(265,345)
Non-trade	11,911,675	14,633,197
Less: Impairment of amounts due from subsidiaries	(604,421)	(1,094,096)
	29,379,324	16,791,705
Current		
Trade	38,801,921	35,869,902
Less: Impairment of amounts due from subsidiaries	(188,580)	(104,583)
Non-trade	5,844,938	11,592,610
Less: Impairment of amounts due from subsidiaries	(219,090)	(435,976)
	44,239,189	46,921,953
Amounts due to subsidiaries		
Trade	(19,815,221)	(8,899,783)
Non-trade	(524,637)	0
	(20,339,858)	(8,899,783)

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19 AMOUNTS DUE FROM/(TO) SUBSIDIARIES (CONTINUED)

Movement in impairment of amounts due from subsidiaries is as follows:

	Company	
	2025 RM	2024 RM
At 1 January	1,900,000	1,600,000
Impairment made during the financial year	600,000	300,000
Reversal of impairment losses	(600,000)	0
At 31 December	1,900,000	1,900,000

The amounts due from/(to) subsidiaries are unsecured, interest free and are repayable/payable on demand.

The carrying amounts of the amount due from/(to) subsidiaries of the Company at the reporting date approximates their respective fair values.

Amounts due from/(to) subsidiaries are denominated in Ringgit Malaysia.

20 INVENTORIES

	Group	
	2025 RM	2024 RM
At cost:		
Finished goods	29,344,805	27,567,821
Work in progress	0	1,754,365
Goods in transit	5,838,132	30,577,920
Less: Allowance for slow moving inventories	(12,114,394)	(14,479,429)
	23,068,543	45,420,677

Included in costs of sales are inventories consumed and recognised as cost of sales during the financial year of RM183,983,850 (2024: RM136,147,307).

Movement in allowance for slow moving inventories is as follows:

	Group	
	2025 RM	2024 RM
At 1 January	14,479,429	14,355,037
Allowance made during the financial year	1,572,448	4,557,527
Reversal of allowance made during the financial year	(3,913,619)	(3,229,597)
Written off during the financial year	(30,124)	(1,203,538)
Exchange differences	6,260	0
At 31 December	12,114,394	14,479,429

21 RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current:				
Other receivables	4,116,048	4,182,900	0	0
Less: Impairment of other receivables	(4,116,048)	(4,182,900)	0	0
Other receivables, net	0	0	0	0
Prepayments*	9,651,784	9,503,799	0	0
	9,651,784	9,503,799	0	0
Current:				
Trade receivables	117,263,071	126,236,694	0	0
Less: Impairment of trade receivables	(1,228,947)	(473,700)	0	0
Trade receivables, net	116,034,124	125,762,994	0	0
Contract assets	175,466,546	172,253,597	0	0
Less: Impairment of contract assets	0	(869,200)	0	0
Contract assets, net	175,466,546	171,384,397	0	0
Other receivables**	10,344,767	838,890	7,322	11,212
Less: Impairment of other receivables	(4,000)	(10,470)	0	0
Other receivables, net	10,340,767	828,420	7,322	11,212
Deposits	2,526,861	1,965,986	38,335	35,335
Prepayments***	23,082,730	13,108,912	804,561	1,203,014
	35,950,358	15,903,318	850,218	1,249,561
	327,451,028	313,050,709	850,218	1,249,561

* The Group's non-current prepayments include an advance payment of RM9.3 million (2024: RM5.9 million) for property, plant, and equipment, as well as an advance of RM Nil (2024: RM3.1 million) to OSA Industries Pte. Ltd. as part of the Share Purchase Agreement dated 5 December 2024.

** The Group's other receivables consists mainly VAT input tax recoverable.

*** The Group's current prepayments include advance to trade suppliers amounting to RM13.3 million (2024: RM4.8 million) and other prepayments to non-trade suppliers of RM9.8 million (2024: RM8.3 million).

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For the Financial Year Ended 31 December 2025

21 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

Other receivables, deposits and prepayments

Included in non-current other receivables is upfront deposits paid by the Group for an investment which involves a joint collaborative effort with an independent third party and are held for long-term strategical purposes.

In the financial year ended 31 December 2020, the Group has decided to withdraw its interest from this jointly collaborative investment plan. As part of an amicable mutual settlement, the other independent third party has decided to re-acquire the investment rights currently held by the Group at a sum of Euro 800,000 payable on a staggered basis over a three years period. Balance of the payment milestones has been re-negotiated and revised to ten years in the previous financial year.

Other receivables, deposits and prepayments are non-trade in nature, unsecured, interest free and payable on demand.

The currency profile of other receivables, deposits and prepayments is as follows:

	Group	
	2025 RM	2024 RM
- Ringgit Malaysia	35,526,754	25,162,612
- Euro	0	68,027
- US Dollar	0	31,570
- Indonesian Rupiah	10,023,389	42,107
- Thailand Baht	44,492	102,801
- Swiss Franc	7,507	0
	45,602,142	25,407,117

Other receivables, deposits and prepayments of the Company are denominated in Ringgit Malaysia.

Movement of impairment of other receivables is as follows:

	Group	
	2025 RM	2024 RM
At 1 January	4,193,370	1,802,281
Impairment made during the financial year	0	2,461,116
Reversal of impairment losses	(73,322)	(70,027)
At 31 December	4,120,048	4,193,370

21 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

Trade receivables

The currency profile of trade receivables is as follows:

	Group	
	2025 RM	2024 RM
- Ringgit Malaysia	71,605,927	64,523,022
- US Dollar	36,817,498	59,182,646
- Sterling Pound	0	1,549,620
- Indonesian Rupiah	6,995,046	329
- Euro	0	507,377
- Thailand Baht	615,653	0
	116,034,124	125,762,994

Credit terms of trade receivables range from 14 to 120 days (2024: 30 to 120 days) and trade receivables are non-interest bearing. They are recognised at their original invoice amounts which represent their transaction price on initial recognition.

65.5% of the Group's trade receivables as at 31 December 2025 (2024: 58%) relates to 5 (2024: 5) main customers while the remaining balance is spread over a large number of customers. The major customers are primarily companies involved in the oil and gas industry.

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2025 RM	2024 RM
Neither past due nor impaired	85,065,083	83,044,844
1 to 30 days past due not impaired	18,266,672	29,802,733
31 to 60 days past due not impaired	6,337,290	5,003,625
61 to 90 days past due not impaired	1,881,260	4,699,450
91 to 120 days past due not impaired	1,470,655	1,135,471
More than 121 days past due not impaired	3,013,164	2,076,871
Past due and impaired:		
1 to 30 days past due and impaired	1,760	0
91 to 120 days past due and impaired	108,467	0
More than 121 days past due and impaired	1,118,720	473,700
	117,263,071	126,236,694
Less: Impairment of receivables	(1,228,947)	(473,700)
	116,034,124	125,762,994

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

21 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are debtors with good payment history. A number of these debtors are from the oil and gas industry. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM30,969,041 (2024: RM42,718,150) that are past due at the reporting date but not impaired. The receivable balances are unsecured in nature. These balances relate mainly to customers who have good payment history.

Movement in impairment of trade receivables is as follows:

	Group	
	2025 RM	2024 RM
At 1 January	473,700	1,527,128
Impairment made during the financial year	178,083	0
Reclassification	869,200	0
Written off during the financial year	0	0
Reversal of impairment losses	(292,036)	(1,053,428)
At 31 December	1,228,947	473,700

All impaired trade receivables are individually assessed. These receivables are not secured by collateral or credit enhancements.

Contract assets

	Group	
	2025 RM	2024 RM
Accrued revenue	172,692,418	166,035,406
Less: Impairment of accrued revenue	0	(869,200)
Accrued revenue, net (note(a))	172,692,418	165,166,206
Retention sum (note(a))	2,543,140	6,119,953
	175,235,558	171,286,159
Contract cost assets (note(b))	230,988	98,238
	175,466,546	171,384,397

21 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

Contract assets of which performance obligations have been satisfied

(a) Accrued revenue and retention sum

Accrued revenue represents timing difference in revenue earned from customers against the corresponding billings made to the respective customers. This includes accrued revenue arising from project based contracts where this represents the excess of cumulative revenue earned over the total billings made to-date on the contract. These billings will be issued when the billing milestone is met. Retention sum receivables are monies withheld by contract customers and will be released upon the completion of the contract jobs and/or expiry of the defect liability period of the contract.

Contract assets have increased by RM3.9 million due to unbilled amount on goods delivered and services performed, offset by amount transferred to trade receivables when the billing milestone is met.

The Group's movement in contract assets consisting of accrued revenue and retention sum is summarised as follows:

	Group	
	2025 RM	2024 RM
At 1 January	171,286,159	90,597,444
Acquisition of subsidiary	737,651	0
Revenue recognised during the financial year	898,831,682	825,384,121
Transferred to receivables	(896,273,795)	(743,826,206)
Impairment during the financial year	0	(869,200)
Reclassification	869,200	0
Exchange differences	(215,339)	0
At 31 December	175,235,558	171,286,159

The currency profile of contract assets consisting of accrued revenue and retention sum is as follows:

	Group	
	2025 RM	2024 RM
- Ringgit Malaysia	96,357,137	84,031,252
- US Dollar	68,971,740	86,863,132
- Indonesian Rupiah	4,837,984	173,461
- Euro	0	218,314
- Sterling Pound	5,068,697	0
	175,235,558	171,286,159

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21 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

Contract assets of which performance obligations have been satisfied (continued)

(a) Accrued revenue and retention sum (continued)

Movement in impairment of contract assets consisting of accrued revenue and retention sum is as follows:

	Group	
	2025 RM	2024 RM
At 1 January	869,200	0
Impairment made during the financial year	0	869,200
Reclassification	(869,200)	0
At 31 December	0	869,200

(b) Contract cost assets

Contract cost assets represent advance billing from suppliers for which performance milestone have yet to be achieved or performance obligation are yet to be completed and accepted by customers. These contract cost assets shall be recognised as cost of sales only when the performance obligation is satisfied.

The currency profile of contract cost assets is as follows:

	Group	
	2025 RM	2024 RM
- Ringgit Malaysia	92,340	98,238
- Indonesian Rupiah	138,648	0
	230,988	98,238

The Group applies the practical expedient in MFRS 15 on not disclosing the expected revenues and costs to be recognised in the future for the above mentioned contract cost assets and revenue respectively as these performance obligations are part of contracts that have an original expected duration of one year or less.

22 AMOUNTS DUE FROM AN ASSOCIATE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Amounts due from an associate	1,290,984	1,280,000	130	0

Included in the amounts due from an associate is dividend receivable of RM1,280,000 (2024: RM1,280,000).

Except as mentioned above, the amounts due from an associate are non-trade in nature, unsecured, interest free, repayable on demand and in relation to payments made on behalf for operating expenses.

The amounts due from an associate are denominated in Ringgit Malaysia.

23 AMOUNTS DUE FROM A JOINT VENTURE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Amounts due from a joint venture	326,515	535,556	322,803	532,954

Included in the amounts due from a joint venture is management fee receivable of RM320,924 (2024: RM463,400).

Except as mentioned above, the amounts due from a joint venture are non-trade in nature, unsecured, interest free, repayable on demand and in relation to payments made on behalf for operating expenses.

The amounts due from a joint venture are denominated in Ringgit Malaysia.

24 CASH AND BANK BALANCES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current:				
Deposits pledged as security	0	3,852,686	0	0
Current:				
Cash and cash equivalents*	225,123,013	188,451,505	6,303,729	9,995,391
Add:				
Cash held in a designated account	956,439	419,372	0	0
Restricted cash	948,213	0	0	0
Deposits pledged as security	10,546,981	6,534,897	0	0
Deposits with maturity of more than 90 days	4,649,401	0	0	0
	242,224,047	195,405,774	6,303,729	9,995,391
Total cash and bank balances	242,224,047	199,258,460	6,303,729	9,995,391
Represented by:				
Deposits with licensed banks	200,711,686	177,489,758	6,276,000	9,965,000
Cash and bank balances	41,512,361	21,768,702	27,729	30,391
Total cash and bank balances	242,224,047	199,258,460	6,303,729	9,995,391

24 CASH AND BANK BALANCES (CONTINUED)

The currency profile of cash and bank balances is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
- Ringgit Malaysia	225,188,028	195,177,551	6,303,729	9,995,391
- US Dollar	4,800,394	3,991,887	0	0
- Thai Baht	81,231	26,397	0	0
- Indonesian Rupiah	12,154,078	62,625	0	0
- Singapore Dollar	316	0	0	0
	242,224,047	199,258,460	6,303,729	9,995,391

The range of interest rate (per annum) and maturity periods of the deposits are as follows:

	Group		Company	
	2025	2024	2025	2024
Interest rate (%)	0.75 - 4.00	1.50 - 4.78	2.20 – 2.95	2.45 - 3.00
Maturities (days)	1 - 2,284	1 - 731	1 - 41	1 - 41

Cash held in a designated account was an escrow account required by the terms of the term loans undertaken by subsidiary companies (Note 25).

Restricted cash represents the amounts placed with financial institutions as a security for banking guarantee facilities undertaken by subsidiaries companies.

* Included in cash and cash equivalents of the Group and of the Company as at 31 December 2025 are cash in hand of RM30,412 (2024: RM29,412) and RM1,023 (2024: RM1,170) respectively.

25 BORROWINGS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revolving credits	0	5,000,000	0	0
Lease liabilities	8,733,990	2,111,768	145,382	135,783
Term loans	29,309,134	8,000,000	0	0
	38,043,124	15,111,768	145,382	135,783
Less: amount repayable within 12 months				
Revolving credits	0	(5,000,000)	0	0
Lease liabilities	(3,139,738)	(1,166,971)	(49,070)	(37,011)
Term loans	(7,320,882)	(1,176,000)	0	0
	(10,460,620)	(7,342,971)	(49,070)	(37,011)
Amount repayable after 12 months	27,582,504	7,768,797	96,312	98,772

25 BORROWINGS (CONTINUED)

(a) Term loans (secured)

The above term loans were structured as follows:

	Group	
	2025 RM	2024 RM
Term loan – TL 1	6,992,000	8,000,000
Term loan – TL 2	22,317,134	0
	29,309,134	8,000,000

Term loan – TL 1

On 25 June 2024, a subsidiary of the Group drew down a term loan to part finance the purchase of solid control equipment and tools. Full drawdown of the RM8,000,000 was made as at 16 July 2024. The term loan is secured by an "all monies" first legal charge over the newly purchased equipment and tools of the subsidiary as disclosed in Note 12 and corporate guarantee comprising of RM20,000,000 and RM136,000,000 furnished by the Company and another subsidiary of the Group respectively covering the existing and new term loan raised to part finance the purchase of solid control equipment and tools.

The term loan carries an interest of 0.9% per annum above the KLIBOR. The loan is repayable by way of 47 monthly equal principal instalments of RM168,000 each and final instalment amount of RM104,000 such instalment amounts shall be inclusive of interest commencing from 13th month of the first drawdown or expiry of the availability period, whichever is earlier. The tenure of the loan is 5 years with principal moratorium of up to 1 year commencing from the date of the first drawdown.

Under the loan covenant, the subsidiary is required to open an escrow account under its own name. A minimum of two instalments (principal and interest) must be maintained at all times in that account. The balance in the escrow account as at 31 December 2025 is RM419,372 (2024: RM419,372) (Note 24).

Term loan – TL 2

On 25 June 2025, a subsidiary of the Group drew down a term loan to part finance up to 90% of the purchase consideration of USD7,000,000 for the 70% equity interest in PT OSA Industries Indonesia.

The term loan carries an interest of 0.8% per annum above the Cost of Funds ("COF"). The term loan shall be paid by way of 57 monthly equal principal payments of RM441,667 with final principal payment of RM228,905. The first principal payment shall commence on the date falling 1 month after the date of the first drawdown.

The term loan is secured by first party pledge over 70% shares in PT OSA Industries Indonesia. Under the loan covenant, the subsidiary is required to open an escrow account under its own name. A minimum of one instalment (principal and interest) must be maintained at all times in that account. The balance in the escrow account as at 31 December 2025 is RM537,067 (2024: RM Nil) (Note 24).

The period in which the term loans of the Group attain maturity is as follows:

	Group	
	2025 RM	2024 RM
Not later than 1 year	7,320,882	1,176,000
Later than 1 year but not later than 2 years	7,316,004	2,016,000
Later than 2 years but not later than 5 years	14,672,248	4,808,000
	29,309,134	8,000,000

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25 BORROWINGS (CONTINUED)

(b) Revolving credits (secured)

The revolving credits facility was drawn down to part finance the purchase of additional slickline equipment and tools and for working capital requirements. The amount was rolled-over on a monthly basis at an average rate of 4.01% (2024: 4.14%). The interest is fixed at the date of each drawdown and subsequently revised at the commencement of each roll-over period. The revolving credits facility is secured by an “all monies” first legal charge over the newly purchased equipment and tools of the subsidiary as disclosed in Note 12 and corporate guarantee comprising of RM20,000,000 and RM163,500,000 furnished by the Company and another subsidiary of the Group respectively.

The revolving credit was fully repaid during the financial year.

(c) Lease liabilities

	Group	
	2025 RM	2024 RM
Future minimum lease payments:		
Not later than 1 year	3,439,087	1,227,401
Later than 1 year but not later than 2 years	4,077,514	751,876
Later than 2 years but not later than 5 years	1,828,220	232,462
	9,344,821	2,211,739
Less: Future finance charges	(610,831)	(99,971)
Present value of lease liabilities and hire purchase	8,733,990	2,111,768
Analysis of present value of lease liabilities:		
Not later than 1 year	3,139,738	1,166,971
Later than 1 year but not later than 2 years	3,801,542	726,642
Later than 2 years but not later than 5 years	1,792,710	218,155
	8,733,990	2,111,768
Analysed as:		
Due within 12 months	3,139,738	1,166,971
Due after 12 months	5,594,252	944,797
	8,733,990	2,111,768

The lease liabilities carry interest rates ranging from 2.46% to 4.40% (2024: 2.46% to 4.68%).

25 BORROWINGS (CONTINUED)

(c) Lease liabilities (continued)

	Company	
	2025 RM	2024 RM
Future minimum lease payments:		
Not later than 1 year	54,000	41,640
Later than 1 year and not later than 2 years	49,260	41,640
Later than 2 years but not later than 5 years	51,940	62,742
	155,200	146,022
Less: Future finance charges	(9,818)	(10,239)
Present value of lease liabilities	145,382	135,783
Analysis of present value of lease liabilities:		
Not later than 1 year	49,070	37,011
Later than 1 year and not later than 2 years	46,259	38,450
Later than 2 years but not later than 5 years	50,053	60,322
	145,382	135,783
Analysed as:		
Due within 12 months	49,070	37,011
Due after 12 months	96,312	98,772
	145,382	135,783

The lease liabilities carry interest rates ranging from 3.41% to 4.40% (2024: 3.41% - 3.82%).

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25 BORROWINGS (CONTINUED)

(d) Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	Borrowings* RM	Lease liabilities RM	Total RM
As at 1 January 2025	13,000,000	2,111,768	15,111,768
Cash flows:			
- Drawdowns	32,271,000	0	32,271,000
- Repayments	(15,961,866)	(3,145,105)	(19,106,971)
- Interest paid	(910,980)	(403,553)	(1,314,533)
Non-cash changes:			
- Finance costs	920,341	403,553	1,323,894
- Movement in finance cost payable	(9,361)	0	(9,361)
- Acquisition of new leases	0	9,797,078	9,797,078
- Receivables	0	(7,000)	(7,000)
- Lease termination	0	(22,751)	(22,751)
As at 31 December 2025	29,309,134	8,733,990	38,043,124
As at 1 January 2024	0	2,410,087	2,410,087
Cash flows:			
- Drawdowns	21,000,000	0	21,000,000
- Repayments	(8,000,000)	(1,816,314)	(9,816,314)
- Interest paid	(362,983)	(107,172)	(470,155)
Non-cash changes:			
- Finance costs	379,224	107,172	486,396
- Movement in finance cost payable	(16,241)	0	(16,241)
- Acquisition of new leases	0	1,523,852	1,523,852
- Lease termination	0	(5,857)	(5,857)
As at 31 December 2024	13,000,000	2,111,768	15,111,768

* Borrowings include revolving credits and term loans.

25 BORROWINGS (CONTINUED)

(d) Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

Company	Lease liabilities RM	Total RM
As at 1 January 2025	135,783	135,783
Cash flows:		
- Repayments	(46,103)	(46,103)
- Interest paid	(6,518)	(6,518)
Non-cash changes:		
- Finance costs	318	318
- Finance costs re-charged to subsidiaries	6,200	6,200
- Acquisition of new leases	55,702	55,702
As at 31 December 2025	145,382	145,382
As at 1 January 2024	93,756	93,756
Cash flows:		
- Repayments	(38,602)	(38,602)
- Interest paid	(4,942)	(4,942)
Non-cash changes:		
- Finance costs	42	42
- Finance costs re-charged to subsidiaries	4,900	4,900
- Acquisition of new leases	80,629	80,629
As at 31 December 2024	135,783	135,783

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For the Financial Year Ended 31 December 2025

26 DERIVATIVE FINANCIAL INSTRUMENT

Movement in derivative (liabilities)/assets are as follows:

	Group	
	2025 RM	2024 RM
(Liabilities)/assets		
As at 1 January	100,430	(338,086)
Changes in fair value (Note 6)	(1,497,254)	4,075,425
Settlement during the financial year	1,360,178	(3,636,909)
As at 31 December	(36,646)	100,430

Forward foreign currency exchange contracts are used to manage the foreign currency exposures arising from the Group's obligation to settle its liabilities that are denominated in currencies other than the functional currency of the Group. The settlement dates on forward foreign currency exchange contracts range between 4 to 99 days (2024: 2 to 102 days). As at the reporting date, the notional principal amount of the outstanding forward foreign currency exchange contracts was RM3,867,657 (2024: RM14,917,218).

The Group determines the fair value of the derivative financial instrument relating to the forward foreign currency exchange contracts using a valuation technique which utilises input from recognised and reliable financial information sources. Assumptions are based on market conditions existing at each reporting date. The fair value of forward foreign currency exchange contracts is determined by using the forward foreign currency exchange rates as at each reporting date.

The fair value loss arising from the forward foreign currency exchange contracts entered by the Group and remained outstanding as at 31 December 2025 is RM36,646 (2024: fair value gain of RM100,430).

27 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current				
Other payables	1,140,786	0	0	0
	1,140,786	0	0	0
Current				
Trade payables	133,592,206	148,052,481	0	0
Contract liabilities	12,018,636	2,900,114	0	0
Other payables	27,551,295	17,120,944	484,877	1,353,956
Staff related accruals	20,225,922	23,582,378	3,547,811	5,114,207
Other accruals	4,713,802	7,980,870	446,555	427,161
	24,939,724	31,563,248	3,994,366	5,541,368
	198,101,861	199,636,787	4,479,243	6,895,324

27 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES (CONTINUED)

The currency profile of trade payables is as follows:

	Group	
	2025 RM	2024 RM
- Ringgit Malaysia	32,780,539	21,722,971
- US Dollar	94,860,673	125,817,952
- Singapore Dollar	18,343	3,088
- Sterling Pound	4,568,582	3,442
- Euro	558,736	505,028
- Indonesian Rupiah	805,333	0
	133,592,206	148,052,481

The currency profile of other payables is as follows:

	Group	
	2025 RM	2024 RM
- Ringgit Malaysia	37,412,165	42,560,797
- US Dollar	9,801,211	6,045,122
- Indonesian Rupiah	5,987,430	3,368
- Thai Baht	363,597	74,905
- Euro	10,167	0
- Singapore Dollar	57,235	0
	53,631,805	48,684,192

Other payables of the Company are denominated in Ringgit Malaysia.

Credit terms of payment granted by the suppliers of the Group range from 30 to 60 days (2024: 30 to 60 days).

Contract liabilities have increased by RM9.1 million due to the additional advance billings done on certain projects in which the performance obligations have not been satisfied, goods not delivered and services not performed during the financial year. The increase is offset by the recognition of revenue during the financial year on the prior financial year contract liabilities, on which the performance obligation has been satisfied.

The currency profile of contract liabilities is as follows:

	Group	
	2025 RM	2024 RM
- Ringgit Malaysia	833,598	303,279
- US Dollar	10,852,510	2,596,835
- Indonesian Rupiah	332,528	0
	12,018,636	2,900,114

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

28 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax relates to the same tax authority.

Deferred tax assets are recognised for tax losses carried forward to the extent the realisation of the benefit through future taxable profit are probable.

The following amounts, determined after appropriate offsetting, are shown on the statements of financial position:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax assets	6,057,546	4,496,662	1,024,085	1,687,774
Deferred tax liabilities	(12,760,419)	(8,736,285)	0	0
At 1 January	(4,239,623)	(6,483,954)	1,687,774	1,308,877
Credited/(charged) to profit or loss (Note 9)				
- property, plant and equipment	1,686,185	2,292,545	(71,705)	101,223
- intangible assets	386,968	0	0	0
- unutilised tax losses	2,057,431	71,427	0	0
- inventories	(367,049)	411,267	0	0
- contract cost assets	(1,528,033)	1,267,099	0	0
- contract liabilities	2,104,099	(3,764,634)	0	0
- provisions	(1,901,652)	1,587,715	(591,984)	277,674
- others	(173,933)	378,360	0	0
	2,264,016	2,243,779	(663,689)	378,897
	(1,975,607)	(4,240,175)	1,024,085	1,687,774
Effects of foreign exchange rates	(8,690)	552	0	0
Acquisition of subsidiary (Note 39)	(4,718,576)	0	0	0
	(6,702,873)	(4,239,623)	1,024,085	1,687,774

28 DEFERRED TAX (CONTINUED)

The following amounts, determined after appropriate offsetting, are shown on the statements of financial position (continued)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Recognised deferred tax assets				
Deferred tax assets (before offsetting)				
Property, plant and equipment	0	72,399	0	68,504
Unutilised tax losses	2,128,858	71,979	0	0
Inventories	2,106,407	2,473,456	0	0
Contract liabilities	2,727,339	623,240	0	0
Provisions	3,992,087	5,777,433	1,027,286	1,619,270
Others	252,285	170,802	0	0
	11,206,976	9,189,309	1,027,286	1,687,774
Less: Offsetting	(5,149,430)	(4,692,647)	(3,201)	0
Deferred tax assets (after offsetting)	6,057,546	4,496,662	1,024,085	1,687,774
Recognised deferred tax liabilities				
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	(10,630,789)	(12,389,373)	(3,201)	0
Intangible assets	(4,456,052)	0	0	0
Contract cost assets	(2,567,592)	(1,039,559)	0	0
Others	(255,416)	0	0	0
	(17,909,849)	(13,428,932)	(3,201)	0
Less: Offsetting	5,149,430	4,692,647	3,201	0
Deferred tax liabilities (after offsetting)	(12,760,419)	(8,736,285)	0	0

28 DEFERRED TAX (CONTINUED)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2025 RM	2024 RM
Property, plant and equipment	11,599,212	3,952,592
Unutilised tax losses:		
- expires by YA 2027	31,291	0
- expires by YA 2028	3,811,122	10,565,111
- expires by YA 2029	2,019,929	1,743,549
- expires by YA 2030	1,059,789	816,921
- expires by YA 2031	0	1,120,939
- expires by YA 2032	0	1,809,598
- expires by YA 2033	6,751,719	7,128,794
- expires by YA 2034	6,703,336	6,169,201
- expires by YA 2035	8,548,786	0
Inventories	3,489,804	4,173,362
Contract liabilities	40,007	0
Provisions	447,578	1,078,984
Others	141,939	43,645
Total unrecognised temporary differences	44,644,512	38,602,696
Unrecognised deferred tax assets	10,714,683	9,264,647

Any unutilised tax losses from 2019 onwards shall only be allowed to be carried forward for a maximum period of ten (10) consecutive years commencing from the year such unutilised tax losses were incurred or from 2019 onwards for any unutilised tax losses that were incurred prior to 2019 whilst unused capital allowance is allowed to be carried forward indefinity. Deferred tax assets have not been recognised in respect of these items because it is not probable that sufficient future taxable profits will be available against which the Group can utilise the benefits therefrom or upon when such tax benefits had expired under the prevailing tax laws on that reporting date.

Unutilised tax losses of a foreign operation in subsidiaries amounting to RM1,059,789 (2024: RM5,402,802) are available to carry forward in the jurisdiction in which the foreign operation operates for a period of five (5) years from the year in which those tax losses arose.

29 DEFERRED INCOME

	Group	
	2025 RM	2024 RM
Non-current		
As at 1 January	169,704	206,069
Recognised in profit or loss	(36,365)	(36,365)
As at 31 December	133,339	169,704

The subsidiaries of the Group had received conditional government grants for the purpose of developing specialty chemical solutions for production enhancement and undertaking asset integrated solutions services respectively in the oil and gas industry.

30 SHARE CAPITAL

	Group and Company	
	2025 RM	2024 RM
Issued and fully paid ordinary shares:		
At 1 January / 31 December		
- 401,553,500 ordinary shares with no par value (2024: 401,553,500 ordinary shares with no par value)	201,801,508	201,801,508

31 MERGER DEFICIT

	Group	
	2025 RM	2024 RM
Arising from the Company's business combination with Deleum Services Sdn. Bhd.	50,000,000	50,000,000

Merger deficit represents the excess of the nominal value of the shares of the Company being allotted of RM60,000,000 over the nominal value of the share capital of Deleum Services Sdn. Bhd. acquired of RM10,000,000.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

32 FINANCIAL INSTRUMENTS

Financial instruments by category

2025

Group	Amortised cost RM	FVTPL RM	FVOCI RM	Total RM
Assets				
Receivables, deposits and prepayments (excluding prepayments, VAT input tax, and contract assets)	121,530,575	0	0	121,530,575
Amounts due from an associate	1,290,984	0	0	1,290,984
Amounts due from a joint venture	326,515	0	0	326,515
Cash and bank balances	242,224,047	0	0	242,224,047
Financial assets at FVTPL	0	115,891	0	115,891
Financial assets at FVOCI	0	0	6,780,194	6,780,194
Accrued lease rental	121,413	0	0	121,413
	365,493,534	115,891	6,780,194	372,389,619
Liabilities				
Trade and other payables (excluding statutory obligations, staff costs and contract liabilities)	150,766,128	0	0	150,766,128
Borrowings	38,043,124	0	0	38,043,124
Derivative financial instrument	0	36,646	0	36,646
	188,809,252	36,646	0	188,845,898

Company	Amortised cost RM	FVTPL RM	Total RM
Assets			
Receivables, deposits and prepayments (excluding prepayments and contract assets)	45,657	0	45,657
Amounts due from subsidiaries	73,618,513	0	73,618,513
Amounts due from an associate	130	0	130
Amounts due from a joint venture	322,803	0	322,803
Cash and bank balances	6,303,729	0	6,303,729
Financial assets at FVTPL	0	7,772	7,772
	80,290,832	7,772	80,298,604
Liabilities			
Other payables and accruals (excluding statutory obligations, staff costs and contract liabilities)	931,432	0	931,432
Amounts due to subsidiaries	20,339,858	0	20,339,858
Borrowings	145,382	0	145,382
	21,416,672	0	21,416,672

32 FINANCIAL INSTRUMENTS (CONTINUED)

Financial instruments by category (continued)

2024

Group	Amortised cost RM	FVTPL RM	FVOCI RM	Total RM
Assets				
Receivables, deposits and prepayments (excluding prepayments and contract assets)	128,557,400	0	0	128,557,400
Amounts due from an associate	1,280,000	0	0	1,280,000
Amounts due from a joint venture	535,556	0	0	535,556
Cash and bank balances	199,258,460	0	0	199,258,460
Derivative financial instrument	0	100,430	0	100,430
Financial assets at FVOCI	0	0	6,515,463	6,515,463
	329,631,416	100,430	6,515,463	336,247,309
Liabilities				
Trade and other payables (excluding statutory obligations, staff costs and contract liabilities)	165,082,330	0	0	165,082,330
Borrowings	15,111,768	0	0	15,111,768
	180,194,098	0	0	180,194,098

Company	Amortised cost RM	Total RM
Assets		
Receivables, deposits and prepayments (excluding prepayments and contract assets)	46,547	46,547
Amounts due from subsidiaries	63,713,658	63,713,658
Amounts due from a joint venture	532,954	532,954
Cash and bank balances	9,995,391	9,995,391
	74,288,550	74,288,550
Liabilities		
Other payables and accruals (excluding statutory obligations, staff costs, and contract liabilities)	1,781,117	1,781,117
Amounts due to subsidiaries	8,899,783	8,899,783
Borrowings	135,783	135,783
	10,816,683	10,816,683

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

33 SIGNIFICANT RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group excluding independent directors.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions.

(a) The following transactions are with subsidiaries of the Company

	Company	
	2025 RM	2024 RM
- Management fees	36,737,200	31,519,800
- Dividend income	36,000,000	38,500,000
- Expenses paid on behalf	4,210,421	7,040,048
- Re-charge of expenses from a subsidiary	13,381,545	11,448,469

(b) The following transactions are with a joint venture of the Group and the Company

	Group and Company	
	2025 RM	2024 RM
- Management fees	1,029,900	883,200
- Expenses paid on behalf	77,382	143,187

(c) The following transactions are with a corporate shareholder and affiliated companies of a subsidiary of the Group, Turboservices Sdn. Bhd.

	Group	
	2025 RM	2024 RM
Purchases from Solar Turbines International Company (“STICO”)	340,239,287	399,296,093
Purchases from affiliated companies of STICO	75,563,699	48,187,474
Technical fees to STICO	120,506	1,592,084
	415,923,492	449,075,651
Manpower services to STICO and its affiliated companies	521,947	3,774,624
Rental income from an affiliated company of STICO	434,726	49,964
	956,673	3,824,588

33 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(c) The following transactions are with a corporate shareholder and affiliated companies of a subsidiary of the Group, Turboservices Sdn. Bhd. (continued)

Significant outstanding balances arising from the above transactions during the financial year are as follows:

	Group	
	2025 RM	2024 RM
Amounts due from STICO and its affiliated company	891,821	2,592,078
Amounts due to STICO and its affiliated company	86,511,830	112,566,599

(d) The following transactions are with a corporate shareholder and affiliated companies of the corporate shareholder of a subsidiary of the Group, Penaga Dresser Sdn. Bhd.

	Group	
	2025 RM	2024 RM
Sales to related parties of Dresser Italia S.R.L	336,821	140,474
Purchases from Dresser Italia S.R.L	129,726	786,990
Purchases from related parties of Dresser Italia S.R.L	52,378,586	49,904,521
	52,508,312	50,691,511

Significant outstanding balances arising from the above transactions during the financial year are as follows:

	Group	
	2025 RM	2024 RM
Amounts due from related parties of Dresser Italia S.R.L	180,118	40,690
Amounts due to related parties of Dresser Italia S.R.L	11,522,584	11,089,014

33 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(e) TOSB is a joint venture between the Company and Solar Turbines International Company ("STICO") and the related party transactions during the financial year are as follows:

	Group	
	2025 RM	2024 RM
Sales to STICO	3,500,000	3,500,000
Rental income from affiliated company of STICO	564,706	562,536
	4,064,706	4,062,536

Significant outstanding balances arising from the above transactions during the financial year are as follows:

	Group	
	2025 RM	2024 RM
Amounts due from STICO and its affiliated company	48,468	152,119
Amounts due to STICO and its affiliated company	12,154	25,181

(f) The remuneration of key management personnel during the financial year is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors' fees	511,600	511,600	511,600	511,600
Salaries and bonuses	16,329,713	12,234,397	7,116,947	5,591,247
Defined contribution plan	2,090,037	1,589,652	992,075	790,402
Other emoluments	1,708,204	1,319,607	621,231	538,375
Estimated monetary value of benefits-in-kind	272,620	218,617	143,593	115,382
	20,912,174	15,873,873	9,385,446	7,547,006

The above is excluding independent Directors' remuneration.

(g) The provision of general and financial advisory services by a non-independent Director is as follows:

	Group and Company	
	2025 RM	2024 RM
Provision for general and financial advisory services	220,804	218,342

34 CORPORATIONS IN THE GROUP

The Group's effective equity interest in the subsidiaries, joint venture and associates, their respective principal activities and country of incorporation are as follows:

Name of company	Place of business/ Country of incorporation	Group's effective equity interest 2025 %	Group's effective equity interest 2024 %	Principal activities
SUBSIDIARIES:				
Deleum Services Sdn. Bhd.	Malaysia	100	100	Provision of gas turbines packages, maintenance and technical services, combined heat and power plants, and production related equipment and services predominantly for the oil and gas industry.
Deleum Services Holdings Limited *[1]	Hong Kong	0	0	Investment holding.
Delflow Solutions Sdn. Bhd.	Malaysia	100	100	Dormant.
Subsidiaries of Deleum Services Sdn. Bhd.				
Deleum Oilfield Services Sdn. Bhd.	Malaysia	100	100	Provision of slickline 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.
Turboservices Sdn. Bhd.[6]	Malaysia	90	90	Provision of gas turbine overhaul and technical services and supply of gas turbine parts to the oil and gas industry.
VSM Technology Sdn. Bhd.[2]	Malaysia	0	0	Dormant.
Deleum Chemicals Sdn. Bhd.	Malaysia	100	100	Development and provision of solid deposit removal solutions for enhancement of crude oil production and the supply of oilfield chemicals and services to the oil and gas industry.
Delcom Holdings Sdn. Bhd.	Malaysia	100	100	Dormant.
Deleum Rotary Services Sdn. Bhd.[5]	Malaysia	100	100	Servicing, repair and maintenance of motors, generators, transformers, pumps and valves.

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For the Financial Year Ended 31 December 2025

34 CORPORATIONS IN THE GROUP (CONTINUED)

Name of company	Place of business/ Country of incorporation	Group's effective equity interest 2025 %	Group's effective equity interest 2024 %	Principal activities
SUBSIDIARIES: (CONTINUED)				
Subsidiaries of Deleum Services Sdn. Bhd. (continued)				
Deleum Technology Solutions Sdn. Bhd.	Malaysia	86.67	86.67	Provision of integrated corrosion and inspection services, blasting technology, maintenance, construction and modification maintenance activities, services for tanks, vessels, structures and piping.
Penaga Dresser Sdn. Bhd.	Malaysia	51	51	Supply, repair, maintenance and installation of valves and flow regulators for the oil and gas industry.
Deleum Oilfield Solutions (Thailand) Co. Ltd.^	Thailand	49	49	Provision of software, oilfield and chemical services in Thailand.
Deleum Services (Sarawak) Sdn. Bhd.[3]	Malaysia	70	70	Provision of equipment, services and solutions for the oil, gas and power industries, including gas turbines packages, combined heat and power plants, oilfield chemicals, drilling equipment and wellhead maintenance as well as maintenance, construction and modification of tanks, vessels, structures and piping, corrosion and inspection services, blasting technology and solid deposit removal solutions.
Deleum Services (Sabah) Sdn. Bhd.[4]	Malaysia	49	49	Provision of equipment, services and solutions for the oil, gas and power industries, including gas turbines packages, combined heat and power plants, oilfield chemicals, drilling equipment and wellhead maintenance as well as maintenance, construction and modification of tanks, vessels, structures and piping, corrosion and inspection services, blasting technology and solid deposit removal solutions.
PT OSA Industries Indonesia**[7]	Indonesia	70	0	Supply, repair, maintenance and installation of valves and flow regulators for the oil and gas industry.

34 CORPORATIONS IN THE GROUP (CONTINUED)

Name of company	Place of business/ Country of incorporation	Group's effective equity interest 2025 %	2024 %	Principal activities
JOINT VENTURE:				
Joint venture of Deleum Berhad				
Turboservices Overhaul Sdn. Bhd.	Malaysia	80.55	80.55	Overhaul of gas turbine and maintenance services to oil and gas companies.
ASSOCIATE:				
Associate of Deleum Services Sdn. Bhd.				
Malaysian Mud and Chemicals Sdn. Bhd.	Malaysia	32	32	Operation of a bulking installation, offering dry and liquid bulking services to offshore oil and gas companies.

* Corporations not audited by PricewaterhouseCoopers PLT, Malaysia or member firm of PricewaterhouseCoopers International Limited.

** Audited by KAP Rintis, Jumadi, Rianto & Rekan. which is a separate and independent legal entity from PricewaterhouseCoopers PLT, Malaysia.

^ Audited by PricewaterhouseCoopers ABAS Ltd. which is a separate and independent legal entity from PricewaterhouseCoopers PLT, Malaysia.

[1] On 19 January 2024, the Group completed the deregistration of Deleum Services Holdings Limited from the Registrar of Companies under Section 751 of the Companies Ordinance.

[2] On 2 February 2024, VSM Technology Sdn. Bhd., a dormant indirect subsidiary, has been dissolved pursuant to Section 551(3) of the Companies Act 2016.

[3] On 11 March 2024, a new indirect subsidiary, Deleum Services (Sarawak) Sdn. Bhd., was incorporated. Deleum Services Sdn. Bhd., a wholly owned subsidiary of the Company, holds 70,000 ordinary shares, representing 70% of the total paid up share capital.

[4] On 8 October 2024, a new indirect subsidiary, Deleum Services (Sabah) Sdn. Bhd., was incorporated. Deleum Services Sdn. Bhd., a wholly owned subsidiary of the Company, holds 49,000 ordinary shares, representing 49% of the total paid up share capital.

[5] On 23 October 2024, Deleum Rotary Services Sdn. Bhd., an indirect wholly-owned subsidiary of the Company, has been placed under member's voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016.

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

34 CORPORATIONS IN THE GROUP (CONTINUED)

[6] On 2 December 2024, through its direct wholly owned subsidiary, Deleum Services Sdn. Bhd., Deleum Berhad acquired 416,000 ordinary shares in Turboservices Sdn. Bhd. ("TSSB"), representing 16% of the total paid up share capital, for a total cash consideration of RM7,343,000. With the acquisition, Deleum Berhad now indirectly holds 90% of the paid up share capital in TSSB.

[7] On 3 June 2025, through its direct wholly owned subsidiary, Deleum Services Sdn. Bhd., Deleum Berhad acquired 17,500 ordinary shares in PT OSA Industries Indonesia representing 70% of the total paid up share capital, for a total purchase consideration of USD7,350,000 (RM31,417,018) (inclusive of profit sharing incentive). With the acquisition, Deleum Berhad now indirectly holds 70% of the paid up share capital in PT OSA Industries Indonesia.

35 CAPITAL COMMITMENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Authorised and contracted for at the end of the reporting period but not yet incurred				
- Plant and machinery	34,707,983	5,615,880	0	0
- Others	3,303,128	443,788	0	0
Authorised but not contracted for at the end of the reporting period				
- Plant and machinery	54,472,924	49,592,061	0	0
- Others	16,556,500	6,617,700	1,859,500	1,226,000
	109,040,535	62,269,429	1,859,500	1,226,000
Share of capital commitment of a joint venture	474,842	891,150	0	0
	109,515,377	63,160,579	1,859,500	1,226,000

36 PERFORMANCE GUARANTEES

In the ordinary course of business, the Group has given guarantees amounting to RM61,036,796 (2024: RM56,199,205) to third parties in respect of operational requirements, utilities and maintenance contracts.

37 MATERIAL LITIGATION

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

The Plaintiff 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.

On 13 May 2024, the Plaintiff entered into a Settlement Agreement with Defendant Nos. 1 to 4, Defendant No. 8 and Defendant No. 10 (collectively referred to as "Parties").

On 15 July 2024, the Plaintiff has made an oral application to withdraw Suit 544 against Defendant No. 5 and Defendant No. 7, the last two defendants out of the 10 named defendants, with costs of RM75,000 awarded by the Court to each of the Defendant No. 5 and Defendant No.7 with an order for assessment of damages in relation to the previous Anton Pillar Order and Mareva injunction orders.

The hearing for the assessment of damages for Defendant No. 5 and Defendant No. 7 has been scheduled for 1 August 2025 but subsequently been postponed to 24 October 2025.

On 24 October 2025, the Court has informed that the hearing is again postponed to 3, 4 and 5 February 2026. Subsequently, the hearing dates have all been vacated and the hearing has been postponed to 21 May 2026.

38 CAPITAL MANAGEMENT

The Group's and the Company's objective when managing capital is to safeguard the Group's and the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group and the Company may adjust the amount of dividends, return capital to shareholders or issue new shares and debts.

The capital structure for the Group and the Company consists of borrowings, cash and cash equivalents and total equity as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and cash equivalents	225,123,013	188,451,505	6,303,729	9,995,391
Less: Total borrowings	(38,043,124)	(15,111,768)	(145,382)	(135,783)
	187,079,889	173,339,737	6,158,347	9,859,608
Total equity	565,497,480	498,145,876	224,420,863	226,849,313

38 CAPITAL MANAGEMENT (CONTINUED)

The borrowings of the Group are subject to the bank's covenants as below of which the Group has complied with.

(i) the finance service cover ratio shall not be less than 1.5 times;
(ii) the tangible net worth shall not be less than RM50,000,000;
(iii) the gearing ratio shall not exceed 1.5 times;
(iv) the debt service coverage ratio shall not be less than 1.5 times;
(v) the dividend declared or paid by the specific subsidiary shall not exceed 30% of net profit after tax without the prior written consent from the relevant bank; and
(vi) the dividend declared or paid by the specific subsidiary shall not exceed the net profit after tax recorded for the financial year.

39 CHANGES IN THE COMPOSITION OF THE GROUP

(i) On 19 January 2024, the Group completed the deregistration of Deleum Services Holdings Limited from the Registrar of Companies under Section 751 of the Companies Ordinance. The effect of the deregistration of Deleum Services Holdings Limited is as follows:

	Group	
	2025 RM	2024 RM
Carrying amount of shares at the date of deregistration	0	33
Less: Realisation of post-acquisition reserves		
Accumulated losses	0	(33)
Exchange translation reserve reclassified to profit or loss	0	1,685,963
Loss on liquidation of a subsidiary	0	1,685,963

(ii) On 2 February 2024, VSM Technology Sdn. Bhd., a dormant indirect subsidiary, has been dissolved pursuant to Section 551(3) of the Companies Act 2016. The effect of the dissolution of VSM Technology Sdn. Bhd. is as follows:

	Group	
	2025 RM	2024 RM
Carrying amount of shares at the date of dissolution	0	404,000
Less: Realisation of post-acquisition reserves		
Accumulated losses	0	(404,000)
	0	0
Less: Non-controlling interest	0	(322,666)
Gain on liquidation of a subsidiary	0	(322,666)

39 CHANGES IN THE COMPOSITION OF THE GROUP (CONTINUED)

(iii) On 11 March 2024, a new indirect subsidiary, Deleum Services (Sarawak) Sdn. Bhd., was incorporated. Deleum Services Sdn. Bhd., a wholly owned subsidiary of the Company, holds 70,000 ordinary shares, representing 70% of the total paid up share capital, as well as majority voting rights.

The effect of the incorporation on cash flow from non-controlling interests is as follows:

	Group	
	2025 RM	2024 RM
Net cash flows from investing activities:		
Net cash inflow on incorporation	0	30,000

(iv) On 8 October 2024, a new indirect subsidiary, Deleum Services (Sabah) Sdn. Bhd., was incorporated. Deleum Services Sdn. Bhd., a wholly owned subsidiary of the Company, holds 49,000 ordinary shares, representing 49% of the total paid up share capital, as well as majority voting rights.

The effect of the incorporation on cash flow from non-controlling interest is as follows:

	Group	
	2025 RM	2024 RM
Net cash flows from investing activities:		
Net cash inflow on incorporation	0	51,000

(v) On 2 December 2024, through its direct wholly owned subsidiary, Deleum Services Sdn. Bhd., Deleum Berhad acquired 416,000 ordinary shares in TSSB, representing 16% of the total paid up share capital, for a total cash consideration of RM7,343,000. With the acquisition, Deleum Berhad now indirectly holds 90% of the paid up share capital in TSSB and the effect of the acquisition is as follows:

	Group	
	2025 RM	2024 RM
Carrying amount of non-controlling interest acquired	0	12,075,537
Consideration paid to non-controlling interest	0	(7,343,000)
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity	0	4,732,537

Notes to the Financial Statements

For the Financial Year Ended 31 December 2025

39 CHANGES IN THE COMPOSITION OF THE GROUP (CONTINUED)

(vi) On 3 June 2025, the Company through its direct wholly owned subsidiary, Deleum Services Sdn. Bhd. acquired 17,500 ordinary shares in PT OSA Industries Indonesia representing 70% of the total paid up share capital, for a total purchase consideration of USD7,350,000 (RM31,417,018) (inclusive of profit sharing incentive). With the acquisition, the Company now indirectly holds 70% of the paid up share capital in PT OSA Industries Indonesia.

Goodwill is attributable to PT OSA Industries Indonesia's market position and potential growth in Indonesia's P&M business and anticipated synergies between PT OSA Industries Indonesia and Deleum Services Sdn. Bhd. with an expectation to strengthen Deleum Group's financial performance and enhance shareholders' value.

Had PT OSA Industries Indonesia been acquired on 1 January 2025, the Group's profit after tax for the financial year would have been estimated at RM94,730,831. From the acquisition date up to 31 December 2025, PT OSA Industries Indonesia contributed a profit after tax of RM9,104,136. The transaction costs and professional fees incurred relating to this acquisition of RM2,305,096 is expensed off to profit or loss as part of the Group's administrative expenses.

Details of the assets, liabilities and net cash outflow as at the date of acquisition of the subsidiary by the Group during the financial year are as follows:

	Book value RM	Fair value RM
Recognised amounts of identifiable assets acquired and liabilities assumed:		
- Property, plant and equipment (Note 12)	1,478,300	1,478,300
- Intangible assets (Note 14)	0	20,179,120
- Deferred tax assets (Note 28)	124,444	124,444
- Tax recoverable	1,466,558	1,466,558
- Inventories	5,031,834	5,031,834
- Receivables, deposits and prepayments	20,684,348	20,684,348
- Cash and bank balances	5,065,181	5,065,181
- Trade and other payables and contract liabilities	(7,372,885)	(7,372,885)
- Provision for taxation	(1,194,559)	(1,194,559)
- Deferred tax liabilities (Note 28)	0	(4,843,020)
Total identifiable net assets at fair value	25,283,221	40,619,321
Non-controlling interests		(26,857,452)
Goodwill		17,655,149
Total		31,417,018
Cash consideration paid		21,845,850
Earnest deposit		3,125,150
Deferred consideration		1,995,068
Contingent consideration		4,450,950
Total purchase consideration		31,417,018
Net cash outflow on acquisition:		
Cash outflow in the current financial year		21,845,850
Cash and cash equivalent assumed		(1,916,358)
		19,929,492

40 SUBSEQUENT EVENT

On 20 January 2026, through its direct wholly owned subsidiary, Deleum Services Sdn. Bhd., Deleum Berhad disposed 21,000 ordinary shares in Deleum Services (Sarawak) Sdn. Bhd., representing 21% of the total paid up share capital, for a total cash consideration of RM21,000. With the disposal, Deleum Berhad now indirectly holds 49% of the paid up share capital in Deleum Services (Sarawak) Sdn. Bhd..

41 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 16 March 2026.

STATEMENT BY DIRECTORS PURSUANT TO

SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Dato' Seri Shamsul Azhar bin Abbas and Ramanrao bin Abdullah, being two of the Directors of Deleum Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 161 to 269 are drawn up in accordance with the provisions of Companies Act 2016 and the Malaysian Financial Reporting Standards, and International Financial Reporting Standards, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with their resolution dated 16 March 2026.

TAN SRI DATO' SERI SHAMSUL AZHAR BIN ABBAS
DIRECTOR

RAMANRAO BIN ABDULLAH
DIRECTOR

STATUTORY DECLARATION PURSUANT TO

SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Jayanthi a/p Gunaratnam, the officer primarily responsible for the financial management of Deleum Berhad, do solemnly and sincerely declare that the financial statements set out on pages 161 to 269 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

JAYANTHI A/P GUNARATNAM

Subscribed and solemnly declared by the abovenamed Jayanthi a/p Gunaratnam.

At: Kuala Lumpur

On: 16 March 2026

Before me:

COMMISSIONER FOR OATHS

Independent Auditors' Report To the Members of Deleum Berhad

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Deleum Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 161 to 269.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Independent Auditors' Report To the Members of Deleum Berhad

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition on contracts with customers Refer to Note S – Summary of material accounting policies: Revenue Recognition, Note 5 – Revenue The Group recognised revenue of RM994.8 million mainly derived from sales of gas turbine packages after sale support and services, sales of valves and flow regulators, provision of slickline equipment, provision of solid control services and provision of maintenance, construction and modification maintenance activities services. As disclosed in Note 5, RM360.2 million of the revenue is recognised over time and the remaining RM634.6 million is based on point in time. We focused on this area due to the significant revenue amounts reported and the significant time spent auditing the revenue balance.	We have performed the following audit procedures: • Evaluated and tested the effectiveness of key controls on material revenue streams; • Performed substantive procedures on significant revenue balances by examining sale transactions for proof of delivery to customers and to signed contracts; • Performed cut off procedures on revenue; and • Examined non-standard journal entries and other material adjustments relating to revenue accounts. Based on the procedures performed, no material exceptions were noted.
Acquisition during the financial year Refer to Note 3 – Critical accounting estimates and significant judgements, Note 39 – Changes in the composition of the Group On 3 June 2025, the Group completed its acquisition of 70% equity interest in PT OSA Industries Indonesia for a purchase consideration of RM31.4 million. The Group assessed the acquisition as a business acquisition in accordance with MFRS 3 'Business Combinations'. Based on the purchase price allocation ("PPA") exercised performed, the fair value of identifiable net assets recognised on the date of acquisition was RM40.6 million, of which RM15.1 million relates to fair value adjustments. RM26.9 million of the identified net assets were allocated to the non-controlling interests and the goodwill recognised amounted to RM17.7 million. We focused on this area due to the complexity of the acquisitions, and the assumptions involved in determining the fair value of the identifiable assets acquired and liabilities assumed are inherently uncertain and require significant judgement.	We have performed the following audit procedures: • Obtained and reviewed the share purchase agreement, the shareholders agreement, the convertible bond subscription agreement, the investment agreement and the distributorship agreement to evaluate the appropriateness of classification of investment, date of acquisition and purchase consideration; • Assessed the competence, capabilities and objectivity of management's external valuation expert; • Obtained and discussed the PPA report prepared by management's external valuation expert for the acquisition to assess the appropriateness of the identification of assets acquired and liabilities assumed in accordance with MFRS 3; • Engaged our internal valuation experts to perform the following: - assessed the appropriateness of the methodology adopted by management in determining the fair value of the identified assets acquired and liabilities assumed in accordance with MFRS 13 'Fair Value Measurement'; - assessed the appropriateness of key assumptions, in particular, useful life of intangible assets, revenue growth rate, earnings before interest, tax, depreciation and amortisation margins and customer attrition rate adopted in the PPA exercise by comparing these assumptions against market outlook, due diligence reports and historical financial data; - assessed the reasonableness of the discount rate used in the underlying cash flow projections; - assessed the appropriateness of the fair value of the call options acquired;

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Acquisition during the financial year (continued)	We have performed the following audit procedures: (continued) • Assessed the appropriateness of key assumptions in deriving the fair value of the contingent consideration; • Engaged component auditors to audit the carrying value of material assets acquired and liabilities assumed at acquisition date; • Checked the calculation of the goodwill arising from the acquisition, being the difference between the total purchase consideration and the fair values of the net assets acquired; and • Assessed the adequacy and appropriateness of the disclosures relating to the acquisition in the Group's consolidated financial statements. Based on the procedures performed, no material exceptions were noted.

We have determined that there are no key audit matters to report for the Company.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, Statement on Risk Management and Internal Control, Profiles of Directors, Profiles of Key Senior Management, Corporate Governance Overview Statement, Audit Committee Report and Additional Compliance Information, which we obtained prior to the date of this auditors' report, and other sections of the Annual Report 2025, which is expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report To the Members of Deleum Berhad

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 34 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

PAULINE HO
02684/11/2027 J
Chartered Accountant

Kuala Lumpur
16 March 2026

Additional Compliance Information

1. UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate proposal during the financial year ended 31 December 2025 (“FY2025”).

2. MATERIAL CONTRACTS INVOLVING THE INTERESTS OF DIRECTORS, CHIEF EXECUTIVE AND/OR MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company and/or its subsidiaries involving the interests of Directors and/or chief executive and/or major shareholders, either still subsisting at the end of FY2025 or entered into since the end of the previous financial year.

3. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements, below are the financial data that are relevant for the purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group’s business activities and interest-based financial position.

(a) Group Total Income and Total Assets

		Group	
Total Income	**Remarks**	**2025 RM**	**2024 RM**
Revenue		997,146,233	907,478,294
Other income		7,070,533	8,578,087
Others	Other operating losses	(6,039,736)	(484,124)
Share of result of joint venture		824,905	769,501
Share of result of associate		3,879,120	6,160,630
Total		1,002,881,055	922,502,388
Total Assets		824,894,542	732,971,260

(b) Business Activities

		Group	
Shariah Non-Compliant Activities	**Remarks**	**2025 RM**	**2024 RM**
Insurance income	Conventional	35,111	0
Interest income	Conventional	564,900	1,004,333
(Loss)/gain from investment in conventional instruments	Net fair value (loss)/gain on forward foreign currency exchange contracts	(1,497,254)	4,075,425
Total		897,243	5,079,758

(c) Component of Financial Position

(i) Cash Component

Remarks	Group 2025 RM	Group 2024 RM
Islamic Account /Instruments		
Cash at bank (exclude in hand)	38,470	207,042
Cash in hand	30,412	29,412
Deposits with licensed bank	179,926,304	166,744,320
Financial assets/instruments	115,891	0
Total	180,111,077	166,980,774
Conventional Account/Instruments		
Cash at bank (exclude in hand)	41,443,479	21,532,248
Deposits with licensed bank	10,546,981	10,745,438
Deposits with bank in foreign jurisdiction: non-interest bearing	10,238,401	0
Total	62,228,861	32,277,686

(ii) Debts Component

Remarks	Group 2025 RM	Group 2024 RM
Islamic Borrowing		
Current		
Term loans	5,304,882	0
Non-Current		
Term loans	17,012,252	0
Total	22,317,134	0
Conventional Borrowing		
Current		
Term loans	2,016,000	1,176,000
Revolving credits	0	5,000,000
Non-Current		
Term loans	4,976,000	6,824,000
Total	6,992,000	13,000,000

Analysis of Shareholdings
As At 31 March 2026

Issued shares : 401,553,500 ordinary shares
Voting rights : One vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	Total Shareholdings	% of Shareholdings
1 to 99	418	8.34	8,819	0.00
100 to 1,000	920	18.36	487,720	0.12
1,001 to 10,000	2,387	47.64	11,982,400	2.98
10,001 to 100,000	1,064	21.23	35,200,826	8.77
100,001 to less than 5% of issued shares	218	4.35	157,077,417	39.12
5% and above of issued shares	4	0.08	196,796,318	49.01
Total	**5,011**	**100.00**	**401,553,500**	**100.00**

30 LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS
(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name of Shareholders	No. of Shares	Percentage (%)
1.	Lantas Mutiara Sdn. Bhd.	81,740,900	20.36
2.	Maybank Nominees (Tempatan) Sdn. Bhd. Amara Investment Management Sdn. Bhd. for Hartapac Sdn. Bhd. (TRUSTACC/CLIENT H001 430886)	48,165,418	11.99
3.	Datuk Vivekananthan a/l M.V. Nathan	42,530,000	10.59
4.	IM Holdings Sdn. Bhd.	24,360,000	6.07
5.	Datin Che Bashah @ Zaiton binti Mustaffa	19,024,000	4.74
6.	Dato' Izham bin Mahmud	11,310,000	2.82
7.	Datin Che Bashah @ Zaiton binti Mustaffa	7,741,600	1.93
8.	Neoh Choo Ee & Company, Sdn. Berhad.	5,203,032	1.29
9.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for Manulife Investment Progress Fund (4082)	4,173,500	1.04
10.	Lim Pei Tiam @ Liam Ahat Kiat	3,900,000	0.97
11.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Datin Che Bashah @ Zaiton binti Mustaffa (PB)	3,719,998	0.93
12.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for Manulife Investment Al-Fauzan (5170)	3,370,800	0.84
13.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Yee Hui	3,150,000	0.78

No.	Name of Shareholders	No. of Shares	Percentage (%)
14.	DYMM Tuanku Syed Sirajuddin Putra Jamalullail	2,901,066	0.72
15.	Dilip Manharlal Gathani	2,737,800	0.68
16.	Saudah binti Hashim	2,500,000	0.62
17.	Hj. Abd Razak bin Abu Hurairah	2,461,546	0.61
18.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for Manulife Investment Al-Faid (4389)	2,354,300	0.59
19.	Universal Trustee (Malaysia) Berhad KAF Core Income Fund	2,320,000	0.58
20.	Goh Thong Beng	2,200,000	0.54
21.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for Manulife Investment Shariah Progress Plus Fund	2,084,900	0.52
22.	RHB Nominees (Tempatan) Sdn. Bhd. Terence Wong @ Huang Thar-Rearn	2,000,000	0.49
23.	CitiGroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board (PHEIM)	1,920,900	0.48
24.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Datin Che Bashah @ Zaiton binti Mustaffa (CEB)	1,920,100	0.48
25.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Tan Swee Leong (PB)	1,660,000	0.41
26.	Lee Sew Bee	1,470,000	0.37
27.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Chandran Aloysius Rajadurai (PB)	1,430,000	0.36
28.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for Manulife Insurance Berhad (Equity Fund)	1,405,200	0.35
29.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Pay Kaon	1,185,300	0.30
30.	Amanahraya Trustees Berhad Public Emerging Opportunities Fund	1,161,000	0.29
	TOTAL	**292,101,360**	**72.74**

Analysis of Shareholdings

As At 31 March 2026

SUBSTANTIAL SHAREHOLDERS

(as per Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Lantas Mutiara Sdn. Bhd.	81,740,900	20.36	0	0
Hartapac Sdn. Bhd.	48,165,418	11.99	0	0
Datuk Vivekananthan a/l M.V. Nathan	43,530,600	10.84	81,740,900(1)	20.36
Datin Che Bashah @ Zaiton binti Mustaffa	32,405,698	8.07	0	0
IM Holdings Sdn. Bhd.	24,360,000	6.07	0	0
Dato' Izham bin Mahmud	11,310,000	2.82	56,765,698(2)	14.14
Integrity Strategic Sdn. Bhd.	0	0	81,740,900(3)	20.36
Reshad Rao bin Ramanrao	0	0	81,740,900(4)	20.36
Zoena binti Raman Rao	0	0	81,740,900(4)	20.36
Ramanrao bin Abdullah	0	0	81,740,900(5)	20.36
Datin Sian Rahimah Abdullah	0	0	48,165,418(6)	11.99
Faye Miriam Abdullah	0	0	48,165,418(6)	11.99
Hugh Idris Abdullah	0	0	48,165,418(6)	11.99
Farid Riza Izham	0	0	24,360,000(7)	6.07
Faidz Raziff Izham	0	0	24,360,000(7)	6.07
Hana Sakina Izham	0	0	24,360,000(7)	6.07

Notes:
(1) Deemed interested by virtue of his shareholdings in Lantas Mutiara Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("the Act").
(2) 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.
(3) Deemed interested by virtue of its shareholdings in Lantas Mutiara 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 and his children's shareholdings in Lantas Mutiara Sdn. Bhd. via Integrity Strategic Sdn. Bhd. pursuant to Section 8 of the Act.
(6) Deemed interested by virtue of his/her shareholdings in Hartapac Sdn. Bhd. pursuant to Section 8 of the Act.
(7) Deemed interested by virtue of his/her shareholdings in IM Holdings Sdn. Bhd. pursuant to Section 8 of the Act.

DIRECTORS' SHAREHOLDINGS

(as per Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Datuk Vivekananthan a/l M.V. Nathan	43,530,600	10.84	81,740,900(1)	20.36
Dato' Izham bin Mahmud	11,310,000	2.82	56,765,698(2)	14.14
Tan Sri Dato' Seri Shamsul Azhar bin Abbas	1,000,000	0.25	0	0
Ramanrao bin Abdullah	0	0	81,740,900(3)	20.36

Notes:
(1) Deemed interested by virtue of his shareholdings in Lantas Mutiara Sdn. Bhd. pursuant to Section 8 of the Act.
(2) 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.
(3) Deemed interest by virtue of his and his children's shareholdings in Lantas Mutiara Sdn. Bhd. via Integrity Strategic Sdn. Bhd. pursuant to Section 8 of the Act.

List of Properties

The details of the properties owned by the Group and the Company as at 31 December 2025 are as follows:

No	Company	Address	Brief Description	Existing Use	Land Area/ Built up Area	Tenure/Date of Expiry of Lease	Age of Building	Net Book Value @31/12/25	Revaluation, if any	Date of Acquisition
1	Deleum Berhad (Corporate Head Office)	No. 2, Jalan Bangsar Utama 9, Bangsar Utama, 59000 Kuala Lumpur, Malaysia	6 storey corner shop office	Office	350.00 sq metres/ 2,049.56 sq metres	Leasehold/ 03/12/2085	27 years	2,455,618	-	02/05/2006
2	Deleum Services Sdn. Bhd.	No. 42, Jalan Bangsar Utama 1, Bangsar Utama, 59000 Kuala Lumpur, Malaysia	5 storey corner shop office	Office	237.00 sq metres/ 1,080.90 sq metres	Leasehold/ 03/12/2085	37 years	281,791	-	19/09/1988
3	Deleum Services Sdn. Bhd.	No. 40, Jalan Bangsar Utama 1, Bangsar Utama, 59000 Kuala Lumpur, Malaysia	5 storey shop office	Office	168.00 sq metres/ 822.65 sq metres	Leasehold/ 03/12/2085	37 years	361,058	-	28/09/1988
4	Deleum Services Sdn. Bhd.	Unit No. 8-11-3, Menara Mutiara Bangsar, Jalan Liku, Off Jalan Bangsar, 59100 Kuala Lumpur, Malaysia	Office Lot	Office	141.00 sq metres/ 141.00 sq metres	Freehold	23 years	306,696	-	03/02/1997
5	Deleum Services Sdn. Bhd.	Unit No. 8-11-4, Menara Mutiara Bangsar, Jalan Liku, Off Jalan Bangsar, 59100 Kuala Lumpur, Malaysia	Office Lot	Office	147.00 sq metres/ 147.00 sq metres	Freehold	23 years	322,702	-	03/02/1997
6	Deleum Services Sdn. Bhd.	Lot 1315, Miri Waterfront Commercial Centre, Jalan Bendahara, 98000 Miri, Sarawak, Malaysia	4 storey corner shop office	Office	186.70 sq metres/ 891.84 sq metres	Leasehold/ 30/09/2066	21 years	671,950	-	20/08/2004
7	Penaga Dresser Sdn. Bhd. (Operations)	No. A1-A2, Kawasan MIEL, Jakar Phase III, 24000 Kemaman, Terengganu Darul Iman, Malaysia	2 units of semi-detached factory	Assembly Plant	A1-1723 sq metres A2-1229 sq metres	Leasehold/ 19/04/2053	33 years	858,551	-	12/04/2004
8	PT OSA Industries Indonesia (Operations)	Kota Deltamas Cikarang, Bekasi West Java, Indonesia	Workshop	Workshop & Office	972 sq meters	Leasehold	19 years	17	-	31/01/2007

Corporate Directory

Registered Office / Head Office

Deleum Berhad and its subsidiaries:

Deleum Services Sdn. Bhd.
Deleum Oilfield Services Sdn. Bhd.
Deleum Chemicals Sdn. Bhd.
Deleum Technology Solutions Sdn. Bhd.
Turboservices Sdn. Bhd.

No. 2, Jalan Bangsar Utama 9
Bangsar Utama
59000 Kuala Lumpur
Malaysia
Tel : +603-2295 7788
Fax : +603-2295 7777
Email: info@deleum.com

Branch Offices

Deleum Oilfield Services Sdn Bhd
Lot 1315, Miri Waterfront Commercial Centre
98000 Miri, Sarawak
Malaysia
Tel : +6085-413 528/417 020
Fax : +6085-418 037

Deleum Technology Solutions Sdn. Bhd.
Lot 1313 & 1314
Miri Waterfront Commercial Centre
98000 Miri, Sarawak
Malaysia
Tel : +6085-329 555
Fax : +6085-329 556

Subsidiaries

Deleum Services (Sabah) Sdn. Bhd.
Lot A, H-02-7
Block H, Level 7
Aeropod Commercial Square
Jalan Aeropod Off Jalan Kepayan
88200 Kota Kinabalu, Sabah
Malaysia
Tel : +6088-203 941
Email: deleumsabah@deleum.com

Deleum Services (Sarawak) Sdn. Bhd.
Lot 1315,
Miri Waterfront
Commercial Centre
98000 Miri, Sarawak
Malaysia
Tel : +6085-413 528
Fax : +6085-418 037

Penaga Dresser Sdn. Bhd.
Business Suite, 19A-9-1
Level 9, UOA Centre
No. 19, Jalan Pinang
50450 Kuala Lumpur
Malaysia
Tel : +603-2163 2322
Fax : +603-2161 8312
Email: sales@penagadresser.com

Deleum Oilfield Solutions (Thailand) Co. Ltd
No. 346, SJ Infinite I Business Complex Building, 20th Floor
Vibhavadi-Rangsit Road
Chompol Sub-district, Chatuchak District, Bangkok 10900, Thailand
Tel : +66 81-9266 946

PT. OSA Industries Indonesia
Arkadia Green Park Tower F
9th Floor Unit 903-904
JL. TB Simatupang Kav 88
Jakarta 12520, Indonesia
Email: sales@osa.co.id

Operations and Supply Bases

Kemaman
Kemaman Supply Base
Warehouse 28
24007 Kemaman, Terengganu
Malaysia
Tel : +609-863 1407/1408
Fax : +609-863 1379

Labuan
Asian Supply Base
Ranca Ranca Industrial Estate
87017 Labuan
Malaysia
Tel : +6087-413 935/583 205
Fax : +6087-425 694

Service Facilities

Deleum Chemicals Sdn. Bhd.
Lot 11, 13 Bay Workshop
ASB Yard 23
Ranca Ranca Industrial Estate
87017 Labuan
Malaysia
Tel : +6087-413 935/583 205
Fax : +6087-425 694

Deleum Oilfield Services Sdn. Bhd.
(Miri Services Facility)
Sublot 3017
Permyjaya Technology Park
Bandar Baru Permyjaya
98000 Miri, Sarawak
Malaysia
Tel : +6085-413 528/417 020
Fax : +6085-418 037

Deleum Technology Solutions Sdn. Bhd.
(Telok Kalong Facility)
Lot PT8777
Telok Kalong Industrial Area
24000 Kemaman
Terengganu
Malaysia
Tel : +609-862 6666
Fax : +609-862 6667

Deleum Technology Solutions Sdn. Bhd.
Lot 1632, Jalan Tanjung Kidurong
Kidurong Light Industrial Estate
97000 Bintulu, Sarawak
Malaysia
Tel : +6086-252 677
Fax : +6086-252 677

Deleum Technology Solutions Sdn. Bhd.
Lot 990, Jalan Tanjung Kidurong
Kidurong Light Industrial Estate
97000 Bintulu, Sarawak
Malaysia
Tel : +6086-252 860
Fax : +6086-252 860

Penaga Dresser Sdn. Bhd.
(Johor Engineering Centre)
Lot A15-A16
Kampung Bukit Raja Sungai Rengit
81600 Pengerang, Johor
Malaysia

Penaga Dresser Sdn. Bhd.
(Terengganu Engineering Centre)
Lot A1 -A2
Kawasan Miel Jakar Phase III
24000 Kemaman, Terengganu
Malaysia
Tel : +609-868 6799
Fax : +609-868 3453

Penaga Dresser Sdn. Bhd.
(Sabah-Sarawak Engineering Centre)
Lot 3326 & 3327
Piasau Industrial Shophouse
Off Jalan Piasau Utara
98000 Miri, Sarawak
Malaysia
Tel : +6085-644 900/998
Fax : +6085-644 991

Penaga Dresser Sdn. Bhd.
(Labuan Engineering Centre)
Asian Supply Base
Ranca Ranca Industrial Estate
87027 Labuan
Malaysia

Deleum Chemicals Sdn. Bhd.
(Research & Development Facility)
No. 4-3, Jalan Bangsar Utama 9
Bangsar Utama
59000 Kuala Lumpur
Malaysia

Deleum Technology Solutions Sdn. Bhd.
Deleum Chemicals Sdn. Bhd.
(Integrated Workshop Facility)
Lot 4019
Kawasan Industri Telok Kalong
24007 Kemaman
Terengganu Darul Iman
Malaysia
Tel : +609-863 4588
Fax : +609-863 2588

PT OSA Industries Indonesia
Kota Deltamas Cikarang, Bekasi
West Java, Indonesia
Tel : +62 21 8997 3208
Fax : +62 21 8997 3209

Joint Venture

Turboservices Overhaul Sdn. Bhd.
(Turboservices: Solar Turbines Integrated Service Centre)
Lot 26197
Kawasan Perindustrian
Tuanku Jaafar
71450 Seremban, Negeri Sembilan
Malaysia
Tel : +606-6798 270/207
Fax : +606-6798 267

Associate

Malaysian Mud and Chemicals Sdn. Bhd.
Asian Supply Base
Ranca Ranca Industrial Estate
87027 Labuan
Malaysia
Tel : +6087-415 922
Fax : +6087-415 921
Email: 2mc@2mc.com.my

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-First Annual General Meeting ("21st AGM") of DELEUM BERHAD ("the Company") will be held at the Grand Ballroom, Level 9, Sunway Putra Hotel, No. 100, Jalan Putra, 50350 Kuala Lumpur on Monday, 22 June 2026 at 10.00 a.m., to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.
   (Please refer to Explanatory Note A)

2. To re-elect the following Directors, who retire in accordance with Clause 88 of the Company's Constitution and, being eligible, have offered themselves for re-election:-
   (i) Tan Sri Dato' Seri Shamsul Azhar bin Abbas **Ordinary Resolution 1**
   (ii) Datuk Vivekananthan a/l M.V. Nathan **Ordinary Resolution 2**
   (iii) Datin Aisah Eden **Ordinary Resolution 3**
   (Please refer to Explanatory Note B)

3. To re-elect Tn. Syed Feizal bin Syed Mohammad as a Director, who retires in accordance with Clause 86 of the Company's Constitution and, being eligible, has offered himself for re-election. **Ordinary Resolution 4**
   (Please refer to Explanatory Note B)

4. To approve the payment of Directors' fees to Non-Executive Directors of the Company up to an amount of RM1,700,000 for the period from the day after the Annual General Meeting to the next Annual General Meeting. **Ordinary Resolution 5**
   (Please refer to Explanatory Note C)

5. To approve the payment of Directors' benefits to Non-Executive Directors of the Company up to an amount of RM500,000 for the period from the day after the Annual General Meeting to the next Annual General Meeting. **Ordinary Resolution 6**
   (Please refer to Explanatory Note D)

6. To re-appoint Messrs. PricewaterhouseCoopers PLT 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**
   (Please refer to Explanatory Note E)

AS SPECIAL BUSINESS:

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

7. AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

"**THAT** subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") 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 Sections 75 and 76 of the Act to allot and issue shares in the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement, option, or offer ("New Shares") from time to time, at such price, to such persons, and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from the conversion of any security, or to be issued and allotted under an agreement, option, or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months, does not exceed ten percent (10%) of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate").

Notice of Annual General Meeting

THAT such approval for the Proposed General Mandate shall continue to be in force until:

a) the conclusion of the next Annual General Meeting ("AGM") of the Company held after the approval was given;

b) at the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or

c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations, and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps, and do all acts (including execute such documents as may be required), deeds, and things in relation to the Proposed General Mandate." **Ordinary Resolution 8**
(Please refer to Explanatory Note F)

8. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT") WITH SOLAR TURBINES INTERNATIONAL COMPANY ("STICO") ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE WITH STICO")

"**THAT** the mandate granted by the shareholders of the Company at the Twentieth Annual General Meeting ("AGM") held on 22 May 2025 pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, authorising the Company and its subsidiaries to enter into RRPT with STICO as set out in Section 2.5(1) of the Circular to Shareholders dated 29 April 2026 which are necessary for the Company and its subsidiaries day-to-day operations, be and is hereby renewed.

THAT the Company and its subsidiaries be and are hereby authorised to enter into RRPT with STICO as outlined in Section 2.5(1) of the Circular to Shareholders dated 29 April 2026 provided that the transactions are:

a) necessary for the day-to-day operations;

b) undertaken in the ordinary course of business on an arm's length basis and on normal commercial terms and transaction prices, which are not more favourable to the related parties than those generally available to the public; and

c) not detrimental to the minority shareholders of the Company.

THAT the Proposed Renewal of Shareholders' Mandate with STICO shall commence immediately upon the passing of this resolution and continue to be in full force until:

(a) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the next AGM, the mandate 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 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

(c) revoked or varied by resolution passed by the shareholders in a 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 Proposed Renewal of Shareholders' Mandate with STICO." **Ordinary Resolution 9**

(Please refer to Explanatory Note G)

9. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT") WITH DRESSER ITALIA S.R.L ("DRESSER ITALIA") ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE WITH DRESSER ITALIA")

"**THAT** the mandate granted by the shareholders of the Company at the Twentieth Annual General Meeting ("AGM") held on 22 May 2025 pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, authorising the Company and its subsidiaries to enter into RRPT with Dresser Italia as set out in Section 2.5(2) of the Circular to Shareholders dated 29 April 2026 which are necessary for the Company and its subsidiaries day-to-day operations, be and is hereby renewed.

THAT the Company and its subsidiaries be and are hereby authorised to enter into RRPT with Dresser Italia as outlined in Section 2.5(2) of the Circular to Shareholders dated 29 April 2026 provided that the transactions are:

a) necessary for the day-to-day operations;

b) undertaken in the ordinary course of business on an arm's length basis and on normal commercial terms and transaction prices, which are not more favourable to the related parties than those generally available to the public; and

c) not detrimental to the minority shareholders of the Company.

THAT the Proposed Renewal of Shareholders' Mandate with Dresser Italia shall commence immediately upon the passing of this resolution and continue to be in full force until:

(a) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the next AGM, the mandate 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 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

(c) revoked or varied by resolution passed by the shareholders in a 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 Proposed Renewal of Shareholders' Mandate with Dresser Italia." **Ordinary Resolution 10**

(Please refer to Explanatory Note G)

10. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT") WITH LATCONNECT 60 LTD ("LAT60") ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE WITH LAT60")

"**THAT** the mandate granted by the shareholders of the Company at the Twentieth Annual General Meeting ("AGM") held on 22 May 2025 pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, authorising the Company and its subsidiaries to enter into RRPT with Lat60 as set out in Section 2.5(3) of the Circular to Shareholders dated 29 April 2026 which are necessary for the Company and its subsidiaries day-to-day operations, be and is hereby renewed.

THAT the Company and its subsidiaries be and are hereby authorised to enter into RRPT with Lat60 as outlined in Section 2.5(3) of the Circular to Shareholders dated 29 April 2026 provided that the transactions are:

Notice of Annual General Meeting

a) necessary for the day-to-day operations;

b) undertaken in the ordinary course of business on an arm's length basis and on normal commercial terms and transaction prices, which are not more favourable to the related parties than those generally available to the public; and

c) not detrimental to the minority shareholders of the Company.

THAT the Proposed Renewal of Shareholders' Mandate with Lat60 shall commence immediately upon the passing of this resolution and continue to be in full force until:

(a) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the next AGM, the mandate 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 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

(c) revoked or varied by resolution passed by the shareholders in a 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 Proposed Renewal of Shareholders' Mandate with Lat60." **Ordinary Resolution 11**
(Please refer to Explanatory Note G)

11. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT") WITH PT OSA MEGAH INDONESIA ("OSA MI") ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE WITH OSA MI")**

"**THAT** the mandate granted by the shareholders of the Company at the Extraordinary General Meeting held on 5 February 2026 pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, authorising the Company and its subsidiaries to enter into RRPT with OSA MI as set out in Section 2.5(4) of the Circular to Shareholders dated 29 April 2026 which are necessary for the Company and its subsidiaries day-to-day operations, be and is hereby renewed.

THAT the Company and its subsidiaries be and are hereby authorised to enter into RRPT with OSA MI as outlined in Section 2.5(4) of the Circular to Shareholders dated 29 April 2026 provided that the transactions are:

a) necessary for the day-to-day operations;

b) undertaken in the ordinary course of business on an arm's length basis and on normal commercial terms and transaction prices, which are not more favourable to the related parties than those generally available to the public; and

c) not detrimental to the minority shareholders of the Company.

THAT the Proposed Renewal of Shareholders' Mandate with OSA MI shall commence immediately upon the passing of this resolution and continue to be in full force until:

(a) the conclusion of the next AGM of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the next AGM, the mandate 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 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

(c) revoked or varied by resolution passed by the shareholders in a 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 Proposed Renewal of Shareholders' Mandate with OSA MI." **Ordinary Resolution 12**
(Please refer to Explanatory Note G)

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

"**THAT** subject always to the Companies Act 2016 ("the Act"), the Company's Constitution, the Main Market Listing Requirements ("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 ("Purchased Shares") and/or held by the Company as treasury shares shall not exceed 10% of the total number of issued shares of the Company as quoted on Bursa Securities at the time of purchase; and

(b) the maximum funds allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the Company's audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

("Proposed Share Buy-Back").

AND THAT the authority to facilitate the Proposed Share Buy-Back shall commence immediately upon the passing of this resolution and shall continue to be in force until:

(1) the conclusion of the next Annual General Meeting ("AGM") 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 AGM after that date is required by law to be held; or

(3) revoked or varied by a resolution passed by the shareholders in a general meeting of the Company,

whichever occurs first, but this authority shall not prejudice the completion of any purchases by the Company of its own shares before the aforesaid expiry date, and in any event, shall be in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines, and requirements issued by any relevant authorities.

THAT the Board of Directors of the Company be and is hereby authorised to deal with the shares purchased in their absolute discretion, as permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements, and/or orders of any relevant authorities in force, including but not limited to:

(i) to cancel all or part of the Purchased Shares;
(ii) to retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
(iii) to distribute all or part of the treasury shares as dividends to the shareholders of the Company;
(iv) to resell all or part of the treasury shares on the market of Bursa Securities;
(v) to transfer all or part of the treasury shares for the purposes of, or under, the employees' share scheme established by the Company and/or its subsidiaries;
(vi) to transfer all or part of the treasury shares as purchase consideration;
(vii) to sell, transfer, or otherwise use the shares for such other purposes as the Minister charged with the responsibility for companies may prescribe by order; and/or
(viii) to deal with the treasury shares in any other manner as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities in force.

AND THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as are necessary and/or enter into any agreements, arrangements, and guarantee with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back, 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 in the best interest of the Company." **Ordinary Resolution 13**
(Please refer to Explanatory Note H)

Notice of Annual General Meeting

13. To transact any other business of which due notice shall have been given in accordance with the Act and the Company's Constitution.

BY ORDER OF THE BOARD

SULIANA BINTI ROSLI (SSM PC No. 202008000912) (MAICSA 7057610)
MOHD SHAHID BIN ZAINOL ABIDIN (SSM PC No. 202008003065) (MAICSA 7069754)
Company Secretaries

Kuala Lumpur
29 April 2026

Notes

1. A member of the Company entitled to attend, participate and vote at the 21st AGM is entitled to appoint a proxy or proxies to attend, participate 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.

2. A member shall not be entitled to appoint more than two (2) proxies to attend, participate and vote at the 21st 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.

3. Where a member of the Company is an authorised nominee as defined in accordance with the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

4. 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 the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. 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.

6. The instrument appointing a proxy ("Proxy Form") shall be in writing under the hand of the appointor, or his/her attorney duly authorised in writing and certified notarially, or if the appointor is a corporation, under its Common Seal, or if the corporation does not have Common Seal, the instrument is to be affixed with the rubber stamp and executed by duly authorised officer or any director.

7. The original signed Proxy Form must be deposited in the following manner, not later than **Saturday, 20 June 2026** at **10.00 a.m.**, 48 hours before the time appointed for holding the 21st AGM or at any adjournment thereof, otherwise the Proxy Form shall not be treated as valid.

   (i) In hard copy form

   The original signed Proxy Form must be deposited at the Company's Registered Office at No. 2, Jalan Bangsar Utama 9, Bangsar Utama, 59000 Kuala Lumpur, Malaysia.

   (ii) In electronic form via Vistra Share Registry and IPO (MY) Portal (the "Portal")

   The Proxy Form can be electronically submitted via the Portal at https://srmy.vistra.com.

   Please follow the procedures set out in the Administrative Guide for the 21st AGM.

8. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 21st AGM will be put to vote by way of poll.

9. For the purpose of determining a member who shall be entitled to attend, participate and vote at the 21st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 15 June 2026 and only a depositor whose name appears on this Record shall be entitled to attend, participate and vote at the 21st AGM or appoint proxy or proxies to attend, participate and vote on his/her stead.

10. By submitting the duly executed Proxy Form, the member and his/her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 21st 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 2025 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 Items 2 and 3

To re-elect Directors who retire by rotation pursuant to Clause 88 of the Company's Constitution

Clause 88 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire by rotation at an Annual General Meeting ("AGM") of the Company and be eligible for re-election.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 21st AGM, the Joint Remuneration and Nomination Committee ("JRNC") has via the annual Board Evaluation and Assessment for year 2025 assessed and recommended to the Board, the effectiveness of the Board, Board Committees and individual Directors including the Directors who are seeking for re-election at the forthcoming 21st AGM. The annual assessment was based on the prescribed criteria inclusive of their skills, experience, character, level of independence, valuable contributions, insights to the Board as well as the Director's fitness and propriety with reference to the Fit and Proper Policy of the Company.

From the annual assessment, the Board, with recommendation from JRNC, was satisfied with the performance and contribution of the Directors. The retiring Directors also provided the fit and proper declarations in the prescribed forms in accordance with the Fit and Proper Policy.

Based on the above, the Board at its meeting held on 24 February 2026 approved the JRNC's recommendation that the Directors who retire in accordance with Clause 88 of the Company's Constitution, namely Tan Sri Dato' Seri Shamsul Azhar bin Abbas, Datuk Vivekananthan a/l M.V. Nathan and Datin Aisah Eden, are eligible to stand for re-election. These three (3) retiring Directors have abstained from deliberations and decisions on their respective eligibility to stand for re-election at the relevant JRNC and Board meetings.

The profiles of the retiring Directors are enclosed in the Profiles of Directors of the Company's Annual Report 2025.

To re-elect Director who retire by rotation pursuant to Clause 86 of the Company's Constitution

Clause 86 of the Company's Constitution provides that any Director appointed by the Board shall hold office only until the next following AGM and shall then be eligible for re-election.

Tn. Syed Feizal bin Syed Mohammad who was appointed as an Independent Non-Executive Director of the Company on 17 March 2026 shall hold office until the conclusion of the 21st AGM and being eligible, has offered himself for re-election. The JRNC had deliberated and recommended for his re-election, and the Board has endorsed JRNC's recommendation.

Notice of Annual General Meeting

Tn. Syed Feizal bin Syed Mohammad has abstained from the deliberation and decision on his proposed re-election. The profile of Tn. Syed Feizal bin Syed Mohammad is enclosed in the Profiles of Directors of the Company's Annual Report 2025.

Any Director retiring by rotation who is a shareholder of the Company shall abstain from voting on the resolution in respect of their re-election at the 21st AGM.

C. For Agenda Item 4

To approve the payment of Directors' fees to Non-Executive Directors of the Company up to an amount of RM1,700,000 for the period from the day after the Annual General Meeting to the next Annual General Meeting of the Company

The proposed amount of up to RM1,700,000 under Ordinary Resolution 5, comprising Directors' fees to Non-Executive Directors of the Company, is estimated for the period from the day after this AGM to the next AGM of the Company to be held in 2027. The fees are in accordance with the Directors' Remuneration Framework for Non-Executive Directors reviewed in 2026 which the Board opines remain competitive and equitable given their role and responsibilities, as well as time commitment required to discharge their duties.

Subject to shareholders' approval of Ordinary Resolution 5, the payment of Directors' fees payable will be made by the Company on a monthly basis or as and when incurred.

D. For Agenda Item 5

To approve the payment of Directors' benefits to Non-Executive Directors of the Company up to an amount of RM500,000 for the period from the day after the Annual General Meeting to the next Annual General Meeting of the Company

The proposed amount of up to RM500,000 under Ordinary Resolution 6 comprising Directors' benefits to Non-Executive Directors of the Company is estimated for the period from the day after this AGM to the next AGM of the Company to be held in 2027. The benefits are in accordance with the Directors' Remuneration Framework for Non-Executive Directors reviewed in 2026 which the Board opines remain competitive and equitable given their role and responsibilities, as well as time commitment required to discharge their duties.

Directors' benefits comprise fixed meeting allowances payable to Non-Executive Directors for attendance of Board and Board Committee meetings, as well as telecommunication device for official purposes. Additionally, the Chairman is provided with a company car or car allowance, along with the same benefits as the Deputy Chairman, such as driver, petrol card, and a club subscription.

The meeting allowances are estimated based on the number of scheduled Board and Board Committee meetings, general meeting(s) and provisional sum as a contingency for ad-hoc meetings for the Board and Board Committees. The number of such meetings are determined based on the strategy and plans of the Group.

Subject to shareholders' approval of Ordinary Resolutions 5 and 6, the payment of Directors' benefits payable will be made by the Company as and when incurred.

E. For Agenda Item 6

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

The Audit Committee ("AC") at its meeting held on 23 February 2026 undertook an annual assessment of the suitability and independence of the external auditors, Messrs. PricewaterhouseCoopers PLT ("PwC"). In its assessment, the AC considered several factors which include the following with reference to Guidance 9.3 of the Malaysian Code on Corporate Governance:

a. Quality of PwC's processes and performance, as well as their communications with the AC and the Board;

b. Adequacy of experience and resources provided to the Group by PwC, in terms of the firm and the professional staff assigned to the audit; and

c. Independence and objectivity of PwC.

The AC also took into account the openness in communication and interaction with the lead audit engagement partner through discussions at the private meeting, which demonstrated their independence, objectivity, and professionalism.

The AC was satisfied with the suitability of PwC based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The AC was also satisfied in its review that the provisions of non-audit services by PwC to the Company for the FY2025 did not in any way impair their objectivity and independence as external auditors of the Company.

The Board at its meeting held on 24 February 2026 approved the AC's recommendation for the shareholders' approval to be sought at the 21st AGM on the appointment of PwC as external auditors of the Company for the FY2026 under Ordinary Resolution 7 in accordance with Section 340(1)(c) and Section 274(1)(a) of the Act.

F. For Agenda Item 7

Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Company had at the 20th AGM held on 22 May 2025, obtained its shareholders' approval for the renewal of the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Act. 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 Sections 75 and 76 of the Act. If passed, it will give the powers to the Directors of the Company from the date of the 21st AGM, to allot and issue shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement, option, or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed General Mandate").

The authority for the Proposed General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

A renewal of this general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate extraordinary general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise, including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital acquisitions, and/or issuance of shares as settlement of purchase consideration, or other circumstances that may arise involving the grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement, option, or offer, or such other applications as the Directors may deem fit in the best interest of the Company.

G. For Agenda Items 8, 9, 10 and 11

Proposed Renewal of Shareholders' Mandate

Please refer to the Circular to Shareholders dated 29 April 2026 for detailed information. The Ordinary Resolutions 9, 10, 11 and 12 proposed under Agenda Items 8, 9, 10 and 11, 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 the 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.

H. For Agenda Item 12

Proposed Renewal of Share Buy-Back Authority of up to 10% of the Total Number of Issued Shares in the Company

Please refer to the Share Buy-Back Statement dated 29 April 2026 for detailed information. The Ordinary Resolution 13 proposed under Agenda Item 12, if passed, will empower the Board of Directors of the Company to purchase such number of ordinary shares in the Company from time to time on the market of Bursa Malaysia Securities Berhad upon such terms and conditions as the Board of Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being. This mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. No individual is seeking election as a Director at the forthcoming Twenty-First Annual General Meeting ("21st AGM").

2. Details of the general mandate to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note F of the Notice of 21st AGM.

Administrative Guide

For the Twenty-First Annual General Meeting (21st AGM)

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

Day & Date	:	Monday, 22 June 2026
Time	:	10.00 a.m.
Venue	:	Grand Ballroom, Level 9, Sunway Putra Hotel, No. 100, Jalan Putra, 50350 Kuala Lumpur

1. Parking

All registered attendees are entitled to complimentary parking upon validation at the Registration Counter. Please note that the parking facility operates on a cashless basis. Kindly ensure that your parking is validated by providing your license plate number at the Registration Counter.

2. Registration

a. Registration will commence at 8.30 a.m. and will end at a time as directed by the Chairman of the meeting. The Registration Counter will be located at the entrance of the Venue and you are requested to read the signage to the Registration Counters and join the queue accordingly.

b. Please produce your original MyKad/Passport at the Registration Counter for verification and make sure you collect your MyKad/Passport thereafter.

c. Please note that no person will be allowed to register on behalf of another person even with the original MyKad/Passport of that other person.

d. Upon completion of the registration process, you will be given a wristband with identification barcode for entry to the Venue. No person will be allowed to enter the Venue without wearing the barcoded wristband.

e. There will be no replacement of the barcoded wristband in the event that you lose or misplace the wristband.

f. The Registration Counter will handle only verification of identity and registration. If you have any enquiry, please proceed to the Help Desk. The Help Desk will be located next to the Registration Counter.

3. General Meeting Record of Depositors

Only depositors whose names appear on the General Meeting Record of Depositors as at 15 June 2026 shall be entitled to register, attend, participate and vote at the 21st AGM. If a member is unable to attend, participate and vote at the said meeting, he/she may appoint proxy/proxies to attend, participate and vote on his/her behalf. A shareholder will not be allowed to attend, participate and vote at the meeting if his/her proxy(ies) has/have been registered to attend, participate and vote in the meeting.

4. Submission of Questions

In order to enhance the efficiency of the proceedings of the 21st AGM, shareholders or proxies may submit questions in advance via Vistra Share Registry and IPO (MY) Portal (the "Portal") at https://srmy.vistra.com under "e-Services Login" to login, pose the questions and submit electronically not later than 20 June 2026 at 10.00 a.m. Alternatively, all registered shareholders or proxies will also be able to ask questions in person during the meeting. The Board of Directors will endeavour to respond to the relevant questions at the 21st AGM.

Administrative Guide

For the Twenty-First Annual General Meeting (21st AGM)

5. Appointment of Proxy/Corporate Representative/Power of Attorney

a. If you are unable to attend the AGM, you are encouraged to appoint a proxy or the Chairman of the Meeting as your proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

b. If you wish to attend the meeting yourself, please do not submit any Proxy Form. You will not be allowed to attend the meeting together with a proxy appointed by you.

c. Accordingly, Proxy Forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the 21st AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Saturday, 20 June 2026** at **10.00 a.m.**, forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof, otherwise the Proxy Form shall not be treated as valid:

   i. In hard copy form

   The original signed Proxy Form must be deposited at the Company's Registered Office at No. 2, Jalan Bangsar Utama 9, Bangsar Utama, 59000 Kuala Lumpur, Malaysia. The original Proxy Form shall be in writing and:

   a) In the case of an individual, shall be signed by the appointor or by his attorney; and
   b) In the case of a corporation, shall be either under the Common Seal or signed by its attorney or by an officer on behalf of the corporation.

   ii. In electronic form via the Portal

   The Proxy Form can be electronically submitted via the Portal at https://srmy.vistra.com. Please refer to the procedures set out in **"Electronic Lodgement of Proxy Form"** below.

d. Members are requested to provide their mobile handphone numbers as well as the mobile handphone numbers of their proxies in the Proxy Forms in the event Tricor needs to contact the members/proxies.

e. A Corporate Member who wishes to appoint a Corporate Representative to attend, participate and vote at the AGM must deposit the original certificate of appointment of corporate representative at the Company's Registered Office. The certificate of appointment should be executed in the following manner:

   i. If the Corporate Member has a Common Seal, the certificate of appointment should be executed under seal in accordance with the constitution of the Corporate Member.

   ii. If the Corporate Member does not have Common Seal, the certificate of appointment should be affixed with the rubber stamp of the Corporate Member (if any) and executed by:

   (a) at least two (2) authorised officer, of whom one shall be a director; or

   (b) any director and/or authorised officers in accordance with the laws of the country under which the Corporate Member is incorporated.

f. Attorneys appointed by the Power of Attorney are to deposit their Power of Attorney to the Company's Registered Office not later than the date and time stated above. A copy of the Power of Attorney may be accepted, provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

g. For Nominee Company registered as a member, the beneficial owner of the shares under a Nominee Company's CDS account who wishes to attend, participate and vote at the AGM can request the Nominee Company to appoint him/her as a proxy and deposit the duly completed original Proxy Form at the Company's Registered Office or submit electronically via the Portal not later than the date and time stated above.

h. If you have submitted your Proxy Form prior to the meeting and subsequently decided to attend the meeting yourself, please proceed to the Help Desk to revoke the appointment of your proxy.

6. Poll Voting

a. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the AGM will be conducted by poll. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting ("e-voting") and Scrutineer Solutions Sdn. Bhd. as Scrutineers to verify the poll results.

b. Shareholders/proxies/corporate representatives can proceed to cast their votes at the e-voting stations. The Chairman will announce the commencement of voting at the e-voting stations upon the conclusion of the deliberations on all businesses transacted at the 21st AGM. Members and proxies will be guided to the e-voting stations, where e-voting staff will be available to provide assistance.

c. Upon completion of the voting session for the 21st AGM, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

7. Electronic Lodgement of Proxy Form

The procedures to lodge your Proxy Form electronically via the Portal are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User at the Portal	1. Visit the Portal at https://srmy.vistra.com. 2. Click "Register" and select "Individual Holder" and complete the New User Registration Form. 3. For guidance, you may refer to the tutorial guide available on the homepage. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. *If you are an existing user with the Portal or TIIH Online portal previously, you are not required to register again.*
Proceed with submission of Proxy Form	1. After the release of the Notice of Meeting by the Company, login with your email address and password. 2. Select the corporate event: **"DELEUM BERHAD 21ST AGM"**. 3. Navigate to the 3 dots at the end of the corporate event and choose **"SUBMISSION OF PROXY FORM"**. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Indicate the total number of shares assigned to your proxy(ies) to vote on your behalf. 6. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. 7. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. 8. Print the Proxy Form for your record.

Administrative Guide

For the Twenty-First Annual General Meeting (21st AGM)

Procedure	Action
ii. Steps for Corporate or Institutional Shareholders	
Register as a User at the Portal	1. Visit the Portal at https://srmy.vistra.com. 2. Click "Register" and select **"Representative of Corporate Holder"** and complete the New User Registration Form. 3. Complete the registration form with your personal details. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within two (2) working days. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. *Note: The representative of a corporate or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor if you need clarifications on the user registration.*
Proceed with submission of Proxy Form	1. Login to the Portal at https://srmy.vistra.com with your email address and password. 2. Select the corporate event: **"DELEUM BERHAD 21ST AGM"**. 3. Navigate to the icon **">"** at the end of the corporate event. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Select the corporate holder's name. 6. Proceed to download the submission file. 7. Prepare the file for the appointment of proxy(ies) by inserting the required data. 8. Proceed to upload the duly completed proxy appointment file. 9. Select **"Confirm"** to complete your submission. 10. Print the confirmation report of your submission for your record.

8. No Recording or Photography

No recording or photography of the AGM proceedings is allowed without the prior written permission of the Company.

9. Compliance with Guidelines and Updates on the 21st AGM

The Company shall abide by the prevailing and applicable procedures and guidelines as well as precautionary measures as prescribed by the Government, Securities Commission and other relevant authorities. In the event that any new procedures, guidelines or measures may affect the administration of the 21st AGM as set out in this Administrative Guide and requiring material change to the proceedings of the meeting, the Company will issue announcement on the same accordingly. Hence, please check the Company's website for announcements on the latest update (if any) in relation to the 21st AGM.

10. Enquiry

If you have any enquiry prior to the 21st AGM, please contact the following officers during office hours on Mondays to Fridays from 8.30 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603- 2783 9299
Email : is.enquiry@my.tricorglobal.com

Contact persons : En. Mohammad Amirul Iskandar
+603-2783 9279 (mohammad.amirul@vistra.com)

En. Syafiqul Hafidz
+603-2783 9024 (syafiqul.hafidz@vistra.com)

Proxy Form

DELEUM

CDS Account No.	Number of Shares Held

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

I/We* ______________________________ NRIC No./Passport No./Registration No. ________________

of ____

and Telephone No. /Email Address ______________________________

being a member/members* of **DELEUM BERHAD ("the Company")**, hereby appoint:-

Full Name	**NRIC No./Passport No.**	**Proportion of shareholdings to be represented**	
		No. of Shares	**%**
Address			
Telephone no./ Email address			

and/or *(if more than one (1) proxy)*

Full Name	**NRIC No./Passport No.**	**Proportion of shareholdings to be represented**	
		No. of Shares	**%**
Address			
Telephone no./ Email address			

or failing him/her, the Chairman of the Meeting as *my/our proxy/proxies to attend, participate and/or vote for *me/us on *my/our behalf at the Twenty-First Annual General Meeting ("21st AGM") of the Company to be held at the Grand Ballroom, Level 9, Sunway Putra Hotel, No. 100, Jalan Putra, 50350 Kuala Lumpur on **Monday, 22 June 2026** at **10:00 a.m.** or at any adjournment thereof:

Please indicate with an "x" in the space below on how you wish your vote to be cast. If no instruction as to voting is given, the Proxy will vote as he or she thinks fit, or abstain from voting at his or her discretion.

Resolution	Description of Resolutions	For	Against
1.	To re-elect Tan Sri Dato' Seri Shamsul Azhar bin Abbas as Director.		
2.	To re-elect Datuk Vivekananthan a/l M.V. Nathan as Director.		
3.	To re-elect Datin Aisah Eden as Director.		
4.	To re-elect Tn. Syed Feizal bin Syed Mohammad as Director.		
5.	To approve the payment of Directors' fees to Non-Executive Directors of the Company up to an amount of RM1,700,000.		
6.	To approve the payment of Directors' benefits to Non-Executive Directors of the Company up to an amount of RM500,000.		
7.	To re-appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
8.	To authorise the issuance and allotment of shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
9.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Solar Turbines International Company.		
10.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Dresser Italia S.r.L.		
11.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with LatConnect 60 Ltd.		
12.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with PT OSA Megah Indonesia.		
13.	To approve the Proposed Renewal of Share Buy-Back Authority of up to 10% of the Total Number of Issued Shares in the Company.		

** delete whichever is not applicable.*

Dated this __________ day of ____________ 2026.

____

Signature/Common Seal of Shareholder(s)

1. A member of the Company entitled to attend, participate and vote at the 21st AGM is entitled to appoint a proxy or proxies to attend, participate 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.
2. A member shall not be entitled to appoint more than two (2) proxies to attend, participate and vote at the 21st 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.
3. Where a member of the Company is an authorised nominee as defined in accordance with the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. 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 the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. 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.
6. The instrument appointing a proxy ("Proxy Form") shall be in writing under the hand of the appointor, or his/her attorney duly authorised in writing and certified notarially, or if the appointor is a corporation, under its Common Seal, or if the corporation does not have Common Seal, the instrument is to be affixed with the rubber stamp and executed by its duly authorised officer or any director.
7. The original signed Proxy Form must be deposited in the following manner, not later than **Saturday, 20 June 2026** at **10.00 a.m.**, 48 hours before the time appointed for holding the 21st AGM or at any adjournment thereof, otherwise the Proxy Form shall not be treated as valid:
   (i) In hard copy form
   The original signed Proxy Form must be deposited at the Company's Registered Office at No. 2, Jalan Bangsar Utama 9, Bangsar Utama, 59000 Kuala Lumpur, Malaysia.
   (ii) In electronic form via Vistra Share Registry and IPO (MY) Portal (the "Portal")
   The Proxy Form can be electronically submitted via the Portal at https://srmy.vistra.com.
   Please follow the procedures set out in the Administrative Guide for the 21st AGM.
8. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 21st AGM will be put to vote by way of poll.
9. For the purpose of determining a member who shall be entitled to attend, participate and vote at the 21st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 15 June 2026 and only a depositor whose name appears on this Record shall be entitled to attend, participate and vote at the 21st AGM or appoint proxy or proxies to attend, participate and vote in his/her stead.
10. By submitting the duly executed Proxy Form, the member and his/ her proxy(ies) consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 21st AGM or any adjournment thereof.

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AFFIX
STAMP

The Company Secretary

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

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

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DELEUM BERHAD
Registration No. 200501033500 (715640-T)

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