



DELEUM

# BEYOND BOUNDARIES

ANNUAL REPORT 2024

## OUR MISSION

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

## OUR VISION

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

## OUR CORE BUSINESS

## OUR CORE VALUES

### Service Quality

—  
Competence  
Done Right  
Excellence

### Health, Safety & Environment

—  
Prevention  
Adherence  
Preparedness

### Integrity

—  
Honesty  
Ethics  
Trust  
Compliance

Sustainability



### POWER AND MACHINERY

- Provision of Gas Turbine Generator & Compressor new packages, after-sales support and services, and Cogeneration solutions for Industrial Power Generation.
- 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.

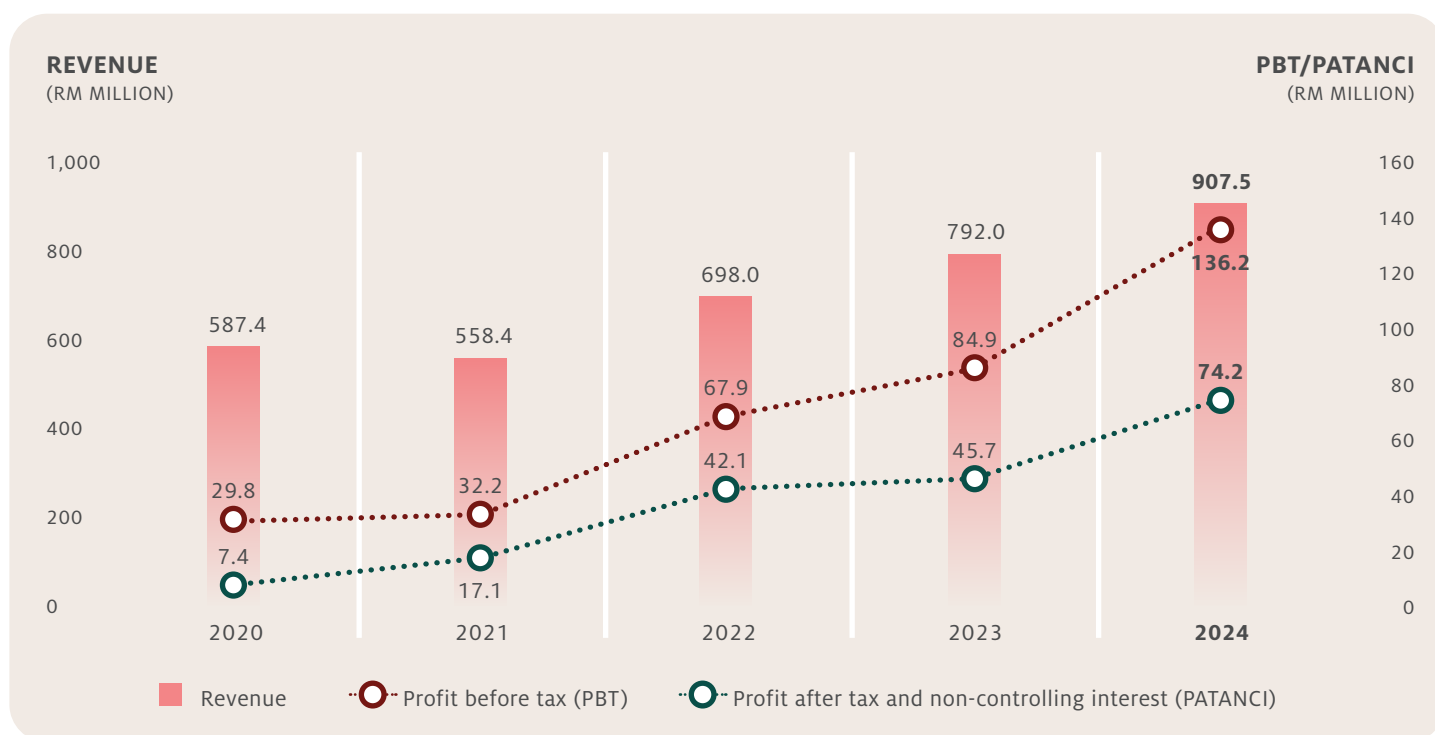
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# Financial Highlights

For the Financial Years Ended 31 December 2020-2024

	2020 (RM'000) (Restated)	2021 (RM'000)	2022 (RM'000)	2023 (RM'000)	2024 (RM'000)
Revenue	587,424	558,367	698,049	791,991	907,478
Gross profit	110,145	107,388	143,717	165,282	235,448
Earnings before interest, tax, depreciation and amortisation	66,715	66,405	99,735	112,993	160,262
Share of associates' results	5,007	5,633	5,308	4,643	6,161
Share of joint venture's results	512	1,345	1,147	1,064	770
Profit before tax	29,756	32,152	67,891	84,917	136,210
Profit after tax	15,362	23,767	51,242	63,351	100,955
Non-controlling interest	(7,933)	(6,699)	(9,100)	(17,616)	(26,800)
Profit after tax and non-controlling interest	7,429	17,068	42,142	45,735	74,155
Number of shares ('000)	401,554	401,554	401,554	401,554	401,554

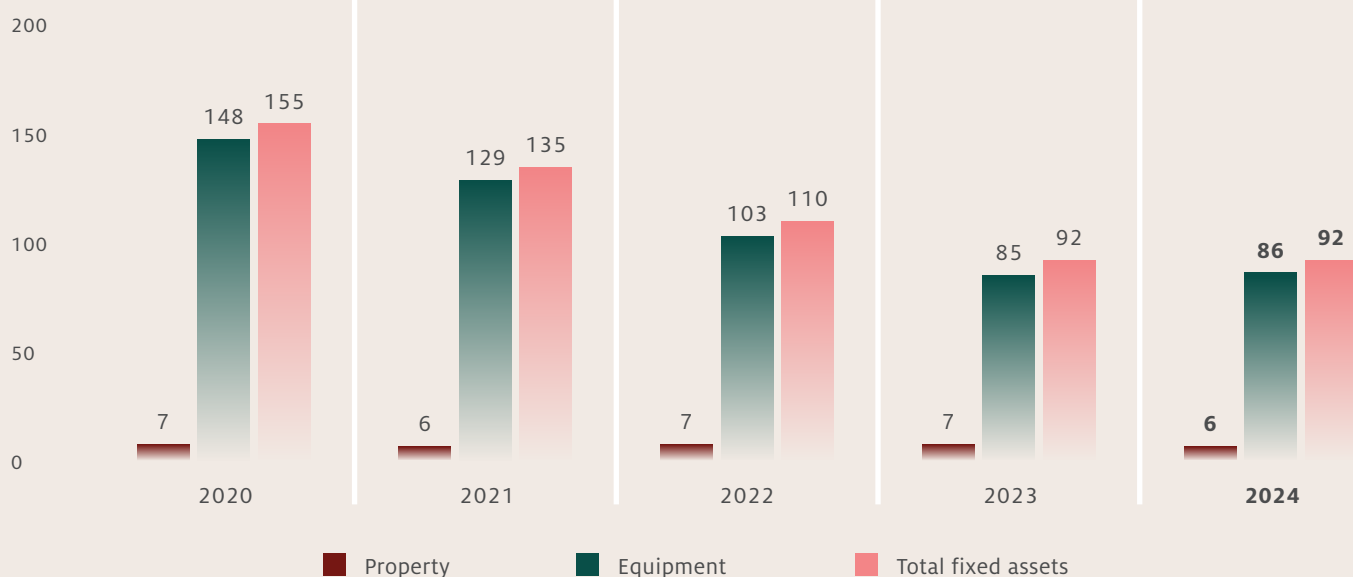


FINANCIAL RATIOS	2020	2021	2022	2023	2024
Return on equity (%)	2.1	4.8	10.8	11.1	16.0
Return on total assets (%)	1.1	2.8	5.9	7.4	10.1
Gearing ratio (%)	22.5	8.5	2.3	0.6	3.3
Net asset per share (RM)	0.87	0.89	0.97	1.03	1.15
Dividend per share (Sen)	1.00	2.20	5.25	5.70	9.30
Dividend yield (%)	1.6	4.4	5.8	6.0	6.7

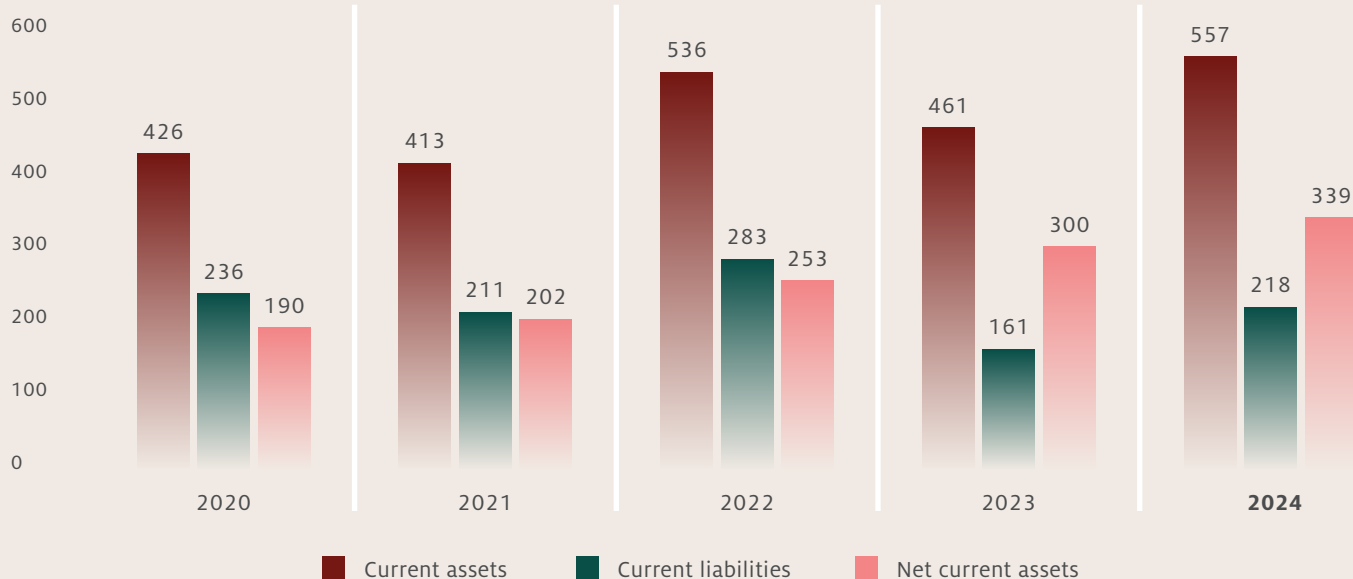
# Financial Highlights

For the Financial Years Ended 31 December 2020-2024

## PROPERTY, PLANT AND EQUIPMENT (RM MILLION)



## NET CURRENT ASSETS (RM MILLION)

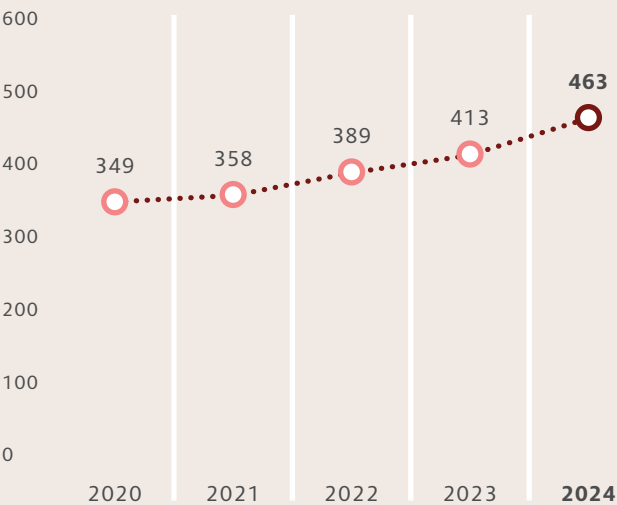




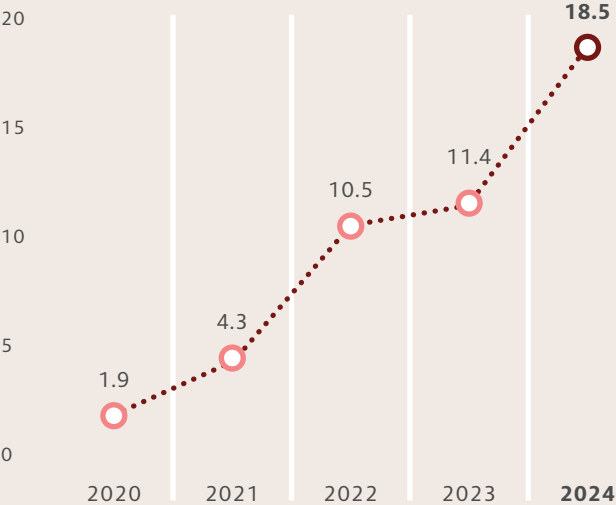
# Financial Highlights

For the Financial Years Ended 31 December 2020-2024

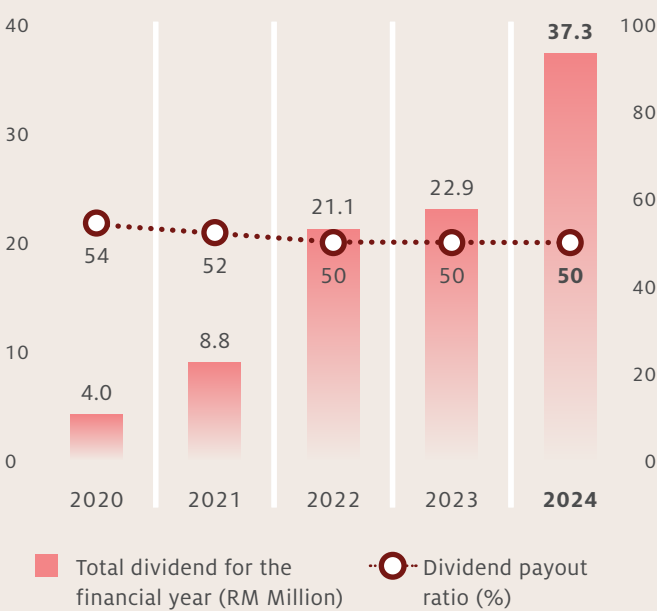
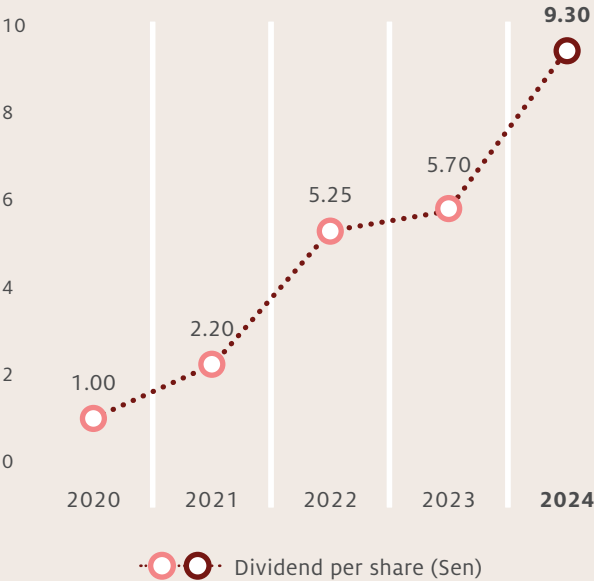
## SHAREHOLDERS' EQUITY (RM MILLION)



## EARNINGS PER SHARE (SEN)



## DIVIDEND



# Corporate Information

As At 31 March 2025

## 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

**Ainul Azhar bin Ainul Jamal**  
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

**Lee Yoke Khai**  
(Chairman)

**Datuk Manharlal a/l Ratilal**

**Datin Aisah Eden**

**Ainul Azhar bin Ainul Jamal**

## Board Risk and Investment Committee

**Datin Aisah Eden**  
(Chairperson)

**Datuk Vivekananthan a/l M.V. Nathan**

**Lee Yoke Khai**

**Ainul Azhar bin Ainul Jamal**

## 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

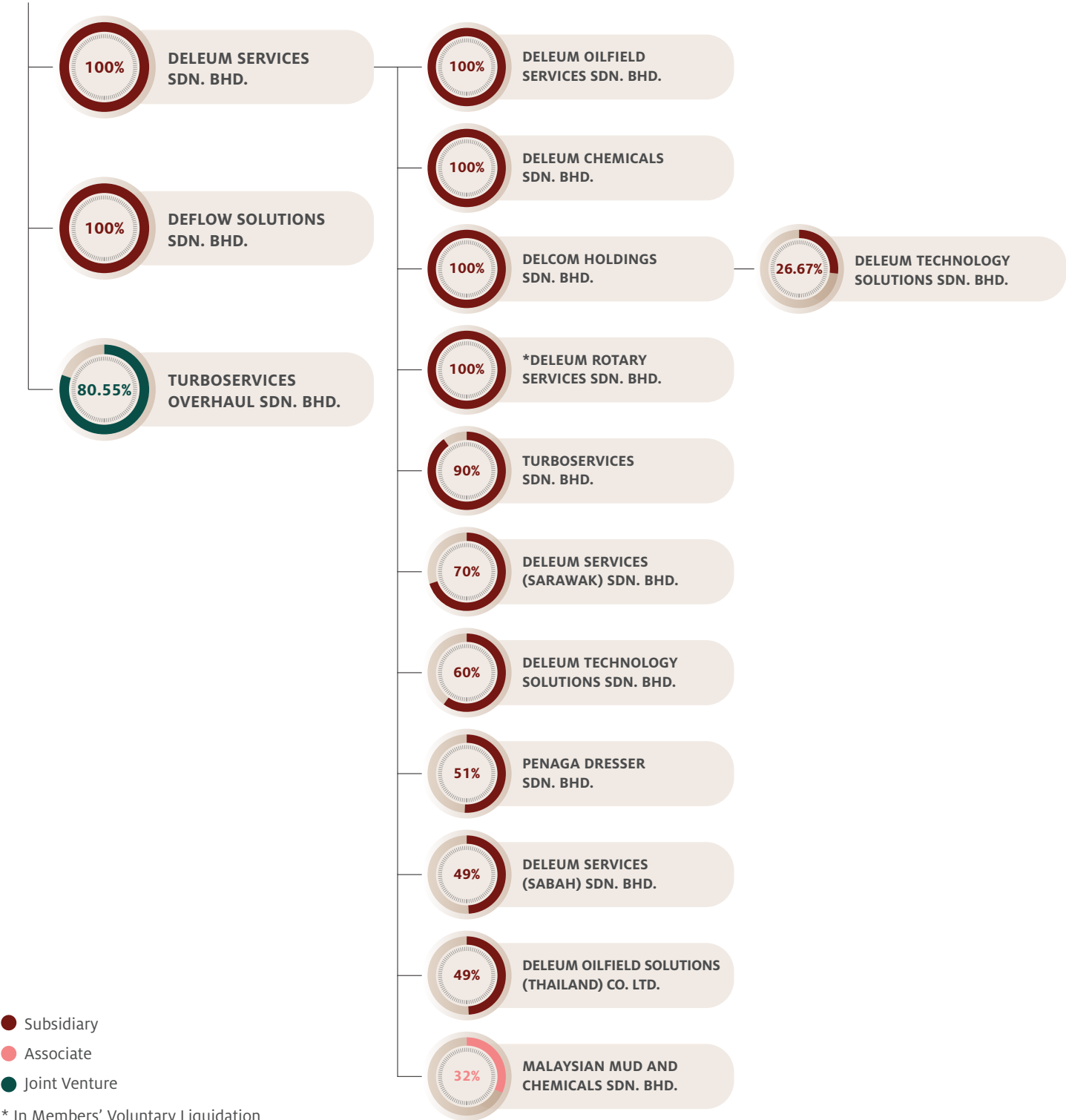
**PricewaterhouseCoopers PLT**  
Level 10, 1 Sentral, Jalan Rakyat  
Kuala Lumpur Sentral  
P.O. Box 10192  
50706 Kuala Lumpur, Malaysia  
Tel : 603-2173 1188  
Fax : 603-2173 1288

## Principal Bankers

HSBC Bank Malaysia Berhad  
Standard Chartered  
Bank Malaysia Berhad  
Malayan Banking Berhad

# Group Corporate Structure

As At 31 March 2025





## Profiles of Directors

### TAN SRI DATO' SERI SHAMSUL AZHAR BIN ABBAS

**Independent  
Non-Executive Chairman**

Gender	Age	Nationality
		

Board Committees  
**None**

Number of Board Meetings Attended  
**12/12**



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

He joined Petrolia 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 imposed to any public sanctions or penalties by relevant regulatory bodies during the year.

### DATUK VIVEKANANTHAN A/L M.V. NATHAN

**Non-Independent Non-Executive  
Deputy Chairman**

Gender	Age	Nationality
		

Board Committees  
**Board Risk and Investment Committee**

Number of Board Meetings Attended  
**10/12**



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 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 imposed to any public sanctions or penalties by relevant regulatory bodies during the year.

## Profiles of Directors

### RAMANRAO BIN ABDULLAH

#### Group Chief Executive Officer

Gender Age Nationality



61



Board Committees

**None**

Number of Board Meetings Attended

**12/12**



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 26 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) 2025 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 imposed to any public sanctions or penalties by relevant regulatory bodies during the year.

### LEE YOKE KHAI

#### Senior Independent Non-Executive Director

Gender Age Nationality



67



Board Committees

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

Number of Board Meetings Attended

**12/12**



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 imposed to any public sanctions or penalties by relevant regulatory bodies during the year.

## Profiles of Directors

### DATO' IZHAM BIN MAHMUD

**Non-Independent  
Non-Executive Director**

Gender Age Nationality



84



Board Committees  
**None**

Number of Board Meetings Attended  
**12/12**



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, Faiz 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 imposed to any public sanctions or penalties by relevant regulatory bodies during the year.

### DATUK MANHARLAL A/L RATILAL

**Independent  
Non-Executive Director**

Gender Age Nationality



65



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

Number of Board Meetings Attended  
**11/12**



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 imposed to any public sanctions or penalties by relevant regulatory bodies during the year.

## Profiles of Directors

### DATIN AISAH EDEN

**Independent  
Non-Executive Director**

Gender Age Nationality



65



Board Committees

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

Number of Board Meetings Attended  
**12/12**



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

Datin Aisah holds a Master in Business Administration 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 Nation 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.

### AINUL AZHAR BIN AINUL JAMAL

**Independent  
Non-Executive Director**

Gender Age Nationality



65



Board Committees

**Board Risk and Investment Committee; Joint Remuneration and Nomination Committee**

Number of Board Meetings Attended  
**3/3**



En. Ainal Azhar bin Ainal Jamal was appointed to the Board on 1 November 2024.

En. Ainal Azhar holds a Bachelor of Science in Electrical Engineering from the University of Sussex, United Kingdom. He is also a graduate of Daniel's Business School, University of Denver, USA and the IMD Business School, Switzerland.

He worked with the Public Works Department as the lead engineer responsible for radar installations at the Malaysian Armed Force military camps from 1983 to 1984 upon completing his education in United Kingdom.

Subsequently, he began his career as a field engineer with Schlumberger (SLB) in 1984. Over the course of his 32-year stint with the company, he served in various technical, managerial and executive roles in Australia, New Zealand, Indonesia, Malaysia, France, Canada and the United Kingdom.

En. Ainal Azhar held various senior positions within Schlumberger, including Managing Director for Schlumberger South East Asia, Corporate Communications Director of Schlumberger Ltd based in London, as well as Director of Human Resource for Schlumberger WesternGeco and Reservoir Management Group.

Between 2010 and 2013, En. Ainal Azhar served as Schlumberger Asia Pacific Executive Chairman, and later assumed his last position as Non-Executive Chairman and Director of Schlumberger Malaysia before his retirement in April 2018.

In May 2018, En. Ainal Azhar was appointed to the Board of Directors of Petrolim Nasional Berhad (PETRONAS) where he served as an Independent Non-Executive Director. He was also the founding board member of Gentari, a wholly owned entity of PETRONAS. He retired from the Board of PETRONAS in April 2023.

Presently, En. Ainal Azhar is an Independent Non-Executive Director of Icon Offshore Berhad and Sarawak Energy 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 imposed to any public sanctions or penalties by relevant regulatory bodies during the year.

## Profiles of Directors

### KATHIRITHAMBY SIVASANKAR

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

Gender



Age

74

Nationality



Board Committees

**None**



Mr. Kathirithamby Sivasankar was appointed to the Board 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.

Currently, Mr. Siva serves as a Non-Executive Director on the board of an Australian non-governmental organisation focused on healthcare. He takes pride in his role 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 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 imposed to any public sanctions or penalties by relevant regulatory bodies during the year.



## Profiles of Key Senior Management



**JAYANTHI A/P  
GUNARATNAM**

**Group Chief Financial Officer**



**AZMAN BIN JEMAAT  
@ HASSAN**

**Chief Executive Officer  
Penaga Dresser Sdn. Bhd.**



**IMRAN HAKIM BIN  
ABDUL AZIZ**

**Chief Executive Officer  
Deleum Oilfield Services Sdn. Bhd.**



### Date of Appointment:

1 January 2015

1 March 2018

20 September 2021

### Academic/ Professional Qualifications:

- Bachelor of Accountancy (Honours) Universiti Utara Malaysia
- Member of Malaysian Institute of Accountants (MIA)

- Bachelor of Mechanical Engineering, University of Wollongong, Australia

- Bachelor of Engineering, Manufacturing Engineering, Leeds Metropolitan University, United Kingdom

### Working Experience:

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

- 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.

- Joined Deleum Oilfield Services Sdn. Bhd. in 2021 as Chief Executive Officer.
- Prior to joining Deleum Oilfield Services Sdn. Bhd., he worked as the Technical Sales Manager SEA at Halliburton Energy Services.



## Profiles of Key Senior Management



**MOHAMMAD KAMAL  
BIN MD YOSOF**

**Chief Executive Officer  
Deleum Technology  
Solutions Sdn. Bhd.**

Gender Age Nationality



**ZAMANI BIN  
ABD GHANI**

**Chief Executive Officer  
Deleum Services Sdn. Bhd.**

Gender Age Nationality



**SULIANA  
BINTI ROSLI**

**Senior General Manager  
Group Corporate Services/  
Company Secretary**

Gender Age Nationality

**Date of  
Appointment:**

1 July 2022

4 June 2024

7 November 2022

**Academic/  
Professional  
Qualifications:**

- Bachelor of Civil Engineering Southern Illinois University, USA

- Bachelor of Engineering (Mechanical) University of Wollongong, Australia

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

**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.

- 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.

- 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.

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 offences within the past five (5) years other than traffic offences.
- Any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year 2024.

## Message from the Chairman



**Tan Sri Dato' Seri Shamsul Azhar bin Abbas**  
Chairman of the Board

### **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 2024 (FY2024).

FY2024 was a milestone year, with Deleum achieving a record-high net profit, driven by a steady growth in the Power and Machinery ("P&M") segment and the Oilfield Integrated Services ("OIS") segment's rebound. These results reflect years of strategic planning and commitment to sustainable growth.

Despite global uncertainties, the oil and gas sector remained resilient, supported by stable Brent crude prices, an increased exploration and capital expenditure in Malaysia. Deleum capitalised

on this environment, securing major contracts and strengthening its order book. While energy transition efforts accelerate, fossil fuels remain critical to Malaysia's energy mix, positioning Deleum for continued market relevance.

### **FINANCIAL HIGHLIGHTS**

Deleum posted a record net profit of RM74.2 million, 62.4% higher than RM45.7 million in 2023, marking its highest earnings since listing in 2007. Revenue also reached a record RM907.5 million, up 14.6% from RM792.0 million, fuelled by increased industry activities which resulted in strong OIS recovery and sustained P&M growth.

Further details on segmental performance are provided in the Management Discussion & Analysis section of this Annual Report.

### **DIVIDENDS**

Deleum maintains a balanced approach to dividends and strategic investments. For FY2024, a total dividend of 9.30 sen per share was declared and paid, comprising of a first interim dividend of 4.00 sen on 30 September 2024 and a second interim dividend of 5.30 sen on 28 March 2025.

Total dividend distribution for FY2024 stood at RM37.3 million, with a payout ratio of 50.4%, exceeding our policy of 50%.

### **BEYOND BOUNDARIES: ADVANCING TOWARDS SUSTAINABILITY**

In FY2024, Deleum has taken significant steps to further expand and strengthen its position in Malaysia and the ASEAN region. This includes enhancing technological capabilities, securing major contracts, and strategic acquisitions, as further elaborated in the Management Discussion & Analysis section.

At Deleum, we firmly believe that growth and governance must progress hand in hand, and this is reflected in our continuous commitment in reinforcing governance practices to ensure the long-term stability and integrity of our operations. We have implemented a management system spanning across operations, support, and legal functions, providing oversight and accountability at all levels.

Our strategic collaborations and acquisitions will provide more opportunities for the development of our people, our greatest asset, and transcending limits starts from within. Alongside rewarding shareholders, we nurture a high-performance culture and implement a performance-based reward system to recognise

## Message from the Chairman

and celebrate the contributions of our people. This approach drives motivation, fosters innovation, and ensures that Deleum continues to grow, enabling us to continuously deliver on our responsibilities to our customers and other stakeholders.

### AWARDS AND RECOGNITION

Deleum's dedication to creating value for shareholders was recognised at The Edge Centurion Club Awards 2024 with three prestigious accolades under the Energy Sector:

- Highest Growth in Profit After Tax Over Three Years
- Highest Returns on Equity Over Three Years
- Highest Returns to Shareholders Over Three Years



Additionally, Deleum was ranked among Malaysia's top 50 public listed companies for ESG at the *National Corporate Governance & Sustainability Awards 2024*. We also received the *Gold Award (Energy Sector)* and *Silver Award (Most Consistent ESG Performer Over Five Years)* at *The Edge ESG Awards 2024*.

### FY2025 OUTLOOK

We maintain an optimistic outlook for the oil and gas industry in FY2025, underpinned by sustained capital expenditure from key industry players. The recent oil and gas discovery reinforces the ongoing upcycle within Malaysia's oil and gas industry, presenting significant growth opportunities for service providers like Deleum, particularly in exploration and production.

As for our business, FY2025 brings exciting prospects as we continue our focus on driving Deleum forward by embracing innovation, adaptability, and strategic expansion. Enhancing our capabilities and expanding our market presence through various strategic initiatives and partnerships are key growth drivers for the Group.

### CONCLUSION AND APPRECIATION

The success we achieved in FY2024 is a direct result of the hard work and commitment of every individual at Deleum. I would like to extend my heartfelt thanks to the Board of Directors for their exceptional leadership and wisdom, which have been vital in guiding the Group through another year of growth. I warmly welcome our two new board members, En. Ainul Azhar bin Ainul Jamal and Mr. Kathirithamby Sivasankar, whose expertise and fresh perspectives will strengthen our leadership team.

I am also deeply grateful to our senior management and employees for their dedication and perseverance, especially in navigating the challenges of a dynamic business environment. Their contributions continue to drive our success.

A special thank you goes to all our stakeholders—shareholders, customers, suppliers, and business partners. Your ongoing support has been integral to our journey, and we are appreciative of the strong partnerships we share.

Looking ahead, we are excited about the future and remain fully committed to building our success in FY2025 and beyond.

**Tan Sri Dato' Seri Shamsul Azhar bin Abbas**

Chairman

31 March 2025



# Management Discussion and Analysis



## INTRODUCTION

Despite challenges, the global oil and gas sector remained stable with Brent crude prices fluctuating between USD74 and USD90 per barrel. Geopolitical tensions and supply controls influenced global trends, while Malaysia's oil and gas industry experienced growth driven by strong exploration activities and increased capital expenditure by major players, fostering confidence in the local market.

Amidst this environment, the Group achieved outstanding results in FY2024 setting new records for revenue and net profit. Looking ahead, we remain confident in our ability to drive continued growth and innovation in FY2025 and beyond.

## OVERVIEW OF OPERATIONS

Deleum continues to build on its strong position in the oil and gas industry, delivering reliable and innovative solutions that meet the sector's evolving requirements. With over four decades of experience, the Group is recognized for its technical expertise

and operational excellence, solidifying its reputation as a trusted industry partner.

The Oilfield Services and Integrated Corrosion Solution segments were strategically merged to form the Oilfield Integrated Services ("OIS") segment during the year. This restructuring aligns with our vision for strategic growth, streamlining operations, and enhancing financial reporting clarity.

To reinforce our presence in East Malaysia, the Group established Deleum Services (Sarawak) Sdn. Bhd. and Deleum Services (Sabah) Sdn. Bhd. during the year. These entities are positioned to deliver oil and gas services in Sarawak and Sabah, respectively, aiming to better serve our customers in these regions by fostering local engagement and leveraging growth opportunities.

Furthermore, Deleum increased its equity stake in Turboservices Sdn. Bhd. by an additional 16% bringing its total ownership to 90%. This acquisition enhances operational controls and aligns with Deleum's broader objectives of improving efficiency and strategic oversight.

## Management Discussion and Analysis

Deleum continued its digital transformation in FY2024 with the implementation of an Enterprise Resource Planning ("ERP") system and the Deleum Integrated Management System. Both platforms aim to improve operational processes, quality and governance.

The Group's core business segments, Power and Machinery ("P&M") and OIS, are strategically positioned to seize opportunities and drive sustained growth in the oil and gas industry. The 'Segmental Performance' section of this report provides detailed performance insights for each segment.

### FINANCIAL INDICATORS

Deleum delivered an outstanding financial performance in FY2024, achieving record-breaking revenue and profit. The Group achieved a significant milestone with revenue reaching RM907.5 million in FY2024, 14.6% higher than RM792.0 million in the previous year. This growth was primarily driven by sustained performance in the P&M segment and OIS segment's strong recovery.

In tandem with the revenue growth, profit attributable to equity holders for FY2024 surged by 62.4% to RM74.2 million from RM45.7 million previously, setting another new record for the Group.

The Group's joint venture, which engages in the overhaul and repairs of gas turbines business, has contributed lower than previous year to the Group in view of higher operating expenses incurred. On the other hand, the Group's share of associate's results increased by 34.8% from RM4.6 million to RM6.2 million, attributable to higher throughput from the associate's liquid mud and dry bulk businesses.

The OIS segment delivered a strong performance in FY2024, returning to profitability after posting a loss a year ago, driven by heightened activities within the segment. Additionally, the P&M segment demonstrated robust growth, further reinforcing the Group's overall strong financial performance.

### LIQUIDITY AND CAPITAL RESOURCES

The Group recorded a strong operating cash inflow of RM54.8 million in FY2024, bringing its cash balance to RM199.3 million as at 31 December 2024.

This solid cash position provides the Group with the financial agility and resources to pursue strategic initiatives, capitalising on emerging opportunities, and further enhancing our competitive advantage.

### GEARING RATIO

The Group's gearing ratio increased slightly to 3.3% in FY2024, compared to 0.6% in the previous year, following the drawdown of bank borrowings during the financial year.

This prudent financial management underscores our dedication to maintaining a balanced and robust capital structure, which enhances our financial resilience and flexibility to support future growth initiatives.

Comprehensive details of the borrowings and their maturity profiles are provided in the Financial Statements for FY2024.

### PERFORMANCE GUARANTEES

As at 31 December 2024, the Group has given guarantees amounting to RM56.2 million (FY2023: RM35.5 million) provided to third parties for operating requirements, utilities, and maintenance contracts.

### CAPITAL MANAGEMENT

The Group remains dedicated to a disciplined capital management strategy, focusing on optimising capital allocation to maintain financial flexibility. This strategy includes managing a prudent mix of debt and equity to balance risk and return, ensuring sufficient cash flow for working capital, planned capital expenditures, and debt servicing, strategic merger and acquisitions as well as returns to shareholders. The allocation is regularly reviewed to ensure it aligns with the Group's risk profile, operational needs, and market conditions. This approach enables us to seize growth opportunities while delivering consistent value to shareholders through sustainable returns.

### CAPITAL COMMITMENTS AND FUNDING SOURCES

As of 31 December 2024, Deleum's total authorised capital commitments for property, plant, and equipment amounted to RM63.2 million (FY2023: RM61.5 million), of which RM6.1 million (FY2023: RM7.1 million) represents capital commitments that have been contracted for but not yet incurred.

The remaining capital commitments of RM57.1 million (FY2023: RM53.5 million) relate to capital expenditures that have been authorised but not contracted for and include a share of capital commitment of a joint venture of RM0.9 million (FY2023: RM0.9 million). The capital commitments that have been authorised and contracted for relate to general contractual requirements and the purchase of equipment for current operations.

# Management Discussion and Analysis

## SEGMENTAL PERFORMANCE

### Power and Machinery (“P&M”)

The P&M segment primarily operates through Deleum Services Sdn. Bhd. (“DSSB”), Turboservices Sdn. Bhd. (“TSSB”), and Penaga Dresser Sdn. Bhd. (“PDSB”).

In FY2024, the P&M segment continued its impressive performance, building on its strong momentum. Both revenue and profit before tax (“PBT”) reached record highs, hitting RM716.7 million and RM135.6 million, respectively, compared to RM667.9 million and RM99.3 million in the previous year.

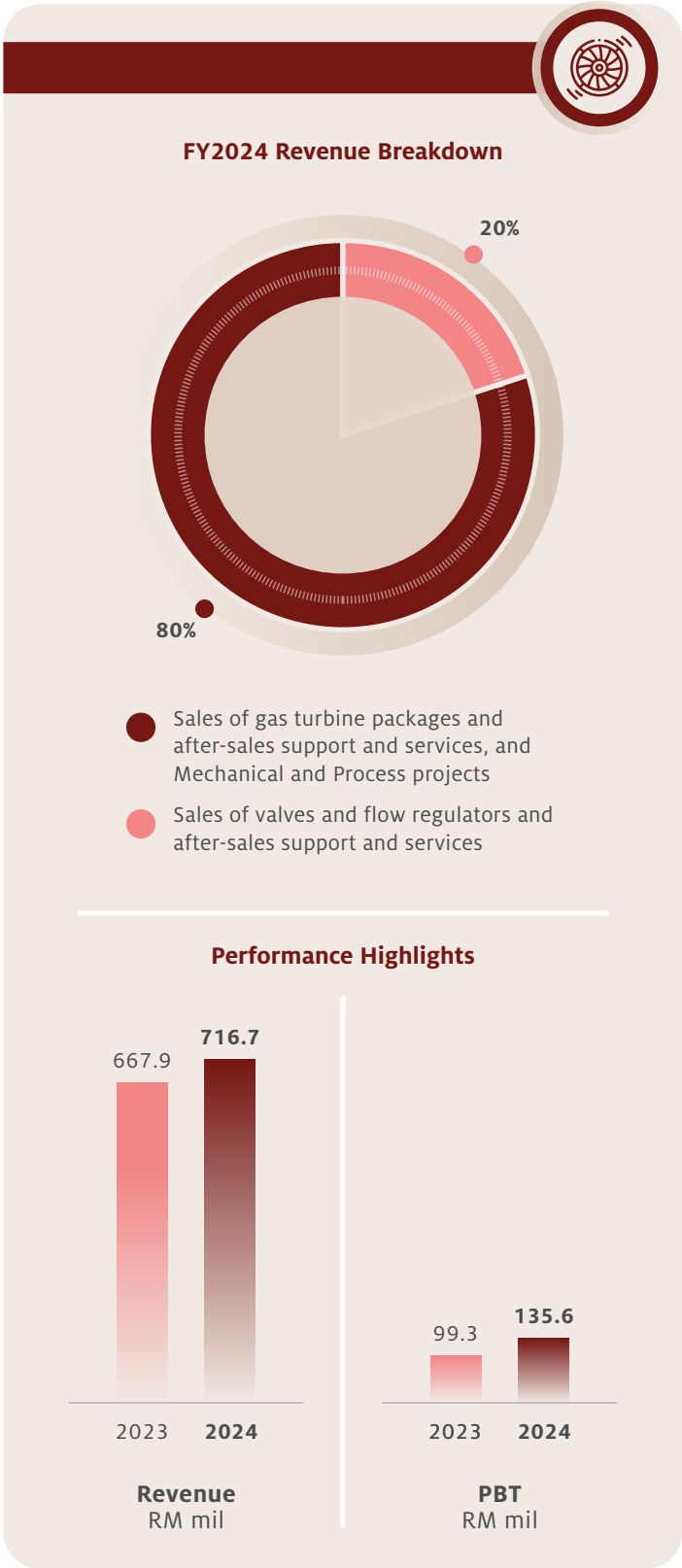
The growth was driven by increased sales volumes of exchange engines and turbines parts and repairs, contributions from new sales of gas turbines, Mechanical and Process projects, as well as increased revenue from control and safety valves, and flow regulators services.

In FY2023, DSSB, in collaboration with its technical partner, secured an extension of the Global Frame Agreement for the supply of gas turbines and compressors with a 7 + 3 years term. As part of this agreement, DSSB facilitated the project execution and package delivery of three units of gas turbine generators for an upstream Carbon Capture & Storage (“CCS”) project.

Building on this momentum, in FY2024, DSSB secured orders for three new units of Printed Circuit Heat Exchangers under Mechanical and Process portfolio and successfully delivered thirteen units of similar packages from the previous year’s orders. Furthermore, DSSB is leveraging on emerging technologies, including a multiphase pump developed by its technology partner, to enhance upstream operational and process efficiency. DSSB successfully delivered the pump unit coupled with a gas turbine driver package in FY2024.

Additionally, in FY2024, TSSB received several Letters of Award (“LOAs”) for its Long Term Service Agreement for gas turbine maintenance from various customers. These LOAs contributed to the achievement of the P&M segment and signify our commitment to providing reliable after-sales service and ensuring efficient customer operations.

PDSB was awarded a 7-year Global Frame Agreement for Control Valves in December 2022 from PETRONAS, broadening its offerings to include engineering services, supply of materials, commissioning and valve site removal/installation scope of works. PDSB played its role in the aftermarket segment by timely delivery of Control Valve and Pressure Relief Valve complete units and spare parts to multiple existing customers in their turnaround activities.





## Management Discussion and Analysis

In PDSB's project unit, secured projects are not limited to domestic projects but also export projects where destination of end user is outside Malaysia. This was achieved via international EPC Contractor based in Malaysia.

Looking ahead, the demand for control and safety valves is expected to grow steadily driven by customers' turnaround schedule, industrial automation, regulatory compliance, and energy transition initiatives. PDSB is also actively pursuing competitive replacement opportunities to support opportunities in 2025 and 2026.

The P&M segment continues to demonstrate strong momentum with sustained growth anticipated in FY2025. As of 31 December 2024, the order book and tender book for this segment stood at RM262.2 million and RM766.1 million, respectively.

### Oilfield Integrated Services ("OIS")

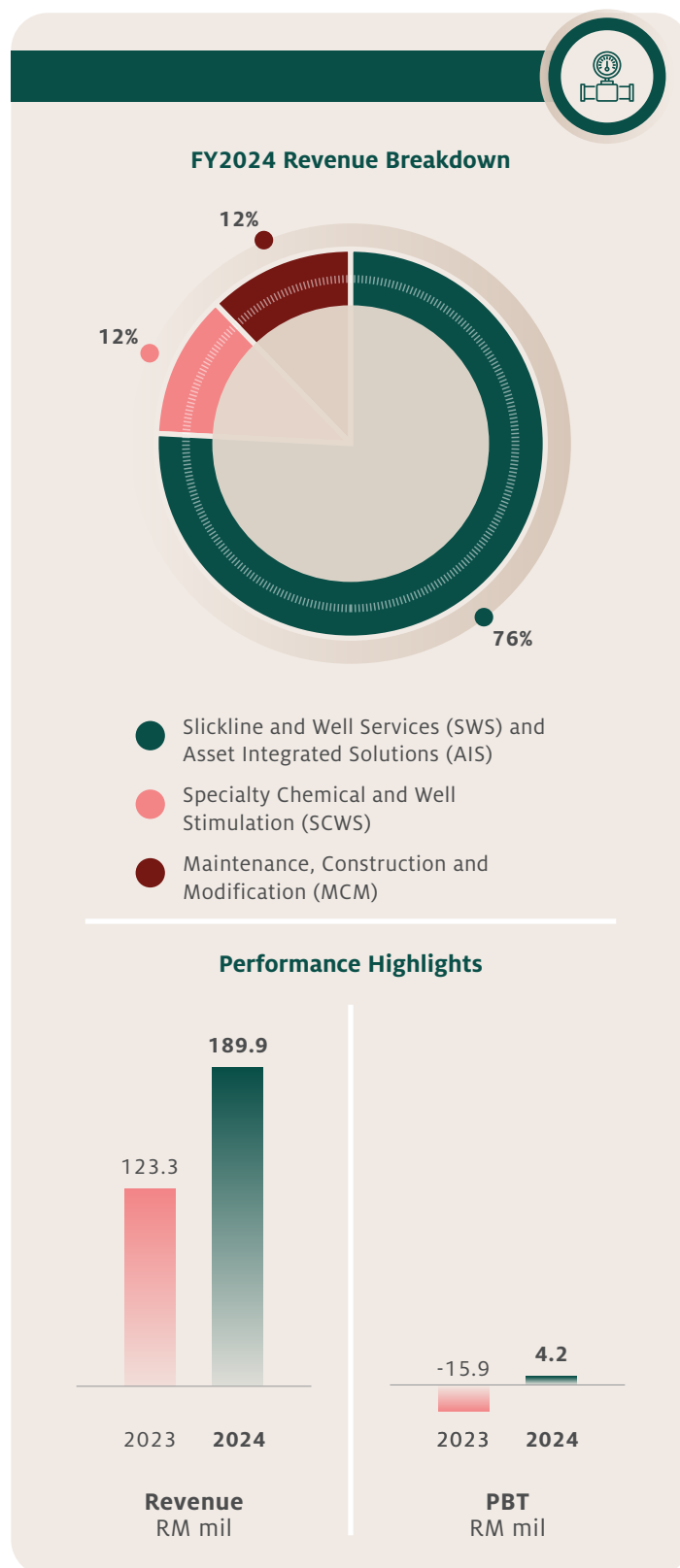
The OIS segment operates primarily through Deleum Oilfield Services Sdn. Bhd. ("DOSSB"), Deleum Chemicals Sdn. Bhd. ("DCSB"), and Deleum Technology Solutions Sdn. Bhd. ("DTSSB").

The OIS segment achieved a standout performance in FY2024, driven by increased activity levels across key business streams. This includes a notable uptake in slickline operations in the East Malaysia region, growth in asset integrated solutions services, solid control services, specialty chemicals and well stimulation services. Additionally, the increase of Maintenance, Construction, and Modification ("MCM") projects significantly enhance the segment's order book, further strengthening its overall performance compared to the previous year.

As a result of this strong momentum, revenue for the OIS segment surged 54.0% to RM189.9 million from RM123.3 million previously. In tandem, the segment reported a PBT of RM4.2 million, turning around from a loss before tax of RM15.9 million last year.

Solid Control, an area of strategic investment since 2022, continued to gain traction in FY2024. Revenue from this unit climbed to RM12.0 million in FY2024 from RM4.7 million in the previous year. This progression reflects the success of our strategy to tap into areas with high growth opportunities.

Asset Integrated Solutions ("AIS") provides integrated services such as cased-hole logging, well intervention, drilling and completion, and subsurface engineering. The unit plays a vital role in optimising reservoir potential by providing valuable insights into well conditions for effective reservoir management. By enhancing productivity and maximising well lifespan and performance, AIS remained a key revenue driver for the OIS segment in FY2024, reinforcing its strong performance in previous years.



## Management Discussion and Analysis

The Specialty Chemical and Well Stimulation (“SCWS”) unit provides specialty chemicals and well stimulation services, offering comprehensive chemical solutions for production enhancement, flow assurance, integrated pipeline cleaning, tank cleaning, well-pumping services, well analysis, and consultation. The Group’s in-house research and development facility plays a key role in developing innovative chemical solutions.

The SCWS unit demonstrated growth in FY2024, successfully expanding its sludge treatment technology to additional facilities, contributing to improved production efficiency and environmental outcomes. A major milestone in FY2024 was the successful completion of a sludge treatment pilot project, reducing a customer’s carbon footprint by 6,500 metric tonnes per year and significantly lowering disposal costs while recovering oil value. Additionally, the SCWS unit secured its first desludging contract in 2024, marking a breakthrough in its service portfolio.

The unit further strengthened its position by securing contracts for well cleaning and downstream process cleaning, leveraging on innovative solutions during a major vessel dry dock. Deleum also achieved a milestone with its in-house Foam Stick technology, leading to a successful well revival in the Banang field. Additionally, the team made strides within the ASEAN region with chemical stimulation services in Indonesia, marking its first foray into this market.

Deleum’s ongoing collaboration with LatConnect 60 Ltd (“LC60AI”), a Malaysian-founded, Perth-based earth observation and data fusion company, represents a significant advancement in expanding its technology-driven solutions and sustainability-focused initiatives within the energy sector. LC60AI’s Emission60, an innovative methane emissions monitoring solution leveraging advanced satellite analytics, enables organisations to effectively manage and reduce emissions, aligning with global sustainability goals.

LC60AI’s recent grants from the Australian Space Agency, along with support from the Western Australian government will facilitate the launch of two advanced satellites by 2026, further enhancing its emissions monitoring capabilities.

In addition, Deleum has collaborated with Paradigm Technology to modernise traditional slickline operations by digitalising conventional slickline processes. This partnership introduces cost-efficient solutions to tackle oil well challenges, improving operational efficiency and productivity within OIS operations, and bringing enhanced value to customers.

One of the key innovations is Slickline Electronic Data for Real-Time Monitoring (“SEDaR”), Deleum’s revolutionary wireline technology that combines the mechanical capabilities of slickline with the ability to transmit real-time bidirectional signals of E-Line. With this technology, Deleum can offer a wider range of well intervention services to meet customer needs. SEDaR takes slickline to the next level by introducing bidirectional communication, real-time data, and live initiation functions.

In FY2024, Deleum through its subsidiary DTSSB, secured three new MCM contracts, marking a key milestone and reinforcing the Group’s forward momentum and potential for future growth.

Among these new contracts is one awarded in June 2024 by PETRONAS Carigali Sdn. Bhd. (“PCSB”) to provide offshore MCM services for Peninsular Malaysia assets (gas package). The contract spans from 16 May to 31 December 2024.

Two additional significant contracts were secured in September 2024 for Pan Malaysia MCM projects and hookup commissioning services. These contracts, also with PCSB, are effective from 27 September 2024 for five years, with an extension option of one term of three years, and thereafter one term of two years. To comply with the contractual requirements and facilitate the successful delivery of the secured contract in Sarawak, DTSSB established new facilities in Miri and Bintulu, strengthened its workforce, and recruited local talents. Meanwhile, the operations in Peninsular Malaysia continue to be managed by the existing team based in Kemaman.

As of 31 December 2024, the OIS segment maintained an order book balance of RM1,315.7 million, ensuring earnings visibility through 2025, alongside a tender book of RM180.3 million.

### JOINT VENTURE AND ASSOCIATE COMPANY

Deleum’s joint venture (“JV”) with Solar Turbines International Company, known as Turboservices Overhaul Sdn. Bhd., focuses on providing 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 share. 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.

# Management Discussion and Analysis

## MITIGATING BUSINESS RISKS

At Deleum, we strive to achieve a balance between realising value creation opportunity, mitigating potential adverse risks to the Group, constantly monitoring the business risks exposure, and taking proactive measures to mitigate impact to the Group.

Through a structured Enterprise Risk Management Framework and policy, Risk Appetite Statement and other relevant policies, the Group has identified several key business risks that may impact the Group's ability to achieve strategic objectives.

Our responses to address and mitigate these risks have been considered, with no specific order of priority.



### STRATEGIC

Strategic risks stem from key decisions by the Board and Management, considering business goals and potential exposures like commodity price fluctuations, customer requirement changes, exchange rate exposures, sustainability ("ESG"), and economic outlook.

#### Potential Impact on Value

- Strategic decisions influence revenue streams and profitability.
- The Group may face market share loss if competitors implement superior strategies or if the Group fails to adapt to market changes.
- Changes in business strategies may result in higher costs or operational inefficiencies.
- Poor strategic choices may lead to negative public perception, erode customer trust, and diminish brand value.
- As environmental and social considerations grow in importance, inability to address ESG issues may lead to backlash from investors, customers, and regulators, affecting our value.

#### Mitigation Strategies and Opportunities

- To navigate the intricate business landscape and to elevate performance organisation-wide, we remain committed to focus on the key focal areas in our strategic plan:
  - ✓ Diversification
  - ✓ Partnerships and collaborations
  - ✓ Geographical expansions
  - ✓ Innovations
  - ✓ Service quality
  - ✓ Integrity
  - ✓ Sustainability
- Strategically diversifying our business through partnerships, collaborations, and geographical expansions to fortify existing operations.
- Actively pursuing growth in new segments, leveraging the approach for enhanced resilience and adaptability.
- Continuously pursuing business development through the exploration of opportunities in new service areas and markets, whilst expanding our existing presence.
- Prioritising innovations by fostering a creative culture and consistently seeking solutions for growth, while maintaining a strong focus on service quality to exceed customer expectations and drive satisfaction, ultimately propelling us forward in the ever-evolving business landscape.
- Consistently analysing markets and macroeconomic factors, strategically navigating the business landscape to create and sustain a competitive edge, proactively exploring sustainability opportunities and contributing to the evolving landscape of sustainable business practices.
- Striving to sustain a robust financial position to enhance resilience during challenging market conditions.

# Management Discussion and Analysis



## PROJECT AND OPERATIONS

Our business success hinges on the effectiveness of our processes, people, and systems in meeting customer's requirements. The ongoing challenge we face is balancing cost management with the delivery of service excellence.

### Potential Impact on Value

- Quality concerns including customer dissatisfaction and rework issues could potentially harm the organisation's reputation.
- Innovation challenges, such as resistance to change and resource constraints, can impact organisational values by hindering creativity, collaboration, and alignment with long-term goals.
- Project delays and cost overruns can impact profitability and efficiency.
- May lead to contractual disputes, legal actions, reputational risks and financial penalties.

### Mitigation Strategies and Opportunities

- Concentrating on managing our costs and cash flow amidst economic and commodity price uncertainties, closely monitoring operational expenses, working capital, and cash flows to meet scheduled commitments.
- Maintaining close and transparent engagements with existing key principals and customers, aligning mutual business goals and maximising value.
- Actively improving the commitment of third parties, like subcontractors and suppliers, by implementing programmes such as enhanced procurement vendor management.
- Effectively managing project and operational risks through thorough risk assessments and contingency planning, ensuring business resilience and sustainability. Prioritising operational excellence through streamlined processes and continuous improvement, ensuring efficiency, service quality, and innovation. This strengthens our ability to meet and exceed customer expectations while maintaining cost-effectiveness.



## FINANCIAL

Our financial performance may be impacted by reduced demand for assets and services, asset impairment, going concern risks, fluctuations in cash flows, and potential profitability challenges driven by cost factors and volatility in foreign exchange rates.

### Potential Impact on Value

- Financial loss or fluctuation in the Group's earnings.

### Mitigation Strategies and Opportunities

- Diversifying our product/services and proactively marketing for potential projects to reduce the risk of asset impairment.
- Managing currency fluctuations and monitoring foreign currency-denominated business transactions in line with the Board-authorised hedging policy and procedures.
- Implementing stringent operational and administrative cost management, enforcing compliance with the Credit Control policy, and a continuous reminder on cost savings to our people ensuring business sustainability.

## Management Discussion and Analysis



### HEALTH AND SAFETY

The nature of our operations exposes our people, casual workers and contractors to a broad spectrum of health and safety incidents. Prioritising their well-being is essential to prevent incidents that could lead to talent loss, regulatory actions, operational disruptions, increased costs, and damage to our reputation.

#### Potential Impact on Value

- Workplace accidents and health risks pose a potential threat, including injuries and, in severe instances, fatalities.
- Financial loss may occur as a result of punitive actions stemming from non-compliance.
- May lead to legal consequences, including increased regulatory scrutiny, inspections, and audits.
- Gradual decline or deterioration of a brand's value, reputation, or perception.

#### Mitigation Strategies and Opportunities

- Establishing a strong health and safety governance framework by consistently planning, monitoring and reporting through the Health, Safety, and Environment ("HSE") Committee at the management level and the Board Risk and Investment Committee at the Board level.
- Regularly reviewing HSE standard operating procedures and guidelines, incorporating relevant references from authorities and customers' requirements. Rigorously adopting and integrating these measures, we consistently monitor the implementation of safety and health policies and procedures.
- Conducting regular education and awareness initiatives through various activities such as 4REs (Review, Reverify, Revalidate and Repeat), root cause analysis, pre and post job briefing, emergency response preparedness, etc.
- Performing periodic audits of HSE procedures and practices, drills and exercises, and implementing improvement initiatives to comply with requirements and standards by regulatory bodies and customers.



### ENVIRONMENTAL AND CLIMATE CHANGE

The growing concerns surrounding climate change and environmental footprint, encompassing its effects, the shift to a low-carbon economy, and waste and water management, pose potential risks that may necessitate the adoption of innovative methods and technologies.

#### Potential Impact on Value

- May harm assets, disrupt supply chains, and lead to stricter government regulations.
- Legal consequences may include liabilities for environmental damage, pollution, or non-compliance with climate-related regulations.
- Increased costs, such as higher insurance premiums and costs to adopt low emissions technologies.
- Potential erosion of brand reputation due to environmental issues and legal challenges.

#### Mitigation Strategies and Opportunities

- Proactively pursuing energy efficiency and conservation while striving to reduce greenhouse gases ("GHG") emissions by continuously improving our processes.
- Implementing comprehensive waste management initiatives, ensuring all hazardous waste is managed by our certified Schedule Waste Competent Person, registered and recognised by the Department of Environment.
- Proactively identifying, assessing, and monitoring climate-related change risks, integrating the risk management processes and practices with enterprise and operational risk management.
- Strengthening business resilience by assisting customers in tackling climate change and environmental challenges. This includes promoting and marketing a GHG monitoring system through EONET capability as LC60AI's partner, supporting CCS projects with Gas Turbine Generators. Additionally, we also offer a sustainable solution for oil recovery and innovative sponge media abrasive technology.
- Adopting industry best practices and complying with established policies and industry standards. Our Environmental Management System (EMS) holds ISO 14001:2015 certification, affirming our commitment to meeting legal and subscribed environmental requirements.

# Management Discussion and Analysis



## BUSINESS ETHICS COMPLIANCE AND REGULATORY

A myriad of risks associated with ethics, integrity, and regulatory compliance, each with the potential to have significant consequences on our reputation, legal standing, and overall business.

### Potential Impact on Value

- May harm the Group's reputation, resulting in a loss of trust from customers, investors, and stakeholders. This affects relationships and long-term success in the market.
- A tarnished reputation can deter investors, impacting stock prices and overall confidence in the Group's ability to generate returns.
- Strained relationships with partners, suppliers, and stakeholders, may hinder establishment and maintenance of successful collaborations.
- May affect employee morale and commitment, as employees may feel demotivated or disengaged.

### Mitigation Strategies and Opportunities

- The Group remains committed to its Anti Bribery Management System journey through various implementation strategies guided by the T.R.U.S.T Principles.
- Strict adherence to laws, policies, procedures, and guidelines endorsed by the Board, including the Code of Business Conduct ("COBC"), Anti-Bribery and Corruption Policy, and Gift, Hospitality, Donation & Sponsorship Procedure.
- Adopting industry best practices, adhering to established policies guided by industry standards, and ensuring compliance through our newly certified Anti-Bribery Management System ISO 37001:2016.
- Cultivating integrity and a speak-up culture throughout the organisation through group-wide initiatives and communication efforts, exemplified by events like Integrity Day.
- The Group has a whistleblowing hotline in place for employees and third parties to report non-compliance concerns.
- Leveraging on dedicated Corporate Resources functions such as Corporate Compliance, Sustainability & Risk, QHSE, Corporate Services, Human Resources, Finance and Group Supply Chain to monitor regulatory and policy developments and liaise with relevant governing authorities to keep ourselves abreast of the regulatory changes.
- Conducting comprehensive audits and reviews of internal controls, continuously strengthening and making appropriate changes to ensure alignment with the Group's established policies, procedures, guidelines and prescribed standards.



## DIGITAL AND CYBER

The threat landscape has evolved significantly over the past years as we accelerate digitalisation and automation of our systems and processes in line with the rapid evolution of technology.

### Potential Impact on Value

- Prolonged business disruption beyond reasonable time and loss of vital data, information, and documents.
- Disruptions to Group's business digital ecosystem and support for digitalisation initiatives.
- Damage to brand, reputation, erosion of trust with suppliers and customers, and market's competitive edge.
- Exposure of sensitive personal data increases the risk of legal actions and probability of identity theft.

### Mitigation Strategies and Opportunities

- Enforcing strict compliance with policies such as the Information and Communication Technology Policy and Cybersecurity Policy.
- Integration of our ERP system into our operations, digitally equipping our people and processes to ensure the efficiency, integrity, and confidentiality of critical data and information.
- Continuously monitoring, upgrading, and strengthening cybersecurity controls across the Group's IT landscape.
- Consistently delivering awareness, education, and training to instil a digital-savvy culture among our people.
- Conducting periodic self-assessments, including Data Recovery and Penetration testing, to identify vulnerabilities and address any identified gaps.
- Migrating to Cloud computing to protect sensitive data with encryption and other security measures.



## Management Discussion and Analysis



### HUMAN CAPITAL

Human capital risks can have a substantial impact on operations and overall business performance. Key challenges include the need for continuous upskilling and reskilling of our workforce, as well as difficulties in attracting, acquiring, and retaining the right talent to effectively meet the expectations of our stakeholders.

#### Potential Impact on Value

- Losing key talent or experiencing high employee turnover can disrupt operations, create knowledge gaps, and hinder the Group's ability to execute plans effectively, impacting productivity, innovation, and customer relationships.
- The absence of a robust succession plan may lead to leadership gaps, hindering its ability to navigate leadership changes smoothly and impacting strategic decision-making and long-term sustainability.
- A workforce without diversity and inclusion may have difficulty in fostering creativity and innovation, hindering the Group's adaptation to market changes and competitiveness.
- Insufficient/inadequate training may lead to lower employee productivity, affecting the Group's overall operational efficiency and profitability.

#### Mitigation Strategies and Opportunities

- Implementing a succession planning blueprint for critical positions throughout the Group to ensure a sustainable pipeline of qualified and competent talents, building a future ready organisation and workforce.
- Focusing on people management by fostering adaptability, creativity, evolving mindsets, culture, and behaviour within the organisation.
- Hiring the right talent by continuously benchmarking against competitive industry practices.
- Providing continuous training and development programmes to upskill and reskill our people by equipping them with new knowledge and skills.
- In line with our shared values in providing equal opportunity to our personnel to develop their full potential, we are committed to adhering to relevant legislations and our Equal Opportunity Policy.

### GROWTH AND VISION FOR THE FUTURE

Deleum remains committed to navigating the evolving energy landscape with resilience, adaptability, and sustainability at the core of our strategy. Our growth strategy focuses on delivering high-technology services, expanding into new regional markets, and offering value-added solutions that align with the evolving needs of the oil and gas industry. We are dedicated to maintaining healthy profit margins, optimising costs, and ensuring efficient resource allocation, all while upholding excellence in safety, quality, and operational standards.

Investments in research and development and embracing new technologies are key drivers of our innovation and enhanced service offerings. We prioritise training and development to cultivate a high-performance culture and leveraging strategic partnerships to unlock further new growth opportunities. By integrating sustainability initiatives into our operations, we continue to strengthen our environmental and social responsibility efforts.

Looking ahead, we aim to solidify our position as a leading regional oil and gas service provider, delivering consistent shareholder returns, expanding our market presence, and advancing sustainable practices. With a clear strategic focus and unwavering commitment to excellence, Deleum is well-positioned to seize opportunities in FY2025 and beyond, paving the way for long-term success and resilience.

A scenic landscape photograph of a forested valley. In the foreground, there are dense green trees on a hillside. In the middle ground, a bridge spans a river or valley. The background shows rolling hills and mountains under a blue sky with white clouds.

# 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 FY2024.

For a more comprehensive understanding of Deleum’s sustainability initiatives, it is recommended to read this Statement alongside 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.

# Sustainability Statement

## Reporting Scope and Boundary

This Statement applies to Deleum's operations within Malaysia, specifically those where Deleum holds controlling interests or management control. This includes all subsidiaries and the joint venture entity, where applicable, but excludes the associate company. The scope is confined to Deleum's core operational activities.

## Reporting Approach

The sustainability reporting principles of inclusiveness, sustainability context, materiality and completeness have been applied when defining the context. Accuracy, balance, clarity, reliability and timeliness have also been considered.

## Reporting Framework and Standards

This Sustainability Statement has been prepared in accordance with Bursa Malaysia Securities Berhad ("Bursa Malaysia") Sustainability Reporting Guide (3rd Edition) and the Global Reporting Initiative ("GRI") Standards.

Other frameworks and guidelines referenced in the preparation of this Statement include:

- National Sustainability Reporting Framework ("NSRF")
- United Nations Sustainable Development Goals ("UNSDGs")
- Task Force on Climate-Related Financial Disclosures ("TCFD")
- FTSE Russell FTSE4Good Criteria



## Reporting Period and Cycle

This Sustainability Statement presents data for FY2024, covering the period from 1 January to 31 December 2024. The Group has included relevant data spanning three years (FY2022-FY2024) 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 Greenhouse Gas Emissions ("GHG"). 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 issues that impact the Group's ability to create value and present a fair view of the Group's performance for FY2024.

This Statement is made following the Board's approval on 26 March 2025.

## 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@deleum.com

# Sustainability Statement

## FY2024 SUSTAINABILITY SNAPSHOT

### Economic



**Ensuring equitable economic interest of stakeholders**

#### Value Created FY2024

- Group revenue increased by 14.6% to RM907.5 million compared to RM792.0 million in FY2023
- Group profit before tax increased by 60.4% to RM136.2 million compared to RM84.9 million in FY2023
- Dividend payout of RM37.3 million to its shareholders, 62.9% higher than RM22.9 million in FY2023
- RM115.3 million for employee remuneration and benefits
- Achieved 85% of customer satisfaction index, surpassing the 70% target

### Environmental



**Preserving and protecting the environment for present and future generations through climate action and resources efficiency**

#### Value Created FY2024

- GHG intensity per workforce reduced by 36.4% to 1.4 tCO<sub>2</sub>e from 2.2 tCO<sub>2</sub>e in FY2023
- GHG intensity per revenue (in million) reduced by 4.5% to 2.1 tCO<sub>2</sub>e from 2.2 tCO<sub>2</sub>e in FY2023
- Maintained zero spillage incidents and no environmental penalties
- Harvested 77.3 cubic metres of rainwater at our operational facilities
- Conserved over 52 freshwater terrapins and engaged 282 individuals in educational awareness programmes in collaboration with a local Non-profit Organisation (“NPO”)
- Planted 300 mangrove trees at Pantai Kemasik, Kemaman, Terengganu
- Participated in the International Coastal Cleanup Day hosted by MyKasih

### Social



**Respecting, supporting and upholding fundamental human rights in regions where we operate**

#### Value Created FY2024

- Total workforce increased by 70.8% to 1,324 from 775 in FY2023
- Recruited 725 new personnel and reduced the voluntary turnover rate to 9% from 12% in FY2023
- Communicated human rights awareness to all employees through the Code of Business Conduct (“COBC”) training
- Achieved zero work-related fatalities and lost-time injuries
- Invested RM2.6 million in learning and development, more than 100% increase from RM1.2 million in FY2023
- Contributed RM386,730 to community initiatives, benefiting 1,842 individuals

### Governance



**Committed to maintaining ethical business practices and upholding the highest standards of ethics, integrity and compliance**

#### Value Created FY2024

- Zero number of confirmed incidents of corruption or corrective actions required
- Zero cost of fines, penalties or settlements related to corruption
- Zero number of substantiated complaints regarding breaches of customer privacy and losses of customer data
- All new suppliers underwent environmental policy evaluations during the pre-qualification process



# Sustainability Statement

## ACKNOWLEDGEMENT AND HONOURS



### The Edge ESG Awards

- Gold Award in the Energy Sector
- Silver Award for Most Consistent ESG Performer Over Five Years



### NACGSA Awards

Top 50 public-listed companies at the National Corporate Governance & Sustainability Awards ("NACGSA") 2024



### The Edge Malaysia Centurion Club 2024

- **Highest Returns to Shareholders Over Three Years**  
Energy Sector by The Edge Malaysia Centurion Club
- **Highest Growth In Profit After Tax Over Three Years**  
Energy Sector by The Edge Malaysia Centurion Club
- **Highest Return On Equity Over Three Years**  
Energy Sector by The Edge Malaysia Centurion Club

# Sustainability Statement



**Ramanrao bin Abdullah**  
Group Chief Executive Officer

## MESSAGE FROM LEADERSHIP

With Malaysia reaffirming its commitment to achieving net zero carbon emissions by 2050, following the significant milestone set during the 28<sup>th</sup> Conference of the Parties (“COP28”) for global climate action, Deleum has been taking steps towards addressing climate change action and sustainability initiatives within our organisation and across its value chain.

As a key player in the oil and gas supply chain, we collaborate with industry leaders to navigate the evolving energy transition while addressing broader economic, social and environmental challenges.

Deleum remains resilient and well-equipped to overcome these challenges and seize emerging opportunities, guided by the strategic decision-making of our experienced and skilled leadership.

### Deepening Our Sustainability Commitment

In FY2024, we reaffirmed our commitment to sustainability, recognising that our responsibilities go beyond operational excellence. We have introduced a refreshed sustainability framework and material matters to better align our strategic ESG goals with the evolving needs of our industry, stakeholders, communities and the planet.

Our revised sustainability framework is guided by three Core Values: (1) Service Quality; (2) Health, Safety and Environment;

and (3) Integrity. These values enhance our focus on relevant sustainable practices and form the foundation of an integrated approach that prioritises transparency, accountability and continuous improvement in sustainability across our operations.

In line with our updated sustainability framework, we have also refined our sustainability material matters to better meet stakeholders’ expectations, ensuring we address the issues most critical to our business, people and environment.

By reassessing critical areas of our sustainability agenda, we have identified 17 material matters where our efforts can drive the greatest impact, from managing our carbon footprint and strengthening human capital management to fostering strong economic growth and reinforcing robust governance practices.

These efforts are outlined in our Sustainability Roadmap 2025-2029, which shapes our strategic commitments and interim targets for short-, medium- and long-term initiatives. Through this roadmap, Deleum is well positioned to address today’s challenges while building a legacy of responsible stewardship for future generations.

### Our Sustainability Performance

Deleum’s strong legacy and expertise as an integrated solutions provider in the oil and gas industry form a solid foundation for sustained growth, reinforcing each of our core business areas. We are committed to maintaining sustainable practices while ensuring data governance and accuracy across our operations.



## Sustainability Statement

Climate change management and mitigation continue to be a focal point of the Group's sustainability agenda with the establishment of climate strategy and roadmap for transitioning towards a low carbon future. We have continuously enhanced our approach to consolidating energy and emissions data, as disclosed in this Statement, while aligning with key reporting frameworks such as TCFD/IFRS S2 recommendations.

Deleum has adopted the Operational Control approach for consolidating its emissions data, which will be applied consistently across all entities level and reporting scopes (Scope 1 and Scope 2). This approach means that Deleum will account for 100% of the GHG emissions from entities which Deleum has direct operational control. Demonstrating our commitment to data accountability, BSI has issued a Verification Opinion Statement for Deleum's FY2024 Scope 1 and Scope 2 GHG emissions, confirming its accuracy and alignment with ISO 14064 and its principles.

The Group also remains steadfast in its commitment to social sustainability and integrity in governance, upholding the human rights of its people, fostering transparent and accountable leadership, as well as supporting community development programmes that uplift local communities in the long term.

We are proud of our collective dedication to advancing Deleum's progress towards important sustainability milestones. To learn more about our ongoing initiatives and performance, we invite readers to explore our Sustainability Statement in the sections that follow.

### Recognition for Positive Impact

The Group's commitment to upholding the highest standards of sustainability and quality has been recognised through numerous prestigious national awards and international certifications over the years.

In FY2024, we received the Gold Award for the Energy Sector and the Silver Award for Most Consistent ESG Performance Over Five Years at The Edge ESG Award 2024. Deleum also earned a notable position among the Top 50 public-listed companies in exemplifying corporate governance and sustainability practices at the prestigious National Corporate Governance & Sustainability Awards ("NACGSA") 2024.

We are also pleased to have received from The Edge Malaysia Centurion Club the Highest Growth in Profit After Tax Over Three Years, Highest Return on Equity Over Three Years and Highest Returns to Shareholders Over Three Years in the Energy Sector. These accolades are a testament to Deleum's continued dedication to economic and business excellence.

Notably, we maintained our position in the top 25th percentile among FBM EMAS PLCs, earning a 4-star rating in the FTSE4Good Index Series. This consistency in rating and ranking reflects Deleum's ongoing efforts to strengthen our ESG commitments in all relevant aspects of our ESG agenda.

We also reinforced our partnership in the CEO Action Network, a membership we connected with in FY2023, further cultivating positive change and development within the industry and the wider corporate landscape.

### Outlook

To strengthen our business, we aim to capitalise on market opportunities through cross-selling and upselling across various business segments. Deleum remains focused on strengthening its order book, expanding its geographical presence, and driving technological innovation to stay competitive while minimising our environmental impact.

Sustainability reporting in Malaysia reached a milestone in September 2024 with the launch of the National Sustainability Reporting Framework ("NSRF") by the Securities Commission of Malaysia. With the strong groundwork laid by our sustainability reporting on climate-related and sustainability-related risk and opportunities ("CRRO" and "SRRO"), we are prepared to align with these new disclosure requirements, ensuring compliance with all reporting requirements and global EESG standards. We also reaffirm our commitment to continuously improve data governance and accuracy, as reliable information is pivotal for navigating market dynamics and making well-informed decisions. We also seek to strengthen our climate action initiatives and to consider investments in low-carbon technology and renewable energy to align with our sustainable objectives.

### Acknowledgements

Our unwavering dedication to sustainability continues to grow at Deleum, and recognition received underscores our progress in the right direction. Deleum is well-positioned to enhance stakeholder value while aligning our operations with globally-recognised ESG standards.

As we continue championing positive changes in sustainability across all business divisions, we recognise that the lifeblood of Deleum, our people, ultimately remains the driving force for the Group's sustainable future.

# Sustainability Statement

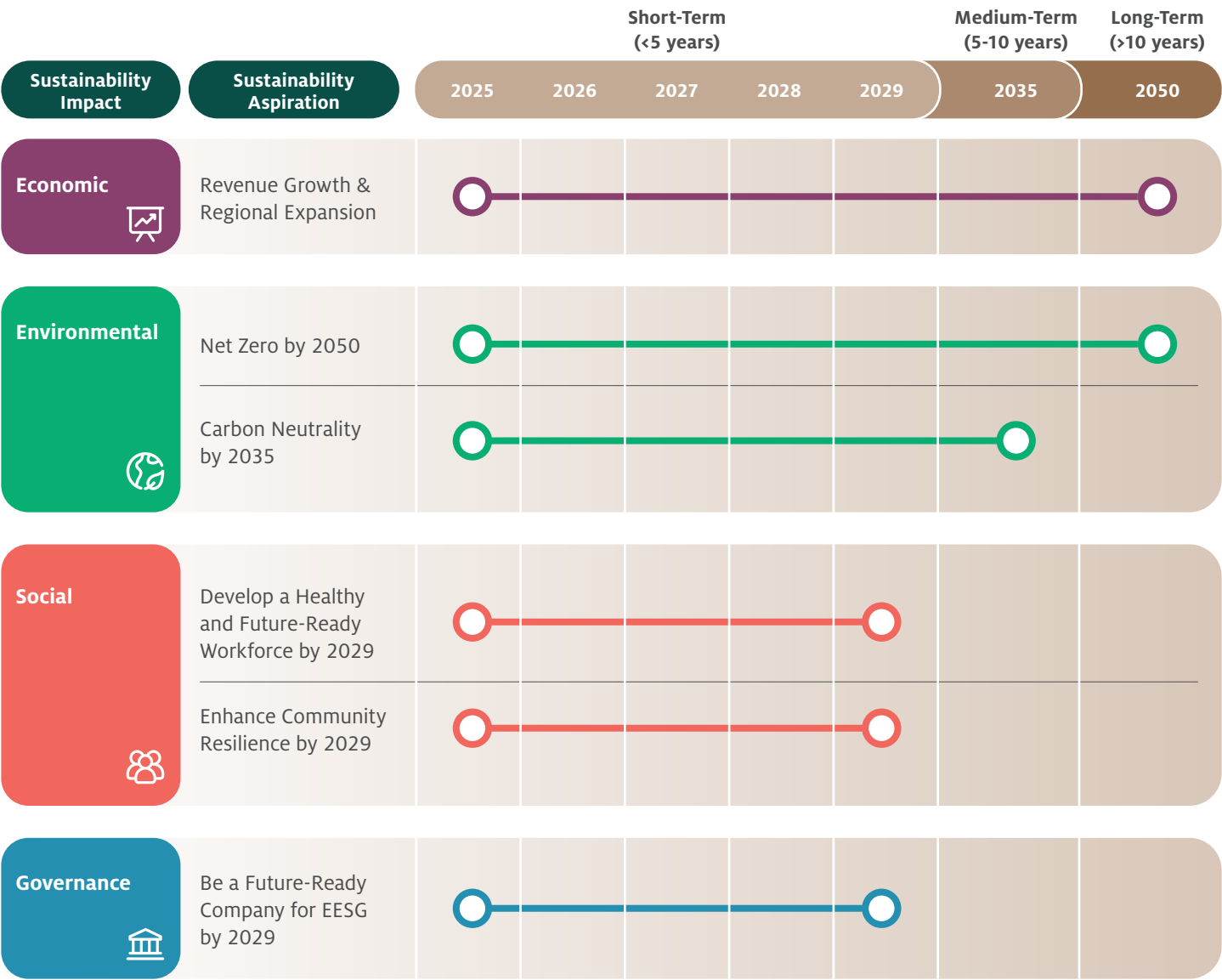
## SUSTAINABILITY SYNERGY AT DELEUM

### Sustainability Roadmap 2025-2029

In FY2024, Deleum reinforced its sustainability approach by strategically formulating a Sustainability Roadmap. This roadmap, approved by the Board in February 2025, will guide the Group in integrating sustainability principles and practices into our business strategies and operations.

The Sustainability Roadmap is developed with a set of Sustainability Aspirations and collective Strategic Commitments and classifies 17 material matters into three focus areas based on their significance to the Group and stakeholders. This structured approach allows the Group to allocate resources effectively to ensure all material matters are adequately addressed.

To ensure the consistent adoption of best practices in our sustainability performance, we embed sustainability elements into our mission, vision, and core values and adopt UNSDGs in our Sustainability Framework and Roadmap to illustrate a comprehensive understanding of how these sustainability matters drive Deleum’s value creation.



## SUSTAINABILITY FRAMEWORK

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

To be the Premier Malaysian Service Company in the Energy Industry and to Grow Our Regional Footprint



# Sustainability Statement

Sustainability Aspirations	Strategic Commitments	Sustainability Material Topics	Deleum 5-Year Roadmap 2025-2029
Revenue Growth & Regional Expansion	Enhancing sustainable and responsible corporate performance to create long-term value for stakeholders	Economic Performance	<ul style="list-style-type: none"> <li>Organic and non-organic revenue growth</li> </ul>
	Ensuring customer satisfaction and driving continuous quality improvement by adhering to standards	Customer & Product Responsibility	<ul style="list-style-type: none"> <li>ISO 9001 Quality Management System</li> <li>Service Quality Initiatives</li> <li>American Petroleum Institute ("API") specification Q2, 2nd Edition</li> </ul>
	Pursuing technological advancement and innovative strategies to achieve growth and expansion	Innovation and Technology	<ul style="list-style-type: none"> <li>Cutting-edge Technology</li> <li>Collaboration &amp; Partnership</li> <li>Digital Transformation Programme</li> </ul>
Net Zero by 2050	Preserving and protecting the environment for present and future generations through climate action and resources efficiency	GHG Emissions Energy Management Waste & Water Management	<ul style="list-style-type: none"> <li>GHG emissions for Scope 1 and Scope 2</li> <li>GHG emissions for Scope 3</li> <li>General Waste Management</li> <li>Scheduled Waste Management</li> <li>Water Management</li> </ul>
Carbon Neutrality by 2035	Empowering internal stakeholders with knowledge and expertise on climate and sustainability related topics	Climate Change Resilience	<ul style="list-style-type: none"> <li>Sustainability and climate change awareness and capability building for internal stakeholders</li> </ul>
	Integrating physical, transition risks and opportunities that impact the business model, operations, and financial planning		<ul style="list-style-type: none"> <li>Adoption of TCFD / IFRS S2</li> </ul>
	Conserving biodiversity and restoring ecosystems through sustainable practices and strategic initiatives	Biodiversity	<ul style="list-style-type: none"> <li>Long-term collaboration / partnership in habitat restoration</li> </ul>

## Sustainability Statement

Sustainability Aspirations	Strategic Commitments	Sustainability Material Topics	Deleum 5-Year Roadmap 2025-2029
<b>Develop a Healthy and Future-Ready Workforce by 2029</b>	Striving to enhance workers' health, safety and wellbeing	<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>• Health &amp; Wellbeing Programme</li> <li>• HSE Culture and Capability Building</li> </ul>
	Upholding human rights and fair labour practices by implementing policies and programme that ensure zero violations across Deleum and its value chain	<b>Human Rights &amp; Labour Practices</b>	<ul style="list-style-type: none"> <li>• Human rights awareness education</li> <li>• Social Risk Assessment</li> </ul>
	Employment and job creation to promote economic and financial sustainability	<b>Human Capital Development</b>	<ul style="list-style-type: none"> <li>• Internship Programme</li> </ul>
	Fostering growth, training, and the development of human capital		<ul style="list-style-type: none"> <li>• Deleum Learning and Development Programme</li> </ul>
	Implementing diversity and inclusion programmes within Deleum	<b>Diversity &amp; Inclusion</b>	<ul style="list-style-type: none"> <li>• Unconscious Bias Programme</li> </ul>
	Ensuring diverse voices are heard and valued		<ul style="list-style-type: none"> <li>• Employee Engagement Programme</li> </ul>
<b>Enhance Community Resilience by 2029</b>	Supporting local communities through social, cultural, and educational initiatives	<b>Community Outreach</b>	<ul style="list-style-type: none"> <li>• Community Investment Guideline</li> <li>• Long-term collaboration/ partnerships on STEM education and training/ health and wellbeing programme / infrastructure development / community</li> </ul>
<b>Be a Future-Ready Company for EESG by 2029</b>	Strengthening governance practices in the sustainability spectrum	<b>Corporate Governance</b>	<ul style="list-style-type: none"> <li>• Independent assurance for GHG emission reporting</li> <li>• Adoption of IFRS S1 and S2</li> <li>• Incorporation of sustainability-related targets into objectives and key results ("OKRs") of senior management</li> </ul>
	Respecting the law and actively preventing corruption within Deleum	<b>Business Ethics</b>	<ul style="list-style-type: none"> <li>• Enhance employee awareness on anti-bribery and corruption-related topics and whistleblowing channel</li> </ul>
	Maintaining robust anti-bribery management systems in alignment with international best practices		<ul style="list-style-type: none"> <li>• ISO37001 Anti Bribery Management System</li> </ul>
	Maintaining a resilient, secure, and adaptable cyber and information security framework, aligned with industry best practices	<b>Cyber and Information Security</b>	<ul style="list-style-type: none"> <li>• Cybersecurity Risk Management Strategy</li> <li>• Cyber Security Act 2024</li> </ul>
	Building a responsible and sustainable supply chain through long-term relationships built on integrity, transparency, and respect	<b>Supply Chain Management</b>	<ul style="list-style-type: none"> <li>• Supplier ESG Assessment</li> <li>• Sustainability awareness programme for suppliers</li> </ul>



# Sustainability Statement

## Our Sustainability Commitments

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



# Sustainability Statement

Enforcement of internal policies and procedures

Encourage sustainability best practices and continuous improvement for business resilience, integrate sustainability in the corporate strategy and decision-making process

Improve operation efficiency towards contributing to low-carbon economy

Implement strategic risk management and foster sustainability culture and awareness throughout the business supply chain

Effective communication and constantly improving the quality of products and services to meet stakeholders' expectations

## Our Sustainability Governance

Our sustainability governance structure follows 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.

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

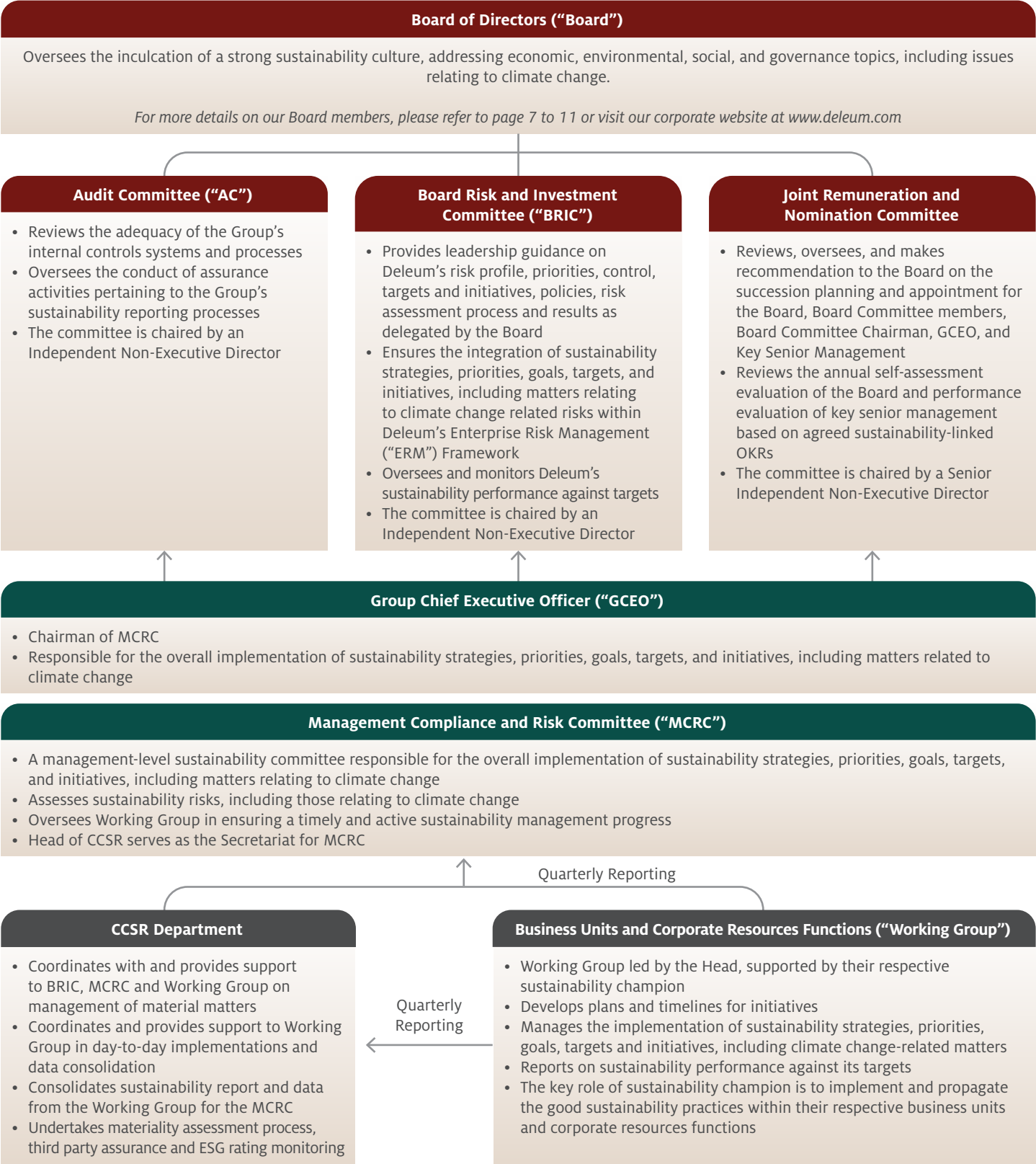
To enhance our governance in competencies, sustainability targets are incorporated into senior management's objectives and key results ("OKRs") which are evaluated annually for performance remuneration.

The MCRC, led by our 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 risk matters.

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

# Sustainability Statement

Our sustainability governance structure is outlined as follows:



# Sustainability Statement

## Our EESG-Linked Policies and Procedures



## 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").

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.

# Sustainability Statement

In FY2024, we implemented several proactive measures to further integrate sustainability 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.
- Refreshing material matters and developing a Sustainability Framework and Roadmap to prioritise future efforts and manage sustainability and climate-related risks and opportunities.

At Deleum, we proactively identify, analyse, and manage risks that materially impact our value creation abilities, including sustainability-related risks and opportunities. To provide an overview, we have mapped the material matters as discussed at pages from 40 to 41, to their corresponding risks and opportunities as follows:

Material Matters	Risks	Opportunities
Economic		
Economic Performance	<ul style="list-style-type: none"> <li>The Group’s financial performance and strength directly impact both business continuity and investment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable financial performance attracts investors and delivers long-term value for all stakeholders</li> </ul>
Customer and Product Responsibility	<ul style="list-style-type: none"> <li>Failure to meet customer’s expectations can significantly impact trust and loyalty, potentially resulting in contract termination, contractual liabilities and financial losses</li> </ul>	<ul style="list-style-type: none"> <li>Regular customer engagements facilitate continuous improvement to meet customer’s expectations</li> </ul>
Innovation and Technology	<ul style="list-style-type: none"> <li>Reliance on obsolete technology and failure to innovate could lead to a loss of competitive edge and missed growth opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Technology and innovation can unlock new opportunities for growth and operational efficiency through cutting-edge solutions</li> </ul>
Environmental		
GHG Emissions	<ul style="list-style-type: none"> <li>Regulatory penalties and reputational damage may occur if emissions data is not available or reported inaccurately</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing energy efficiency and market competitiveness through low-carbon innovations in achieving energy efficiency and reducing carbon emissions</li> </ul>
Energy Management	<ul style="list-style-type: none"> <li>Rising energy costs and the introduction of carbon tax may adversely impact financial profitability</li> </ul>	<ul style="list-style-type: none"> <li>Engaging in cost savings and improved resilience through energy efficiency and renewable energy adoption</li> </ul>
Waste and Water Management	<ul style="list-style-type: none"> <li>Failure to adhere to waste management regulations and poor water stewardship can compromise our commitment to environmental responsibility</li> <li>Unforeseen challenges such as evolving regulations, water scarcity or poor waste disposal practices can pose significant risks to the Group’s reputation and finances</li> </ul>	<ul style="list-style-type: none"> <li>Reducing waste and improving resource efficiency can save operational costs</li> <li>Effective water management to reduce operating expenditure and promote water conservation practices</li> </ul>



# Sustainability Statement

## Material Matters

### Risks

### Opportunities

## Environmental



<b>Climate Change Resilience</b>	<ul style="list-style-type: none"> <li>Failure to comply with current and upcoming climate regulations can lead to environmental damage and penalties</li> <li>Despite climate adaptation and mitigation efforts aimed to protect our assets, physical risks pose threats to business operations and financial stability</li> </ul>	<ul style="list-style-type: none"> <li>Securing a position in the low-carbon solutions market to capitalise on the rising demand for low-carbon products and services</li> <li>Effective mitigation and adaptation strategies to ensure business continuity</li> </ul>
<b>Biodiversity</b>	<ul style="list-style-type: none"> <li>Inadequate consideration of biodiversity in our operations poses the potential for environmental harm, regulatory penalties, and reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>Participating in corporate social responsibility initiatives for biodiversity conservation to dedicate efforts to environmental protection and contribute to preserving biodiversity</li> </ul>

## Social



<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>Unsafe workplaces can lead to accidents, injuries, legal penalties, and damage to the Group's reputation, ultimately disrupting productivity</li> </ul>	<ul style="list-style-type: none"> <li>A strong safety culture and a positive working environment enhance employee well-being and productivity, while also safeguarding Deleum's reputation</li> </ul>
<b>Human Rights and Labour Practices</b>	<ul style="list-style-type: none"> <li>Discriminatory employment practices can severely damage a Group's reputation and employee morale</li> <li>Violations of human rights practices can result in regulatory penalties, negatively affecting employees' retention and workplace culture, and damaging the overall reputation of the organisation</li> </ul>	<ul style="list-style-type: none"> <li>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 enhance Deleum's reputation as a responsible employer</li> </ul>
<b>Human Capital Development</b>	<ul style="list-style-type: none"> <li>Insufficient training and a lack of skilled employees can result in inefficiencies and reduced productivity.</li> </ul>	<ul style="list-style-type: none"> <li>Developing talent and cultivating a high-performance culture enables us to attract and retain top industry talent</li> </ul>
<b>Diversity and Inclusion</b>	<ul style="list-style-type: none"> <li>Discrimination may undermine both employee morale and their ability to be productive</li> </ul>	<ul style="list-style-type: none"> <li>A commitment to diversity and inclusion not only drives innovation and improves business outcomes but also creates an environment where diverse talents thrive and boosts employee retention</li> </ul>
<b>Community Outreach</b>	<ul style="list-style-type: none"> <li>Business activities that adversely affect communities can jeopardise our social licence to operate</li> </ul>	<ul style="list-style-type: none"> <li>Regular engagements through community impact programmes strengthen our relationship with local communities</li> </ul>

## Governance



<b>Corporate Governance</b>	<ul style="list-style-type: none"> <li>Non-compliance with corporate governance standards may raise ethical concerns, reduce transparency and damage our reputation, posing a risk to our business</li> </ul>	<ul style="list-style-type: none"> <li>Complying with the Malaysian Code of Corporate Governance to promote ethical conduct, transparency, and accountability in our business</li> </ul>
<b>Business Ethics</b>	<ul style="list-style-type: none"> <li>Failure to uphold strong business ethics can compromise integrity, foster corruption issues, and ultimately tarnish the Group's reputation</li> </ul>	<ul style="list-style-type: none"> <li>Upholding unwavering ethical standards is paramount to creating a trust-based environment and elevating our Group's reputation as a reliable partner</li> </ul>
<b>Cyber and Information Security</b>	<ul style="list-style-type: none"> <li>Cyber threats may lead to operational disruption, regulatory consequences, loss of trust and reputational harm</li> </ul>	<ul style="list-style-type: none"> <li>Implementing a robust cyber and information security system to ensure business continuity by minimising the risk of costly data breaches and operational disruptions</li> </ul>
<b>Supply Chain Management</b>	<ul style="list-style-type: none"> <li>Operational continuity is at risk if suppliers and contractors do not align with Deleum's ethical principles and safety culture</li> </ul>	<ul style="list-style-type: none"> <li>Establishing robust procurement governance not only attracts but also retains credible and skilled suppliers and contractors</li> </ul>

For a more comprehensive insight into Deleum's risk management methodology and practices, please refer to the Statement on Risk Management and Internal Control ("SORMIC") in this Annual Report.

# Sustainability Statement

## Our Material Matters

Embedding EESG in our core values is paramount to the success and longevity of our business operations, given that we align Deleum’s material matters with our strategic business decisions and resource allocation to generate both direct and indirect long-term value for the Group’s stakeholders.

## Enhanced Material Matters

In FY2024, we conducted a materiality assessment to evaluate EESG matters that are significant to the Group and stakeholders. This assessment featured detailed research on current and emerging trends as well as industry benchmarking.

Moving forward, we aim to conduct the materiality assessment periodically, with an annual review to ensure our prioritised EESG impact remains relevant.

The material matters refreshed in FY2024 materiality assessment formed the foundation for our Sustainability Framework and Roadmap, underscoring the alignment between Deleum’s Mission, Vision and Core Values and our sustainability aspirations.

Our materiality assessment process is shown here:



## Materiality Analysis and Discussion

Following a comprehensive materiality assessment with our stakeholders, we have identified and prioritised key sustainability topics that are critical to our business and our stakeholders.

Key observations in the revised list of materiality matters for FY2024, compared to the previous materiality matrix, include:

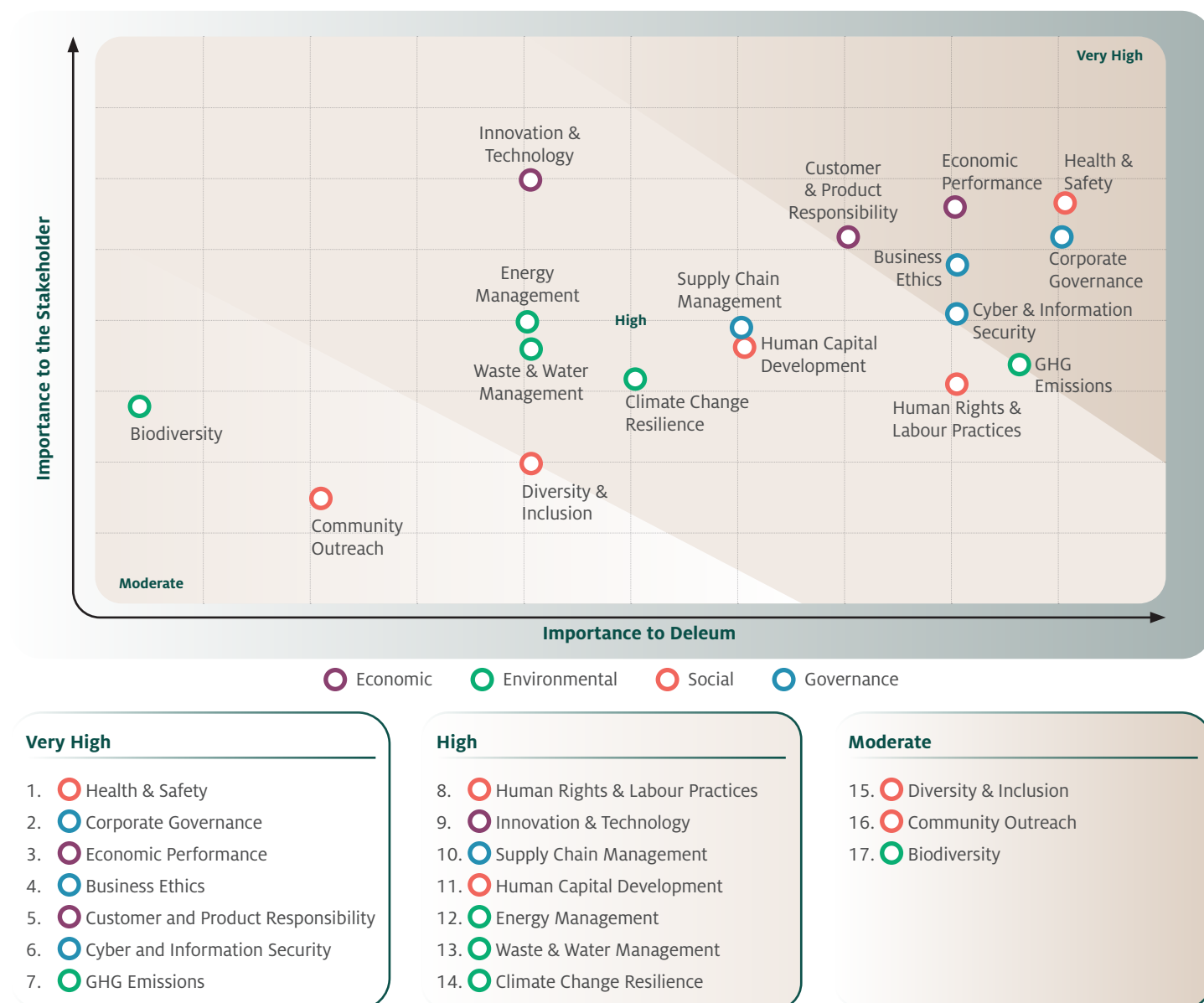
- **Health and Safety** remains a top priority due to the high-risk nature of the oil and gas industry, aligning with Deleum’s core values.
- **Corporate Governance** has significantly shifted from 7th to 2nd rank, sharing the 'Very High' area with **Business Ethics** topic at 4th place. Both topics emphasise strong governance supported by a transparent and ethical culture.
- **Economic Performance**, previously known as Strategy and Financial Resilience, remains in 3rd rank, reflecting consistent expectations for competitive and positive financial growth.
- **Customer and Product Responsibility** has moved from 10th to 5th place in the ‘Very High’ area, highlighting the importance of delivering quality products and services to customers for generating revenue.

## Sustainability Statement

- **Cyber and Information Security** has become more important or 'Very High' at 6th place, indicating the need to protect against and manage information and cyber security threats, especially with future technological acquisitions.
- **GHG Emissions** remain in the 'Very High' category, as evidenced by the enhanced GHG reporting disclosures and assurance of our GHG inventory. Other climate-related topics are in the 'High' focus area and remain significant to stakeholders. Additionally, carbon neutrality strategies are being developed as part of our climate change roadmap.
- **Human Rights and Labour Practices** was renamed from Fair Employment and Human Rights which showed a stronger focus on labour issues, moving from 11th to 8th rank.

### Materiality Matrix

The matrix presented below showcases the findings of our refreshed materiality assessment, highlighting the significance of each ESG expectation of Deleum and our stakeholders.





# Sustainability Statement

## Our Stakeholder Management







We view our stakeholders as those affected by our decisions, and we actively engage with them through regular dialogues to understand their expectations.

This engagement helps us to align our business priorities with their needs, delivering long-term value. We link stakeholders' concerns to our sustainability matters, identifying associated risks and opportunities.

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

Stakeholder Group	Engagement Channel	Key Concern	Our Response	Frequency
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Awareness sessions</li> <li>Departmental meetings</li> <li>Employee engagement programmes</li> <li>Internal communication</li> <li>Regular meetings</li> <li>Speak-Up and Listen Up (SULU) Programme</li> <li>Town hall meetings</li> </ul>	<ul style="list-style-type: none"> <li>Anti-bribery and corruption</li> <li>Employer-employee engagement culture and alignment</li> <li>Employee wellbeing and mental health</li> <li>Human rights</li> <li>Health, safety, and environment ("HSE")</li> <li>Succession planning</li> <li>Retention of key talents</li> <li>Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>Annual dinner</li> <li>Depression Anxiety Stress Scales practices</li> <li>Employee appreciation programmes such as long service awards, and the most valuable person award</li> <li>Festive celebrations</li> <li>Flexible working arrangements</li> <li>Implement initiatives for employees' well-being</li> <li>Propagate health and safety awareness</li> <li>Provide a safe working environment for our employees</li> <li>Social, sports and recreational events through Deleum Sports and Recreational Club</li> <li>Succession planning management</li> </ul>	<span>P</span> <span>R</span> <span>D</span> <span>W</span> <span>M</span> <span>Q</span> <span>A</span>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Company website</li> <li>Customer satisfaction surveys</li> <li>Customer feedback</li> <li>Day-to-day interactions</li> <li>Feedback management system</li> <li>Forums</li> <li>Industry conference and networking events</li> <li>Regular meetings</li> <li>Site visits</li> </ul>	<ul style="list-style-type: none"> <li>Anti-bribery and corruption</li> <li>Company performance</li> <li>Continuous value creation</li> <li>Ethical business</li> <li>GHG emissions data management</li> <li>HSE</li> <li>Product pricing and credit terms</li> <li>Product quality and delivery</li> </ul>	<ul style="list-style-type: none"> <li>Attend conferences on sustainability and industry topics, including renewable energy</li> <li>Engage in discussion with customers to address any concerns</li> <li>Offer value added services</li> <li>Hold sessions on anti-bribery and corruption awareness</li> <li>Hold sessions with customers on the GHG emissions data management (including engagement with Bursa Malaysia)</li> <li>Provide a reliable supply of equipment and labour</li> <li>Work with business partners for competitive products/services</li> </ul>	<span>P</span> <span>R</span> <span>D</span> <span>W</span> <span>M</span> <span>Q</span> <span>B</span> <span>A</span>

## Sustainability Statement

Stakeholder Group	Engagement Channel	Key Concern	Our Response	Frequency
<b>Partners and Principals</b> 	<ul style="list-style-type: none"> <li>Conferences and forums</li> <li>Day-to-day interactions</li> <li>Regular meetings</li> <li>Site visits</li> <li>Strategic dialogues</li> </ul>	<ul style="list-style-type: none"> <li>Anti-bribery and corruption</li> <li>Company performance</li> <li>Continuous value creation</li> <li>Ethical business practices</li> <li>HSE</li> <li>Human rights</li> </ul>	<ul style="list-style-type: none"> <li>Closely monitor and build upon partnership benefits</li> <li>Conduct assessments</li> <li>Conduct anti-bribery and corruption sharing sessions</li> <li>Implement stringent policies</li> <li>Strengthen partnership benefits</li> </ul>	P R D M Q
<b>Suppliers and Contractors</b> 	<ul style="list-style-type: none"> <li>Day-to-day interactions</li> <li>Dialogues</li> <li>Regular meetings</li> <li>Site visits</li> <li>Supplier performance reviews</li> <li>Workshops and training sessions</li> </ul>	<ul style="list-style-type: none"> <li>Anti-bribery and corruption</li> <li>Business performance</li> <li>Continuous value creation</li> <li>Ethical business practices</li> <li>HSE</li> <li>Product pricing and credit terms</li> </ul>	<ul style="list-style-type: none"> <li>Business performance, planning and other commercial matters</li> <li>Conduct anti-bribery and corruption sharing sessions</li> <li>Provide grievance mechanisms for suppliers</li> <li>Strengthen good HSE standard and practices in our procurement process</li> </ul>	P R D W M Q A
<b>Shareholders and Investors</b> 	<ul style="list-style-type: none"> <li>Analyst briefings</li> <li>Announcements via Bursa Malaysia</li> <li>Annual reports</li> <li>Annual general meeting</li> <li>Company website</li> <li>Meetings and conferences</li> <li>Press releases</li> </ul>	<ul style="list-style-type: none"> <li>Corporate governance and business ethics</li> <li>Operational, commercial and financial performance</li> <li>Progress and deliverables of growth initiatives</li> <li>Sustainable value creation</li> </ul>	<ul style="list-style-type: none"> <li>Access to the Board members during General Meetings</li> <li>Strengthen communication frequency and improve on content of communication materials</li> <li>Timely disclosures according to Bursa Malaysia's Main Market Listing Requirements</li> </ul>	R Q B A
<b>Financial Institutions</b> 	<ul style="list-style-type: none"> <li>Engagement sessions</li> <li>Regular meetings</li> </ul>	<ul style="list-style-type: none"> <li>Growth project progress and deliverables</li> <li>Operational, commercial and financial performance</li> </ul>	<ul style="list-style-type: none"> <li>Engage with relevant financial institutions with common objectives</li> </ul>	P R
<b>Local communities</b> 	<ul style="list-style-type: none"> <li>Community engagement sessions</li> <li>Company website</li> <li>Corporate social responsibility events</li> </ul>	<ul style="list-style-type: none"> <li>Anti-bribery and corruption</li> <li>Safety of our operations</li> <li>Quality of land, air and water surrounding our operational bases</li> </ul>	<ul style="list-style-type: none"> <li>Anti-Bribery and corruption awareness programmes</li> <li>Invest in community development programmes</li> </ul>	P R A
<b>Government and regulators</b> 	<ul style="list-style-type: none"> <li>Company website</li> <li>Engagement sessions</li> <li>Regular meetings</li> </ul>	<ul style="list-style-type: none"> <li>Anti-bribery and corruption</li> <li>Compliance and regulations</li> <li>Ethical business practices</li> <li>HSE</li> </ul>	<ul style="list-style-type: none"> <li>Anti-bribery and corruption awareness and trainings</li> <li>Collaborate with relevant agencies with common objectives</li> <li>Keep abreast of any changes of laws and regulations</li> <li>Strengthen transparent communication with relevant bodies</li> </ul>	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 to support and promote emerging sustainability issues and practices.

1

**American Malaysian Chamber of Commerce (“AMCHAM”)**  
Facilitating business connections, trade, and investment between American and Malaysian companies, potentially creating networking and market expansion opportunities including for oil and gas industry.

2

**Institute of Corporate Directors Malaysia (“ICDM”)**  
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.

3

**Malaysia Gas Association (“MGA”)**  
Serving as a platform for collaboration, engagement and dialogues with key stakeholders to develop a sustainable gas industry by positioning natural gas as a clean and efficient source of energy for Malaysian gas industry.

4

**Malaysian International Chamber of Commerce and Industry (“MICCI”)**  
Fostering international trade and investment opportunities for Malaysian businesses by promoting the chamber, its services and activities.

5

**Malaysian Oil, Gas and Energy Services Council (“MOGSC”)**  
Serving as a national independent Malaysian Oil, Gas and Energy Industry collective voice platform, elevating the members profile through strategic partnerships among stakeholders, facilitating international investments in Malaysia and propagating networking opportunities among members.

6

**Society Of Petroleum Engineers (“SPE”)**  
Providing technical expertise, professional development, and networking opportunities for individuals working in the petroleum upstream segment of the oil and gas industry.

1 ICDM Institute of Corporate Directors Malaysia

2 MALAYSIAN Gas ASSOCIATION

3 MICCI FOUNDED 1953 Malaysian International Chamber of Commerce and Industry

4 MOGSC FOUNDED 2008 MALAYSIAN OIL, GAS AND ENERGY SERVICES COUNCIL

5 SPE International Society of Petroleum Engineers

6 CAN ceo action network

7

## Sustainability Statement

7

### 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 FY2024

Deleum Sustainability Commitment	Pillars	Commitment	Progress
<b>Upholding Ethical Business Practices and High Values on Ethics, Integrity and Compliance</b>	<b>Governance</b>	<ul style="list-style-type: none"> <li>• Disclose performance criteria of top management linked to ESG</li> <li>• Disclose material sustainability risks and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Completed.</b> We incorporated sustainability-related targets into objectives and key results (“OKRs”) of senior management [Page 37]</li> <li>• <b>Completed.</b> We reassessed and disclosed the material matters, risks and opportunities. [Pages 40-41]</li> </ul>
<b>Preserving and protecting the environment for present and future generations through climate action and resources efficiency</b>	<b>Environment</b>	<ul style="list-style-type: none"> <li>• Set public targets on GHG Scope 1 and Scope 2</li> <li>• Commit to implement TCFD Recommendations</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Completed.</b> We commit to carbon neutrality by 2035 [page 32]</li> <li>• <b>Completed.</b> We incorporated TCFD/IFRS S2 recommendations in our climate-related risk and opportunities [Page 51]</li> </ul>
<b>Respecting, Supporting and Upholding Fundamental Human Rights of People in Where We Operate</b>	<b>People</b>	<ul style="list-style-type: none"> <li>• Set public targets on percentage of female composition in top management</li> <li>• Conduct human rights risk assessment, across own operations and value chain</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Completed.</b> We have more than 30% of females in top management [Page 81]</li> <li>• <b>Work-in-progress.</b> We have implemented our human rights policy and are committed to conducting social risk assessment in 2025-2026. [Page 35]</li> </ul>

# Sustainability Statement

## CORE VALUE #1: SERVICE QUALITY

ECONOMIC

Ensuring Equitable Economic Interest of Stakeholders

ECONOMIC PERFORMANCE

### Why It Matters

A strong financial performance is crucial for creating diverse and long-term economic value for our stakeholders. By achieving excellence in both financial and business performances, 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 support local communities through sponsorships and various initiatives, as detailed in the Community Outreach section.

### Our Approach and Performance

Deleum stays abreast of market trends and pursues technological advancements, addressing identified sustainability and climate-related risks and opportunities that impact our business and stakeholders. We drive market expansion through strategic partnerships, collaborations, and diversification into new regions.

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

1

Value delivered to shareholders

2

Value offered through our products and services to stimulate economic activity and growth

3

Competitive salaries and benefits to overall economic stability and wellbeing of our employees

4

Payments to Government contribute to the community through funding public services, development and welfare programmes

5

Community investment enhances social welfare and builds resilient community

6

Balancing the needs of customers, suppliers and financiers to sustainable business operations

Our Group’s economic activities generate consistent returns for shareholders, provide fair opportunities for vendors and subcontractors, offer employees competitive remuneration and benefits. Additionally, we contribute to the betterment of society by fulfilling our tax obligations and 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
907.5		6.5		583.2		37.3		115.3		35.5		0.39		142.3
FY2023: 792.0 FY2022: 698.0		FY2023: 5.1 FY2022: 2.7		FY2023: 547.5 FY2022: 466.6		FY2023: 22.9 FY2022: 21.1		FY2023: 102.3 FY2022: 102.5		FY2023: 27.3 FY2022: 12.8		FY2023: 0.40 FY2022: 0.37		FY2023: 98.7 FY2022: 97.3

Refer to page 17 of the Annual Report 2024 for the details of financial performance under the Management Discussion and Analysis section.

# Sustainability Statement

## CUSTOMER AND PRODUCT RESPONSIBILITY



### 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. At Deleum, each business unit is responsible for ensuring customer satisfaction and maintaining excellent service quality.

### Our Approach and Performance

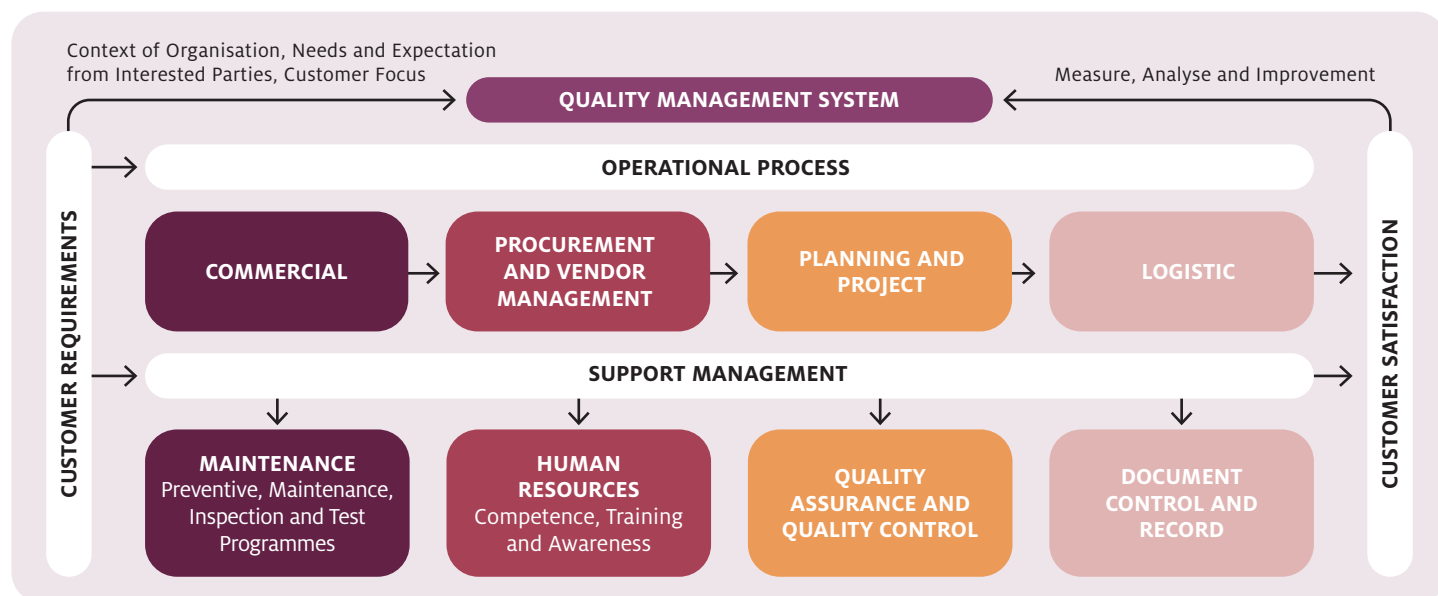
	Target	FY2022	FY2023	FY2024
<b>Customer Satisfaction Index</b>	>70%	89%	90%	85%
<b>Customer feedback (Commendation letter)</b>	10	19	18	34

Our business units are committed to maintaining high-performance standards through regular monitoring and reporting activities supported by our Quality Policy.

- We strive to enhance customer satisfaction through continuous enhancements in our quality management processes in line with ISO 9001:2015 standard. This certification ensures that our Quality Management System (“QMS”) is robust, efficient and meets customer expectations. We regularly audit and review our QMS to promote continuous improvement, applying these principles consistently across our organisation.

In addition to ISO 9001, we are certified with API Specification Q2 (2nd Edition), which serves as a comprehensive quality management blueprint for service supply organisations in the petroleum and natural gas industries. By aligning our operations with this standard at Deleum Oilfield Services Sdn. Bhd. in Kemaman, we meet the industry’s stringent quality requirements and gain a strategic edge in a competitive marketplace.

- 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.



# Sustainability Statement

## INNOVATION AND TECHNOLOGY



### Why It Matters

For an oil and gas service provider, innovation and technology are vital to staying competitive, efficient and sustainable in a rapidly evolving industry. Advancements in technology continue to improve Deleum’s operational efficiency, reduce its environmental impact and uphold safety standards that protect its people. Innovation is also key in navigating current industry challenges like policy initiatives, fluctuating demand and the global shift toward cleaner energy sources, which require adaptable technology-driven solutions.

### Our Approach and Performance

Deleum continuously invests in impactful technology that not only unlocks efficiencies in its service provision but also maintains an innovative edge in its equipment which is advantageous in a competitive environment.

In enhancing data sharing through innovation and technology, Deleum has developed its Service Quality Centre (“SQC”) portal to facilitate efficient data sharing across all business units. This portal provides readily accessible, accurate and up-to-date data. SQC reduces the time spent on data retrieval, enhances the decision-making process, and supports comprehensive analysis reporting and dashboards for informed decision making.

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



#### SC-Dsludge Innovation

An innovative sludge treatment technology, SC-Dsludge offers a sustainable solution to our customers, enabling the recovery of oil from sludge. This breakthrough solution not only addresses the reduction in storage capacity and process constraints but also eliminates the environmental impact and carbon footprint associated with the conventional disposal by incineration method.



#### Digitalisation of slickline operations

Deleum Oilfield Services Sdn. Bhd. entered into a partnership with Paradigm Technology Services B.V. to revolutionise traditional slickline operations through digitalisation, as it introduces cost-efficient solutions to address oil well challenges, elevating operational efficiency and productivity within the oilfield services operations, bringing enhanced value to customers.



#### Methane emissions monitoring solution

Deleum Oilfield Services Sdn. Bhd. continued its collaboration with LatConnect 60 Ltd, (a satellite imagery and data analytics company) promoting 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 and control of emissions globally.



#### Supporting carbon capture storage project

Deleum Services Sdn. Bhd., 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 for the compression applications by the end of 2026, supporting a substantial Carbon Capture 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 in combating climate change.



# Sustainability Statement

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



### ENVIRONMENTAL

Preserving and protecting the environment for present and future generations through climate action and resources efficiency

### CLIMATE CHANGE RESILIENCE



### Why It Matters

We recognise climate change as a pressing global issue that affects the global environment, social and economic systems, significantly shaping the future of our world. In Malaysia, heatwaves, excessive rainfall, and floods have disrupted communities and livelihoods.

The Intergovernmental Panel on Climate Change (“IPCC”) 6th Assessment Report emphasises the need for global mobilisation and scaling up solutions to achieve a sustainable future. Therefore, we are committed to gradually reducing our GHG emissions and minimising non-renewable energy consumption. Additionally, we are dedicated to incorporating innovative approaches into our operations.

Given the uncertainties in carbon policy, low carbon technology maturity, and high investment costs, meticulous planning and execution of decarbonisation efforts are essential for a smooth transition to a low carbon economy.

### Our Approach and Performance

Our dedication to protecting the planet is firmly established within our Sustainability Policy, Environmental Policy, and Climate Change Policy. These policies reflect the ethical climate set by the leadership at the Board, BRIC, and senior management levels, resonating throughout the entire organisation. For more information on our climate change-related policies, please visit our corporate website at [www.deleum.com](http://www.deleum.com).

#### Climate-Related Risks and Opportunities (“CRRO”)

Deleum is committed to enhancing its climate disclosures by adopting the Taskforce on Climate-related Financial Disclosures (“TCFD”) Framework and continuing to expand our disclosures as per IFRS S2 recommendations.



### Governance

At Deleum, the Board holds direct oversight and ultimate accountability for all climate-related risks and opportunities. The Board serves as the ultimate decision-making authority concerning the Group’s sustainability directions.

With the support of the BRIC, the Board remains informed on all climate-related risks and opportunities and all matters relating to sustainability. The Board is tasked with overseeing and approving sustainability policies and initiatives, considering climate-related issues when reviewing and guiding overall strategy, risk management policies and financial planning.

# Sustainability Statement

The GCEO, who also serves on the Board, is responsible for the overall implementation of sustainability strategies, priorities, goals, targets, and initiatives, including matters related to climate change-related risks and opportunities.

Within this governance structure, the MCRC assumes a pivotal role in supporting the Board by strategically managing significant sustainability and climate risk matters.

The MCRC supports the GCEO with the task of implementing sustainability strategies, priorities, goals, targets, and initiatives. Beyond that, the committee is also tasked to assess sustainability risks, including climate-related risks and opportunities. In FY2024, we have conducted Climate Change Strategy and Roadmap workshops to set GHG emissions reduction targets and initiatives.

## Strategy

Recognising the potential impacts of global temperature increases within the range of 1.5 to 2.0 degrees Celsius, aligning with the Paris Agreement target, we have taken proactive measures for climate transition to aid in our planning and adaptation strategies for navigating the effects of climate change. We have also considered scenarios based on the national context, including Malaysia’s commitment to reducing GHG emissions intensity by 45% by 2030.



### Climate Change Strategy and Roadmap

Deleum develops its Climate Change Strategy and Roadmap 2025-2029, in line with the National OGSE Sustainability (“NOS”) Roadmap. The NOS-Roadmap is designed to guide Oil and Gas Services and Equipment companies in adopting sustainable practices and initiating their sustainability reporting journey.



### Business Continuity Management (“BCM”)

We have conducted scenario-based simulations within our BCM System at operational sites to assess and enhance our emergency response 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 Travel Alerts

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

### 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 risks.



### 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.

### 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.



### Activating Emergency Response

Our Emergency Response Team is activated to aid flood victims and address the impact on operational facilities, ensuring a swift and coordinated response to mitigate disruptions.

# Sustainability Statement

Our approach to climate change involves systematic-based scenario testing and strategic risk management. We are committed to enhancing operational resilience by integrating environmental adaptation strategies that protect our assets, personnel, and communities.

These measures help us proactively respond to emerging environmental challenges, ensuring our organisation remains adaptable and responsible in a changing climate.

## Risk Management

We have integrated climate-related risk management processes into our Sustainability Framework and ERM Framework. Our approach aligns with COSO guidelines, ensuring a comprehensive strategy for addressing climate change challenges.

The following outlines our strategic approach to ensuring comprehensive management and integration of climate-related risks across all facets of Deleum's business operations:

### Identify

- The climate change risk assessment process is guided by the risk-related framework policy and procedures, specifically the ERM Framework.
- All business units and corporate resources functions are required to conduct an annual review of their risk profiles.
- Integrate climate change risk 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 to reduce GHG emissions.



### Report

- Streamline and consolidate into a unified risk reporting 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 report, detailing the actions taken to address climate change risks for deliberation and revision.



Additionally, the management team conducts reviews of risks stemming from climate change and associated impacts through the MCRC.

We recognise the physical and transitional risks posed by climate change, understanding their potential material impact on returns and long-term business value.

# Sustainability Statement

To address these challenges proactively, we have embedded climate-related risk management processes and practices into our ERM framework, enabling us to identify and evaluate climate-associated risks across the Group's business value chain, spanning short, medium, and long-term horizons, as outlined in the following:

Category	Type	Risk	Opportunities	Estimated Time Horizon		
				Short (<5 years)	Medium (5-10 years)	Long (>10 years)
Physical	Acute	Floods, strong wind/monsoon that affect productivity and business activities	As climate adaptation becomes essential, businesses can be positioned to capitalise on the demand for resilient infrastructure, disaster preparedness through weather monitoring and early warning system.	✓	✓	✓
	Chronic	Rising sea levels, extreme heat poses health impacts	As climate adaptation becomes essential, businesses can be positioned to capitalise on the demand for resilient infrastructure, disaster preparedness through weather monitoring and early warning system.			✓
Transition	Policy and Legal	Public disclosure obligations, data accuracy and transparency	The Group can achieve business excellence by prioritising innovation, fostering a culture of continuous improvement, and adapting to changing market dynamics	✓	✓	
	Technology	Costs to adopt low emissions technologies	Switching to renewable energy reduces climate risks and creates future business opportunities through innovative climate adaptation technologies	✓	✓	
	Market	Increasing customer preferences for low-carbon products and services	Seize opportunities by investing in emissions reduction projects and monetising carbon credits while developing innovative solutions for climate adaptation to address and mitigate climate risks	✓	✓	
	Reputation	Heightened level of scrutiny, concern, and feedback from stakeholders	Harness the increased stakeholders' interest by enhancing communication, addressing concerns, and leveraging feedback to improve and strengthen relationships	✓	✓	

## Metrics and Targets

We continue to refine our data measurement, accounting, and validation processes to ensure reliable and accurate GHG and energy consumption data for Scope 1 and Scope 2, in line with our commitment to provide stakeholders with a comprehensive and reliable overview of our GHG emissions. As part of this commitment, we are adopting ISO 14064 certification—an international standard for quantifying and reporting greenhouse gas emissions to further improve our credibility. This aligns with our broader environmental goals, demonstrating our dedication to accountability and responsible business practices.

Scope 3 emissions are currently in the pre-determined process stage, where we are identifying and evaluating all relevant sources of indirect emissions within our value chain. This involves collaborating with suppliers and other stakeholders to gather accurate data and ensure comprehensive reporting.

In FY2024, Deleum's CO<sub>2</sub>e emissions across Scope 1 and Scope 2 are as below:

- Scope 1: 1,207.7 tCO<sub>2</sub>e
- Scope 2: 657.3 tCO<sub>2</sub>e
- Total of Scope 1 and Scope 2: 1,865.0 tCO<sub>2</sub>e

These data provide us with a comprehensive view of our carbon footprint and act as guidance for Deleum's efforts to mitigate climate-related risks and implement effective reduction strategies.

More information is provided in GHG Emissions and Energy Management on pages 55 to 59.

# Sustainability Statement

## GHG EMISSION



### Why It Matters

We acknowledge climate change as a global issue, critically influencing the development of the natural world, the economy, and society. Hence, we pledge to steadily decrease our GHG emissions in the coming years. Recognising our role in creating a sustainable future, we understand that combating climate change is not only ecologically important but also essential for business success and societal progress.

### Our Approach and Performance

#### Carbon Emissions

Our carbon emissions include both direct and indirect emissions. Focusing on energy efficiency helps reduce energy consumption, which consequently lowers emissions. Since carbon emissions contribute to climate change and are primarily derived from energy consumption, we continue to pursue efficiency in using both direct and indirect energy sources.

We remain committed to adopting best practices to progressively reduce emissions across business operations. We comply with the calculation methods as prescribed by TCFD, the GHG Protocol Corporate Accounting and Reporting Standard ("GHG Protocol"), GRI and the Energy Commission's National Energy Balance 2016.

#### GHG Emission Procedure

In FY2024, we established a GHG Emissions Inventory Management Procedure to systematically manage and reduce our carbon footprint. This procedure was designed to guide our business operations in the quantification, monitoring, and reporting of GHG emissions, specifically Carbon Dioxide ("CO<sub>2</sub>"), Methane ("CH<sub>4</sub>"), Nitrous Oxide ("N<sub>2</sub>O") and fugitive emissions.

Deleum has adopted Operational Control as the consolidation approach. This approach shall be applied consistently across all entity levels and reporting scopes (Scope 1 and Scope 2). Under operational control, Deleum accounts for 100% of the GHG emissions over which it has operational control. For clarity, Deleum does not account for GHG emissions from operations in which it owns an interest but does not have operational control in Malaysia.

#### GHG Emissions Sources

Scope 1: Direct GHG Emissions from Malaysian 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 Malaysian operations arise from the purchased electricity supplied by local energy providers in Peninsular and East Malaysia.



# Sustainability Statement

Following are the Group's total emissions based on Scope 1 and Scope 2 sources in metric tonnes of carbon dioxide equivalent ("tCO<sub>2</sub>e") in reference to GHG Protocol, as presented below:

*GHG Emission Category	FY2022 <sup>(1)</sup>	FY2023 <sup>(1) &amp; (2)</sup>	FY2024 <sup>(2)</sup>
<b>Scope 1 Direct Emissions (tCO<sub>2</sub>e)</b>	895.5	1,188.1	1,207.7
Breakdown <sup>(3)</sup> :			
Carbon Dioxide (kgCO <sub>2</sub> )	-	1,150,573.9	1,169,540.8
Methane (kgCH <sub>4</sub> )	-	244.8	213.7
Nitrous Oxide (kgN <sub>2</sub> O)	-	2,228.5	3,530.8
Hydrofluorocarbons (kgHFCs)			
- R22	-	17,904.6	17,904.6
- R31	-	8.7	8.7
- R32	-	2,426.8	2,426.8
- R410A	-	7,483.7	7,483.7
<b>Scope 2 Indirect Emissions (tCO<sub>2</sub>e)</b>	534.3	562.2	657.3
<b>Total Scope 1 and Scope 2 (tCO<sub>2</sub>e)</b>	<b>1,429.8</b>	<b>1,750.3</b>	<b>1,865.0</b>

\* Note: In FY2024, our GHG baseline year has been revised from FY2019 to FY2023, to reflect the significant projects and adopting new methodologies of ISO14064:1. The Global Warming Potential ("GWPs") used in our calculations are sourced from the Intergovernmental Panel on Climate Change ("IPCC") Sixth Assessment Report (AR6), with a GWP time horizon of 100 years.

<sup>1</sup> Our Scope 1 and Scope 2 figures for FY2022 to FY2023 have been restated as correction of error.

<sup>2</sup> Our Scope 1 and Scope 2 figures for FY2023 and FY2024 have been verified by independent third party, BSI in accordance with ISO14064-1: 2018, at a materiality threshold of 5%. The Verification Opinion Statement can be viewed at pages from 94 to 98 of this Report.

<sup>3</sup> The breakdown of GHG is only available starting from FY2023.

## GHG Intensity

GHG intensity refers to the amount of GHG emissions that are produced per unit of activity, such as per unit of energy consumed or per unit of product manufactured.

By measuring GHG intensity, it is possible to identify opportunities for reducing emissions and improving the sustainability of various industries and processes.

* GHG Intensity Category	FY2022	FY2023	FY2024
<b>GHG Intensity per workforce (tCO<sub>2</sub>e/Workforce)</b>	1.8	2.2	1.4
<b>GHG Intensity per revenue (tCO<sub>2</sub>e/RM Million)</b>	2.0	2.2	2.1

\* Note: Our GHG Intensity and Energy Efficiency for FY2022 and FY2023, have been restated as correction of error. GHG intensity is quantified by dividing the total GHG emission with the Group's total revenue and total number of workforce.

The analysis of the GHG emissions and intensity movement can be found at our Energy Management section of this Statement.

# Sustainability Statement

## Enhancing Environmental Performance Across the Value Chain

We are committed to minimising environmental impact throughout our supply chains, with a particular focus on supporting our value chain members to reduce their environmental footprint. To identify and estimate these emissions, we are currently conducting a preliminary assessment to determine the relevant Scope 3 GHG emissions.

### Strategic GHG Emissions Management

Our involvement in these associations not only advances our own sustainability contributions but also drives our sustainability journey forward in advocating sustainable development among our peers in the oil and gas industry, ensuring environmental responsibility and transitions towards a more sustainable future. Through active participation in networks, we collaborate with industry leaders to promote innovative solutions and best practices:

#### CEO Action Network



The CEO Action Network's climate change strategy focuses on collective commitments to sustainability leadership, policy advocacy, and capacity building to drive meaningful climate action and achieve net-zero emissions by 2050

#### Malaysian Oil, Gas and Energy Services Council



The Malaysian Oil, Gas and Energy Services Council's climate change strategy focuses on sustainable growth and energy transition to achieve net-zero carbon emissions by 2050, while enhancing the competitiveness of Malaysian companies in the global market

#### Malaysian Gas Association



The Malaysian Gas Association's climate change strategy focuses on advancing environmental sustainability and supporting Malaysia's energy transition goals to achieve net-zero carbon emissions by 2050

#### Institute of Corporate Directors Malaysia



The Institute of Corporate Directors Malaysia's climate change strategy emphasises embedding climate governance in corporate strategy and decision-making to achieve net-zero emissions by 2050

Through deliberate efforts in sustainability and innovation, we strive to drive meaningful change and set new standards for environmental responsibility.



Satellite imaging to track emissions for better climate change management



Digital slickline operations that can do more work in a single run to reduce energy consumption



Deleum formulated chemicals that can treat sludge, with oil as a by-product, which also saves costs and emissions from incinerating the sludge otherwise

These initiatives, which highlight the ongoing efforts to enhance climate resilience through innovation and strategic investments, can be found in the Innovation and Technology section of this Statement.

# Sustainability Statement

## ENERGY MANAGEMENT

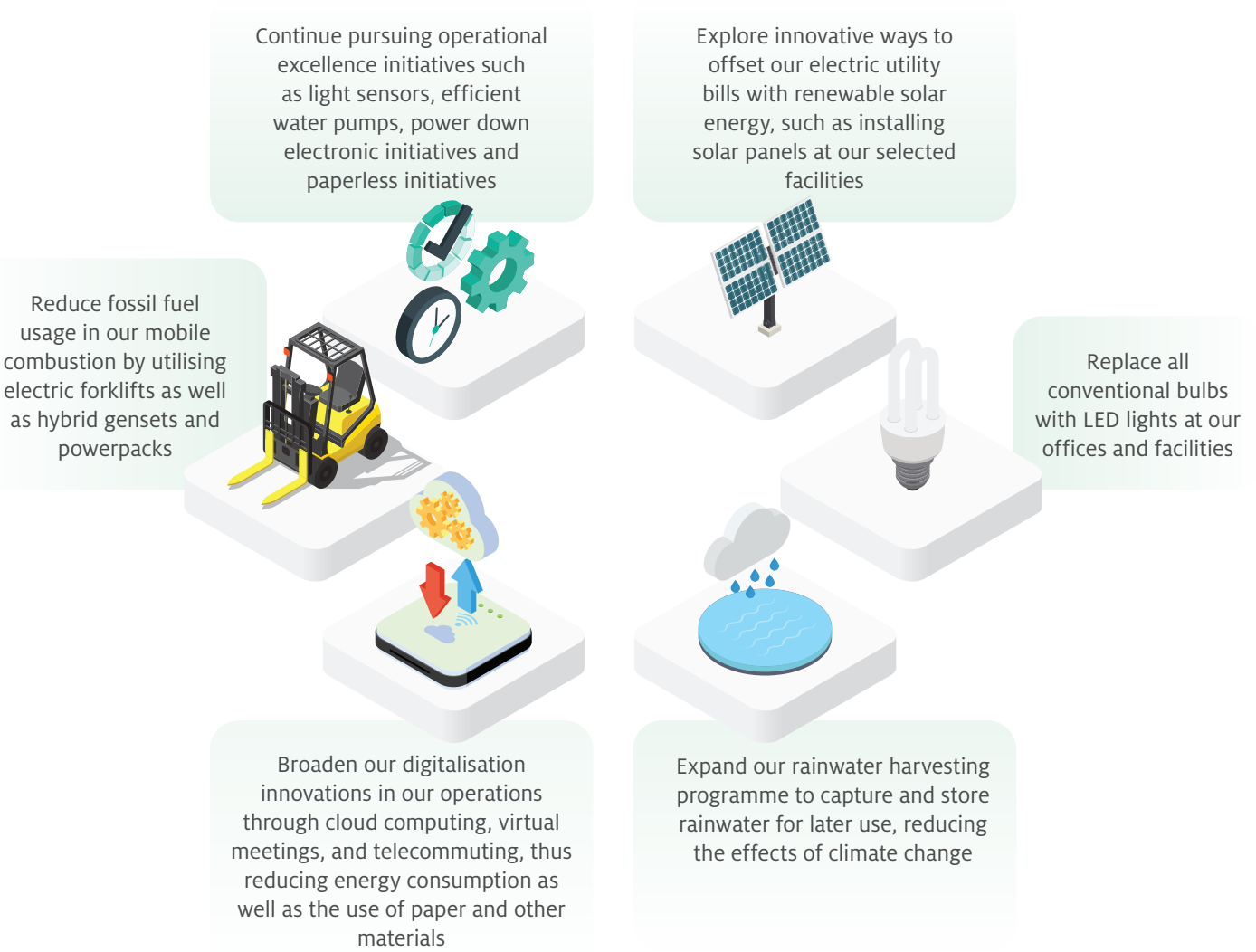


### Why It Matters

We fully understand the fact that the Group’s operations may impact the surrounding environment, such as energy and carbon footprints. With a dedication for preserving the environment, we are committed to practices that would lower our overall impact on power consumption, exhaust emission rates and pursuing the use of renewable sources of power. This commitment also demonstrates our goal of environmental conservation and future sustainability.

### Our Approach and Performance

In committing to carbon neutrality by 2035, we have outlined the targets for carbon or GHG emission reduction, underpinned by the following initiatives:



## Sustainability Statement

In FY2024, our energy consumption increased from FY2023, in line with the growth in our operational activities. Despite the rise in total consumption, we reduced energy intensity per employee and revenue by optimisation, stringent internal controls and awareness promotion.

### Energy Consumption

Year	Diesel (GJ)	Petrol (GJ)	Purchased Electricity (GJ)	Total Energy Consumption (GJ)
<b>FY2022<sup>(1)</sup></b>	11,625.8	170.9	2,915.5	15,266.0
<b>FY2023<sup>(1) &amp; (2)</sup></b>	16,314.1	169.8	3,137.3	19,621.1
<b>FY2024<sup>(2)</sup></b>	16,744.1	52.4	3,525.9	20,322.4

### Energy Intensity

*Energy Intensity Category	FY2022 <sup>(1)</sup>	FY2023 <sup>(1) &amp; (2)</sup>	FY2024 <sup>(2)</sup>
Energy Intensity per Permanent Employees (GJ/Employee)	19.5	25.3	15.4
Energy Intensity per Revenue (GJ/RM Million)	21.9	24.8	22.3

\* Notes: In FY2024, our GHG baseline year has been revised from FY2019 to FY2023, to reflect the significant projects and adopting new methodologies of ISO14064:1. This includes:

<sup>1</sup> Our Scope 1 and Scope 2 figures for FY2022 to FY2023 have been restated as correction of error.

<sup>2</sup> Our Scope 1 and Scope 2 figures for FY2023 and FY2024 have been verified by independent third party, BSI in accordance with ISO14064-1: 2018, at a materiality threshold of 5%. The Verification Opinion Statement can be viewed at pages from 94 to 98 of this Annual Report.

## WASTE AND WATER MANAGEMENT



### 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 minimise potential pollution impact and to protect the environment through pollution prevention, waste reduction, water conservation, and resource consumption minimisation.

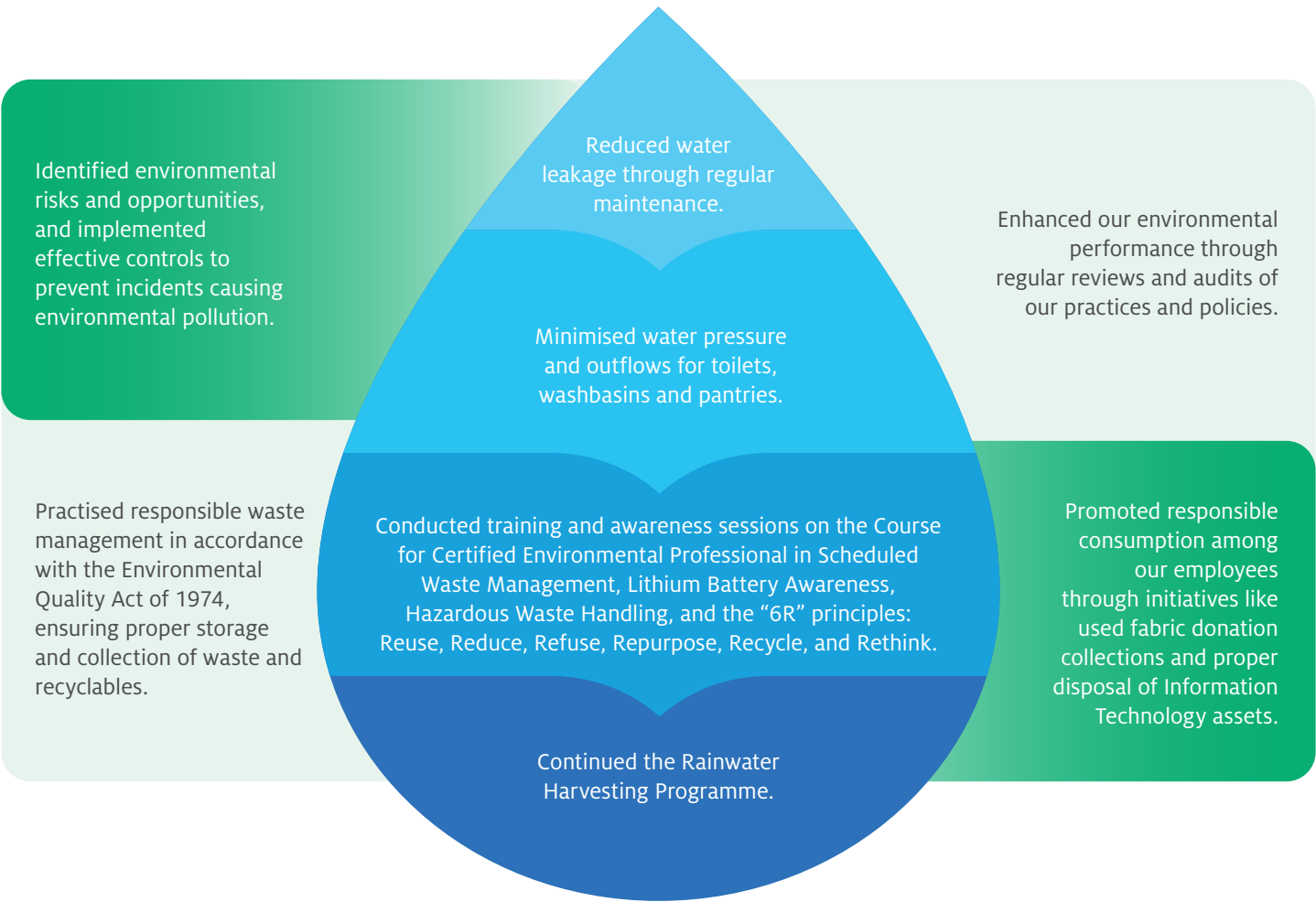
### Our Approach and Performance

We strengthen our commitment towards sustainable environmental practices, as pledged in our Sustainability Policy, Climate Change Policy and Environmental Policy through pollution prevention, resource optimisation, and responsible waste management.

Our chemical operations are also guided by a structured system aligned with the ISO 14001:2015 Environmental Management System and customer requirements, which maximises our efficiency and minimises the impact on pollution.

In FY2024, we actively engaged in actions that transcend environmental conservation. We prioritise optimising natural resource usage to reduce and prevent pollution, as emphasised in the following initiatives:

# Sustainability Statement



## Water Management

We actively strive to reduce our reliance on municipal water sources by optimising rainwater harvesting at our facilities. Although we operate in a region with minimal water scarcity issues, this underscores our dedication to responsible water management and conservation efforts.

The following data outlines the Group’s total water consumption and rainwater harvested in FY2024:



- Notes:
- The water consumption for FY2022 has been restated due to errors made in the previous reporting period. The restated total water consumption is 9% higher for FY2022 compared to the consumption reported previously.
  - The rainwater harvested for FY2022 has been restated due to errors made in the previous reporting period. The restated total rainwater harvested is 4% lower than the cumulative cubic metres reported previously.



## Sustainability Statement

### Waste Management

Adhering to a waste management hierarchy is imperative in aligning with the Environmental Quality Act of 1974, an important legislative framework that underscores the significance of minimising environmental impact.

We are committed to promoting the efficient use of resources in our facilities, focusing on reducing both hazardous and non-hazardous waste generation. Our hazardous wastes are handled by in-house Certified Schedule Waste Competent Person, duly registered and recognised by the Department of Environment. We are committed to the following principles to manage our waste and reduce adverse environmental impact:



### Waste generated

	FY2022	FY2023	FY2024
<b>*General waste directed to disposal (MT)</b>	-	-	2.2
<b>Hazardous waste directed to disposal (MT)</b>	41.2	79.3	95.9

\* Note: Data recording for general waste commenced in September 2024 for headquarter office in Kuala Lumpur only. Hence, reporting data is not available for FY2022 and FY2023.

# Sustainability Statement

## Environmental Spillage and Compliance Management

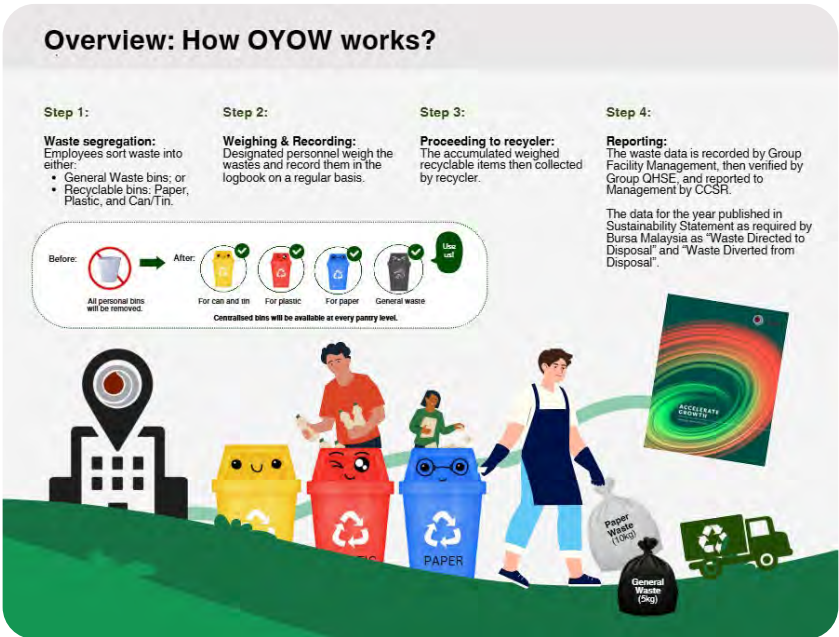
In FY2024, we successfully achieved our goal of zero spillage, showcasing our unwavering commitment to preventing environmental pollution. Throughout the period, there were no environmental fines nor penalties reported.

	FY2022	FY2023	FY2024
Minor spillage Incidents	1 Incident	Zero Incident	Zero Incident
Environmental fines and penalties	Nil	Nil	Nil

### Waste Management Programme

In FY2024, we launched the Own Your Own Waste (“OYOW”) programme, beginning with a pilot project involving several departments at our headquarter office in Kuala Lumpur. This initial phase aimed to evaluate and enhance our understanding of waste management practices.

Following the successful pilot project, we fully implemented the OYOW programme on 19 September 2024. Moving forward, we plan to extend the programme to other offices and facilities, with the goal of achieving full implementation across the Group by 2026. This initiative underscores our commitment to sustainable waste management and environmental stewardship.



Recycled Waste FY2024 (MT)	Paper	Plastic	Tin/Can
	0.268	0.0187	Nil

\* Note: Data recording for recycled waste commenced in September 2024 for headquarter office in Kuala Lumpur only.

# Sustainability Statement

## BIODIVERSITY



### Why It Matters

Biodiversity holds significant relevance to Deleum's operations within the oil and gas industry, given the inherent interaction of exploration, production, and servicing activities within diverse ecosystems. We strive to safeguard the ecosystems where we operate and contribute towards the sustainability of natural resources for future generations.

### Our Approach

To our knowledge, the Group operates in areas that are not deemed high in biodiversity value or adjacent to sites containing flora and fauna species as in the International Union for Conservation of Nature Red List. We avoid encroaching into areas that serve as critical refuge for known vulnerable or endangered species.

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 entities to support biodiversity conservation.

### Our Performance

The Deleum Mangrove Planting Programme 2024 took place at Pantai Kemasik, Kemaman, uniting 35 enthusiastic participants, including 23 Deleum volunteers and 12 representatives from EcoCare and the local community.

The half-day initiative saw the successful planting of 300 mangrove trees and featured activities such as mangrove seeding and replanting. Participants were also engaged in discussions on the importance of mangroves to coastal ecosystems.



# Sustainability Statement

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

**SOCIAL**  
Respecting, Supporting and Upholding Fundamental Human Rights of People in Where We Operate

**HEALTH AND SAFETY**



### Why It Matters

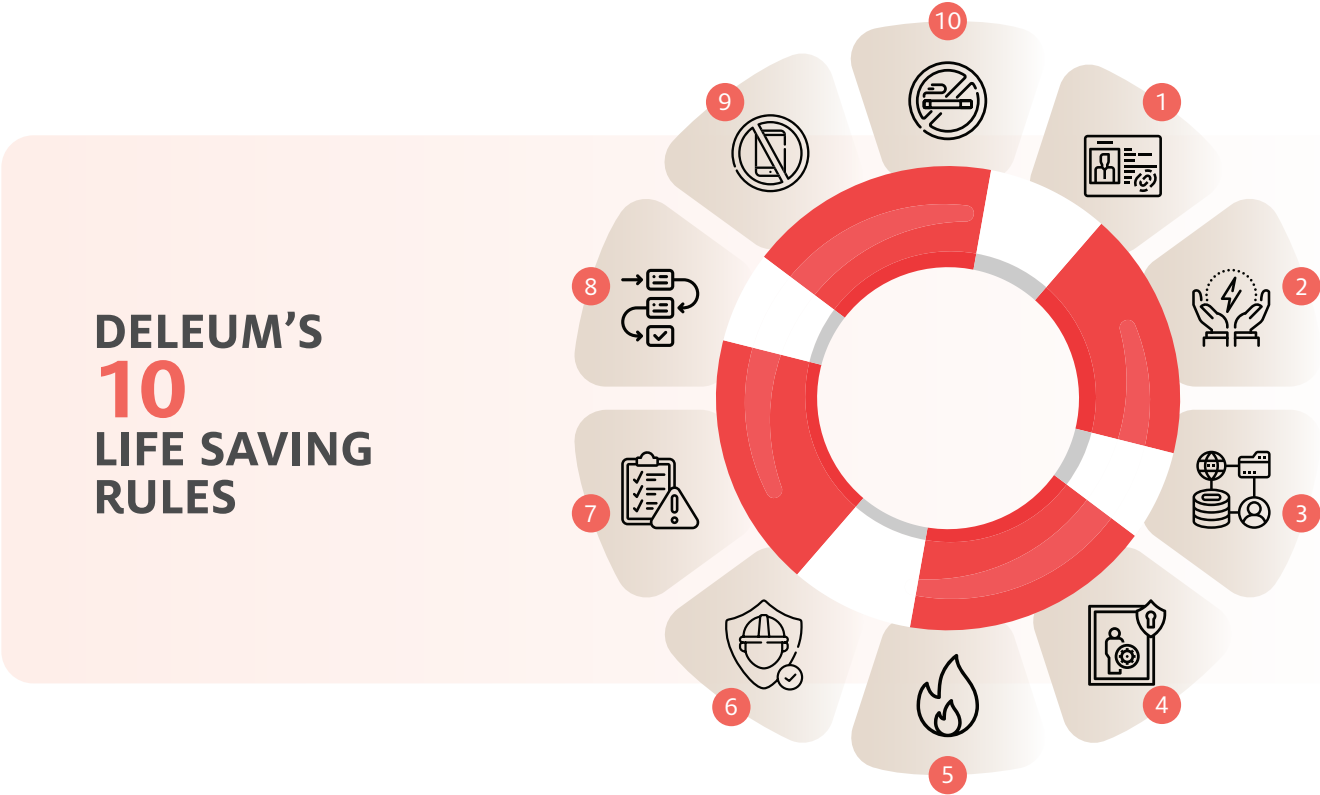
#### Healthy and Safe Work Conditions

At Deleum, we recognise healthy and safe working conditions as a fundamental human right. 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.

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

#### Our Approach and Performance

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.



## Sustainability Statement

- 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 outside designated areas 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. Our HSEMS aligns with globally recognised frameworks and standards to ensure the highest level of safety and operational excellence, including:

- ISO 9001:2015 – Quality Management System (“QMS”)
- ISO 14001:2015 – Environmental Management System
- API Specification Q2 (2nd Edition)

Deleum's commitment to health and safety practices is also grounded in the ISO 45001:2018 Occupational Health and Safety Management System. These internationally recognised standards form the bedrock of Deleum's HSE Management System, 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.

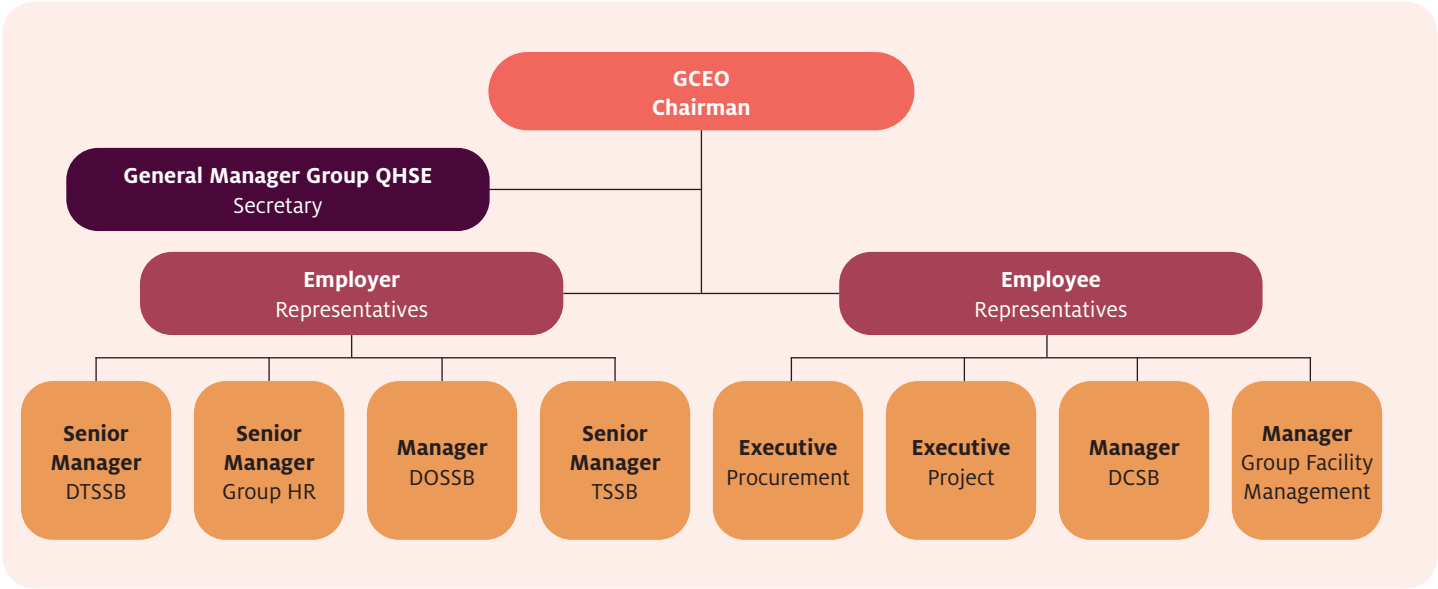
By adhering to API Specification Q2 (2nd Edition), service supply organisations in the petroleum and natural gas industry can ensure a robust health and safety management system, fostering a safer and more sustainable operational environment.



# Sustainability Statement

## Health and Safety Reporting Structure

We have established an HSE Committee spearheaded by our GCEO, which includes management representatives as required by the Occupational Safety and Health (Safety and Health Committee) Regulations 1996. The HSE Committee thoroughly examines and oversees HSE policies, procedures, plans, and performances. Rigorous incident investigations and quarterly awareness initiatives are conducted to ensure the well-being of employees, casual workers, and contractors.



We conduct HSE Committee meetings on a quarterly basis, which serve as an avenue to discuss HSE matters involving employees, casual workers, and management representatives. These sessions delve into diverse matters, including feedback on health and safety measures, process enhancements, revisions to investigation procedures, and updates to policies and procedures.

Elevating the oversight to the Board level, the BRIC, chaired by an Independent Non-Executive Director, convenes quarterly. BRIC plays a pivotal role in supervising health and safety risks and routines, reaffirming our commitment to maintaining a secure and responsible operational environment.

## 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 Monitoring
- Initial Ergonomic Assessment
- Chemical Health Risk Assessment
- Hazards Effect Management Process
- Random Drug and Alcohol Test

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



# Sustainability Statement

We extend our risk assessments to cover both existing and potential projects. 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 provided 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 the 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 them or another person.



**Digitalisation of Safety Observations:**

Specifically Unsafe Acts and Unsafe Conditions involves submitting observations through the utilisation of QR codes.

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




**ExxonMobil STAR Recognition Award**

DOSSB is honoured to receive the 2023 and 1H2024 STAR Recognition Award from ExxonMobil, acknowledging exceptional performance in safety, quality, timeliness, and responsiveness in delivering slickline equipment and services. This award is a testament to the expertise, dedication and relentless pursuit of excellence by the team, ensuring that Deleum consistently meets the highest industry standards.



**Outstanding Safety Recognition from EnQuest – Solid Control Team**

DOSSB’s Solid Control Team was recognised by EnQuest for its outstanding safety performance in the 2024 well delivery programme. This award highlights Deleum’s strict adherence to safety protocols, proactive risk prevention, and commitment to maintaining a secure work environment – successfully executing the campaign without incidents.



**Deleum received Special Award by PETRONAS Malaysia Petroleum Management during 2024 MPM Townhall due to its active participation with WIINTEC HSSE complacency campaign and initiatives throughout the year.**

# Sustainability Statement

## Emergency Response Plan

As part of our commitment to ensuring the safety and well-being of employees, contractors and the surrounding community, Deleum's Flood Operation Committee integrates flood preparedness with approaches to prepare our people for flood emergencies at our business locations.

## Reporting Protocol for Incidents or Accidents

Our Incident Investigation and Reporting Procedure serves as the guiding framework in the occurrence 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 an internal health and safety alert.

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, the BRIC, and the Board. This transparent communication ensures that lessons learned are integrated into our practices, creating continuous improvement in our pledge to maintain a safe and secure working environment and to achieve our target of zero work-related fatalities and lost-time injuries annually.

	FY2022	FY2023	FY2024
<b>Total Hours Worked</b>	2,647,578	1,742,710	2,266,925
<b>Number of Work-Related Fatalities</b>			
• Employee	0	0	0
• Casual Worker/Contractor	1	0	0
<b>Number of Lost Time Injuries<sup>(1)</sup></b>			
• Employee	0	0	0
• Casual Worker/Contractor	2 <sup>(3)</sup>	0	0
<b>Lost Time Incident Rate<sup>(2)</sup></b>			
• Employee	0	0	0
• Casual Worker/Contractor	0.76 <sup>(3)</sup>	0	0

Note:

<sup>1</sup> Lost time injury: An injury is assessed to be a "lost time injury" when the injured cannot return for duty next shift or next day irrespective whether the following is days off, off shift, weekends or public holiday

<sup>2</sup> Lost time incident rate: It is a calculated number based on total number of lost time injuries per one-million-man hours (Total number of lost time injury X 1,000,000 / total man hours)

<sup>3</sup> Restated due to technical variance

# Sustainability Statement

## 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.

The training and learning sessions conducted in FY2024 included:

- Induction training tailored for new employees including permanent, temporary and casual workers by our QHSE representatives
- Regular health and safety briefings, awareness training, bulletins, and meetings, including toolbox 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

	FY2022	FY2023	FY2024
Workforce trained on health and safety standards	584	364	527

## Health and Well-being of Our Workforce

Acknowledging the importance of mental health concerns among employees, we prioritise the health and well-being of our employees. In collaboration with the Group Human Resources Department and other various departments, in FY2024 we have conducted:



**Depression Anxiety Stress Scales** – This proactive approach allows us to assess their mental health status, and in the event of identified issues, appropriate actions are taken. Importantly, we ensure the utmost protection of employees' privacy information throughout this process.

**Mindfulness, Managing Stress & Anxiety in the Office Talk** – Practical tools and techniques to better manage stress and anxiety, fostering a more mindful approach to daily changes.

**Health and Safety Programmes** – Extending beyond physical well-being to encompass mental health learning awareness.

**Adverse Weather Awareness** – Sharing tips to ensure everyone stays safe and healthy during hot weather.

# Sustainability Statement

## HUMAN RIGHTS AND LABOUR PRACTICES



### Why It Matters

#### Duty to Protect Human Rights

At Deleum, we are devoted 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 and Performance

We support the United Nations Universal Declaration of Human Rights and International Labour Organisation standards, along with all necessary domestic regulations such as the Malaysian Employment (Amendment) Act 2022.

Our commitment is reflected in our COBC and Policy Statement on Human Rights and Labour Standards, which were reviewed and updated in 2022. The policy, available in English and Bahasa Malaysia, has been communicated to our employees through COBC training and extended to our suppliers and contractors.

The policy outlines our commitments:

#### 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.

#### Zero Tolerance for 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.

#### Prohibiting Child Labour

Deleum strictly forbids child labour and any form of child exploitation in all our operations. We ensure adherence by refraining from employing individuals below the legal minimum working age as stipulated by the respective countries’ regulations.

#### Advocating for Children’s Rights

In our unwavering commitment to champion children’s rights, we have invested approximately RM145,500 in supporting various charitable organisations and schools, focusing on essential needs such as education, food, and clothing. Additionally, we organise programmes that foster learning, well-being, and other community-driven initiatives aimed at nurturing young minds.

## Sustainability Statement

### Preventing Bullying and Harassment

We view bullying and harassment, including sexual harassment, as grave misconduct that erodes the dignity and respect of our employees. To raise awareness about sexual harassment, we have prominently displayed notices in the workplace.

### Ensuring Pay Equality for Equal Work

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 Company. We do not endorse the disclosure of confidential pay and benefits information to employees or unrelated parties.

### Minimum Wages Compliance

Deleum adheres to national labour laws, including the Employment (Amendment) Act 2022 ("Employment Act") and the Minimum Wages Order 2024, as part of our commitment outlined in the Policy Statement on Human Rights and Labour Standards. This encompasses compliance with the new Order, effective from 1 February 2025, addressing minimum wage and mandated benefits.

### Ensuring Compliance with Working Hours and Claims

Deleum complies with local laws and agreements on working hours, overtime, and holiday work. Our commitment includes providing flexible work arrangements (to reduce excessive working hours) and facilitating overtime claims for eligible employees earning below RM4,000 a month, in accordance with the Employment Act and our well-being principle.

### Workforce Diversity, Equal Opportunities, and Non-Discrimination

At Deleum, we are passionate 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.

# Sustainability Statement

## Assessing Our Labour Risks

Respecting human rights boosts the working conditions and livelihoods of our people, while mitigating reputational risks, labour risk assessment, and due diligence practices. We identified potential issues that could affect employees’ well-being, productivity and rights. Our key actions include:



**Flexible Working Arrangement:**  
Implementation of flexible working hours arrangements to reduce commuting hours and promote employee well-being.



**Compassionate Financial Assistance:**  
Providing compassionate financial assistance for employees, irrespective of gender, age, nationality, disabilities, religion and race.



**Salary Benchmarking:**  
Conducting salary benchmarking against market standards and relevant laws to ensure our salaries are market competitive and fair.



**Employee Feedback Programmes:**  
Sustaining efforts to encourage employee feedback and suggestions through the Speak-Up and Listen-Up (“SULU”) Programme and Employee Engagement Survey




**Employee Well-being Benefits:**  
Continuously reviewing employee insurance and well-being benefits to manage increasing global medical costs, while also promoting regular medical check-ups as part of our employee wellness programme.

## 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 that are 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



**ZERO**  
number of substantiated complaints concerning human rights violations in FY2024

FY2023: 0  
FY2022: 0

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

For instance, employees with specific issues regarding working conditions, employment terms, or labour standards can directly report to their supervisor or the Group Human Resources Department, in adherence to the Grievance Policy communicated to all employees. Alternatively, the SULU Programme which allows employees to submit any complaints or suggestions digitally using a Quick Response code strategically placed in our office locations and / or via intranet. In addition, we encourage our stakeholders to report all forms of non-compliance of breaches of human rights and our COBC through our whistleblowing channel at [whistle@deleum.com](mailto:whistle@deleum.com).



# Sustainability Statement

## HUMAN CAPITAL DEVELOPMENT



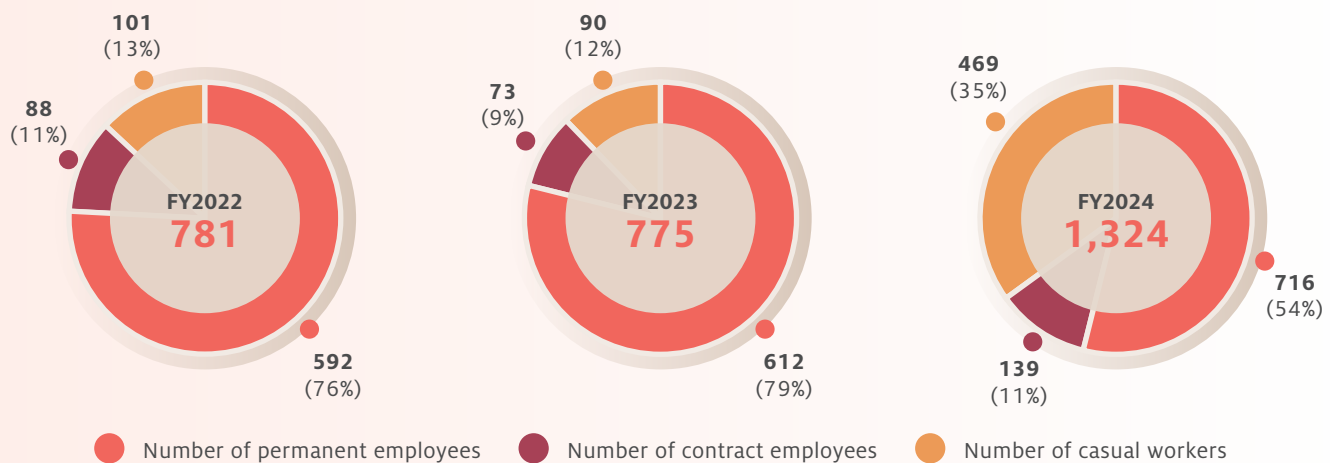
### Why It Matters

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. Empowering our talents with indispensable tools and providing expansive learning opportunities within a nurturing ecosystem is imperative to bolster their career and personal development. Our commitment to these principles is reflected in our COBC, Sustainability Policy, Learning and Development Policy and Equal Opportunity Policy.

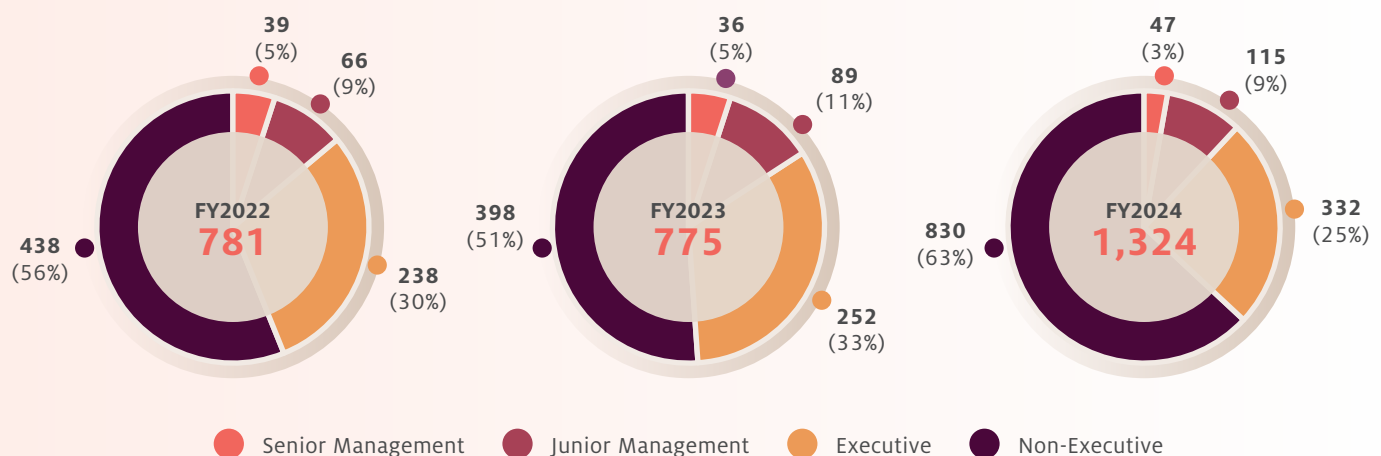
### Our Approach and Performance

#### Our Workforce

##### Total number workforce



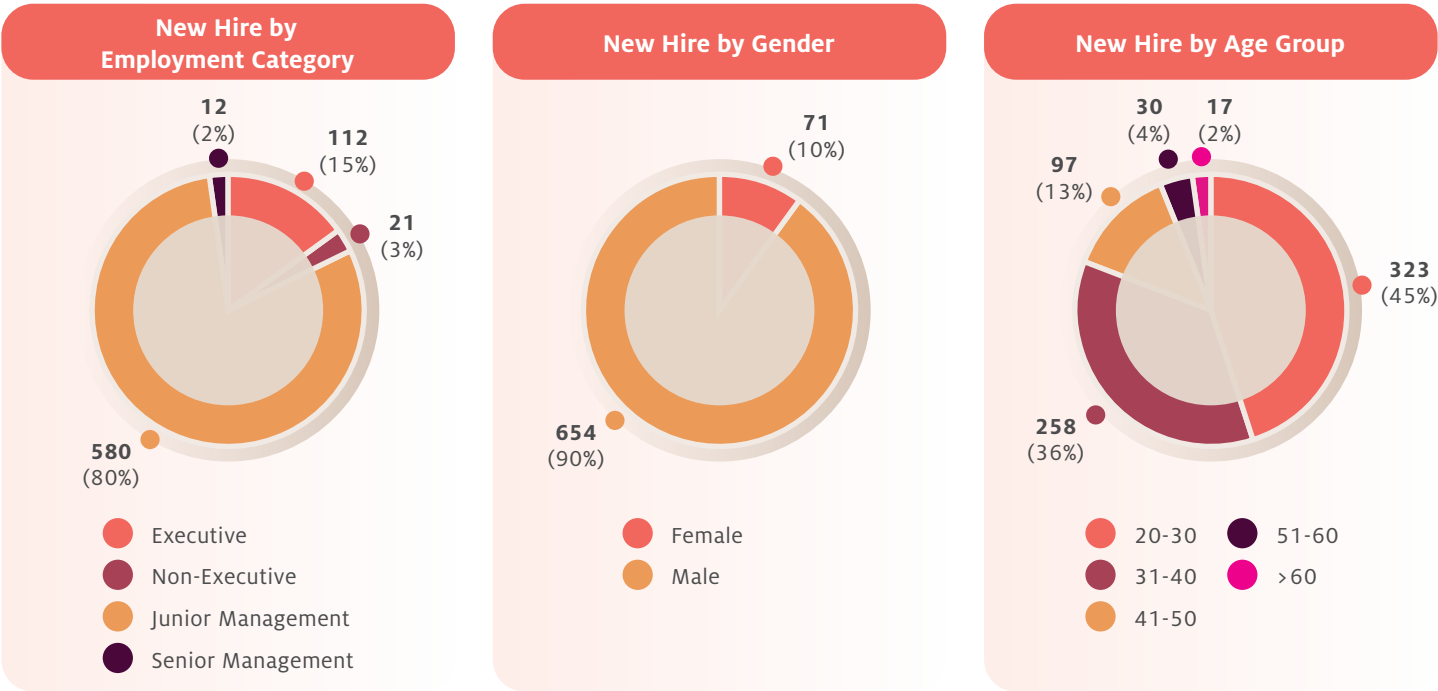
##### Total workforce by Employment Category



# Sustainability Statement

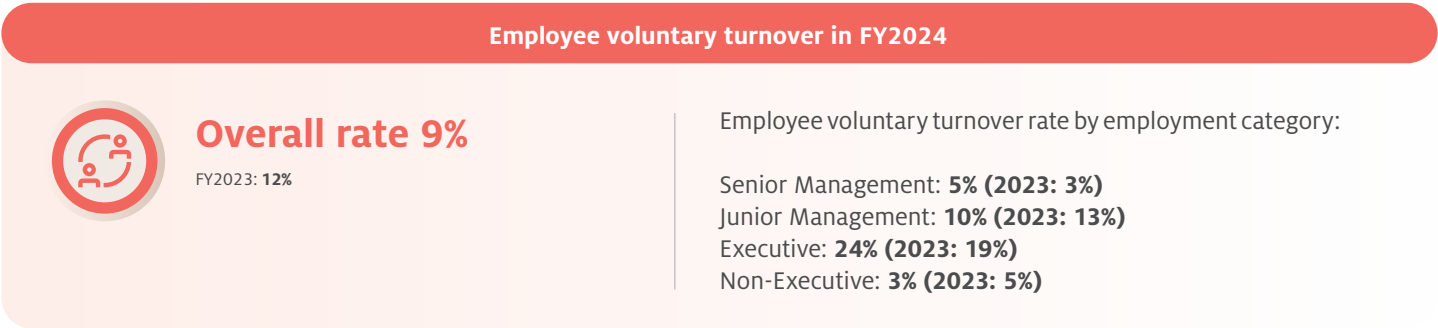
In FY2024, Deleum’s total employees is 1,324, including contract and casual workers, across East and West Malaysia. The workforce grew by 70.8% from FY2023 to FY2024, reflecting the growth of business and activities.

## Diverse and qualified employees



In FY2024, 725 new employees underwent the On-Boarding of New Hires programme, inducting members into the Deleum family involves a specially curated orientation programme, strategically designed to assimilate them seamlessly into the Group fold while familiarising them with our working culture.

Additionally, we observed a decrease in employee voluntary turnover rates from 12% in FY2023 to 9%. This positive trend is a direct result of the retention strategies we implemented throughout the year, including learning and career development opportunities.



# Sustainability Statement

## Employees Benefits and Well-Being

At Deleum, we prioritise the well-being 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.

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



# Sustainability Statement



We recorded 83% of our male employees and 100% of female employees who returned to work and remained employed for 12 months. This high return to work rate suggests 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 responsibilities.

## 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. 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 FY2024, we significantly increased our investment in training by 2.6 times from RM1.2 million to RM2.6 million. This increase reflects our commitment to talent development and ensuring a highly skilled workforce. Additionally, the average training expenditure per workforce rose by 25% from RM1,544 in FY2023 to RM1,935 in FY2024.

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



## Sustainability Statement

### Total training hours in FY2024



**17.4 hours**

average training  
hours per workforce

FY2023: **17 hours**  
FY2022: **20 hours**



**2.2 days**

average training  
days per workforce

FY2023: **2 days**  
FY2022: **2.5 days**



**23,053 hours**

total training hours for  
Group-wide in FY2024

FY2023: **12,912 hours**  
FY2022: **15,828 hours**



**2,864**

total training hours by  
Senior Management

FY2023: **1,096 hours**  
FY2022: **247 hours**



**5,977**

total training hours  
by Executive

FY2023: **3,333 hours**  
FY2022: **2,097 hours**



**2,882 hours**

average training  
hours per entity

FY2023: **1,435 hours**  
FY2022: **1,759 hours**



**1,536**

total training hours by  
Junior Management

FY2023: **518 hours**  
FY2022: **560 hours**



**12,676**

total training hours  
by Non-Executive

FY2023: **7,965 hours**  
FY2022: **12,924 hours**

\* Total training invested is inclusive of Human Resource Development Fund utilisation

Through purposefully structured training and learning programmes, we aim to furnish our people with a diverse array 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 do not only aim to augment their leadership capabilities but also lay the foundation for continuous professional development.

#### Talent Development Programmes

Actively fortifying our talent pipeline, we presently engage in succession management and mentoring programmes. These strategic initiatives encompass the identification and assessment of readiness, accompanied by 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 skillsets to perform their roles effectively and contribute successfully to the organisation.

# Sustainability Statement

## 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, adeptly tailored to align with evolving guidelines and operational dynamics.

- Core functional and technical training programmes:
- 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-related standards training
  - Enterprise Resources Planning training
  - Human Resource Management System training
  - Anti-Bribery Management System trainings

## Compulsory Training

Mandatory participation in essential training sessions is a cornerstone of our corporate culture, encompassing Health, Safety, and Environmental aspects. Additionally, employees are immersed in sessions covering the COBC, Conflict of Interest (“COI”), and Anti-Bribery and Corruption protocols.

These comprehensive training modules span topics ranging from health, safety, and environmental awareness to reporting procedures for wrongdoing, addressing bullying or harassment, and instilling an understanding of business ethics with a specific focus on anti-bribery and corruption.

## Employee Performance Appraisals

As we recognise and celebrate exceptional accomplishments by individuals who consistently exhibit outstanding performance within their peer group, 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



# Sustainability Statement

## Fostering Young Talent

We continue to showcase our unwavering commitment to nurturing young talent in FY2024 through a range of initiatives. This included the engagement of 19 interns who actively interacted with senior leadership, gaining valuable insights.

Additionally, we forged a collaborative partnership with a local university, extending our support to young talent in the specialised field of petroleum engineering. This multifaceted approach underlines our dedication to fostering the growth and development of the next generation in industry.

## Employee Engagement

We actively pursue a range of employee engagement initiatives aimed at fostering camaraderie and addressing employee concerns. Among the employee engagement activities conducted in FY2024 are as follows:

- Employee Engagement Survey
- Regular townhall briefings with the GCEO
- Department gatherings
- Employee appreciation programmes, including long service, Star Awards, and recognition Most Valuable Person Award
- Initiatives for mental health awareness, including private sessions with clinical psychologists
- Team buildings / awareness sessions
- Social, sports, and recreational events organised by the Deleum Sports and Recreational Club
- Festive celebrations and activities throughout the year
- Inter-department festivities decoration competition
- Annual dinner

These diverse initiatives contribute to creating a vibrant and supportive work environment, promoting both professional and personal well-being among our valued employees.



# Sustainability Statement

## DIVERSITY AND INCLUSION



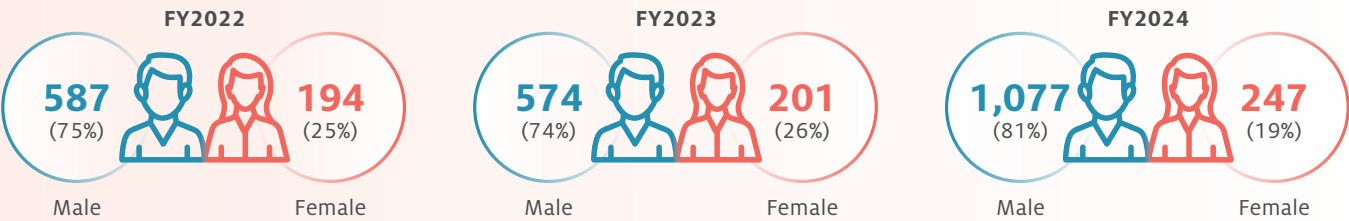
### Why It Matters

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.

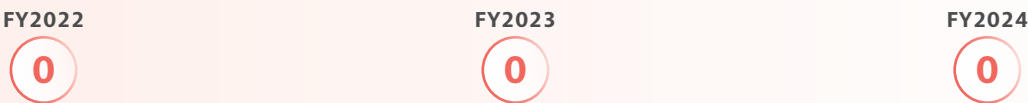
### Our Approach and Performance

#### Our Diverse Workforce

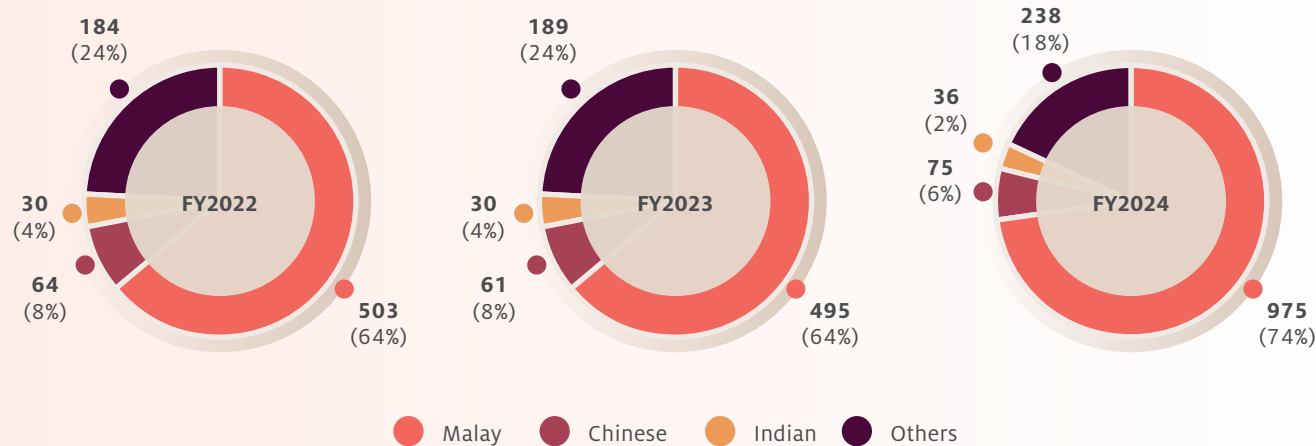
##### Employee by gender



##### Employee with disability



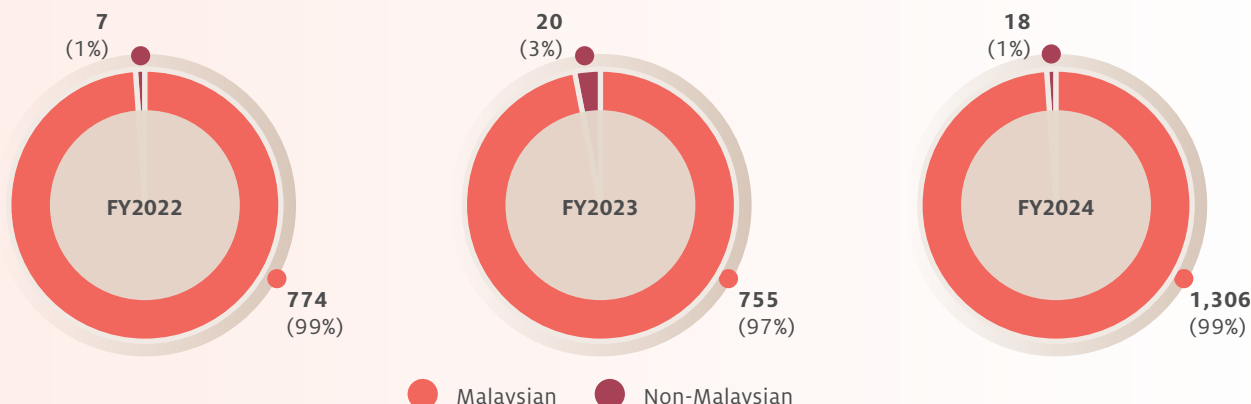
##### Employee by race



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

## Sustainability Statement

### Employee by race



At Deleum, we are 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 to all, from the interview and recruitment stages, through the onboarding process, and continuing until an employee's departure from the company.

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

### Respectful and secure workplace standards

In FY2024, 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 extending employee welfare initiatives through a half-day leave 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 the employees who wish to perform their religious obligations.

### Diverse in Leadership

Since FY2021, we have recognised that over 30% of our junior and senior management team consists of female employees.

	FY2022		FY2023		FY2024	
	Female	Male	Female	Male	Female	Male
<b>Senior Management</b>	14	25	15	21	14	33
<b>%</b>	36%	64%	42%	58%	30%	70%
<b>Junior Management</b>	27	39	32	57	45	70
<b>%</b>	41%	59%	36%	64%	39%	61%

We support local talent and are committed to local employment. Local Malaysian employments, East and West Malaysia made up 99% of our total workforce in FY2024 and this includes 100% of local Malaysian for senior management.

# Sustainability Statement

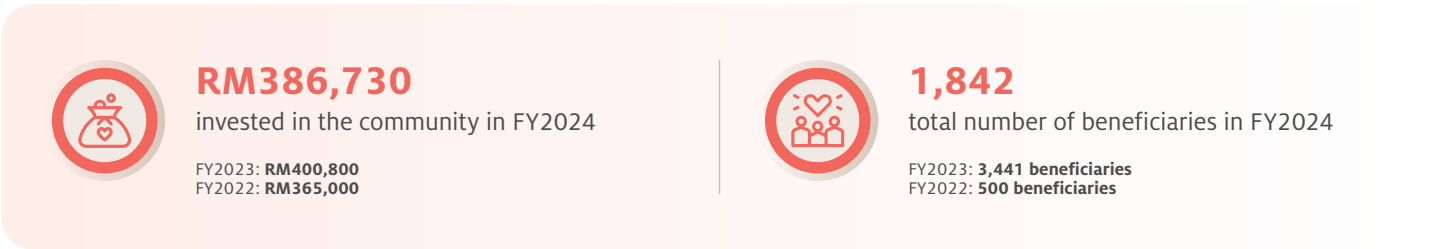
COMMUNITY OUTREACH

4 QUALITY EDUCATION

### Why It Matters

We continued our unwavering passion to champion various societal causes, reflecting our approach to elevate communities around us. We believe in giving back to the community and actively managing our social footprint in the regions where our operations make an impact.

### Our Approach and Performance



Our enduring resolve 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 honour in contributing to meaningful change within communities and benefiting those in need.


We also offer numerous opportunities through various programmes for employees to engage and volunteer in a diverse range of social activities, aimed at supporting our workforce. Throughout the year, our key community outreach programmes included:

Love My Neighbourhood Programme + Love My School Program

Deleum renewed its support of the MyKasih Love My Neighbourhood and Love My School cashless welfare programmes for 2024.

150 families in Miri, Labuan, Kemaman and Penampang are benefitting from monthly food support for a year, while 100 primary school students from Sekolah Kebangsaan St Aloysius Limbanak, Penampang, Sabah and Sekolah Kebangsaan Pasir Gajah, Kemaman, Terengganu are supported with cashless bursaries for their daily canteen meals and learning materials.

Deleum’s staff also involved in charitable giving. During the Ramadan fasting and Hari Raya months of March and April, the company ran the ‘Deleum Kasih Raya’ staff contribution initiative and raised a total of RM17,100.41. At the end of April, the collection was disbursed equally to the Deleum’s 150 recipient families as cashless Duit Raya.



## Sustainability Statement

### School Sponsorship



#### Sekolah Kebangsaan Kampung Bakam, Miri Sarawak

Deleum provided a small rural primary school in Miri, called Sekolah Kebangsaan Kampung Bakam, with RM27,400 worth of smart television sets for its 14 classrooms and one school hall. This enabled the students to adopt 21st-century learning and embark on a more interactive and immersive educational experience.

Additionally, RM7,000 was donated to support the school's sports-related programmes and purchase essential equipment, including sports gear and materials for various activities. This contribution aimed to encourage a healthy lifestyle, promote teamwork, and nurture the students' physical development by enabling their participation in co-curricular events and inter-school competitions.



### Supporting Terrapin Conservation



#### Terrapin Conservation Center, Kemaman, Terengganu

Deleum, in partnership with the Turtle Conservation Society, has actively supported terrapin conservation efforts in Kemaman, Terengganu. We organised Turtle Camps for students from seven primary schools, featuring engaging sessions like "Turtle Talk" and "Turtle Explorace," complete with interactive exhibits to foster environmental awareness.

Additionally, we contributed to upgrading the Terrapin Conservation Center's facilities to enhance its capacity for research and turtle rehabilitation. Our support also extended to a population study at Kampung Pasir Gajah Wetland, which identified various freshwater turtle species, highlighting the importance of preserving this critical habitat for wildlife.





## Sustainability Statement

### SPEKL Sehelai Baju Raya

The programme supported 227 children from seven homes, with Deleum providing sponsorship and volunteers. SPEKL organised two main activities: a baju raya shopping trip and an iftar. This initiative was put together by SPEKL to contribute to needy children, especially orphans and homeless children, in conjunction with the holy month of Ramadan. The programme aims to give these children the opportunity to celebrate Ramadan and Hari Raya.



### Blood Donation Programme

We conducted a blood donation drive with the anticipation of benefiting 933 people. We had 311 successful blood donors who volunteered, including our employees. This initiative made a positive impact on the well-being of our community and emphasising our commitment to social responsibility. Additionally, it helps the donor to reduce the risk of certain health conditions, regulate iron levels, and provide other health advantages.

\* Note: It is worth noting that according to Pusat Darah Negara, Ministry of Health Malaysia, one blood bag can be utilised for three people, amplifying the positive reach of this impactful endeavour.





# Sustainability Statement

## CORE VALUE #3: INTEGRITY



### GOVERNANCE

Upholding Ethical Business Practices and High Values on Ethics, Integrity and Compliance

### CORPORATE GOVERNANCE



### 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 of Corporate Governance, which emphasises board leadership, effective audit and risk management, and integrity in corporate reporting and meaningful relationship with stakeholders.

### Our Approach and Performance

#### Good Governance Practices

The Board provides strategic leadership for the Group, overseeing the development and implementation of strategic objectives. The Board is entrusted with formulating and regularly reviewing our strategic direction, core values, and management practices. This commitment goes beyond mere compliance, embracing a comprehensive approach that nurtures integrity and ethical conduct.

Aligned with a strong corporate governance culture, we navigate the intricate landscape of industry dynamics with a dedicated resolve to adhere to all relevant laws, rules, and regulations.

#### Apolitical company

We maintain a nonpartisan stance, unequivocally prohibiting all donations to political parties, organisations, or their representatives. In the past three years, including FY2024, no contributions were made to any political parties, organisations, or their representatives.

#### Anti-money laundering and anti-terrorism

We adhere to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 reflecting our commitment to no money laundering and terrorism financing.

#### Zero tolerance on fraud

We remain resolute in not engaging in any scheme designed to defraud individuals of money, property, or honest services.

#### Governing gift and hospitality

We acknowledge the significance of cultivating relationships through gifts and hospitality within our business transaction. To proactively prevent any perception of corrupt conduct, we have established stringent restrictions through the Gift, Hospitality, Donation and Sponsorship ("GHDS") Procedure.

# Sustainability Statement

## Board Diversity

The Board maintains a carefully considered composition that ensures balanced representation and distribution of power and authority. The selection of board members adheres to objective criteria, considering proven skills, merit, and capabilities in their respective fields. By emphasising on diversity across expertise, experience, age, cultural background, gender, and outlook, the Board takes on the role of a dedicated custodian of the business. This deliberate approach results in an effective fusion of entrepreneurial drive, business acumen, and professional expertise, enhancing the overall operational dynamics of the Board and contributing to its multilayered decision-making capabilities.

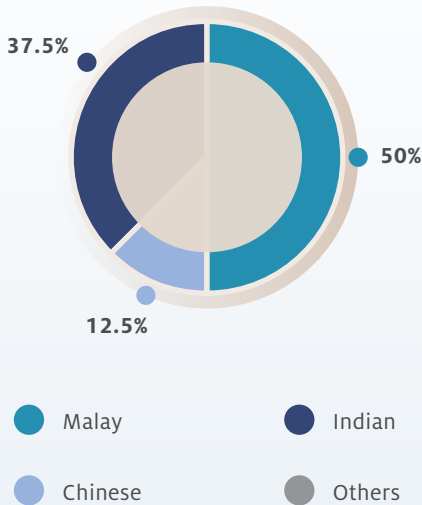
A total of 8 directors in FY2024

FY2023: 7  
FY2022: 7

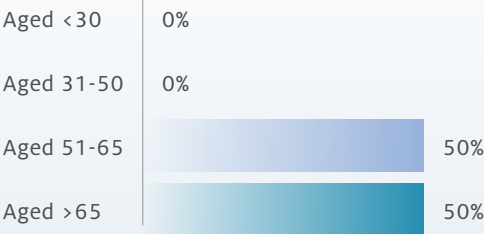
### Gender Group



### Ethnicity



### Age Group



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

# Sustainability Statement

## BUSINESS ETHICS



### Why It Matters

Ethics, honesty, and integrity are the cornerstones of our approach to conducting business. We are committed to upholding the highest ethical standards in our workplace, across all business dealings and relationships. This commitment to ethical practices helps us to maintain investor confidence and supports our long-term growth.

### Our Approach and Performance


**69%**

of our operations assessed for corruption-related risks in FY2024

FY2023: **69%**  
FY2022: **60%**


**All**

our directors and employees received anti-bribery and corruption training in FY2024


**RM0**

of total amount of political contributions made in FY2024


**ZERO**

number of confirmed incidents of corruption and action taken in FY2024

FY2023: **0**  
FY2022: **0**


**ZERO**

number of workforces disciplined or dismissed due to non-compliance with anti-corruption policy / policies in FY2024

FY2023: **0**  
FY2022: **0**


**RM0**

cost of fines, penalties or settlements in relation to corruption in FY2024

FY2023: **0**  
FY2022: **0**

We actively invest efforts in preventing bribery and corruption, demonstrating our commitment to ethical business practices and legal compliance:

### Policies and procedures

Deleum has established the following:

- Anti-Bribery Management System
- Anti-Bribery and Corruption Policy
- Anti-Money Laundering and Counter-Financing of Terrorism Guidelines
- Code of Business Conduct
- Conflict of Interest Guidelines
- Gift, Hospitality, Donation and Sponsorship Procedure
- Third-Party Anti-Bribery and Corruption Management Guidelines
- Whistleblowing Policy and Procedure

The establishment of a commitment to prohibit bribery and corruption in the business conduct of the Group 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

# Sustainability Statement

**ISO 37001:2016  
Anti-Bribery  
Management  
System (“ABMS”)**

Deleum Berhad, Deleum Services Sdn. Bhd. and Deleum Technology Solutions Sdn. Bhd. were accredited with ABMS on 27 January 2024

**Zero tolerance  
for any kind  
of bribery and  
corruption**

Deleum adopts a zero-tolerance policy for any form of bribery or corruption, encompassing activities such as offering or taking bribes, double-dealing, illegal transactions, tampering with elections, kickbacks, money laundering, and investor fraud. We strictly adhere to all local and foreign applicable laws, rules, and regulations, including criminal laws, laws combatting bribery, anti-corruption, anti-money laundering, and anti-terrorism. Any attempt or action that could compromise the integrity and accuracy of the Group’s financial reporting is strictly prohibited

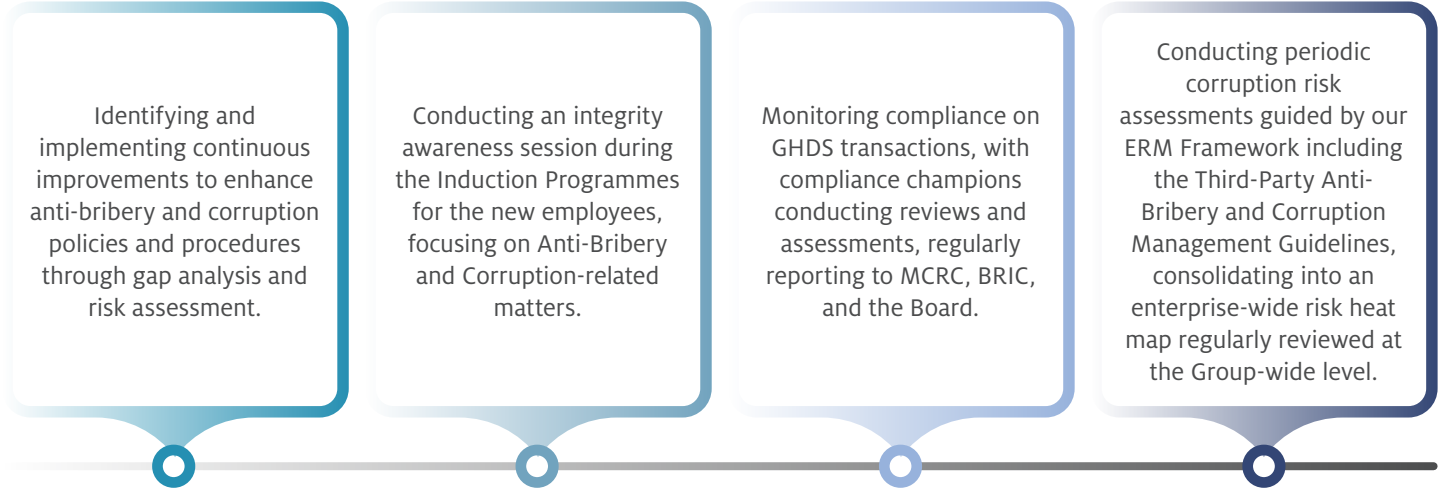
**Zero tolerance on  
fraud**

Deleum remains resolute in not engaging in any scheme designed to defraud individuals of money, property, or honest services

**Assessing Corruption and Due Diligence**

We conducted thorough risk assessments for both existing and prospective projects, as well as prior to engaging new suppliers and contractors. To ensure effective governance and mitigate potential corruption risks, we conduct annual Corruption Risk Assessments across the Group. Additionally, due diligence assessment is performed before engaging new suppliers and contractors to ensure compliance with ethical standards and address corruption-related risks.

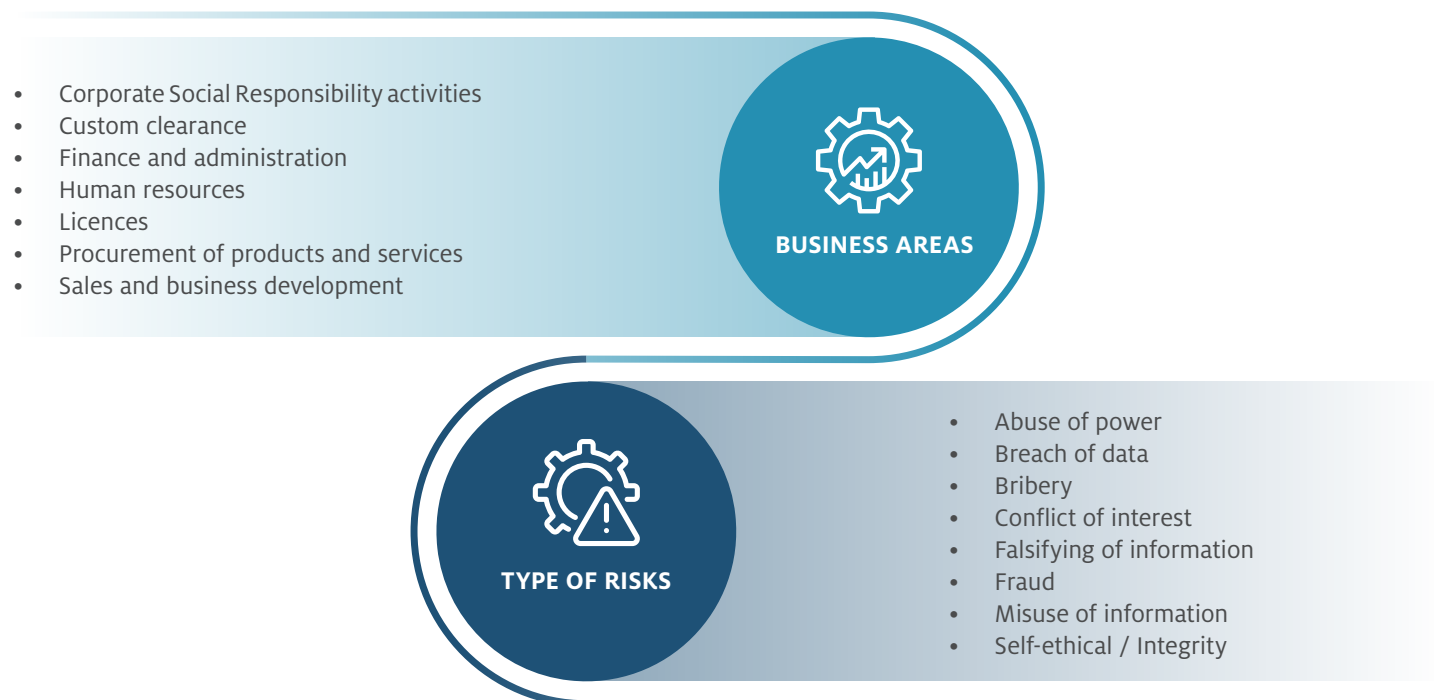
We identified specific areas with significant or high exposures to bribery and corruption risks covering areas like conflict of interest, political relationships, government ties, potential corruption, money laundering, and financing of terrorism by:



To address significant or high risks of bribery and corruption, we have implemented 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.

## Sustainability Statement

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



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

### Whistleblowing Mechanisms

Our Whistleblowing Policy and Procedure allows employees, suppliers, and the public to report any unethical conduct such as bribery, corruption, policy violations, or breaches of applicable laws for investigation. Reports can cover various matters, including financial crimes, harassment, misappropriation of assets, and breaches of health and safety or environmental concerns. Whistleblowers, whose identities are kept and treated confidentially, can submit reports anonymously, and the reports will be addressed without fear of reprisal. Currently, there are two channels to reach us:

1. Email to [whistle@deleum.com](mailto:whistle@deleum.com)  
The Whistleblowing Committee will have the 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 addressed to:

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

# Sustainability Statement

## Anti-Corruption Training and Communication

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.

	FY2022	FY2023	FY2024
<b>Number of workforces received anti-bribery and corruption training</b>	<b>781</b>	<b>775</b>	<b>1,324</b>
<b>Senior Management</b>	-	36	47
%	-	100%	100%
<b>Junior Management</b>	-	89	115
%	-	100%	100%
<b>Executive</b>	-	252	332
%	-	100%	100%
<b>Non-Executive</b>	-	398	830
%	-	100%	100%

We continuously organise a series of comprehensive anti-corruption related training, learning, and communication sessions tailored for our Board, senior management, and employees. The initiatives included:



Deleum's Integrity Day 2024 conducted on 7 March 2024.



Induction training for all new employees covering the general topic of anti-bribery and corruption, as well as providing an understanding of COBC, COI, and anti-bribery and corruption.

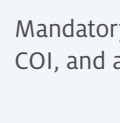


Employees and directors undergo training and awareness sessions on the anti-bribery and corruption related policy

Corruption Risk Assessment Workshop for Business Units and Corporate Resources Functions.



Ongoing Speak-Up and Listen-Up programme: Continuously fostering a culture of open communication and attentiveness to ensure that all voices are heard.



Mandatory annual refresher and assessment on COBC, COI, and anti-bribery and corruption for employees.



Regular communication via digital communication platforms such as the company website, intranet, and emails.



# Sustainability Statement

## CYBER AND INFORMATION SECURITY



### Why It Matters

In this digitalisation era, safeguarding data privacy from any digital security threats is essential to safeguard the level of confidence of our stakeholders in our integrity and system reliability.

### Our Approach and Performance

We adhere to the cybersecurity practices outlined in our Cybersecurity Policy. Regular security assessments, including Information, Communication and Technology governance, are carried out by internal and external auditors.

Building on these practices, in FY2024, we conducted an internal audit of our newly implemented Enterprise Resource Planning (“ERP”) system and a comprehensive penetration test to evaluate and enhance our security resilience. We remain committed to ongoing risk assessments to identify opportunities for improvement and strengthen our defences against evolving cyber and information security threats.

In compliance with Malaysia’s Personal Data Protection Act (“PDPA”) requirements, the PDPA Committee oversees the compliance and implementation of PDPA requirements. A designated PDPA Compliance Officer undertakes the implementation of PDPA compliance and reports to the PDPA Committee on its compliance. Our commitment to conventions are reflected in the Personal Data Policy which we expect our employees to follow by not processing personal data regarding third parties, employees, or others unless the necessary steps for compliance are undertaken.

Throughout the year, we have focused on a risk-based approach to identify and manage localised risks through specific actions and mitigations. MCRC and BRIC periodically review our risk management practices in digital transformation and cyber and information security, including personal data protection.



### ZERO

number of substantiated complaints concerning breaches of customer privacy and losses of customer data

FY2023: 0  
FY2022: 0

# Sustainability Statement

SUPPLY CHAIN MANAGEMENT

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

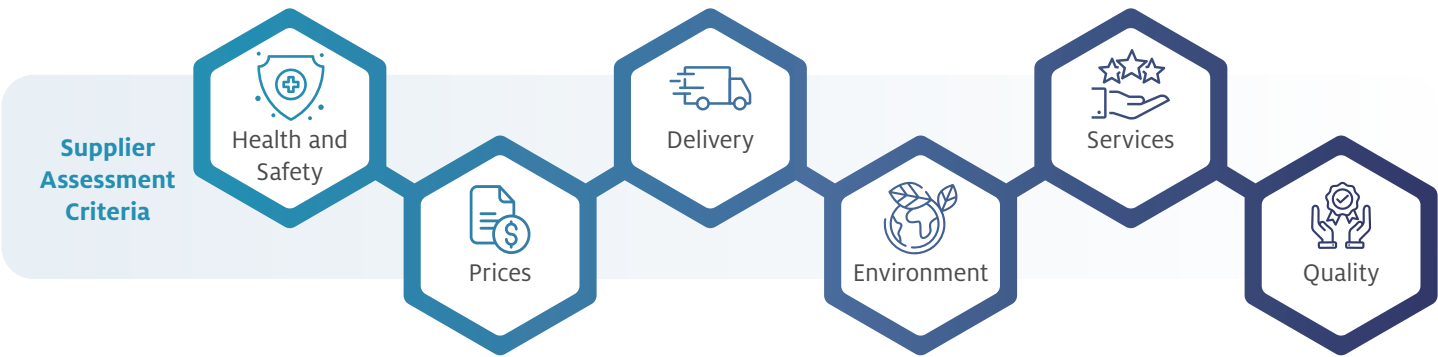
## Why It Matters

At Deleum, we are committed to responsible procurement practices by integrating sustainability into our procurement process. We strongly support local businesses and aim to foster economic growth in the communities where we operate. By prioritising these principles, we not only enhance our supply chain’s integrity but also contribute positively to society and the environment.

## Our Approach and Performance

### Adhering to Ethical Standards

Our procurement practices adhere to the COBC and Group Procurement Policy and Procedure. These guidelines ensure that our suppliers’ adherence to Deleum’s ethical business standards, which include a commitment to zero corruption, minimising environmental impacts, and safeguarding the rights of employees and casual workers as well as zero violation of human rights.



### Supporting Local Suppliers

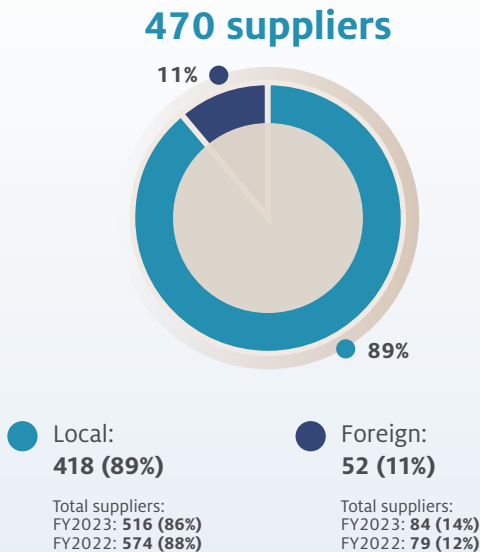
Our suppliers consist of distributors and contractors for sourcing tools and equipment, chemicals and lubricants, labour, spare parts, and services materials among others. As part of our social responsibility and fostering economic growth, we continued our support for local suppliers for values they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

### Balancing Local and Foreign Suppliers

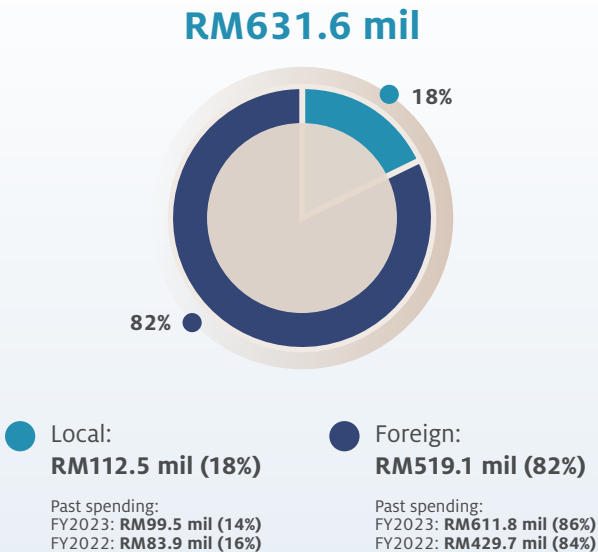
Most of our suppliers are locally based, reflecting our commitment to supporting local businesses and fostering economic growth. We increased the local supplier composition from 86% to 89% in FY2024. Our spending on foreign suppliers tends to be higher due to the procurement of specialised products and services from abroad coupled with the impact of foreign currency exchange rates.

# Sustainability Statement

## Total number of suppliers in FY2024



## Total Procurement spent in FY2024



## Integration of ESG Considerations

In FY2024, Group Supply Chain initiated the integration of ESG considerations into the vendor assessment questionnaire for both new registrations and renewals. This represents our effort towards fostering a sustainable transition in our supply chain.

All new suppliers were evaluated for their environmental policies during the pre-qualification process. We annually visit the business operations sites of our selected major and critical suppliers to review their environmental and social impact, based on the API Q2 (2nd edition) requirements. Our focus includes health and safety, environmental protection activities and commitments, as well as the quality of products and services.

## Procurement Awareness Programme


To keep our employees updated with the latest procurement process and procedure, we conducted a procurement awareness programme as a refresher to educate our employees on our latest procurement governance and processes.





Verification Report

Verification Opinion

Verified with Comments	
Based on the process and procedures conducted, there is <u>no evidence</u> that the GHG statement contained in the "GHG Report 2024" 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 ISO14064-1 and its principles.
With the following caveats	Deleum Berhad has been verified with comments due to the absence of Scope 3 emissions disclosure in its GHG inventory
The following improvements were raised in relation to future reporting	Develop a pre-determined criteria assessment to identify and document significant Scope 3 indirect emissions for future GHG inventory reporting
Lead Verifier	Salmiah Hasbullah
Verifier	Shaiful Rahman
Independent Reviewer	Wan Muqtadir Wan Abdul Fatah
Signed on behalf of BSI	Evelyn Chye - Managing Director, Malaysia 
Issue Date	3 March 2025
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.	

## Sustainability Statement



**CFV 821452 03032025**

### 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: <ul style="list-style-type: none"> <li>• Is accurate, materially correct and is a fair representation of GHG data and information</li> <li>• Has been prepared in accordance with ISO14064-1: 2018 the criteria used by BSI to verify the GHG Organizational Statement</li> </ul>
Materiality Level	5%
Level of Assurance	Limited
Verification evidence gathering procedures	<ul style="list-style-type: none"> <li>• Evaluation of the monitoring and controls systems through interviewing employees, observation &amp; inquiry</li> <li>• Verification of the data through sampling recalculation, retracing, cross checking and reconciliation</li> <li>• Verification of the default-value/emission factor data through reference of publicly available sources</li> </ul>
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 and ISO 14065: 2020
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

Organization		Deleum Berhad No.2 Jalan Bangsar Utama 9, Bangsar, 59000 Kuala Lumpur, Malaysia
Organizations GHG Report containing GHG Statement		Deleum Berhad GHG Report 2024 produced by Deleum Berhad
Organizational Boundary		Operational Control
Locations included in the Organizational Boundary		See Appendix A
Scope of activities:		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
Reporting Boundary:	Direct GHG Emissions	Category 1: Direct GHG emissions from: a) Stationary combustion: Power generation equipment (Gensets, power packs, air packs and welding machines) b) Mobile combustion: Company vehicles and forklifts c) Fugitive emissions: Refrigerants from air conditioning systems
	Indirect GHG emissions from imported energy	Use of purchased electricity
Exclusions from Reporting Boundary:		Deleum Berhad excludes the GHG emissions for Categories 3, 4, 5 and 6
Criteria for developing the organizational GHG Inventory:		<ul style="list-style-type: none"><li>• ISO14064-1:2018</li><li>• Deleum Berhad's Procedure for GHG Emissions Inventory Management (Doc ID: DSSB-EP-03)</li></ul>
Reporting Period		01/01/2024 – 31/12/2024



# Sustainability Statement



## Summary of GHG Emissions (Location Based)

Category	Tonne CO2e
Direct emissions	1,207.70
Indirect emissions from imported energy	657.30
<b>Total (Year 2024)</b>	<b>1,865.00</b>



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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 Aeripod Off Jalan Kepyayan, 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 Industrial 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. Telok Kalong Base, Kemaman Lot PT 8777, Telok Kalong Industrial Area, 24000 Kemaman, Terengganu Darul Iman, Malaysia. 2. ASEAN Supply Base Site B – Open Yard & Bay 1 Asian Supply Base, Rancha Rancha Industrial Estate, 87017 Labuan, Malaysia. 3. Jakarta Representative Office Jl Raya Bogor KM 50, Cijujung, Sukaraja Bogor 16710 Indonesia.

# Sustainability Statement

## GLOBAL REPORTING INITIATIVE (“GRI”)

GRI STANDARD	DISCLOSURE		Page Number(s), URL or Direct Answer
<b>GRI 2: General Disclosures 2021</b>	2-1	Organisational details	Pages 5-6
	2-2	Entities included in the organisation’s sustainability reporting	Page 27
	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)
	2-5	External assurance	Pages 94-95
	2-6	Activities, value chain and other business relationships	Pages 44-45
	2-7	Employees	Page 73
	2-8	Workers who are not employees	Page 73
	2-9	Governance structure and composition	Page 38
	2-10	Nomination and selection of the highest governance body	Pages 115-116
	2-11	Chair of the highest governance body	Page 107
	2-12	Role of the highest governance body in overseeing the management of impacts	Pages 37-38, 106-123
	2-13	Delegation of responsibility for managing impacts	Pages 37-38, 106-123
	2-14	Role of the highest governance body in sustainability reporting	Pages 37-38
	2-15	Conflicts of interest	Pages 87-90, 108, 112, 131, 139
	2-16	Communication of critical concerns	Page 87
	2-17	Collective knowledge of the highest governance body	Pages 112-115
	2-18	Evaluation of the performance of the highest governance body	Pages 110-111
	2-19	Remuneration policies	Pages 116-119
	2-20	Process to determine remuneration	Remuneration Framework: <a href="https://deleum.com/images/image/RemunerationFramework/ExecutiveDirectorandSeniorManagement.pdf">https://deleum.com/images/image/RemunerationFramework/ExecutiveDirectorandSeniorManagement.pdf</a>
	2-21	Annual total compensation ratio	Omissions & Explanation: Salary and compensation package are confidential information as per company’s policy
	2-22	Statement on sustainable development strategy	Pages 30-31

# Sustainability Statement

GRI STANDARD	DISCLOSURE		Page Number(s), URL or Direct Answer
<b>GRI 2: General Disclosures 2021</b>	2-23	Policy commitments	Page 39 Guiding Sustainability Policies: <a href="https://deleum.com/sustainability/overview">https://deleum.com/sustainability/overview</a>
	2-24	Embedding policy commitments	Pages 87-90
	2-25	Processes to remediate negative impacts	Page 72, 89
	2-26	Mechanisms for seeking advice and raising concerns	Pages 72, 89
	2-27	Compliance with laws and regulations	In FY2024, 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	Pages 46-47
	2-29	Approach to stakeholder engagement	Pages 44-45
	2-30	Collective bargaining agreements	Pages 70-71
<b>GRI 3: Material Topics 2021</b>	3-1	Process to determine material topics	Pages 42-43
	3-2	List of material topics	Page 48
<b>GRI 201: Economic Performance 2016</b>	3-3	Management of material topics	Page 48
	201-1	Direct economic value generated and distributed	Page 48
	201-2	Financial implications and other risks and opportunities due to climate change	Pages 39-41, 54
	201-3	Defined benefit plan obligations and other retirement plans	Page 75
<b>GRI 202: Economic Performance 2016</b>	3-3	Management of material topics	Page 48
	202-1	Proportion of senior management hired from the local community	Pages 73-74
<b>GRI 204: Procurement Practices 2016</b>	3-3	Management of material topics	Pages 92-93
	204-1	Proportion of spending on local suppliers	Pages 92-93
<b>GRI 205: Anti-corruption 2016</b>	3-3	Management of material topics	Pages 87-90
	205-1	Operations assessed for risks related to corruption	Page 87
	205-2	Communication and training about anti-corruption policies and procedures	Pages 87-90
	205-3	Confirmed incidents of corruption and actions taken	Page 87

## Sustainability Statement

GRI STANDARD	DISCLOSURE		Page Number(s), URL or Direct Answer
<b>GRI 302: Energy 2016</b>	3-3	Management of material topics	Pages 58-59
	302-1	Energy consumption within the organization	Page 59
	302-3	Energy intensity	
<b>GRI 303: Water and Effluents 2018</b>	3-3	Management of material topics	Pages 59-60
	303-5	Water consumption	Page 60
<b>GRI 304: Biodiversity 2016</b>	3-3	Management of material topics	Page 63
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Deleum's operations are not located in high biodiversity value outside protected areas
	304-2	Significant impacts of activities, products, and services on biodiversity	
<b>GRI 305: Emissions 2016</b>	3-3	Management of material topics	Pages 51-57
	305-1	Direct (Scope 1) GHG emissions	Page 56
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-4	GHG emissions intensity	
<b>GRI 306: Waste 2020</b>	3-3	Management of material topics	Pages 61-62
	306-1	Waste generation and significant waste-related impacts	
	306-2	Management of significant waste-related impacts	
	306-3	Waste generated	
	306-4	Waste diverted from disposal	
	306-5	Waste directed to disposal	
<b>GRI 401: Employment 2016</b>	3-3	Management of material topics	Pages 70-72
	401-1	New employee hires and employee turnover	Page 74
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 75
	401-3	Parental leave	Pages 75-76

# Sustainability Statement

GRI STANDARD	DISCLOSURE		PAGE REFERENCE
<b>GRI 403: Occupational Health and Safety 2018</b>	3-3	Management of material topics	Pages 64-69
	403-1	Occupational health and safety management system	Page 65
	403-2	Hazard identification, risk assessment, and incident investigation	Pages 66-68
	403-3	Occupational health services	Page 75
	403-4	Worker participation, consultation, and communication on occupational health and safety	Page 69
	403-5	Worker training on occupational health and safety	
	403-6	Promotion of worker health	
	403-8	Workers covered by an occupational health and safety management system	Page 73
	403-9	Work-related injuries	Page 68
	403-10	Work-related ill health	
<b>GRI 404: Training and Education 2016</b>	3-3	Management of material topics	Pages 76-78
	404-1	Average hours of training per year per employee	Page 77
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Pages 77-78
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 78
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	3-3	Management of material topics	Pages 80-81
	405-1	Diversity of governance bodies and employees	Pages 81, 86
<b>GRI 406: Non-discrimination 2016</b>	3-3	Management of material topics	Pages 70-72
	406-1	Incidents of discrimination and corrective actions taken	Pages 71-72
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	3-3	Management of material topics	Pages 70-72
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 70



## Sustainability Statement

GRI STANDARD		DISCLOSURE	Page Number(s), URL or Direct Answer
<b>GRI 408: Child Labour 2016</b>	3-3	Management of material topics	Pages 70-72
	408-1	Operations and suppliers at significant risk for incidents of child labour	Page 70
<b>GRI 409: Forced or Compulsory Labour 2016</b>	3-3	Management of material topics	Pages 70-72
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 70
<b>GRI 413: Local Communities 2016</b>	3-3	Management of material topics	Pages 82-84
	413-1	Operations with local community engagement, impact assessments, and development programmes	
<b>GRI 414: Supplier Social Assessment 2016</b>	3-3	Management of material topics	Pages 92-93
	414-1	New suppliers that were screened using social criteria	
<b>GRI 415: Public Policy 2016</b>	3-3	Management of material topics	Pages 87-88
	415-1	Political contributions	
<b>GRI 416: Customer Health and Safety 2016</b>	3-3	Management of material topics	Page 49
	416-1	Assessment of the health and safety impacts of product and service categories	
<b>GRI 418: Customer Privacy 2016</b>	3-3	Management of material topics	Page 91
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	

# Sustainability Statement

Indicator	Measurement Unit	2021	2022	2023	2024
<b>Bursa (Emissions management)</b>					
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	895.50 *	1,188.10 *	1,207.70
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	534.30 *	562.20 *	657.30
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	0.00	0.00	0.00
<b>Bursa (Energy management)</b>					
Bursa C4(a) Total energy consumption	Megawatt	-	4,240.60	5,450.30	5,645.11
<b>Bursa (Water)</b>					
Bursa C9(a) Total volume of water used	Megalitres	28.000000	22.400000	15.600000	11.310000
<b>Bursa (Waste management)</b>					
Bursa C10(a) Total waste generated	Metric tonnes	-	41.20 *	79.30 *	98.38
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	0.00	0.00	0.29
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	41.20 *	79.30 *	98.10
<b>Bursa (Health and safety)</b>					
Bursa C5(a) Number of work-related fatalities	Number	0	1	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.08	0.76 *	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	574	584	364	527
<b>Bursa (Labour practices and standards)</b>					
Bursa C6(a) Total hours of training by employee category					
Senior Management	Hours	42	247	1,096	2,864
Junior Management	Hours	119	560	518	1,536
Executive	Hours	742	2,097	3,333	5,977
Non-Executive	Hours	8,620	12,924	7,965	12,676
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	26.00	24.00	21.00	46.00
Bursa C6(c) Total number of employee turnover by employee category					
Senior Management	Number	10	3	1	2
Junior Management	Number	12	15	12	10
Executive	Number	27	50	49	70
Non-Executive	Number	22	29	19	17
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	0
<b>Bursa (Diversity)</b>					
Bursa C3(a) Percentage of employees by gender and age group, for each employee category					
Age Group by Employee Category					
Senior Management Aged < 30	Percentage	0.00	0.00	0.00	0.00
Senior Management Aged 31 - 50	Percentage	61.00	66.00	66.00	55.00
Senior Management Aged 51 - 60	Percentage	33.00	26.00	31.00	34.00
Senior Management Aged > 60	Percentage	6.00	8.00	3.00	11.00
Junior Management Aged < 30	Percentage	1.00	0.00	0.00	2.00
Junior Management Aged 31 - 50	Percentage	91.00	91.00	83.00	87.00
Junior Management Aged 51 - 60	Percentage	8.00	9.00	10.00	9.00
Junior Management Aged > 60	Percentage	0.00	0.00	7.00	2.00

Internal assurance

External assurance

No assurance

(\*)Restated

# Sustainability Statement

Indicator	Measurement Unit	2021	2022	2023	2024
Executive Aged < 30	Percentage	22.00	24.00	34.00	35.00
Executive Aged 31 - 50	Percentage	74.00	71.00	62.00	60.00
Executive Aged 51 - 60	Percentage	3.00	4.00	4.00	4.00
Executive Aged > 60	Percentage	1.00	1.00	0.00	1.00
Non-Executive Aged < 30	Percentage	27.00	25.00	22.00	36.00
Non-Executive Aged 31 - 50	Percentage	64.00	63.00	65.00	57.00
Non-Executive Aged 51 - 60	Percentage	8.00	10.00	10.00	6.00
Non-Executive Aged > 60	Percentage	1.00	2.00	3.00	1.00
Gender Group by Employee Category					
Senior Management Male	Percentage	67.00	64.00	58.00	70.00
Senior Management Female	Percentage	33.00	36.00	42.00	30.00
Junior Management Male	Percentage	54.00	59.00	64.00	61.00
Junior Management Female	Percentage	46.00	41.00	36.00	39.00
Executive Male	Percentage	54.00	53.00	53.00	59.00
Executive Female	Percentage	46.00	47.00	47.00	41.00
Non-Executive Male	Percentage	92.00	91.00	91.00	94.00
Non-Executive Female	Percentage	8.00	9.00	9.00	6.00
Bursa C3(b) Percentage of directors by gender and age group					
Male	Percentage	86.00	86.00	86.00	87.50
Female	Percentage	14.00	14.00	14.00	12.50
Aged < 30	Percentage	0.00	0.00	0.00	0.00
Aged 31 - 50	Percentage	0.00	0.00	0.00	0.00
Aged 51 - 65	Percentage	43.00	57.00	43.00	50.00
Aged > 65	Percentage	57.00	43.00	57.00	50.00
<b>Bursa (Community/Society)</b>					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	23,000.00	365,000.00	400,800.00	386,730.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	100	500	3,441	1,842
<b>Bursa (Anti-corruption)</b>					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Senior Management	Percentage	-	-	100.00	100.00
Junior Management	Percentage	-	-	100.00	100.00
Executive	Percentage	-	-	100.00	100.00
Non-Executive	Percentage	-	-	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	60.00	69.00	69.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	0
<b>Bursa (Data privacy and security)</b>					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	0
<b>Bursa (Supply chain management)</b>					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	17.00	16.00	14.00	18.00

Internal assurance   External assurance   No assurance   (\*)Restated

The performance data table above is generated from the standard template of Bursa's ESG reporting platform.

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# Corporate Governance Overview Statement

The Board of Directors (“the Board”) of Deleum Berhad (“Deleum” or “the Company”) remains steadfast in its commitment in ensuring that high standards of corporate governance are consistently observed and practised throughout Deleum and its subsidiaries (collectively “the Group”) in furtherance of the Group’s Mission, Vision and Core Values. The Board is mindful of its responsibilities to the shareholders and the other stakeholders and shall continue to uphold good corporate governance which is essential for sustainable long-term performance and value creation.

This Statement, as at 25 February 2025, provides an overview of the Group’s application of the principles set out in the Malaysian Code on Corporate Governance (“MCCG”) during the financial year ended 31 December 2024 (“FY2024”). The details of the application of each practice set out in the MCCG is disclosed in the Corporate Governance Report for FY2024 which is available on Deleum’s corporate website at [www.deleum.com](http://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 which enables risk to be appropriately assessed and managed.

It has the ultimate and overall responsibility for the entire affairs of the Group and the proper and effective conduct of its business including establishing the vision and strategic objectives of the Group, directing and providing effective oversight of Management and stewardship of the Group’s resources towards realising the vision of the Group.

The Board Charter, published in the Company’s corporate website, provides guidance to the Board in discharging 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 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.

The Board is supported by three (3) Board Committees to which the Board has delegated specific responsibilities, namely Audit Committee (“AC”), Board Risk and Investment Committee (“BRIC”) and Joint Remuneration and Nomination Committee (“JRNC”).

The Board communicates its directions to Management through the GCEO who is responsible for the day-to-day management of the business and operations of the Group and implementation of the Group’s strategies and policies as approved by the Board. He is well supported by his management team. The GCEO appraises the Board on a quarterly basis on the industry, business, prospects and issues faced by the Group.

## Corporate Governance Overview Statement

All matters not specifically reserved to the Board which are necessary for the day-to-day operations of the Group are delegated to Management to operate within the DAG. The GCEO is delegated the limits of authority as specified in the DAG on corporate and operational matters. The DAG sets out the specific approval thresholds for the GCEO who further delegates the authorities granted to him to the operational management team and other executives on operation matters including sales, procurement and capital expenditure.

### 2. Chairman, Deputy Chairman, GCEO and Independent Directors

The Board practises a clear demarcation of responsibilities whilst maintaining the balance of power and authority. The positions of the Chairman, Deputy Chairman and GCEO are held by separate persons, and the clear separation of powers, roles and responsibilities ensures a balance of power and authority. There is no family relationship between the Chairman, Deputy Chairman and GCEO.

#### (a) Chairman

The Chairman leads the Board and is responsible for instilling good governance practices and leadership of the Board, ensuring its effectiveness in all aspects of its role and setting its agenda. He presides over Board meetings and encourages positive contributions of all Directors at Board meetings and promotes an environment for open, robust and effective debate between all Board members and allows for constructive and dissenting views to be freely expressed. He is primarily responsible for the orderly conduct and effective working of the Board, and acts as a liaison between the Board and Management. The Chairman is non-executive and he is not involved in the day-to-day management of the Group.

#### (b) Deputy Chairman

The Deputy Chairman supports the Chairman and assists in high level business development and customer relations. The Chairman and the Deputy Chairman work closely with the GCEO in the development of business, corporate policies and strategies for the Group.

#### (c) GCEO

The GCEO leads the management of the Group and oversees the day-to-day running and management of the business and operations of the Group, advancing long-term shareholders' value and implementation of the Board's policies and decisions. He also acts as the conduit between the Board and Management in ensuring the success of the Group's governance and management functions.

#### (d) Independent Non-Executive Directors

The Independent Non-Executive Directors provide independent and objective views, advice and judgement through their active participation within the Board Committees and in the Board's deliberations and decision-making.

#### (e) Senior Independent Non-Executive Director

The Senior Independent Non-Executive Director serves as the point of contact between the Independent Directors and the Chairman of the Board on sensitive issues and act as a designated contact to whom shareholders' concerns or queries may be raised.

### 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 in advising the Board in relation to regulatory compliance and corporate governance, and ensuring that the applicable laws and regulations are complied with. They are responsible for organising and facilitating Board and Board Committee meetings and that accurate and proper records of the deliberations, proceedings and resolutions passed are recorded and statutory registers are properly maintained at the registered office of the Company.

# Corporate Governance Overview Statement

## 4. Board Charter, Codes and Policies

The Company has the following in place which are available on its corporate website.

### (a) Board Charter

The Board Charter as adopted by the Board, sets out, amongst others, the duties and responsibilities of Directors including guidelines on matters reserved for the Board's collective decision-making.

### (b) Directors' Code of Ethics

Directors' Code of Ethics ("Code") outlines standards of business conduct and ethical behaviour to be observed by all Directors in discharging their duties and responsibilities to the highest standards of personal integrity and professionalism. The Code sets out, amongst others, Directors' obligations in observing high standards of corporate governance, compliance with 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 Company communicates the Code 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 with regards to the Group's standard of integrity, rules of conduct and business practices. They are to refrain from all 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 shall not be involved in any activities where their personal interest will conflict with the business interests of the Group or the performance of their duties.

The COBC's coverage includes 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 Anti-Bribery and Corruption Policy and the associated policies and guidelines are in line 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 formulated a Directors' Fit and Proper Policy with effect from 1 July 2022 which serves to guide the JRNC and the Board in their review and assessment of potential candidates that are proposed for appointment as Director of the Company and its subsidiaries as well as re-election as Directors of the Company pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

### (e) Whistleblowing Policy and Procedure

The Board has established a Whistleblowing Policy and Procedure to provide an avenue for all employees, third parties employed or engaged by the Group, and members of the public to disclose any wrongdoing and provide assurance of protection in accordance with this policy without fear of reprisal.

There was one case reported in 2024 via the Whistleblowing reporting channel. The case was resolved fairly and without prejudice.



## Corporate Governance Overview Statement

### 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, all Directors are furnished with the agenda together with Board papers containing information relevant to the business of the meetings. Upon conclusion of the meeting, the minutes are circulated to all Directors in a timely manner for their perusal and comments, if any, prior to confirmation.

The Board is updated on the Group's financial performance and business activities at quarterly meetings. The financial performance is measured against the approved budget and the corresponding periods. 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 meetings of the Board and Board Committees 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 are also empowered to seek external independent professional advice at the Group's expense should they consider it necessary in the furtherance of their duties. External advisers may also be invited to relevant Board or Board Committee meetings, if necessary. No Director had sought the services of any professional advisor during the year in the discharge of his/her duties.

Directors were briefed on relevant correspondences/communications from Bursa Securities and other relevant regulators from time to time and at quarterly meetings. Directors are apprised of all the Company's announcements to Bursa Securities and close period on restriction in dealing with the securities of the Company.

## II. BOARD COMPOSITION

### 1. Composition & Diversity

The Board, as at the date of this Statement, comprises nine Directors with one Executive Director and eight Non-Executive Directors, as follows:

Name	Designation
<b>Tan Sri Dato' Seri Shamsul Azhar bin Abbas</b>	Independent Non-Executive Chairman
<b>Datuk Vivekananthan a/l M.V. Nathan</b>	Non-Independent Non-Executive Deputy Chairman
<b>Ramanrao bin Abdullah</b>	Executive Director/Group Chief Executive Officer
<b>Lee Yoke Khai</b>	Senior Independent Non-Executive Director
<b>Dato' Izham bin Mahmud</b>	Non-Independent Non-Executive Director
<b>Datuk Manharlal a/l Ratilal</b>	Independent Non-Executive Director
<b>Datin Aisah Eden</b>	Independent Non-Executive Director
<b>Ainul Azhar bin Ainul Jamal</b> (Appointed w.e.f. 1 November 2024)	Independent Non-Executive Director
<b>Kathirithamby Sivasankar</b> Alternate Director to Datuk Vivekananthan a/l M.V. Nathan (Appointed w.e.f. 2 January 2025)	Non-Independent Non-Executive Director

The Board has a well-balanced composition with an effective mix, ensuring that there is an effective and fair representation, as well as a balance of power and authority on the Board. The Board is appropriately structured to provide the required leadership and governance to realise the Company's mission, objectives and business strategies for the benefit of all stakeholders, in particular shareholders' interest.

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# Corporate Governance Overview Statement

The members of the Board are selected based on objective criteria of proven skills, merit and abilities in their particular field of endeavour with due regard for diversity in expertise, experience, age, cultural background, gender and outlook which benefits the operation of the Board as custodian of the business. It provides an effective blend of entrepreneurship, business and professional expertise.

As at the date of this Statement, there is one female serving as a member of the Board which is 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 Independent Directors make up more than half of the Board which exceeds the minimum as mandated by the Main Market Listing Requirements of Bursa Securities ("Listing Requirements") which stipulates that at least two Directors or one-third (1/3) of the Board, whichever is higher, must be independent. The Independent Directors bring a wide range of experience and expertise to the Board and carry significant weight in the Board's decision on matters relating to the Group's affairs.

The Board is satisfied that given the present mix of skills, independence, work experiences and industry knowledge, the Board composition meets the needs of the Group in line with the nature and scale of the 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 always required to act in the best interest of the Company and to exercise unfettered and independent judgement.

The Board undertakes to assess the independence of its Independent Directors upon their appointment and annually thereafter, or upon the development of any new interest in the Company's matters.

The Board believes that a Director's independence should not be determined through the 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 MCGG and Board Charter, the tenure of an Independent Director should not exceed a term limit of nine 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 more than nine (9) years.

## 3. Appointment and Re-election of Directors

The appointment of Directors is undertaken by the Board as a whole through a formal process as set out in the provisions of the Company's Constitution and upon the recommendation by the JRNC.

The JRNC in recommending new appointments to the Board will assess the suitability of an individual to be appointed to the Board by giving due consideration to the individual's skills, industry experience and knowledge, character, integrity and time to effectively discharge his or her role and responsibilities. In respect of Independent Directors, the JRNC will assess whether the individual is able to exercise independent judgement and to demonstrate the values and principles associated with independence.

Selection of candidates to be considered for appointment as Directors is facilitated through recommendations from Directors, major shareholders, Management and independent advisors and networks from various parties.

The Board welcomed En. Ainul Azhar bin Ainul Jamal as an Independent Non-Executive Director on 1 November 2024 and Mr. Kathirithamby Sivasankar as an Alternate Director to Datuk Vivekananthan a/l M.V. Nathan on 2 January 2025. Prior to their appointments, the JRNC conducted a comprehensive review of their profile, curriculum vitae, qualification, disclosure of other directorships and assessed their respective background, academic credentials, skills, experience, time commitment and competencies.

## Corporate Governance Overview Statement

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 86 of the Company's Constitution.

Mr. Lee Yoke Khai and Datuk Manharlal a/I Ratilal will retire by rotation pursuant to Clause 88 of the Company's Constitution. Additionally, En. Ainul Azhar bin Ainul Jamal, who was appointed as Director during FY2024, is required to retire pursuant to Clause 86 of the Company's Constitution. They have all completed the Fit and Proper Declaration Forms, are eligible, and have offered themselves for re-election at the forthcoming AGM. Their profiles can be found on pages 7 to 11 of this Annual Report.

The Board, at the recommendation of the JRNC, support the re-election of Mr. Lee Yoke Khai, Datuk Manharlal a/I Ratilal and En. Ainul Azhar bin Ainul Jamal 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, annually assesses the effectiveness of the Board, Board Committees, the contribution of each individual Director including assessment of the independence of each of the Independent Directors to a set of criteria as prescribed by the Listing Requirements by way of a set of customised questionnaires. The annual assessments for the Board, Board Committees and individual Directors (including Independent Directors) were carried out on self and peer assessment basis. Summary of results of the annual assessment are tabled to the JRNC for deliberation and reported to the Board.

For FY2024, the assessment was conducted by incorporating the evaluation guidelines as per Bursa Malaysia's 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 into their performance evaluation.

The assessment criteria used in the assessment of Board and individual Directors include Board mix and composition, quality of information and decision making, ESG and sustainability matters and contribution and performance of each Director. The Board Committees were assessed based on their roles and responsibilities, scope and knowledge, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their function.

The Board is confident that the collective skills and experience of the current Directors and Key Senior Management aligns with the requirements of the skills matrix. Their diverse and relevant expertise, backgrounds, and knowledge ensure the effective governance and strategic oversight of the business.

#### 5. Board Evaluation

The Board's evaluation comprises of performance evaluation of the Board, Board Committees, Directors' self and peer evaluation and assessment of the independence of the Independent Directors.

Based on the evaluation, the JRNC and the Board concluded that the Board's size and composition is appropriate and well balanced given the scale of the Group's business and operations. All Directors of the Company possessed the required competence and character to manage the Group's affairs and the Board is 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 and there are no other areas of business conflicts.

The outcome of the evaluation for FY2024 highlighted certain key focus areas and future priorities for the Board's consideration.

# Corporate Governance Overview Statement

## 6. Time Commitment

Board meetings for the ensuing financial year are planned and scheduled in advance by the Company Secretaries before the end of the financial year to enable Directors to plan ahead and fit the year's meetings into their schedules.

The Chairman encourages active participation and full deliberation of issues brought up at the Board meetings. Decisions reached at the meetings reflect the consensus of the Board and not the views of any individual or group.

The Board Charter provides that any Director, subject to the limitations on the number of directorships under the Listing Requirements or applicable laws, may accept new directorships which are not in conflict with the interests of Deleum's business and do not detrimentally affect his/her performance as a director. In accepting such appointment, Director shall take into consideration time spent on the appointment to enable him/her 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 inform the Chairman and other members of the Board accordingly.

The Board is satisfied with the level of time commitment given by Directors towards fulfilling their roles and responsibilities as Directors as evidenced by their attendance at the Board and Board Committee meetings and the AGM as follows:

### Attendance of Directors at the meetings held during FY2024

Name of Directors	Board Meetings	AGM	Board Committees		
			Audit Committee (AC)	JRNC	BRIC
Tan Sri Dato' Seri Shamsul Azhar bin Abbas	12/12	1/1	-	-	-
Datuk Vivekananthan a/l M.V. Nathan	10/12	1/1	-	6/6	4/4
Ramanrao bin Abdullah	12/12	1/1	-	-	-
Lee Yoke Khai	12/12	1/1	4/4	6/6	4/4
Dato' Izham bin Mahmud	12/12	1/1	-	-	-
Datuk Manharlal a/l Ratilal	11/12	1/1	4/4	6/6	-
Datin Aisah Eden	12/12	1/1	4/4	6/6	4/4
Ainul Azhar bin Ainul Jamal (Appointed w.e.f. 1 November 2024)	3/3	-	-	-	-
<b>Total number of Meetings held during FY2024</b>	<b>12</b>	<b>1</b>	<b>4</b>	<b>6</b>	<b>4</b>

## 7. Directors' Training and Induction

Directors regularly attend various seminars, training programmes, briefings and conferences including those organised by the relevant regulatory authorities to be apprised, updated on changes and developments in the market place, state of economy, business environment and corporate regulatory framework and governance.

On a quarterly basis, Directors are briefed and updated on any relevant amendments to the Listing Requirements as well as applicable new statutory and regulatory requirements, corporate governance, accounting standards and taxation. Induction/familiarisation programme and management briefings relating to the Group's structure, business and operations are organised for newly appointed Directors.

All current Directors, with the exception of En. Ainul Azhar bin Ainul Jamal and Mr. Kathirithamby Sivasankar, who were appointed on 1 November 2024 and 2 January 2025 respectively, have successfully completed the Mandatory Accreditation Programme ("MAP") Part I and Part II as required by Bursa Securities. The newly appointed Directors are committed to fulfilling the regulatory requirements prescribed by Bursa Securities and will complete the necessary training within the stipulated timeframe.

## Corporate Governance Overview Statement

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 seminars, workshops and conferences participated by Directors during FY2024 are summarised as follows:

No.	Director's Name	Date	Training/Workshop/Conference/Dialogue
1.	<b>Tan Sri Dato' Seri Shamsul Azhar bin Abbas</b>	11 March 2024	• ICDM PowerTalk: Future-Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of AI & Thriving in a High-Risk Landscape
		9 May 2024	• Conflict of Interest Situations and Directors' Obligations to Directors and Management
		10 July 2024 - 11 July 2024	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
		25 July 2024	• Webinar: A focus on Tax Transparency – ESG & beyond
		19 August 2024	• Bursa PLCs Investor Relations Series 12 - BR Capital: The Digital Credit Market Platform for PLCs and Non-PLCs
		10 December 2024	• In-House Training: Code of Business Conduct Refresher Session
2.	<b>Datuk Vivekananthan a/l M.V. Nathan</b>	11 March 2024	• ICDM PowerTalk: Future-Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of AI & Thriving in a High-Risk Landscape
		10 July 2024 - 11 July 2024	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
		5 August 2024	• In-House Training: Duties of Directors on Enhanced Conflict of Interest – Disclosure Obligations of Directors and Key Senior Management
		10 December 2024	• In-House Training: Code of Business Conduct Refresher Session
3.	<b>Ramanrao bin Abdullah</b>	14 May 2024	• Asia Carbon Conference 2024
		15 May 2024	• CEO Action Network (CAN) Diversity, Equity and Inclusion (DEI) Implementation Guide for Malaysia
		16 May 2024	• OGSE100 CEOs Forum 2024
		29 May 2024 – 30 May 2024	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
		5 June 2024	• NOV Technology Day
		12 June 2024	• MGA Tech-Talk Speaking Session at Asia Pacific Green Hydrogen 2024
		21 June 2024	• CSI Solution Launch to Support New Industrial Master Plan (NIMP) 2030 and Announce Special SME Funding
		27 June 2024	• 11th Sabah Oil & Gas Conference 2024
		5 August 2024	• In-House Training: Duties of Directors on Enhanced Conflict of Interest – Disclosure Obligations of Directors and Key Senior Management
		24 August 2024	• Exclusive Engagement with Prime Minister of Malaysia, YAB Dato' Seri Anwar Ibrahim
		26 August 2024	• OGSE Partners Day (OPD) 2024
		10 September 2024	• World Engineering, Science & Technology Congress 2024 (ESTCON) 2024
		25 September 2024 – 27 September 2024	• Oil and Gas Asia 2024

## Corporate Governance Overview Statement

No.	Director's Name	Date	Training/Workshop/Conference/Dialogue
3.	<b>Ramanrao bin Abdullah</b>	29 October 2024	• Petros Connect 2024
		7 November 2024	• Solar's Technical Seminar
		19 November 2024	• Technical Seminar Multiphase Pump Technology
		10 December 2024	• In-House Training: Code of Business Conduct Refresher Session
4.	<b>Lee Yoke Khai</b>	29 May 2024 – 30 May 2024	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
		11 June 2024 – 12 June 2024	• MIA International Accountants Conference 2024
		5 August 2024	• In-House Training: Duties of Directors on Enhanced Conflict of Interest – Disclosure Obligations of Directors and Key Senior Management
		5 November 2024	• PwC Malaysia Budget 2025 Seminar
		19 November 2024	• Audit Oversight Board (AOB) Conversation with Audit Committees
		10 December 2024	• In-House Training: Code of Business Conduct Refresher Session
		11 December 2024	• Empowering Business Through Integrated Reporting: Incorporating IFRS S1 and S2
5.	<b>Dato' Izham bin Mahmud</b>	29 January 2024	• Asia Pacific Sustainability Outlook 2024 webinar
		26 February 2024 – 27 February 2024	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
		11 March 2024	• ICDM PowerTalk: Future-Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of AI & Thriving in a High-Risk Landscape
		14 May 2024	• ICDM Board Sustainability Committee Dialogue & Roundtable 2024
		5 August 2024	• In-House Training: Duties of Directors on Enhanced Conflict of Interest – Disclosure Obligations of Directors and Key Senior Management
		10 December 2024	• In-House Training: Code of Business Conduct Refresher Session
6.	<b>Datuk Manharlal a/l Ratilal</b>	6 March 2024 – 7 March 2024	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
		5 August 2024	• In-House Training: Duties of Directors on Enhanced Conflict of Interest – Disclosure Obligations of Directors and Key Senior Management
		7 August 2024	• AML/CFT/CPF & TFS: Balancing Risk and Business in Protecting Compliance Standards
		10 September 2024	• Governance & Risk Management Programme for Directors & Senior Management of Intermediaries
		18 September 2024	• The New Technologies: Elevating Cyber Resilience Against Emerging Threats
		6 November 2024 – 7 November 2024	• Islamic Finance for Board of Directors Programme
		10 December 2024	• In-House Training: Code of Business Conduct Refresher Session
7.	<b>Datin Aisah Eden</b>	22 February 2024	• ASEAN Board Trends Report & ASEAN Directors Registry
		24 June 2024 – 25 June 2024	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
		5 August 2024	• In-House Training: Duties of Directors on Enhanced Conflict of Interest – Disclosure Obligations of Directors and Key Senior Management



## Corporate Governance Overview Statement

No.	Director's Name	Date	Training/Workshop/Conference/Dialogue
7.	Datin Aisah Eden	10 September 2024 – 12 September 2024	• The National Climate Governance Summit 2024
		11 November 2024 – 12 November 2024	• Global Women on Board Network Summit 2024
		10 December 2024	• In-House Training: Code of Business Conduct Refresher Session
8.	Ainul Azhar bin Ainul Jamal	10 May 2024	• Being Sued as an INED – A Personal Journey
		16 October 2024	• Board Ethics: Growing Concerns from New Technology, Stakeholder Interest and Conflict of Interests
		11 November 2024	• Mandatory Accreditation Programme Part I
		10 December 2024	• In-House Training: Code of Business Conduct Refresher Session

The Board through the JRNC had assessed the training needs of each Director and is satisfied that Directors have received the necessary training during FY2024.

### 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 oversee the Group's affairs, and operate within their own clearly defined Terms of Reference. The Board Committees will deliberate and review matters within their Terms of Reference in greater detail and report on matters deliberated together with their recommendations to the Board.

The Board is kept apprised of the activities and the decisions of the Board Committees through circulation of minutes of the meetings of the Board Committees and presentations made by the Chairman of the respective Board Committees at Board meetings.

#### 1. Joint Remuneration and Nomination Committee

The JRNC during the reporting period comprises all Non-Executive Directors, a majority of whom are Independent Directors. The Chairman of the JRNC is the Senior Independent Non-Executive Director of the Company.

The JRNC, as at the date of this Statement, comprises the following:

Name	Designation
Lee Yoke Khai	Chairman of JRNC / Senior Independent Non-Executive Director
Datuk Manharlal a/I Ratilal	Member/ Independent Non-Executive Director
Datin Aisah Eden	Member/ Independent Non-Executive Director
Ainul Azhar bin Ainul Jamal	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 FY2024, six meetings of the JRNC were held with the attendance of members of the JRNC as reflected on page 112 of this Annual Report.

The JRNC's activities during the year included a detailed evaluation of the Board's performance, which covered an assessment of the Board as a whole, individual directors, Board Committees and the independence of the Independent Directors. The JRNC also reviewed and assessed the appointment of new directors to the Board, as well as the size, composition, and mix of skills of the Board and its Committees. Based on these assessments, recommendations were made to the Board with the objective of enhancing the overall effectiveness and performance of the Board and its Committees.

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# Corporate Governance Overview Statement

Additionally, the JRNC reviewed and recommended the re-election and retirement by rotation of Directors at the Company's 19th AGM for the year under review.

In terms of performance assessment of Management, the JRNC reviewed the GCEO's contract renewal, the Objective Key Results ("OKRs") and performance plan for the GCEO and Key Senior Management, as well as their respective annual performance assessment.

The JRNC also deliberated on the Group's succession planning and proposed recommendations on bonuses and annual Increment for employees across the Group, including Key Senior Management and the GCEO.

## 2. Audit Committee

The AC has responsibility for oversight of the Company's financial statements, related party transactions, system of internal control, the Company's relationship with its external auditors and effectiveness and independence of 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 136 to 141 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 (integrity & ethics), sustainability, and investment related matters and ensure they are effectively managed and aligned to the Company's strategy. It ensures 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.

The BRIC oversees and provides recommendation on risk management, business continuity management, sustainability and compliance (integrity & ethics) activities to enhance the Group's ability to achieve its strategic objectives through structured and systematic processes and 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 the 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 acts as primary champion for risk management, compliance (integrity & ethics), and sustainability matters at both strategic and operational levels. It holds its quarterly meeting with structured agenda, which includes identification of key risks and 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 its Board and Key Senior Management for retaining a high-quality team for the Group. The Remuneration Framework for Executive Directors and Key Senior Management is available on the Company's corporate website.

Details of Directors' and Key Senior Management's remuneration received for FY2024 (both from the Company and the Group) are as follows:

## Corporate Governance Overview Statement

### a) Remuneration of Executive Directors

The GCEO received remuneration from the Company in accordance with his contract of employment. He did not receive any remuneration from the subsidiaries of the Group. GCEO's remuneration is reviewed and deliberated by the JRNC and approved by the Board on the recommendation of the JRNC. Annual discretionary bonus of the GCEO is based on the Group's performance and recommendation of the JRNC and approval of the Board. During FY2024, the total remuneration of the GCEO received from the Company was as follows:

Executive Director	Remuneration (RM)							Total
	Fees	Salaries and bonuses	Defined contribution plan	*Fixed allowance	**Estimated monetary value of benefits-in-kind	LTIP	#Other emoluments	
<b>Ramanrao bin Abdullah</b>	-	1,899,032.25	308,515.00	141,290.32	24,782.19	-	17,222.61	2,390,842.37

\* Comprised car allowance.

\*\* Comprised driver, club subscription fees and petrol.

# Comprised contribution to Social Security Organisation ("SOCSO") and leave encashment.

The GCEO's remuneration package is structured so as to link to corporate and individual performance, aligned with the corporate objectives, and approved by the Board. He is not entitled to any Director's fee from the Group nor is he entitled to receive any meeting allowances for Board or Board Committee meetings.

Termination of the contract of the GCEO may be exercised by either party by giving three months' notice in writing.

### b) Remuneration of Non-Executive Directors

The payment of Directors' fee and meeting allowances for Non-Executive Directors are based on the Non-Executive Directors' Remuneration Framework. The framework 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 Non-Executive Directors covering 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, along with the same benefits as the Deputy Chairman, such as driver, petrol card, and a club subscription.

The Non-Executive Directors' fee and meeting allowances are in accordance with the Non-Executive Directors' Remuneration Framework, as follows:

Designation	Fixed fee per annum (RM)
<b>Chairman</b>	360,000
<b>Deputy Chairman</b>	240,000
<b>Non-Executive Directors / Independent Directors</b>	100,000
<b>Senior Independent Director</b>	112,000

# Corporate Governance Overview Statement

## Board Committees' Fee:

Designation	AC (Fixed fee per month) (RM)	JRNC (Fixed fee per month) (RM)	BRIC (Fixed fee per month) (RM)
<b>Chairman of the Committee</b>	2,875	1,150	1,150
<b>Members of the Committee</b>	2,300	1,150	1,150

The Board as a whole determines the remuneration of Non-Executive Directors which is subject to the approval of the shareholders at the AGM. The fees and meeting allowances paid to the Non-Executive Directors during FY2024 were in line with their duties and responsibilities and time commitment required to discharge their duties.

The total remuneration for the Non-Executive Directors individually from the Company in respect of FY2024 are set out below. They did not receive 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)
<b>Tan Sri Dato' Seri Shamsul Azhar bin Abbas</b>	360,000.00	-	-	108,000.00	9,437.68	18,975.00	-	496,412.68
<b>Datuk Vivekananthan a/l M.V. Nathan</b>	267,600.00	-	-	-	36,642.43	25,875.00	-	330,117.43
<b>Lee Yoke Khai</b>	167,199.96	-	-	-	-	41,975.00	-	209,174.96
<b>Dato' Izham bin Mahmud</b>	99,999.96	-	-	-	12,273.88	18,975.00	144,000.00	275,248.84
<b>Datuk Manharlal a/l Ratilal</b>	148,299.96	-	-	-	-	34,500.00	-	182,799.96
<b>Datin Aisah Eden</b>	155,199.96	-	-	-	-	38,525.00	-	193,724.96
<b>Ainul Azhar bin Ainul Jamal</b> (Appointed as Independent Non-Executive Director w.e.f. 1 November 2024)	16,666.66	-	-	-	-	5,175.00	-	21,841.66
<b>Total (RM)</b>	1,214,966.50	-	-	108,000.00	58,353.99	184,000.00	144,000.00	1,709,320.49

\* Comprised of car allowance.

\*\* Comprised of prescribed value of company car, driver, petrol consumption and club subscription fees.

# Comprised of general and financial advisory services.

## Corporate Governance Overview Statement

### c) Remuneration of Key Senior Management

For FY2024, the aggregate total remuneration paid to Deleum Group's top five Key Senior Management personnel, who are not Directors is RM3,019,846.81 as follows:

Remuneration (RM)						
Salaries and bonuses	Defined contribution plan	*Fixed allowances	**Estimated monetary value of benefits-in-kind	LTIP	#Other emoluments	Total
2,291,326.67	317,728.00	356,346.66	50,059.83	0	4,385.65	3,019,846.81

\* Comprised of car allowance.

\*\* Comprised driver, petrol consumption and club subscriptions.

# Comprised contribution to SOCSO and Employment Insurance Scheme (EIS).

In addition, they are covered under the Group insurance policies for Term Life, Hospitalisation and Personal Accident. The annual discretionary bonus is based on the individual's and the Group's performance as recommended by the JRNC and approved by the Board.

The top five Key Senior Management personnel's remuneration received during the financial year is categorised within the disclosure band as follows:

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 disclosure in the above manner is appropriate.

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, they are not indemnified if any intentional act on fraud, breach of duty or trust is proven against them.

No Director or Key Senior Management personnel is involved in deciding his/her own remuneration.

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# Corporate Governance Overview Statement

## **PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT**

### **I. Audit Committee and Financial Reporting**

The Board is assisted by the AC to oversee the Group's financial reporting process, the quality of its financial reporting and also to ensure that the financial statements are drawn up following appropriate accounting policies and in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and Companies Act 2016 ("CA 2016"). The accounting policies, once adopted, are consistently applied and supported by reasonable judgments and estimates.

The GCEO and the Group Chief Financial Officer provide assurance in writing to the AC that adequate processes and controls are in place, that appropriate accounting policies have been adopted and applied consistently, and that the relevant 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**

Directors are required by the CA 2016 to prepare the financial statements for each financial year which have been made out in accordance with the applicable MFRS, IFRS and the requirements of the CA 2016. The Board is responsible for presenting a balanced, clear and comprehensive assessment of the Group's financial position, performance and prospects through the quarterly and annual audited financial statements released to the shareholders.

In preparing the financial statements of the Group for FY2024, Directors have:

- adopted the appropriate accounting policies and applied them consistently;
- ensured compliance with the MFRS, IFRS, CA 2016 and any material departures have been disclosed and explained in the financial statements;
- made estimates and judgments which are reasonable and prudent; and
- ensured the financial statements have been prepared on a going concern basis and give a true and fair view of the state of affairs of the Company and the Group.

Directors have inquired of Management and the Auditors in respect of any fraud or irregularities impacting the Group. Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply 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 continue to report to the Company on their findings relating to the audit of statutory financial statements for each financial year and where applicable, their review of the quarterly announcements. The AC and the Board have established formal and transparent arrangements to maintain appropriate relationships with the Company's external auditors in respect of all their professional services rendered to the Group.

As prescribed in the AC's Terms of Reference, the AC is responsible for the recommendation of the appointment of external auditors, considering the adequacy of experience, resources, audit fee and any issues regarding 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. 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 risk management. The Company has 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 reviewed the ERM Policy and Framework as and when it is necessary.

#### Board Risk and Investment Committee

The BRIC, comprising a majority of Independent Directors, oversees the Company’s risk management framework and policies.

As at the date of this Statement, the members of the BRIC are as follows:

Name	Designation
Datin Aisah Eden	Chairperson / Independent Non- Executive Director
Datuk Vivekananthan a/l M. V. Nathan	Member / Non-Independent Non-Executive Deputy Chairman
Lee Yoke Khai	Member / Senior Independent Non- Executive Director
Ainul Azhar bin Ainul Jamal	Member / Independent Non- Executive Director

During FY2024, four meetings of the BRIC were held with the full attendance of members of the BRIC as reflected on page 112 of this Annual Report.

More comprehensive information including a summary of 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 FY2024. The IAF reports directly to the AC and is independent from Management. It has full access to the Group’s entities records and personnel.

A summary of the IAF’s responsibilities and activities 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 an effective open dialogue with shareholders and investment community. In this respect, the Group has established processes to ensure disclosures made are clear, accurate, relevant and timely for the shareholders and investment community to make informed investment decisions and enjoy equal access to the information.

The Group continued to engage with analysts and fund managers on investor relations. In FY2024, the Group held two analyst briefings besides private meetings, teleconferences and e-mail-based communications as and when required, to provide updates to the investment community. Presentation materials of the analyst briefings are posted on the Company’s corporate website to ensure universal access to the same. These investor relations initiatives provide an avenue for dialogue between institutional investors, fund managers and analysts with the Management. It also serves as a platform for fund managers and analysts to receive a balanced and complete view of the business operations, financial performance, key operating statistics and corporate development and challenges facing the Group.

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## Corporate Governance Overview Statement

Information on the Group's business operations and financial performance is also disseminated through various readily accessible channels including the announcements of quarterly and annual results to Bursa Securities, Annual Report, media releases and the Company's corporate website. The various disclosures are guided by 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 with regard to undisclosed material information. Deleum's corporate website at [www.deleum.com](http://www.deleum.com) has an Investor Relations section which provides relevant information of the Group, including all 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 has an e-mail alert service where shareholders and anyone who are interested may register to receive the latest announcements of the Company via e-mail.

### II. Conduct of General Meetings

AGM is an important channel as it is the principal forum for dialogue and interaction amongst shareholders, the Board and Management, and for receiving constructive feedback from shareholders. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf.

The 19th AGM of the Company was convened virtually via live streaming from the broadcast venue in accordance with the Securities Commission Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers. The Company appointed Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") as the Poll Administrator for the 19th AGM to facilitate the Remote Participation and Voting ("RPV") via its TIIH Online website at <https://tiih.online>.

In line with best Corporate Governance practice, the notice of the 19th AGM held on 23 May 2024 was sent to shareholders at least 28 days ahead of the meeting. The Annual Report 2023 comprising the Audited Financial Statements for the financial year ended 31 December 2023 were issued on 24 April 2024. At the 19th AGM, the GCEO presented the Group's financial highlights and business updates to the shareholders.

Shareholders were invited to send questions before the meeting via Tricor's TIIH Online website in relation to the agenda items for the 19th AGM to further encourage engagement between Directors and shareholders. Besides this, the Chairman also invited shareholders to use the query box facility to submit questions (real time) during live streaming of the AGM. All relevant questions raised by shareholders were addressed during the Questions and Answers session. The Board members, Management and the Company's External Auditors were present to respond to the shareholders' questions during the meeting. Suggestions and comments communicated by shareholders were taken into careful consideration and well noted by the Board and Management.

Poll voting for all resolutions as set out in the notice of the AGM was conducted online via RPV facility. An independent scrutineer was appointed to validate the votes cast for each resolution. The outcomes of voting were announced to the shareholders at the AGM upon which the Chairman declared all the resolutions were carried, and to Bursa Securities after the AGM and posted on the Company's corporate website.

In line with the MCGG, the minutes of the 19th AGM was posted on the Company's website at <https://www.deleum.com/agm2024> within thirty (30) business days after the 19th AGM.

### III. Dividends

Deleum continues to commit 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 FY2024, the Company declared two dividend payments amounting to 9.30 sen per share with the first payment made on 30 September 2024 and the second payment on 28 March 2025.

## 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 strived to achieve the highest level of integrity and ethical standard, in all its business dealings.

Moving forward, the Board will continue to improve the Company's corporate governance practices and have identified the following forward looking action items:

#### i. Anti-Corruption Compliance Journey

With the continuous efforts in the anti-corruption compliance journey, we have strengthened our commitment to ethical business practices by obtaining the Anti-Bribery Management System ISO 37001:2016 certification in 2024. In 2025, we will continue with the journey themed "Collaborate, Comply and Commit" to continuously raising awareness and fostering a lasting culture of anti-bribery and corruption across the Group.

#### ii. Sustainability Framework and Roadmap

In 2024, the Group reinforces its sustainability approach by refreshing the material matters, updating the Sustainability Framework and formulating the Sustainability Roadmap. The Sustainability Framework and Roadmap coupled with the refreshed materiality matters lay the foundation and organisational structure for embedding sustainability into our business strategies and operations. This structured approach allows the Group to reallocate resources effectively to ensure all material matters are addressed adequately

#### iii. Enhanced Sustainability Disclosures

With the introduction of National Sustainability Reporting Framework by the Security Commission and the enhancement of sustainability reporting framework in the Listing Requirements, the Board takes cognisance of the compliance requirement and will work towards complying with the sustainability disclosures within the implementation dates.

### COMPLIANCE STATEMENT

The Board recognises and subscribes to the importance of 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 under the MCCG for FY2024.

The application of each practice set out in the MCCG during FY2024 and the explanation for departure 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 25 February 2025.

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# Statement on Risk Management and Internal Control

The Statement on Risk Management and Internal Control is made in accordance with paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and is in line with the Malaysian Code on Corporate Governance 2021.

## **BOARD OF DIRECTORS RESPONSIBILITIES**

The Board of Directors (“the Board”) of Deleum Berhad (“Deleum” or “the Company”) affirms its overall responsibility for reviewing the adequacy and effectiveness of the Company and its subsidiaries (“the Group”)’s risk management and internal control systems. The systems in place are designed to ensure key risk areas are managed to an acceptable level to achieve the Group’s business objectives. The Group’s risk management and internal control systems are a combination of ongoing activities and processes designed to meet the Group’s particular needs based on the Group’s business direction and to manage the risks in line with changes to the business environment, operating conditions, and regulatory requirements.

The Board recognises that the risk management and internal control systems can only provide reasonable and not absolute assurance against the risk of material errors, misstatements, fraud, or occurrences of unforeseeable circumstances.

## **RISK MANAGEMENT**

### **Enterprise Risk Management (“ERM”) Policy**

Deleum’s ERM Policy conveys the commitment from the Board and Management for the effective implementation of risk management over the Group’s activities. The updated policy, a crucial component of the ERM Framework, was approved by the Board.

### **Risk Appetite Statement**

At Deleum, we have developed the Risk Appetite Statement to provide clear boundaries on the risks that Deleum is willing and able to accept or retain. This statement outlines how Deleum conducts its operations, addresses risks across various dimensions, including financial, health and safety, anti-bribery and corruption and human capital. This statement is a vital component of the ERM Framework, which was approved by the Board.

### **The Enterprise Risk Management Framework**

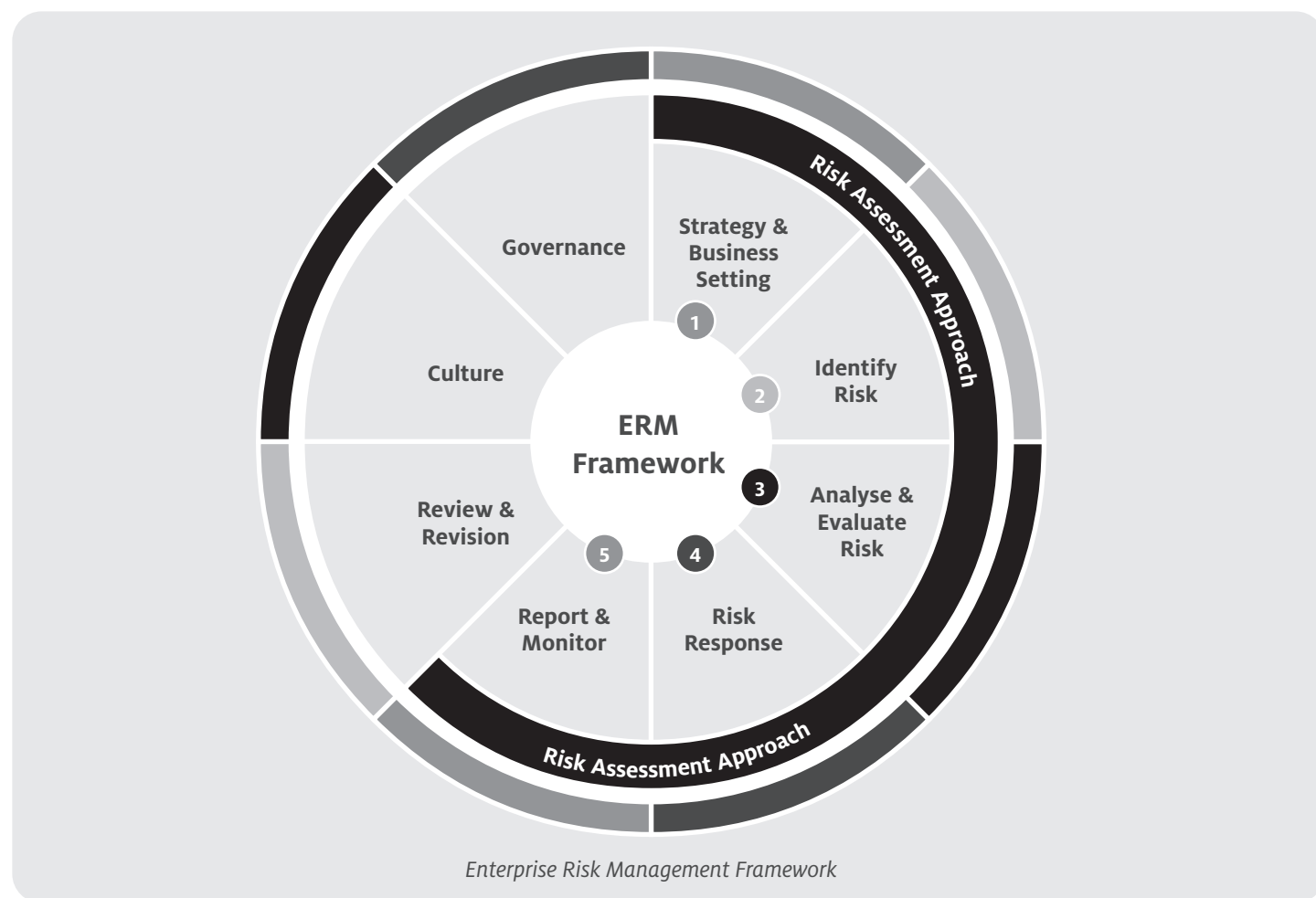
Deleum’s ERM Framework establishes the foundation and organisational structure for navigating risk throughout Deleum Group, encompassing matters relating to external threats, business strategy, sustainability, financial, human capital, operations, governance and integrity, health and safety, as well as cyber and technology. It demonstrates the integration of risk management into the Group’s organisational systems at all levels and in various work contexts, making risk management a part of our everyday decision-making and business practices.

The framework is principally aligned with The Committee of Sponsoring Organisations of the Treadway Commission and had been revised and approved by the Board.

## Statement on Risk Management and Internal Control

The framework encompasses the following:

- **Governance** – Establishing principles and setting the organisational tone, defining policy and risk appetite, and reinforcing the significance of roles and responsibilities within the organisation.
- **Risk Assessment Approach** – Integrating risk management into the Group's strategy involving a thorough process of strategy and business setting, identifying, assessing, evaluating and prioritising risks, and implementing responses, as well as reporting and monitoring.
- **Review and Revision** – Reviewing and updating the Group's risk management practices adapting to the changing business conditions.
- **Culture** - Involving ethical values, behaviours, and understanding of risk. Promoting a risk awareness culture through leadership, accountability, and aligning behaviours with performance.



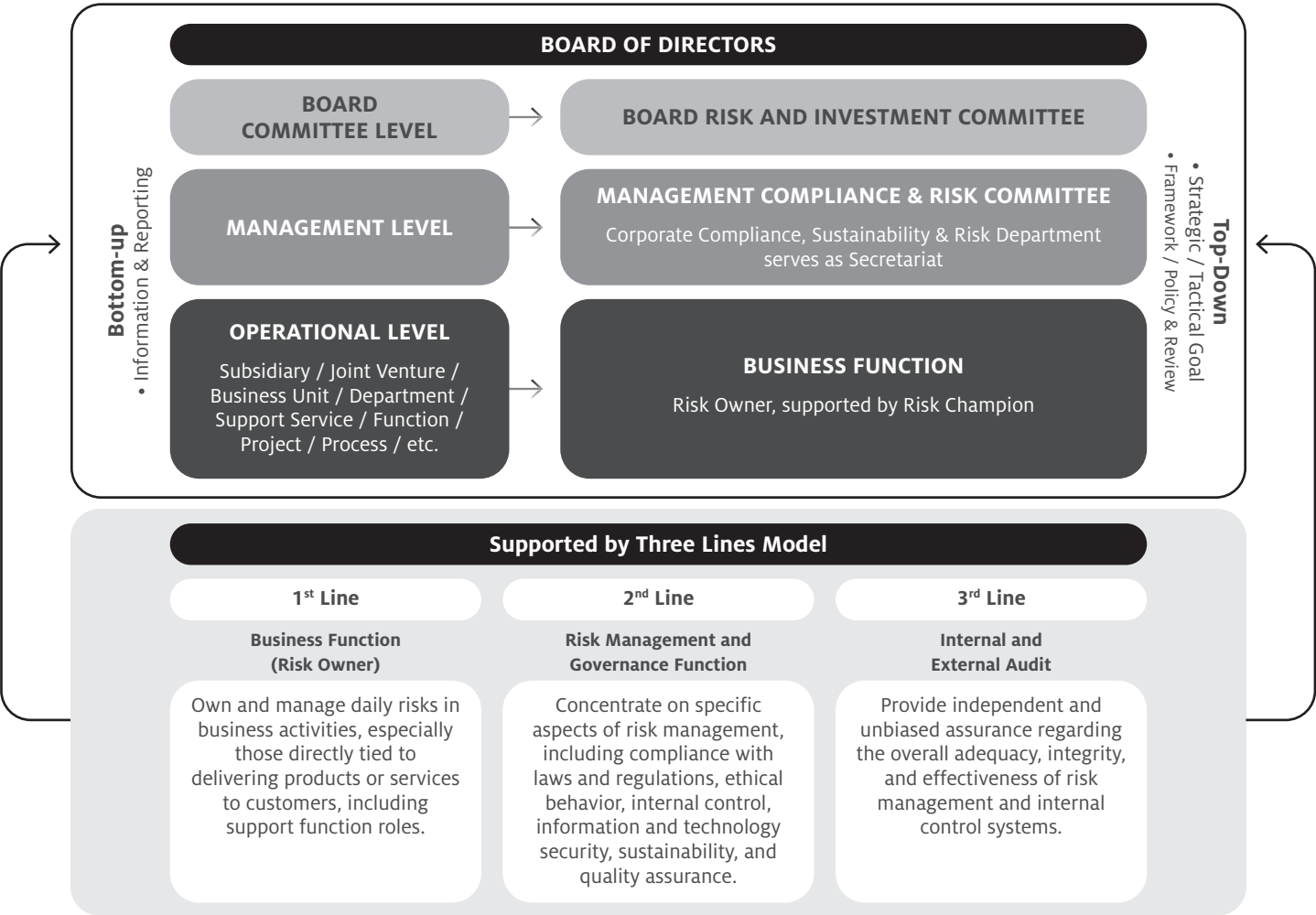
### Governance

#### Risk Management Governance Structure

The Group adopts a 'Three Lines Model' strategy in risk management, to guide the organisation to identify and manage risks associated with the day-to-day operational activities in a robust manner.

# Statement on Risk Management and Internal Control

The Board has the primary responsibility for risk oversight and has a fiduciary responsibility to Deleum Group’s stakeholders, including conducting reviews of the Group’s risk management practices. Risk exposures are escalated, on a quarterly basis, by Business Functions / Risk Owners, with the support of the Risk Champions, to Deleum Group’s Management Compliance and Risk Committee, Board Risk and Investment Committee and ultimately to the Board:





# Statement on Risk Management and Internal Control

## Management Compliance and Risk Committee (“MCRC”)

The MCRC, guided by its TOR, is chaired by the Group Chief Executive Officer (“GCEO”). The MCRC comprises of the senior management team, including Group Chief Financial Officer (“GCFO”), Head of Business Units, Group Corporate Services, Group Quality, Health, Safety and Environment (“QHSE”), and Group Human Resources. The Head of Corporate Compliance, Sustainability & Risk (“CCSR”) serves as the Secretariat for the committee.

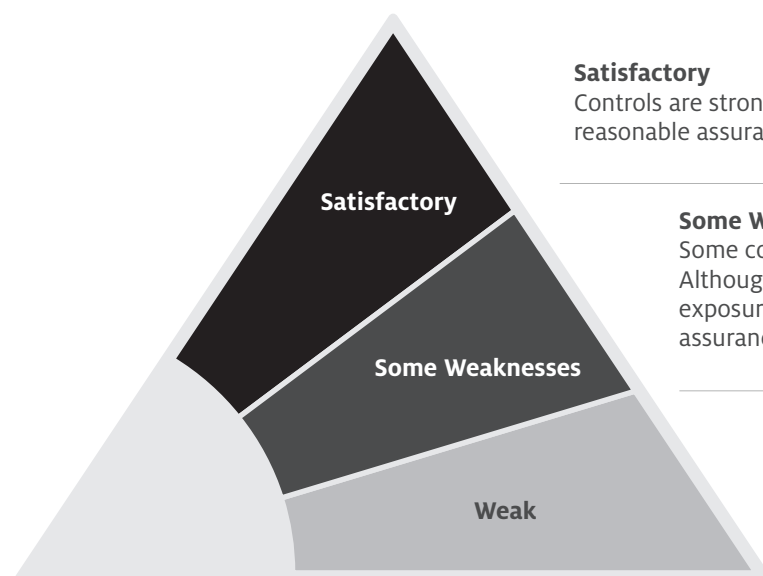
The MCRC convenes quarterly and provides reports to the BRIC within the same quarter, to ensure sound implementation of the corporate compliance, sustainability, and risk practices within the Group. The MCRC members are collectively responsible for ensuring the BRIC receives assurance that identified risks in the Group’s Business Units are managed effectively.

## Risk Assessment Approach

The risk assessment approach encompasses the complete process of strategy and business setting, identifying, analysing, evaluating, and prioritising risks. This process leads to implementing a risk response or action plan to address the identified risks, along with reporting and monitoring. The schematic diagram of the process steps is as follows:



1. **Strategy and Business Setting** – Integrating risk management with strategy ensures a clear understanding and management of risks related to business objectives, guiding daily operations and priorities.
2. **Identify Risk** – Risk identification gains significance when specifically connected to both strategic and operational-level objectives.
3. **Analyse and Evaluate Risk** – Risks are analysed by evaluating their existing controls to ascertain the effectiveness of these controls in addressing the driving factors or root causes of the risks.



Control Effectiveness Rating

### 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

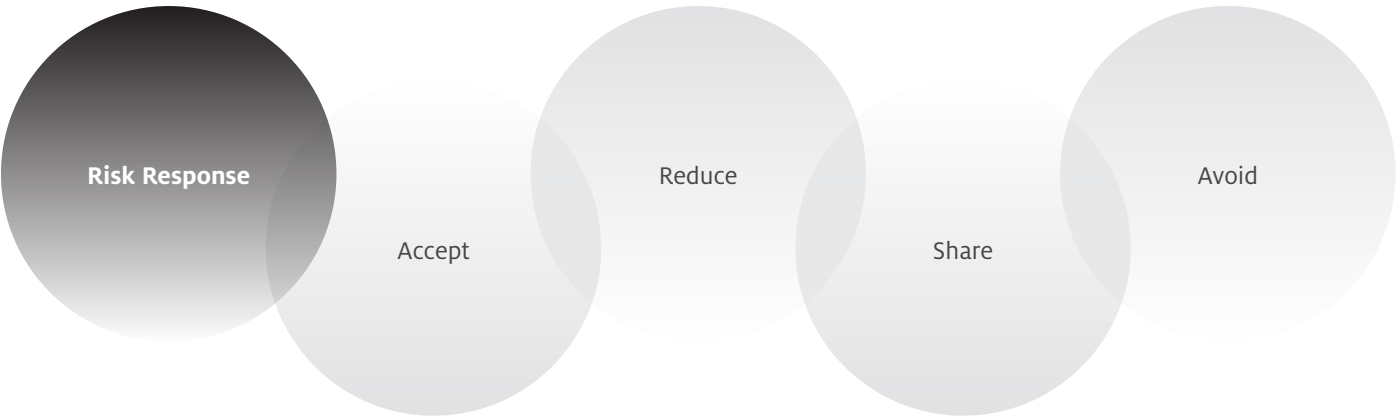
Controls do not meet an acceptable standard, as many weaknesses/inefficiencies exist. Controls do not provide reasonable assurance that the objectives will be achieved.

# Statement on Risk Management and Internal Control

Risks are subsequently assessed and evaluated using a heat map/matrix format, prioritising based on likelihood and impact, with rankings of Low, Medium, Significant, and High. The prioritised risks serve as a guide for allocating resources and capabilities needed to mitigate the risk within the defined risk appetite.

Risk Heat Map / Matrix		Impact			
		Minor	Moderate	Major	Critical
Likelihood	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:



5. **Report and Monitor** – Risk events and trends are continually identified, assessed and monitored. The identified risks are escalated to the MCRC, BRIC, and Board, initiating a comprehensive review and decision-making process.

# Statement on Risk Management and Internal Control

## Summary of Risk Management Activities

Several risk management activities were carried out in 2024, including:

- Review of the revised Corruption Risk Management Procedure to align with the 2023 update of the ERM Framework. The revision encompassed key components such as the Roles and Responsibilities, Risk Assessment Approach, Likelihood and Impact Parameters, Risk Categories, and Risk Response Strategy.
- The Group's Key Risk Profile undergoes regular monitoring, review, and updates, presented quarterly to the MCRC, BRIC and Board. This process highlights the comprehensive risk assessment covering various aspects such as external threats, business strategy, sustainability risks, financial, human capital, operations, governance and integrity, health and safety, and cyber and technology.
- The specific risk profiles of Business Units are regularly monitored, reviewed, and updated, with presentations made to the MCRC and BRIC for notation.
- Integrate 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).
- Empower Risk Champions to conduct Risk Control Self-Assessment to review and monitor risk controls within the Business Units and Support Functions.
- Guide and facilitate Risk Champions in conducting Corruption Risk Assessment within the Business Units and Support Functions, utilising the revised Corruption Risk Management Procedure.
- The CCSR Department facilitates and provides risk assessment consultations for projects, operations, potential investments and business opportunities.
- Instilling a proactive, risk awareness culture within 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 all risk and business continuity related news, infotainment, events, updates, policies, frameworks, etc.
  - Continuously aiming for improvements that enhance and fortify risk management practices within the Group, including review and revision of risk profiling, categorisation, assessment, and reporting.

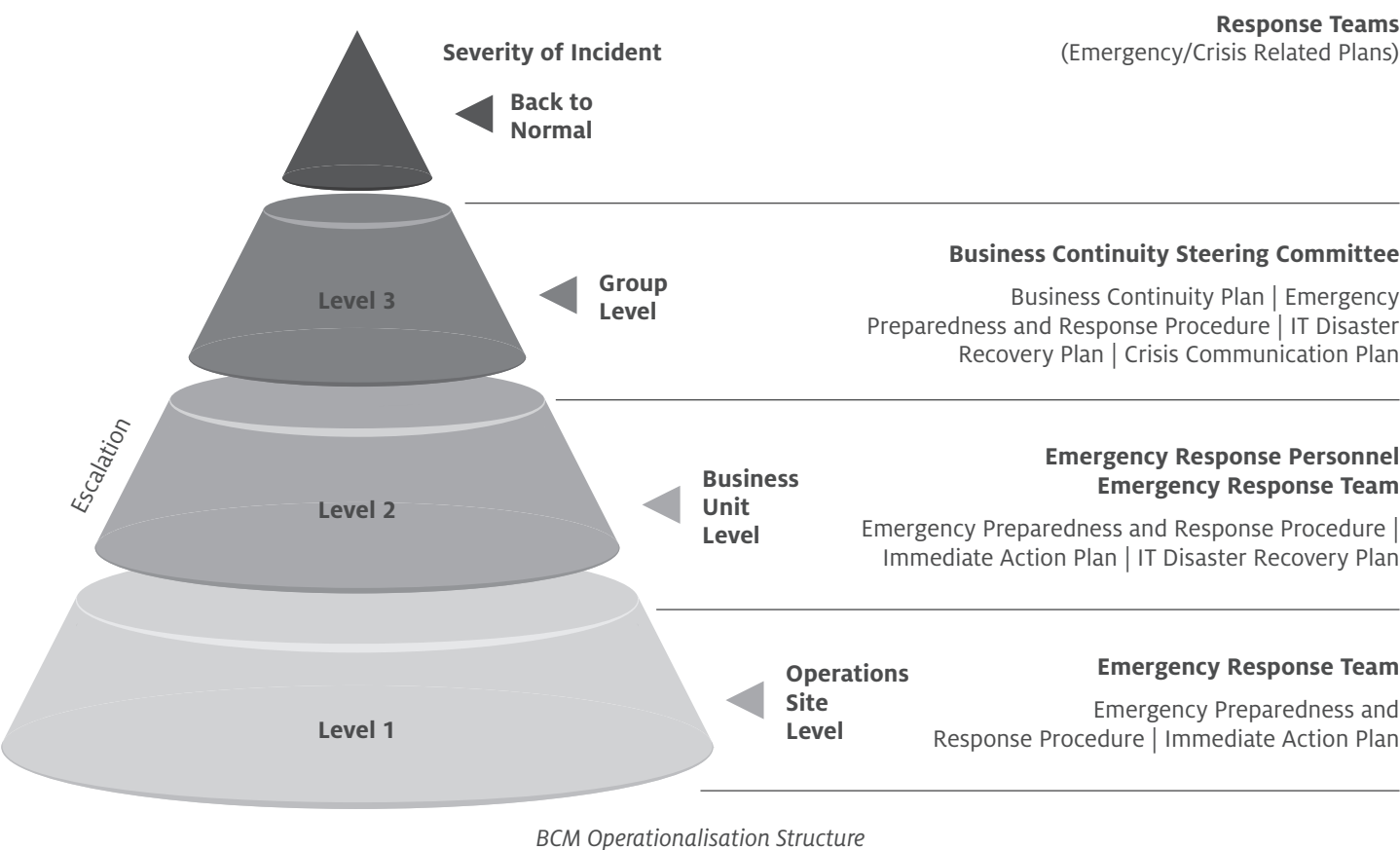
## **BUSINESS CONTINUITY MANAGEMENT**

In 2024, the Group continues the Contingency Planning Revision Initiative to close identified gaps from the conducted Testing and Exercise – Exercise Yellow Clover at Kemaman Supply Base in 2023. The Business Continuity Management (“BCM”) coordinator, in collaboration with the Group's QHSE team and operations team, had enhanced relevant areas within the BCM Framework with the following objectives:

- Ensure the preparedness of facility and equipment inventory.
- Effective communication and coordination of escalated operations/business disruptions.
- Refine the options for business continuity strategies.
- Safeguard the safety and health of people, environment, asset, and reputation.

Under the initiative, enhancements were implemented as an integral part of managing business disruptions that prescribe an overarching response activation protocol and dedicated response teams. The activation protocol demarcates the response processes, prioritisation, roles, and responsibilities of emergency site management, group management, and Business Continuity Steering Committee that oversee and steer prolonged crises that may significantly impact operations.

# Statement on Risk Management and Internal Control



For 2025, the Group will continue to conduct testing and exercise at other operations facilities, continuously enhancing the competency of the response team and coordinators and foster strong BCM culture within the Group.

## CORPORATE COMPLIANCE

At Deleum, we build strong foundations for growth through expansion, financial stability, and upholding our Core Values in integrity and accountability. We strictly follow good corporate governance practices, ensuring our activities align with the Corporate Anti-Bribery and Corruption Policy. The Board consistently oversees the policy's maintenance and updates, guided by relevant legal requirements like the Malaysian Anti-Corruption Commission (“MACC”) Act 2009, the Guidelines on Adequate Procedures issued by the Prime Minister’s Department, and other regulations.

During the year 2024, we have strengthened our commitment to ethical business practices and fighting corruption by obtaining the ISO 37001:2016 AMBS certification. This certification demonstrates our continuous efforts to uphold ethical business practices within the Group, whilst demonstrating our proactive approach to ethical governance. Below are some of the key activities we have completed:

- Established an ABMS Policy and Manual to solidify a corruption-free culture within the Group.
- Developed a Corruption Risk Management Procedure to guide the identification of corruption risks and oversight of mitigation measures and action plans.
- Implemented Corruption Risk Assessment across the Group's key business operations.
- Conducted training and awareness events to heighten employees' understanding of Code of Business Conduct, anti-bribery, and anti-corruption related matters across the Group.

In 2025, the Group will embark on a new corporate compliance journey themed “Collaborate, Comply, and Commit”. This initiative aims to reinforce the Group’s unwavering commitment to ethical conduct and zero tolerance for bribery and corruption. The campaign will focus on raising awareness and fostering a lasting culture of anti-bribery and corruption across the Group.

## Statement on Risk Management and Internal Control

Deleum has established Codes, policies, and procedures to reinforce our dedication to anti-bribery and anti-corruption efforts, as follows:

1. Code of Business Conduct (“COBC”)
  - Deleum is committed to upholding integrity in business dealings, guided by its Core Values that prioritise transparency, open communication, mutual respect, high standard for safe and healthy environment, and a pursuit of excellence with a focus on continuous improvement.
  - The COBC is applicable to all Deleum directors, officers, employees and third parties, serving as a guide for maintaining a standard of integrity and conduct in work performance and business practices. Deleum strictly prohibits any illegal or unethical conduct in its business dealings.
2. ABMS Policy
  - Deleum is committed to conducting business with the utmost integrity. We expect our employees and business associates involved in the Group's activities to comply with this policy. Violations may lead to 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 stance 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 guides on recognising and addressing potential acts of bribery and corruption faced during operations.
4. ABMS Manual
  - Deleum sets up, documents, and continually improves its ABMS in alignment with the ISO 37001:2016, Deleum's ABMS Policy, and COBC. The Group 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 guides Deleum on acceptable practices for gifts, hospitality, donations, and sponsorships, with the aim of ensuring compliance with anti-bribery and corruption laws. It outlines the due processes for evaluation, declaration, approval and monitoring.
6. Whistleblowing (“WB”) Policy and Procedure
  - The WB Policy and Procedure provides a channel for Deleum employees, third parties, and the public to disclose wrongdoings with assurance of protection.
  - The WB Policy and Procedure was enhanced to align with ISO 37002:2021, including the establishment of a Whistleblowing Committee, its TOR, anonymous reporting, and a prescribed Lodgment Form.
7. Corruption Risk Management Procedure
  - This procedure aims to identify corruption risks in activities and processes across the Group during service execution. The identified corruption risks undergo assessment and management, with a risk treatment plan implemented to mitigate the impact of potential corruption incidents based on the assessed risk.
8. Anti-Money Laundering and Counter Financing of Terrorism Guidelines
  - Deleum is dedicated to preventing money laundering and terrorism financing to safeguard the Group from financial crime and reputational risks. This commitment prohibits directors, officers, and employees from engaging in financial transactions relating to properties or funds linked to criminal activities. Deleum also strictly prohibits any involvement in financing, sponsoring, facilitating, or assisting terrorist persons, activities, or organisations.
9. Conflict of Interest (“COI”) Guidelines
  - The COI Guidelines provide guidance on recognising and addressing conflicts of interest within the Group. It helps to prevent actual, perceived and potential conflicts of interest, ensuring that disclosures of conflicts of interest are made transparently for informed decision-making.
10. Third Party Anti-Bribery and Corruption Management Guidelines (“TPABCMG”)
  - The TPABCMG establishes a general anti-bribery framework for managing Deleum's third-party relationships, setting minimum standards as the core of good practice. Effectively managing third-party bribery risk involves identifying high-risk parties and subjecting them to a thorough review. Deleum follows a comprehensive approach, including scoping, due diligence assessment, management, and record keeping and monitoring, to counter bribery effectively.

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# Statement on Risk Management and Internal Control

## Summary of Corporate Compliance Activities

In FY2024, the Group undertook targeted initiatives to strengthen business integrity and ethics by addressing corruption risk through a series of programs that emphasised education, awareness, and governance. Key programs/activities conducted include:

- Held Integrity Day in 2024, themed “Say No To Corruption”, to foster ethical business practices and combat bribery and corruption. The event, attended by business partners and clients, served as a platform for a collective declaration of commitment against corruption.
- Conducted the ABC Awareness Series for each location of operational sites to raise awareness about anti-bribery and corruption as well as the MACC Act 2009 within the Group.
- Refined Speak Up and Listen Up (“SULU”) protocol to create a workplace characterised by transparency and openness, where every voice is valued. SULU serves as a platform to amplify the employees’ voices, fostering an environment of trust and collaborative engagement.
- Enhanced employee awareness of ABC, COI, SULU, and Whistleblowing policies by refreshing and disseminating related posters through various communication channels.
- Group Human Resources and CCSR Department co-hosted COBC refresher sessions for each location of operational sites, including mandatory completion of COBC test, ABC and COI declaration.
- Incorporated integrity messages into the commencement of monthly management meetings, as well as quarterly townhall sessions led by GCEO.

## CONTROL STRUCTURE

The key features of the Group’s control structure are as follows:

- **The Board**  
The Board provides direction and oversight and is supported by the Audit Committee (“AC”), Joint Remuneration and Nomination Committee (“JRNC”) and BRIC. Each Committee has its formal defined TOR and reports on activities of each Committee are presented to the Board on a regular basis. The Committees’ TOR and the Board Charter are available for reference on the Company’s corporate website.
- **Group Strategy, Budgeting, and Reporting**  
Each Business Unit and Support Function develops and submits its strategy and budget for the upcoming year, which are then consolidated into a Group Strategy and Budget.

The Group Strategy and Budget for the upcoming year comprise of, inter alia, (i) the Group’s focus areas namely growth plans, growth opportunities and strategies, segments’ strategies and budget (ii) operating and financial budget and performance, (iii) capital expenditure, (iv) cash flow projections, and (v) statement of financial position and ratio analysis.

The Group’s and Business Units’ performances against the Group Budget are reported to the GCEO by the respective Business Units. The monitoring of actual results and projections are tracked and deliberated during the monthly operational management meetings.

The Board reviews the quarterly results against the Group Budget and historical results prior to the quarterly announcement made to Bursa Securities. A dashboard reporting which entails further details on 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 for the business segments of the Group, balance sheet highlights, cash flow projections and any significant accounting matters highlights.

- **Audit Committee**  
The AC evaluates the adequacy and integrity of the Group’s internal control systems. The AC reviews the Group’s internal control, audit process, compliance, and governance. In addition, the AC monitors the independence and effectiveness of the external auditors; and receives Internal Auditor’s reports from the outsourced internal auditors relating to the internal control reviews. Where appropriate, the AC is briefed on matters pertaining to corporate governance, financial reporting standards, listing requirements, legal and regulatory requirements as well as key matters affecting the interim and annual financial statements. Details of the AC’s activities and responsibilities are set out in the AC Report in this Annual Report.



## Statement on Risk Management and Internal Control

- **Internal Audit**

In FY2024, Baker Tilly Monteiro Heng Governance Sdn. Bhd. (“Baker Tilly”) was engaged to conduct internal audit reviews for the Group. Baker Tilly’s main role is to assess the Group’s internal controls, as outlined in the annual audit plan approved by the AC. They report on the sufficiency and reliability of the internal controls and governance framework within the scope of the audit. Their assessment offers an independent and objective evaluation of the effectiveness of risk management, internal control, and governance processes. Any identified weaknesses in internal controls and areas for improvement during the reviewed financial period will be addressed by the Management.

- **Group Core Values and Code of Business Conduct**

The Group’s revised Core Values - Service Quality, Health Safety & Environment, Integrity, and Sustainability - were communicated to employees through the Group’s website, new hire orientation, on-boarding communication, and townhall session. Aligned with Deleum’s Vision, Mission, and Core Values, the Board, Management, and employees are devoted to nurturing and embracing a corporate culture that upholds ethical practices and integrity. Furthermore, refresher trainings and updates on COBC and/or business policies are communicated to all employees. For contractors, subcontractors, vendors, and other service providers, the COBC is directly communicated via the Group’s business terms and conditions.

To raise awareness, posters highlighting COBC key elements are placed in common areas at the Group’s offices and operational sites. The COBC Refresher Campaign 2024 continued for Deleum’s Board of Directors and the Group’s employees, reinforcing the commitment to ethical behavioural standards. For contractors, subcontractors, vendors, and other service providers, the COBC is directly communicated via the Group’s business terms and conditions.

Deleum’s Board of Directors and employees of the Group completed the annual COI Declaration, a mandatory process requiring disclosure of shareholding, business activities, and relationships with specific parties or vendors. This vital declaration ensures the maintenance of integrity and professionalism, aligning with the Group’s Core Values and COBC.

Deleum is also committed to upholding the Universal Declaration of Human Rights, a commitment integrated into its Human Resources policies and conveyed 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 refer to it. Reminder about the Declaration is also included in the general terms and conditions for the procurement of goods and services.

- **Authorisation Limits**

Delegation of Authority sets out the levels of authority of various levels of management team within the Group and matters reserved to Deleum’s Board of Directors and shareholders. Authority limits are clearly defined to ensure segregation of duties, accountability and responsibility.

- **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 internal controls, rules, and regulations. These policies and procedures are reviewed and updated by the respective business and functional units through a structured process of review to cater to changes in laws and regulations as well as changes to the business and operational environment. The internal auditors periodically assess these policies and procedures to address any shortcomings or areas of improvements. The Group’s System & Process Improvement function systematically evaluates the efficiency and effectiveness of existing processes and procedures, aligning them with overarching business goals. This ongoing assessment ensures the Group remains compliant, adaptable, and strategically aligned.

- **Quality Management System (“QMS”) and Environmental Management System (“EMS”)**

Under the purview of Group QHSE, the Group has successfully maintained its ISO 9001:2015 certifications for Deleum Services Sdn. Bhd. (“DSSB”) and Turboservices Sdn. Bhd. This certification demonstrates our commitment to quality and meeting customer expectations.

The Group also retained its ISO 14001:2015 EMS certification for Deleum Chemicals Sdn. Bhd. This certification provides customers with assurance in respect of the delivery of quality products and services and compliance with regulatory requirements.

In addition to ISO 9001:2015 and ISO 14001:2015 certification, Deleum Oilfield Services Sdn. Bhd. Kemaman operations maintained their American Petroleum Institute (“API”) Specification Q2 2nd Edition. This certification validates our fulfilment of requirements by ExxonMobil Exploration and Production Malaysia Inc.

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## Statement on Risk Management and Internal Control

In FY2024, Deleum, DSSB and Deleum Technology Solutions Sdn. Bhd. has successfully attained the ISO 37001:2016 certification. This significant accomplishment reinforces stakeholder confidence, particularly among key customers. Furthermore, the Group applies the same ABMS principles and practices across all its subsidiaries.

Competent certified Lead Auditors conduct internal audits. The internal audits conducted in 2024 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
- Subcontractor/Supplier QHSE Compliance Audits

- **Insurance on Assets and People**

Adequate insurance coverage and physical safeguards are in place for the Group's assets and human resources, to ensure comprehensive protection against potential mishaps leading to material loss and/or human bodily injury. This coverage encompasses damage to or theft of assets, liability for legal responsibility in accidents, bodily injury, or property damage, and medical coverage for treating injuries, illnesses, rehabilitation, and fatalities. Regular reviews of insurance coverage are conducted to ensure adequacy, considering changes in the business environment, assets and people.

- **Supply Chain**

Group Supply Chain Department operates as a centralised and coordinated function, overseeing and managing procurement activities across the Group. Potential risks associated with these key areas are addressed through procedural governance and ongoing compliance monitoring of process and practices. The procurement policies and procedures undergo periodic reviews and updates as needed, ensuring a continuous enhancement of internal controls and incorporating any necessary process improvements.

Embedded within the procurement ethos is the overarching COBC, reflecting Deleum's commitment to aligning procurement activities with the organisational values, promoting trust among stakeholders and fostering a culture of responsibility. Group Supply Chain reinforces the commitment to ethical procurement practices by embedding anti-bribery clauses within the contracts with the suppliers and contractors. These clauses are strategically included to serve as a safeguard against potential risks particularly associated with bribery and corruption in our procurement processes.

- **Management Information Systems**

The Group had been through a digital transformation on its business application system software, tools, and solutions to improve data collection, recording, analysis, reporting, and organisational development. This investment accelerates application development and streamlines technical operations. Prioritising cybersecurity and data protection, the Group enforces strong access controls and conducts security assessment, penetration test and audit. This proactive approach ensures compliance with industry regulations and protects against evolving cyber threats.

- **Corporate Secretariat**

The Company Secretarial function is overseen by 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 & Risk, Group Corporate Services, Information, Communications and Technology, and Group Facilities Management are centralised at the Group level. This centralisation fosters greater independence from the Business Units and instils a more structured process with standardised procedures, enhancing efficiency and effectiveness across the Group.

## Statement on Risk Management and Internal Control

### 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 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 25 February 2025.

# 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 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 2024 (“FY2024”).

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 Chairperson 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](http://www.deleum.com).

## (I) COMPOSITION

The AC currently comprises three members, all of whom are Independent Non-Executive Directors with sufficient understanding of the Group’s business and financially literate. The AC members undertake continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

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 Bursa Malaysia Securities Berhad (“Bursa Securities”)’s Main Market Listing Requirements (“MMLR”).

The composition of the AC also meets the requirement of paragraph 15.09(1)(a) and (b) of the MMLR, which stipulates that the AC must be composed of not fewer than three members, of which all must be non-executive, with a majority of them being independent directors.

The AC’s TOR require 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 four meetings in 2024 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.

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 FY2024, 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 report from the external auditors on their quarterly review 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:

#### 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 review the effectiveness of key controls on material revenue streams for accuracy and completeness of revenue, performing substantive procedures on significant revenue balances by examining sales transactions to proof of delivery and acceptance by customers; performing cut off procedures on revenue; examined journal entries to revenue accounts and reviewed management's assessment of principal versus agent. The findings and conclusions were brought to the meeting for discussion and deliberation with the AC members.

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.

## Audit Committee Report

- 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 FY2024 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 FY2024 were as follows:

	Company (RM)	Group (RM)
Statutory audit fee	221,397	620,247
Audit related services	179,242	179,242
Non-audit services	10,050	65,406

The non-audit services conducted during FY2024 by other PwC entities comprised mainly tax services.

The provision of non-audit services during FY2024 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.

## Audit Committee Report

- 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) 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 the circular to shareholders in respect of the annual shareholders’ mandate for recurrent related party transactions prior to recommendation to the Board for consideration and approval.
- e) Reviewed the conflict of interest declaration (if any) made by all the Directors and Senior Management of the Company.
- f) Revised the TOR of the AC to expand the scope of the AC’s review on conflict of interest or potential conflict of interest situations as well as the measures taken to resolve, eliminate or mitigate such conflicts and the disclosure requirements pursuant to MMLR.



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# Audit Committee Report

## (IV) INTERNAL AUDIT FUNCTION

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 has exercised, 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 RM90,000 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 2024 based on the approved Internal Audit Plan. In addition to these planned reviews, one additional review was conducted during the year, further broadening the scope of internal audit activities. The findings from these reviews, together with related recommendations and Management's responses thereto, are reported to the AC on a quarterly basis.

- 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.

## Audit Committee Report

### (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 25 February 2025 approved the AC's recommendation for the re-appointment of PwC for the ensuing year to be tabled at the Twentieth 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 FY2024. 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.

# Directors' Report

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 2024.

## 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	74,154,450	37,328,507
- Non-controlling interests	26,800,056	0
Profit for the financial year	100,954,506	37,328,507

## DIVIDENDS

The dividends on ordinary shares paid or declared by the Company since 31 December 2023 were as follows:

	RM
In respect of the financial year ended 31 December 2023, as shown in the Directors' report of that year, a second interim single tier dividend of 3.70 sen per share on 401,553,500 ordinary shares, paid on 29 March 2024.	14,857,480
In respect of the financial year ended 31 December 2024, a first interim single tier dividend of 4.00 sen per share on 401,553,500 ordinary shares, paid on 30 September 2024.	16,062,140
	30,919,620

The Directors, had on 28 February 2025 declared a second interim single tier dividend of 5.30 sen per share in respect of the financial year ended 31 December 2024, totalling RM21,282,336 payable on 28 March 2025.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2024.

## 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  
 Ainul Azhar bin Ainul Jamal (appointed on 1 November 2024)  
 Kathirithamby Sivasankar (Alternate Director to Datuk Vivekananthan a/l M.V. Nathan) (appointed on 2 January 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 (appointed on 15 August 2024)	Deleum Technology Solutions Sdn. Bhd.
Nuruzzatulain binti Sahamah (resigned on 15 August 2024)	Deleum Technology Solutions Sdn. Bhd.
Ahmad Rizal bin Omar	Deleum Rotary Services Sdn. Bhd. (In members' voluntary liquidation)
Nuruzzatulain binti Sahamah	Turboservices Sdn. Bhd.
Nurul Aznin binti Mamat (resigned on 2 January 2025)	Turboservices Sdn. Bhd.
Seow Keng Seng	Turboservices Sdn. Bhd.
Daryl Uei Wang	Turboservices Sdn. Bhd.
Zamani bin Abd Ghani (appointed 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.
Muhammed Azlie bin Kemaluddin (appointed on 3 September 2024)	Penaga Dresser Sdn. Bhd.
Akira Fukasawa (resigned on 3 September 2024)	Penaga Dresser Sdn. Bhd.
Azman bin Jemaat @ Hassan	Deleum Services Sdn. Bhd.
Imran Hakim bin Abdul Aziz	Deleum Services Sdn. Bhd.
Nurul Aznin binti Mamat (resigned on 23 December 2024)	Deleum Services Sdn. Bhd.
Zamani bin Abd Ghani (appointed on 26 November 2024)	Deleum Services Sdn. Bhd.
Imran Hakim bin Abdul Aziz	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 (appointed on 29 November 2024)	Deleum Services (Sarawak) Sdn. Bhd.
Zamani bin Abd Ghani	Deleum Services (Sabah) Sdn. Bhd.
Rahila binti Ahmad Bashir Khan	Deleum Services (Sabah) Sdn. Bhd.

# Directors' Report

## 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	
	2024 RM	2023 RM
Executive Director:		
- salaries and bonuses	1,899,032	1,805,000
- defined contribution plan	308,515	292,350
- other emoluments	158,513	144,986
- estimated monetary value of benefits-in-kind	24,782	78,934
	2,390,842	2,321,270
Non-Executive Directors:		
- fees	1,214,967	1,150,383
- other emoluments	436,000	322,850
- estimated monetary value of benefits-in-kind	58,354	82,120
	1,709,321	1,555,353
	4,100,163	3,876,623

## 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 1.1.2024	Acquired	Sold	At 31.12.2024
<u>Direct interest</u>				
Dato' Izham bin Mahmud	11,200,000	110,000	0	11,310,000
Datuk Vivekananthan a/l M.V. Nathan	43,402,600	128,000	0	43,530,600
Tan Sri Dato' Seri Shamsul Azhar bin Abbas	0	1,000,000	0	1,000,000
<u>Indirect interest</u>				
Dato' Izham bin Mahmud	56,725,698	*40,000	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.

Note:

\* Deemed to have interest by virtue of shares held by his spouse.

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 RM30,000,000. Annual premiums paid amounted to RM40,600.

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# Directors' Report

## 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 other than the impairment on non-financial assets as disclosed in Note 3(a) (iii); 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	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration:				
- statutory audit	620,247	535,244	221,397	161,550
- other audit related services	179,242	174,022	179,242	174,022
- non-audit related services	65,406	132,016	10,050	71,796
	864,895	841,282	410,689	407,368

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 19 March 2025.

**TAN SRI DATO' SERI SHAMSUL AZHAR BIN ABBAS**  
DIRECTOR

**RAMANRAO BIN ABDULLAH**  
DIRECTOR

# Statements of Comprehensive Income

For the Financial Year Ended 31 December 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	5	907,478,294	791,991,344	70,903,000	55,048,600
Cost of sales		(672,030,645)	(626,709,784)	(29,457,000)	(25,952,400)
Gross profit		235,447,649	165,281,560	41,446,000	29,096,200
Other operating income		8,578,087	6,776,291	610,595	594,371
Selling and distribution costs		(49,936,158)	(41,860,309)	0	0
Administrative expenses		(63,838,956)	(53,718,489)	(3,940,820)	(3,772,231)
Other operating (losses)/gains		(484,124)	2,929,834	(336,447)	(641,893)
Operating profit		129,766,498	79,408,887	37,779,328	25,276,447
Finance cost	8	(486,396)	(198,506)	(42)	(38,803)
Share of results of a joint venture (net of tax)	16	769,501	1,063,838	0	0
Share of results of an associate (net of tax)	17	6,160,630	4,642,812	0	0
Profit before tax	6	136,210,233	84,917,031	37,779,286	25,237,644
Tax expense	9	(35,255,727)	(21,565,765)	(450,779)	(302,143)
Profit for the financial year		100,954,506	63,351,266	37,328,507	24,935,501
Other comprehensive income					
Item that may be subsequently reclassified to profit or loss					
Currency translation differences of foreign operations		1,625	(33,991)	0	0
Reclassification of reserves upon liquidation of a subsidiary during the financial year	39	1,685,963	0	0	0
Total comprehensive income for the financial year		102,642,094	63,317,275	37,328,507	24,935,501
Profit attributable to:					
Owners of the Company		74,154,450	45,735,036	37,328,507	24,935,501
Non-controlling interests		26,800,056	17,616,230	0	0
		100,954,506	63,351,266	37,328,507	24,935,501
Total comprehensive income attributable to:					
Owners of the Company		75,841,209	45,718,381	37,328,507	24,935,501
Non-controlling interests		26,800,885	17,598,894	0	0
		102,642,094	63,317,275	37,328,507	24,935,501
Earnings per share (sen)					
- Basic/diluted	10	18.47	11.39		

The above statements of comprehensive income are to be read in conjunction with the material accounting policies and notes 1 to 40 to the Financial Statements.

# Statements of Financial Position

As at 31 December 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
NON-CURRENT ASSETS					
Property, plant and equipment	12	91,327,042	91,145,019	3,970,660	4,037,550
Investment properties	13	652,970	676,546	0	0
Intangible assets	14	151,728	188,298	42,709	79,279
Subsidiaries	15	0	0	132,384,848	132,384,848
Joint venture	16	35,913,473	35,143,972	29,375,937	29,375,937
Associate	17	23,204,562	22,803,933	0	0
Financial assets at fair value through other comprehensive income (“FVOCI”)	18	6,515,463	1,166,750	0	0
Deferred tax assets	28	4,496,662	5,974,485	1,687,774	1,308,877
Other receivables	21	9,503,799	2,652,587	0	0
Amounts due from subsidiaries	19	0	0	16,791,705	15,354,651
Cash and bank balances	24	3,852,686	0	0	0
		175,618,385	159,751,590	184,253,633	182,541,142
CURRENT ASSETS					
Amounts due from subsidiaries	19	0	0	46,921,953	34,321,394
Tax recoverable		1,559,729	1,674,130	0	0
Inventories	20	45,420,677	17,736,104	0	0
Receivables, deposits and prepayments	21	313,050,709	225,223,775	1,249,561	696,574
Amounts due from an associate	22	1,280,000	0	0	0
Amounts due from a joint venture	23	535,556	369,035	532,954	365,000
Cash and bank balances	24	195,405,774	215,879,540	9,995,391	12,333,078
Derivative financial instrument	26	100,430	0	0	0
		557,352,875	460,882,584	58,699,859	47,716,046

# Statements of Financial Position

As at 31 December 2024

		Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Note					
LESS: CURRENT LIABILITIES					
Amounts due to subsidiaries	19	0	0	8,899,783	3,935,380
Borrowings	25	7,342,971	1,515,242	37,011	28,790
Derivative financial instrument	26	0	338,086	0	0
Taxation		11,170,840	9,284,608	173,289	335,765
Trade and other payables and contract liabilities	27	199,636,787	149,485,857	6,895,324	5,451,861
		218,150,598	160,623,793	16,005,407	9,751,796
NET CURRENT ASSETS		339,202,277	300,258,791	42,694,452	37,964,250
NON-CURRENT LIABILITIES					
Borrowings	25	7,768,797	894,845	98,772	64,966
Deferred tax liabilities	28	8,736,285	12,458,439	0	0
Deferred income	29	169,704	206,069	0	0
		16,674,786	13,559,353	98,772	64,966
		498,145,876	446,451,028	226,849,313	220,440,426
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	30	201,801,508	201,801,508	201,801,508	201,801,508
Retained earnings		311,258,588	263,291,221	25,047,805	18,638,918
Merger deficit	31	(50,000,000)	(50,000,000)	0	0
Foreign currency translation		(15,684)	(1,702,443)	0	0
Shareholders’ equity		463,044,412	413,390,286	226,849,313	220,440,426
NON-CONTROLLING INTERESTS	15	35,101,464	33,060,742	0	0
TOTAL EQUITY		498,145,876	446,451,028	226,849,313	220,440,426

The above statements of financial position are to be read in conjunction with the material accounting policies and notes 1 to 40 to the Financial Statements.

# Statement of Changes in Equity

For the Financial Year Ended 31 December 2024

Group	Note	Attributable to equity holders of the Company						Non-controlling interests RM	Total equity RM
		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		
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 gain 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

# Statement of Changes in Equity

For the Financial Year Ended 31 December 2024

Group	Note	Attributable to equity holders of the Company						Non-controlling interests RM	Total equity RM
		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		
At 1 January 2023		401,553,500	201,801,508	(1,685,788)	(50,000,000)	238,637,744	388,753,464	25,792,608	414,546,072
Profit for the financial year		0	0	0	0	45,735,036	45,735,036	17,616,230	63,351,266
Other comprehensive losses for the financial year		0	0	(16,655)	0	0	(16,655)	(17,336)	(33,991)
Total comprehensive (losses)/income for the financial year		0	0	(16,655)	0	45,735,036	45,718,381	17,598,894	63,317,275
Dividends	11	0	0	0	0	(21,081,559)	(21,081,559)	(10,330,760)	(31,412,319)
At 31 December 2023		401,553,500	201,801,508	(1,702,443)	(50,000,000)	263,291,221	413,390,286	33,060,742	446,451,028

The above statement of changes in equity is to be read in conjunction with the material accounting policies and notes 1 to 40 to the Financial Statements.

## Statement of Changes in Equity

For the Financial Year Ended 31 December 2024

Company	Note	Issued and fully paid ordinary shares		Distributable	
		Number of shares	Nominal value RM	Retained earnings RM	Total RM
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
At 1 January 2023		401,553,500	201,801,508	14,784,976	216,586,484
Total comprehensive income for the financial year		0	0	24,935,501	24,935,501
Dividends	11	0	0	(21,081,559)	(21,081,559)
At 31 December 2023		401,553,500	201,801,508	18,638,918	220,440,426

The above statement of changes in equity is to be read in conjunction with the material accounting policies and notes 1 to 40 to the Financial Statements.



# Statements of Cash Flows

For the Financial Year Ended 31 December 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the financial year		100,954,506	63,351,266	37,328,507	24,935,501
Adjustments for:					
Trade receivables:					
- impairment		0	1,235,273	0	0
- write back of impairment		(1,053,428)	(465,385)	0	0
Contract assets:					
- impairment		869,200	0	0	0
Other receivables:					
- impairment		2,461,116	26,468	0	0
- write back of impairment		(70,027)	0	0	0
Amounts due from subsidiaries					
- impairment		0	0	300,000	600,000
Inventories:					
- impairment		4,557,527	2,901,033	0	0
- write back of impairment		(3,229,597)	(725,838)	0	0
Foreseeable loss:					
- write back		0	(106,807)	0	0
Income accretion on other receivable		(52,119)	(147,113)	0	0
Amortisation of intangible assets		32,330	23,060	32,330	21,493
Amortisation of government grants		(36,365)	(53,010)	0	0
Depreciation					
- property, plant and equipment		29,996,917	32,922,839	601,405	571,569
- investment properties		23,576	23,576	0	0
Liquidated damages:					
- provision		2,057,516	1,799,188	0	0
- write back		(423,168)	(98,600)	0	0
Gain on disposal of property, plant and equipment		(65,703)	(57,867)	(113,300)	(661)
Gain on lease termination of right-of-use assets		(276)	0	0	0
Write off:					
- property, plant and equipment		8,810	54,809	0	0
- intangible assets		0	528	0	526
- inventories		211,787	254,597	0	0
- other receivables		300	0	0	0
Interest income		(6,487,135)	(5,092,205)	(344,126)	(268,470)
Dividend income		0	0	(38,500,000)	(26,500,000)
Inter-company interest income		0	0	0	(116,629)
Finance cost		486,396	198,506	42	38,803
Share of results of an associate		(6,160,630)	(4,642,812)	0	0
Share of results of a joint venture		(769,501)	(1,063,838)	0	0
Loss on liquidation of subsidiaries		1,363,297	0	0	0
Tax expense		35,255,727	21,565,765	450,779	302,143
Unrealised net foreign exchange loss/(gain)		2,758,638	(888,299)	0	0
Fair value gain on financial assets at FVTPL		(1,006,530)	0	(145,969)	0
Net fair value gain on forward foreign currency exchange contracts		(4,075,425)	(940,077)	0	0
Operating profit/(loss) before working capital changes		157,607,739	110,075,057	(390,332)	(415,725)

## Statements of Cash Flows

For the Financial Year Ended 31 December 2024

		Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Note					
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)</b>					
<u>Changes in working capital</u>					
Amounts due from subsidiaries		0	0	(8,034,400)	(6,311,871)
Inventories		(29,224,290)	19,848,524	0	0
Receivables, deposits, prepayments and contract assets		(83,801,715)	92,887,271	(542,866)	674,877
Amounts due from a joint venture		0	0	(160,800)	(141,800)
Amounts due to subsidiaries		0	0	4,964,403	1,456,091
Trade and other payables and contract liabilities		46,198,255	(116,556,954)	1,443,463	442,049
Cash generated from/(used in) operation		90,779,989	106,253,898	(2,720,532)	(4,296,379)
Tax paid		(35,500,048)	(27,255,575)	(992,152)	(978,168)
Tax refunded		1,175	0	0	0
Interest paid		(470,155)	(198,506)	(4,942)	(43,003)
Net cash generated from/(used in) operating activities		54,810,961	78,799,817	(3,717,626)	(5,317,550)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received		6,234,057	4,631,153	334,005	1,135,071
Purchase of property, plant and equipment		(35,387,726)	(12,071,543)	(449,646)	(1,152,148)
Proceeds from disposal of property, plant and equipment		875,217	62,643	113,300	661
Amounts due from an associate		0	813	0	813
Amounts due (to)/from a joint venture		(166,521)	(145,551)	(7,154)	284
Dividends received from subsidiaries		0	0	33,000,000	23,000,000
Dividends received from an associate		4,480,000	7,680,000	0	0
Repayment of advances (to)/from subsidiaries		0	0	(798,313)	4,649,214
Acquisition of an investment		(3,125,150)	0	0	0
Acquisition of additional equity interest in a subsidiary		39 (7,343,000)	0	0	0
Incorporation of subsidiaries with non-controlling interests		39 81,000	0	0	0
Purchase of financial assets at FVOCI		(5,348,713)	(1,166,750)	0	0
Purchase of financial assets at FVTPL		(126,750,000)	0	(11,250,000)	0
Proceeds from disposal of financial assets at FVTPL		127,756,530	0	11,395,969	0
Placement of deposits with licensed banks with maturity over three (3) months		(8,490,672)	0	0	0
Uplift of deposits with licensed banks with maturity over three (3) months		16,584,734	0	0	0
Increase in restricted cash		(1,265,243)	0	0	0
Net cash (used in)/generated from investing activities		(31,865,487)	(1,009,235)	32,338,161	27,633,895

# Statements of Cash Flows

For the Financial Year Ended 31 December 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Term loan:					
- drawdown		8,000,000	0	0	0
- repayments		0	(4,200,000)	0	0
Revolving credit:					
- drawdown		13,000,000	0	0	0
- repayments		(8,000,000)	(2,580,000)	0	(2,580,000)
Lease liabilities on right-of-use assets:					
- repayments		(1,816,314)	(1,362,191)	(38,602)	(47,843)
Dividends paid to:					
- shareholders		(30,919,620)	(21,081,559)	(30,919,620)	(21,081,559)
- non-controlling interest		(12,442,960)	(10,330,760)	0	0
Increase in restricted cash		0	(8,158,980)	0	0
Net cash used in financing activities		(32,178,894)	(47,713,490)	(30,958,222)	(23,709,402)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR					
		(9,233,420)	30,077,092	(2,337,687)	(1,393,057)
FOREIGN CURRENCY TRANSLATION					
		(558,841)	(373,336)	0	0
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR					
		198,243,766	168,540,010	12,333,078	13,726,135
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	24	188,451,505	198,243,766	9,995,391	12,333,078
COMPOSITION OF CASH AND CASH EQUIVALENTS					
Deposits with licensed banks		177,489,758	203,646,150	9,965,000	12,305,000
Cash and bank balances		21,768,702	12,233,390	30,391	28,078
Restricted cash		199,258,460	215,879,540	9,995,391	12,333,078
Fixed deposit with maturity period over three (3) months		(4,620,097)	(3,354,854)	0	0
		(6,186,858)	(14,280,920)	0	0
Cash and cash equivalents at end of financial year		188,451,505	198,243,766	9,995,391	12,333,078
Fixed deposit with maturity period over three (3) months represented by:					
Non-current		3,852,686	0	0	0
Current		2,334,172	14,280,920	0	0
		6,186,858	14,280,920	0	0

The above statements of cash flows are to be read in conjunction with the material accounting policies and notes 1 to 40 to the Financial Statements.

# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

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 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) Standards, amendments to published standards and IC Interpretation that are effective and applicable to the Group and the Company

The new amendments to published standards that are effective for the Group and the Company's financial year beginning on or after 1 January 2024 are as follows:

- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'
- Amendments to MFRS 101 'Classification of Liabilities as Current or Non-current'
- Amendments to MFRS 101 'Non-current Liabilities with Covenants'
- Amendments to MFRS 107 and MFRS 7 'Disclosure – Supplier Finance Arrangements'
- July 2024 IFRIC Agenda decision 'Disclosure of Revenues and Expenses for Reportable Segments' (MFRS 8)

The adoption of the amendments to published standards 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, except for adoption of IFRIC agenda decision on disclosure of revenues and expenses for reportable segments (MFRS 8 Operating segments) during 2024, the Group has reassessed material items included in the profit before tax measure reviewed by the Chief Operating Decision Maker ("CODM") and determined that cost of sales, staff costs, and subcontractor costs are material expenses. Accordingly, the Group has included these expenses in the segment information and comparatives information disclosed in Note 4 have been restated.

# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

## A BASIS OF PREPARATION (CONTINUED)

- (b) Standards, amendments to published standards and IC Interpretation that are applicable to the Group and the Company but not yet effective

The Group and the Company will apply the new standards, amendments to published standards and IC Interpretation in the following periods:

- (i) Financial year beginning on or after 1 January 2025
  - Amendments to MFRS 121 'Lack of Exchangeability'
- (ii) 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'
- (iii) Financial year beginning on or after 1 January 2027
  - MFRS 18 'Presentation and Disclosure in Financial Statements'
  - MFRS 19 'Subsidiaries without Public Accountability: Disclosures'
- (iv) 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'

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 July 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.

# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

## 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.

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.

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. 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.

# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

## B CONSOLIDATION (CONTINUED)

### (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 results 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.

### (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.



# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

## B CONSOLIDATION (CONTINUED)

### (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.

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 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.

# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

## 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.

### (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 INVESTMENTS IN SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES

In the Company's separate financial statements, investments in subsidiaries, joint venture and associates 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 associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

## 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 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.

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:

Freehold building	2%
Office equipment, furniture and fittings	10% - 33 1/3%
Renovations	10% - 20%
Plant, machinery and other equipment	6 2/3% - 33 1/3%
Motor vehicles	16 2/3% - 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") asset and a corresponding liability at the date which the leased asset is available for use by 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 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.

# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

## 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 2024

## 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.

# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

## 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 (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 2024

## 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 and contract assets

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets.

#### Significant increase in credit risk

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.

#### Definition of default and credit-impaired financial assets

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.



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# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

## **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 and the Company classify all its financial liabilities as other financial liabilities. The Group's and the Company's other 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 re-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 statement of comprehensive income 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 2024

## 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. 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 prior to the end of financial year which are unpaid. Accounts payable 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.

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# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

## 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.

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.

# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

## S REVENUE RECOGNITION (CONTINUED)

### (a) Power and Machinery ("P&M") (continued)

#### (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.

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.

# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

## S REVENUE RECOGNITION (CONTINUED)

### (a) Power and Machinery ("P&M") (continued)

#### (ii) Sales 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.

#### (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.

# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

## S REVENUE RECOGNITION (CONTINUED)

### (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, well intervention, asset integrated solution services, cased hole logging services, gas lift valve and insert strings equipment, accessories and services and drilling and production services.

The Group provides slickline equipment and services, well intervention, asset integrated solution services, cased hole logging services, gas lift valve and insert strings equipment, accessories and services and drilling and production services. Revenue from slickline equipment and services, well intervention, asset integrated solution services, cased hole logging services and gas lift valve 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 Group sells the insert strings equipment, accessories and/or drilling products to customers and 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.

#### 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.

# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

## S REVENUE RECOGNITION (CONTINUED)

### (b) Oilfield Integrated Services (“OIS”) (continued)

#### (iii) Provision of integrated corrosion and inspection, blasting technology and maintenance services

The Group provides integrated corrosion and inspection, blasting technology and maintenance services in relation to corrosion for tanks, structures and piping. Revenue from integrated corrosion inspection, 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, 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. Refer Note 3 for critical accounting estimates and judgments.

Provision of integrated corrosion and inspection, 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.

#### (iv) Provision of maintenance, construction and modification (“MCM”) maintenance services

Provision of maintenance, construction and modification (“MCM”) maintenance services covers provision of site surveys, supply of materials and consumables, fabrication and offshore maintenance services, and provision of marine spread.

##### Provision of site surveys

Revenue from site surveys is recognised when the reports on site survey are completed and accepted by customers.

##### Supply of materials and consumables

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.



# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

## S REVENUE RECOGNITION (CONTINUED)

### (b) Oilfield Integrated Services ("OIS") (continued)

#### (iv) Provision of maintenance, construction and modification ("MCM") maintenance services (continued)

##### Fabrication and offshore maintenance works

The Group provides fabrication or offshore maintenance works at the request of the customer. Revenue from fabrication or offshore maintenance works 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. Refer Note 3 for critical accounting estimates and judgments.

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.

##### Marine spread

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 includes management fees, principal and commission based income services. Revenue from third party based transactions is recognised upon when the Group's right to receive the payment is established.

##### 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 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.

# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

## 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 plans

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 plans 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 associates 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.

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 associates are included in the Group's share of results of joint venture and associates.

# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

## 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.

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# Summary of Material Accounting Policies

For the Financial Year Ended 31 December 2024

## **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 2024

## 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, we have also 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.

### Market risk

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) Foreign currency exchange risk

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.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 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			
	2024		2023	
	Assets RM	Liabilities RM	Assets RM	Liabilities RM
US Dollar	150,069,235	134,459,909	75,720,030	92,882,665
Others	2,751,058	589,831	8,212,281	518,979
	152,820,293	135,049,740	83,932,311	93,401,644

### Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the US Dollar against Ringgit Malaysia. 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 the relevant foreign currency weakens/strengthens by 10% against the functional currency, the profit or loss will (decrease)/increase by:

	Group	
	2024 RM	2023 RM
<u>Weaken by 10% impact to profit or loss</u>		
US Dollar	(1,186,309)	1,304,360
<u>Strengthen by 10% impact to profit or loss</u>		
US Dollar	1,186,309	(1,304,360)

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 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 RM98,800 (2023: RM Nil). 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 and contract assets (excluding deferred costs)

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amounts of receivables 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 and contract assets. To measure the ECL, trade receivables 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.



# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

### Credit risk (continued)

#### (i) Receivables and contract assets (excluding deferred costs) (continued)

##### Trade receivables

	Group	
	2024 RM	2023 RM
Neither past due nor impaired:		
Counterparties without external credit rating		
- New customers during the financial year	1,217,659	337,372
- Existing customers with no defaults in the past	81,827,185	90,687,961
Total unimpaired trade receivables	83,044,844	91,025,333
Past due but not impaired:		
Counterparties without external credit rating		
- New customers during the financial year	52,804	1,235,259
- Existing customers with no defaults in the past	42,665,346	22,706,236
Total past due but not impaired trade receivables	42,718,150	23,941,495
Past due and impaired:		
Counterparties without external credit rating		
- Existing customers	473,700	1,527,128
Total past due and impaired trade receivables	473,700	1,527,128

##### Contract assets (excluding deferred costs)

	Group	
	2024 RM	2023 RM
Neither past due nor impaired:		
Counterparties without external credit rating		
- New customers during the financial year	1,218,202	2,365,643
- Existing customers	169,198,757	88,231,801
Total unimpaired contract assets	170,416,959	90,597,444
Not past due but impaired:		
Counterparties without external credit rating		
- Existing customers	869,200	0
Total not past due but impaired contract assets	869,200	0

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

### Credit risk (continued)

#### (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	
	2024 RM	2023 RM	2024 RM	2023 RM
AAA	198,994,979	215,808,326	9,991,922	12,329,790
AA	234,069	40,245	2,299	2,331

The credit quality of the above bank balances is assessed by reference to RAM Ratings Services Berhad.

#### (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 RM13.0 million as at the reporting date.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

### 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.

	2024			Total RM
	Within one year RM	One to two years RM	Two to five years RM	
<u>Group</u>				
<u>Financial liabilities</u>				
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
<u>Company</u>				
<u>Financial liabilities</u>				
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.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

### Liquidity risk (continued)

#### Analysis of financial instruments by remaining contractual maturities (continued)

	2023			Total RM
	Within one year RM	One to two years RM	Two to five years RM	
<u>Group</u>				
<u>Financial liabilities</u>				
Trade and other payables (excluding contract liabilities and statutory obligations)	123,473,233	0	0	123,473,233
Borrowings	1,609,106	869,539	64,580	2,543,225
Total undiscounted financial liabilities	125,082,339	869,539	64,580	126,016,458

### Company

#### Financial liabilities

Amounts due to subsidiaries*	3,935,380	0	0	3,935,380
Borrowings	31,624	23,760	44,780	100,164
Other payables and accruals (excluding contract liabilities and statutory obligations)	5,124,877	0	0	5,124,877
Total undiscounted financial liabilities	9,091,881	23,760	44,780	9,160,421

\* 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).

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

### Fair value estimation (continued)

#### (i) Financial instruments carried at amortised cost

The carrying amounts of financial assets and liabilities of the Group at the reporting date approximated their fair values except as set out below measured using Level 2 valuation technique:

	2024		2023	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
<u>Group</u>				
<u>Financial liabilities</u>				
Borrowings	13,000,000	13,953,876	2,410,087	2,410,087
<u>Company</u>				
<u>Financial liabilities</u>				
Borrowings	0	0	93,756	93,756

The fair values of borrowings are determined using KLIBOR plus cost of funding as at each reporting date.

#### (ii) Financial instruments carried at FVTPL

The following table represents the liability measured at fair value, using Level 2 valuation technique, at reporting date:

	Group	
	2024 RM	2023 RM
<u>Financial asset</u>		
Derivative financial instrument	100,430	0
<u>Financial liability</u>		
Derivative financial instrument	0	338,086

The fair values of forward foreign currency exchange contracts are determined using forward foreign currency exchange rates as at each reporting date.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 2 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

### Fair value estimation (continued)

#### (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	
	2024 RM	2023 RM
Financial assets at FVOCI	6,515,463	1,166,750

## 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.

### (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 2024

## 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. This has resulted in the presentation of Oilfield Integrated Services ("OIS") as a new segment. This also provides clearer insights into the Group's performance, making it easier for stakeholders to understand the financial performance and strategic direction of the business. Following the change in the composition of reportable segments, the Group has restated the corresponding items of segment information for prior periods.

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, construction and modification ("MCM") maintenance activities, services for tanks, vessels, structures and piping.
- Other non-reportable segment comprises management fees charged to a joint venture which does not meet the quantitative threshold for a reporting segment in 2024.

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.

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.



# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 4 SEGMENTAL REPORTING (CONTINUED)

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
Financial year ended 31 December 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

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 4 SEGMENTAL REPORTING (CONTINUED)

### (a) Business Segments (continued)

	Power and machinery RM	Oilfield integrated services RM	Unallocated RM	Total RM
Financial year ended 31 December 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 2024

## 4 SEGMENTAL REPORTING (CONTINUED)

### (a) Business Segments (continued)

	Power and machinery RM	Oilfield integrated services RM	Unallocated RM	Total RM
Financial year ended 31 December 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
Financial year ended 31 December 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

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 4 SEGMENTAL REPORTING (CONTINUED)

### (a) Business Segments (continued)

	Power and machinery RM	Oilfield integrated services RM (Restated)	Total RM
Financial year ended 31 December 2023			
SEGMENT REVENUE			
External revenue	667,928,898	123,324,746	791,253,644
Other non-reportable segment			737,700
			<u>791,991,344</u>
SEGMENT RESULTS			
Segment operating profit/(loss)	99,331,751	(15,880,321)	83,451,430
Other non-reportable segment			73,800
			<u>83,525,230</u>
Profit from operations			83,525,230
Unallocated income			471,960
Unallocated corporate expenses			(4,786,809)
Share of results of a joint venture			1,063,838
Share of results of an associate			4,642,812
Profit before tax			84,917,031
Tax expense			(21,565,765)
Profit for the financial year			<u>63,351,266</u>

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 4 SEGMENTAL REPORTING (CONTINUED)

### (a) Business Segments (continued)

	Power and machinery RM	Oilfield integrated services RM (Restated)	Unallocated RM	Total RM
Financial year ended 31 December 2023 (continued)				
Other information:				
Cost of equipment and services, purchase of products, parts and consumable, inventories consumed and recognised as cost of sales	517,043,751	30,432,965	0	547,476,716
Other cost of sales	52,424	6,912,253	663,900	7,628,577
Staff costs	33,957,229	46,122,177	22,261,468*	102,340,874
Subcontractor cost	444,175	0	0	444,175
Depreciation and amortisation	2,688,175	29,688,239	593,061	32,969,475
Interest income	(4,253,300)	(570,435)	(268,470)	(5,092,205)
Other material items				
Impairment for				
- trade receivables				
- impairment	0	1,235,273	0	1,235,273
- write back of impairment	(103,100)	(362,285)	0	(465,385)
- other receivables				
- impairment	0	0	26,468	26,468
Inventories				
- impairment	1,386,194	1,514,839	0	2,901,033
- write back	(404,735)	(321,103)	0	(725,838)
Foreseeable loss				
- write back	0	(106,807)	0	(106,807)
Write off of				
- property, plant and equipment	34	54,775	0	54,809
- inventories	96,185	158,412	0	254,597

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 4 SEGMENTAL REPORTING (CONTINUED)

### (a) Business Segments (continued)

	Power and machinery RM	Oilfield integrated services RM (Restated)	Unallocated RM	Total RM
Financial year ended 31 December 2023 (continued)				
Other information: (continued)				
Liquidated damages				
- provision	1,799,188	0	0	1,799,188
- write back	(98,600)	0	0	(98,600)
Unrealised net foreign exchange (gain)/loss	(1,227,375)	339,076	0	(888,299)
Net fair value gain on forward foreign currency exchange contracts	(940,077)	0	0	(940,077)
Finance cost	88,822	70,881	38,803	198,506
Revenue contributed by major customer which individually contributed to more than 10% of the Group's total revenue:				
- Customer A	(270,043,658)	(65,531,483)	0	(335,575,141)
- Customer B	(113,875,616)	(156,100)	0	(114,031,716)
Additions of plant and equipment	(2,156,325)	(8,763,070)	(1,152,148)	(12,071,543)
Amortisation of government grants	0	(53,010)	0	(53,010)
Gain on disposal of property, plant and equipment	(13,065)	(44,141)	(661)	(57,867)

\* This amount includes a reconciling item of RM19,628,900 which represents staff costs that was allocated to the P&M and OIS segment via management fees.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 4 SEGMENTAL REPORTING (CONTINUED)

### (a) Business Segments (continued)

	Power and machinery RM	Oilfield integrated services RM (Restated)	Group RM
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Financial year ended 31 December 2023 (continued)

Segment assets	365,083,823	164,805,024	529,888,847
Unallocated corporate assets			90,745,327
Total assets			620,634,174
Segment liabilities	128,410,801	18,441,521	146,852,322
Unallocated corporate liabilities			27,330,824
Total liabilities			174,183,146

### (b) Geographical information

The Group's transactions are principally conducted in one geographical segment, Malaysia, as such no segmental information by geographical segment has been disclosed.

## 5 REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers:				
- Goods and services	906,587,594	791,253,644	0	0
- Management fee*	883,200	730,200	32,403,000	28,548,600
Revenue from other source:				
- Dividend income	7,500	7,500	38,500,000	26,500,000
	907,478,294	791,991,344	70,903,000	55,048,600

\* Management fees income is being recognised over time upon when the services are being rendered.



# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 5 REVENUE (CONTINUED)

Revenue from contracts with customers:

	Power and machinery RM	Oilfield integrated services RM	Group RM
Financial year ended 31 December 2024			
<u>Type of goods and services</u>			
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

	Power and machinery RM	Oilfield integrated services RM	Group RM
Financial year ended 31 December 2024			
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 2024

## 5 REVENUE (CONTINUED)

Revenue from contracts with customers: (continued)

	Power and machinery RM	Oilfield integrated services RM (Restated)	Group RM
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Financial year ended 31 December 2023

### Type of goods and services

Sale of gas turbine packages and after sales support and services	522,944,238	0	522,944,238
Commission based income services	5,487,258	0	5,487,258
Principal based income services	30,150,147	1,061,963	31,212,110
Sale of valves and flow regulators and after sales support and services	109,347,255	0	109,347,255
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	107,781,403	107,781,403
Provision of specialty chemicals and well stimulation services	0	4,620,741	4,620,741
Provision of solid control services	0	4,650,508	4,650,508
Provision of integrated corrosion and inspection services, blasting technology and maintenance services	0	1,336,838	1,336,838
Provision of maintenance, construction and modification maintenance services	0	3,873,293	3,873,293
	667,928,898	123,324,746	791,253,644

	Power and machinery RM	Oilfield integrated services RM (Restated)	Group RM
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Financial year ended 31 December 2023

Timing of revenue recognition:

- At a point in time	543,487,678	4,051,824	547,539,502
- Over time	124,441,220	119,272,922	243,714,142
	667,928,898	123,324,746	791,253,644

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 6 PROFIT BEFORE TAX

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
The following items have been charged/(credited) in arriving at profit before tax from operations:				
Inventories consumed and recognised as cost of sales	136,147,307	121,596,960	0	0
Cost of equipment and services	396,124,879	386,132,445	0	0
Purchase of products, parts and consumable	50,950,353	39,747,311	0	0
Inter-company interest income	0	0	0	(116,629)
Impairment for:				
- trade receivables				
- impairment	0	1,235,273	0	0
- write back of impairment	(1,053,428)	(465,385)	0	0
- contract assets				
- impairment	869,200	0	0	0
- other receivables				
- impairment	2,461,116	26,468	0	0
- write back of impairment	(70,027)	0	0	0
- write off	300	0	0	0
- amounts due from subsidiaries				
- impairment	0	0	300,000	600,000
Property, plant and equipment:				
- write off	8,810	54,809	0	0
Intangible assets:				
- write off	0	528	0	526
Depreciation:				
- property, plant and equipment	29,996,917	32,922,839	601,405	571,569
- investment properties	23,576	23,576	0	0
Amortisation of intangible assets	32,330	23,060	32,330	21,493
Amortisation of government grants	(36,365)	(53,010)	0	0
Liquidated damages:				
- provision	2,057,516	1,799,188	0	0
- write back	(423,168)	(98,600)	0	0
Loss on liquidation of subsidiaries	1,363,297	0	0	0

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 6 PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 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	604,059	518,844	221,397	161,550
- audit related services	179,242	174,022	179,242	174,022
Fees to member firms of PricewaterhouseCoopers PLT, Malaysia				
- non-audit related services*:	65,406	132,016	10,050	71,796
Fee to PricewaterhouseCoopers ABAS Ltd.:				
- statutory audit service	16,188	16,400	0	0
(Gain)/loss on foreign exchange:				
- realised	(3,843,562)	(2,205,557)	7,360	(3,728)
- unrealised	2,758,638	(888,299)	0	0
Net fair value gain on forward foreign currency exchange contracts	(4,075,425)	(940,077)	0	0
Inventories				
- impairment	4,557,527	2,901,033	0	0
- write back	(3,229,597)	(725,838)	0	0
- write off	211,787	254,597	0	0
Foreseeable loss:				
- write back	0	(106,807)	0	0
Interest income	(6,487,135)	(5,092,205)	(344,126)	(268,470)
Rental expense:				
- business premises	2,302,937	2,329,367	0	0
- equipment	16,780,743	6,816,082	34,705	5,127
Staff cost (including Executive Directors' remuneration as disclosed in Note 7)				
- wages, salaries and others	103,890,898	93,326,823	22,481,682	20,103,007
- defined contribution plan	11,427,733	9,014,051	2,428,924	2,158,459
Subcontractor cost	599,990	444,175	0	0
Fair value gain on financial assets at FVTPL	(1,006,530)	0	(145,969)	0

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 6 PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
The following items have been charged/(credited) in arriving at profit before tax from operations (continued):				
Gain on disposal of property, plant and equipment	(65,703)	(57,867)	(113,300)	(661)
Gain on lease termination of right-of-use assets	(276)	0	0	0

\* Non audit services comprise mainly tax services.

## 7 DIRECTORS' REMUNERATION

The aggregate amounts of emoluments received and receivable by Directors of the Company during the financial year are as follows:

	Company	
	2024 RM	2023 RM
Executive Director:		
- salaries and bonuses	1,899,032	1,805,000
- defined contribution plan	308,515	292,350
- other emoluments	158,513	144,986
- estimated monetary value of benefits-in-kind	24,782	78,934
	2,390,842	2,321,270
Non-Executive Directors:		
- fees	1,214,967	1,150,383
- other emoluments	436,000	322,850
- estimated monetary value of benefits-in-kind	58,354	82,120
	1,709,321	1,555,353
	4,100,163	3,876,623

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 8 FINANCE COST

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest on revolving credit facility	210,033	38,568	0	38,568
Interest on term loans	169,191	54,554	0	0
Interest on lease liabilities on right-of-use assets	107,172	105,384	42	235
	486,396	198,506	42	38,803

During the current financial year, finance cost incurred of RM Nil (2023: RM38,568) at the Company level had been re-charged to its subsidiaries for the utilisation of the revolving credit facility.

## 9 TAX EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax:				
- Malaysian tax	37,742,955	28,266,431	968,294	718,261
Over provision in prior financial years:				
- Malaysian tax	(243,449)	(286,250)	(138,618)	(216,354)
- Foreign tax	0	(488,321)	0	0
Deferred tax (Note 28):				
- Origination and reversal of temporary differences	(2,143,933)	(5,923,973)	(275,330)	(304,714)
- (Over)/under recognition of prior financial year temporary differences	(99,846)	(2,122)	(103,567)	104,950
	35,255,727	21,565,765	450,779	302,143

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 9 TAX EXPENSE (CONTINUED)

The explanation of the relationship between tax expense and profit before tax is as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
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	3	3	2	3
- income not subject to tax	(1)	(2)	(24)	(25)
- share of results of associate and joint venture	(1)	(2)	0	0
- deferred tax assets not recognised	1	3	0	0
- over provision in prior financial years	0	(1)	(1)	(1)
Effective tax rate	26	25	1	1

## 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.

	Group	
	2024 RM	2023 RM
Profit for the financial year attributable to equity holders of the Company	74,154,450	45,735,036
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)	18.47	11.39



# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 11 DIVIDENDS

The dividends paid or declared by the Company during the financial year are as set out below.

	2024		2023	
	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 2022</u>				
Second interim single tier dividend, on 401,553,500 ordinary shares, paid on 30 March 2023	0	0	3.25	13,050,489
<u>In respect of the financial year ended 31 December 2023</u>				
First interim single tier dividend, on 401,553,500 ordinary shares, paid on 29 September 2023	0	0	2.00	8,031,070
Second interim single tier dividend, on 401,553,500 ordinary shares, paid on 29 March 2024	3.70	14,857,480	0	0
<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	4.00	16,062,140	0	0
		30,919,620		21,081,559

The Directors had on 28 February 2025 declared a second interim single tier dividend of 5.30 sen per share in respect of the financial year ended 31 December 2024, totalling RM21,282,336 payable on 28 March 2025.

Total dividend for the financial year ended 31 December 2024 is 9.30 sen (2023: 5.70 sen) based on ordinary shares of 401,553,500 (2023: 401,553,500).

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2024.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 12 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land RM	Leasehold buildings renovations and improvements RM	Office equipment, furniture and fittings RM	Plant, machinery and other equipment RM	Motor vehicles RM	Total RM
<u>Financial year ended 31 December 2024</u>						
<u>Net book value</u>						
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
<u>At 31 December 2024</u>						
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
<u>At 31 December 2023</u>						
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 2024

## 12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Leasehold land RM	Leasehold buildings renovations and improvements RM	Office equipment, furniture and fittings RM	Plant, machinery and other equipment RM	Motor vehicles RM	Total RM
<u>Financial year ended</u> <u>31 December 2023</u>						
<u>Net book value</u>						
At 1 January 2023	2,764,848	4,150,875	2,636,114	100,217,973	521,004	110,290,814
Additions	0	3,199,061	1,168,023	8,525,853	943,692	13,836,629
Written off	0	0	(34)	(54,775)	0	(54,809)
Disposals	0	0	(4,776)	0	0	(4,776)
Depreciation charge	(87,758)	(1,480,066)	(1,053,247)	(29,955,075)	(346,693)	(32,922,839)
At 31 December 2023	2,677,090	5,869,870	2,746,080	78,733,976	1,118,003	91,145,019
<u>At 31 December 2023</u>						
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
<u>At 31 December 2022</u>						
Cost	4,387,284	33,044,715	13,014,120	404,064,679	3,259,560	457,770,358
Accumulated depreciation	(1,622,436)	(25,626,626)	(10,378,006)	(271,505,832)	(2,738,556)	(311,871,456)
Accumulated impairment	0	(3,267,214)	0	(32,340,874)	0	(35,608,088)
Net book value	2,764,848	4,150,875	2,636,114	100,217,973	521,004	110,290,814

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Leasehold land RM	Leasehold buildings renovations and improvements RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
<u>Financial year ended 31 December 2024</u>					
<u>Net book value</u>					
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
<u>At 31 December 2024</u>					
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
<u>At 31 December 2023</u>					
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 2024

## 12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Leasehold land RM	Leasehold buildings renovations and improvements RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
<u>Financial year ended</u>					
<u>31 December 2023</u>					
<u>Net book value</u>					
At 1 January 2023	1,764,202	916,655	641,847	112,759	3,435,463
Additions	0	254,624	216,951	702,081	1,173,656
Depreciation charge	(48,892)	(45,653)	(364,264)	(112,760)	(571,569)
At 31 December 2023	1,715,310	1,125,626	494,534	702,080	4,037,550
<u>At 31 December 2023</u>					
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
<u>At 31 December 2022</u>					
Cost	2,444,000	4,179,198	2,501,320	965,683	10,090,201
Accumulated depreciation	(679,798)	(3,262,543)	(1,859,473)	(852,924)	(6,654,738)
Net book value	1,764,202	916,655	641,847	112,759	3,435,463

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

\* Included in the property, plant and equipment are rights-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
<u>2024</u>						
<u>Net book value</u>						
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
<u>2023</u>						
<u>Net book value</u>						
At 1 January	2,764,848	2,453,661	1,608,663	358,892	27,625	7,213,689
Additions	0	0	1,743,578	21,508	0	1,765,086
Depreciation charge	(87,758)	(171,203)	(1,195,561)	(157,029)	(22,101)	(1,633,652)
At 31 December	2,677,090	2,282,458	2,156,680	223,371	5,524	7,345,123
Cost	4,387,284	5,880,747	4,918,442	888,915	44,202	16,119,590
Accumulated Depreciation	(1,710,194)	(3,598,289)	(2,761,762)	(665,544)	(38,678)	(8,774,467)
At 31 December	2,677,090	2,282,458	2,156,680	223,371	5,524	7,345,123

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

\* Included in the property, plant and equipment are rights-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
<u>2024</u>				
<u>Net book value</u>				
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
<u>Cost</u>				
At 1 January	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
<u>2023</u>				
<u>Net book value</u>				
At 1 January	1,764,202	916,650	118,188	2,799,040
Additions	0	0	21,508	21,508
Depreciation charge	(48,892)	(26,190)	(48,092)	(123,174)
At 31 December	1,715,310	890,460	91,604	2,697,374
<u>Cost</u>				
At 1 January	2,444,000	1,309,500	212,176	3,965,676
Accumulated depreciation	(728,690)	(419,040)	(120,572)	(1,268,302)
At 31 December	1,715,310	890,460	91,604	2,697,374

The Group's net book value of motor vehicles acquired under hire purchase arrangement amounted to RM Nil (2023: RM5,524) as at financial year end.



# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Group	
	2024 RM	2023 RM
Net book value of property, plant and equipment of the Group pledged as security:		
- long term leasehold land	922,917	961,783
- long term leasehold buildings	449,231	467,554
- office equipment and furniture and fittings	519,798	0
- plant, machinery and other equipment	74,185,062	0
	76,077,008	1,429,337

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	
	2024 RM	2023 RM	2024 RM	2023 RM
Purchase of property, plant and equipment	29,510,969	12,071,543	449,646	1,152,148
Add: Advance payment for property, plant and equipment made during current financial year	5,876,757	0	0	0
Net cash outflow	35,387,726	12,071,543	449,646	1,152,148

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 solid control business, the Group has performed an impairment assessment on these plant and equipment in the Oilfield Integrated Services segment based on the smallest identifiable cash generating unit ("CGU").

Based on the impairment assessment performed on solid control assets of the segment, no impairment is required during the financial year.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 13 INVESTMENT PROPERTIES

	Group	
	2024 RM	2023 RM
<u>Net book value</u>		
At 1 January	676,546	700,122
Depreciation charge	(23,576)	(23,576)
At 31 December	652,970	676,546
Cost	1,178,764	1,178,764
Accumulated depreciation	(494,331)	(470,755)
Accumulated impairment loss	(31,463)	(31,463)
	652,970	676,546
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	
	2024 RM	2023 RM
Rental income	85,152	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 2024

## 14 INTANGIBLE ASSETS

Group	Goodwill RM	Contracts RM	Software costs RM	Total RM
<u>2024</u>				
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
<u>2023</u>				
At 1 January	108,997	0	102,889	211,886
Written off	0	0	(528)	(528)
Amortisation	0	0	(23,060)	(23,060)
At 31 December	108,997	0	79,301	188,298
Cost	108,997	3,953,810	2,393,292	6,456,099
Accumulated amortisation	0	(3,953,810)	(2,313,991)	(6,267,801)
At 31 December	108,997	0	79,301	188,298

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 14 INTANGIBLE ASSETS (CONTINUED)

Company	Software costs RM	Total RM
<u>2024</u>		
At 1 January	79,279	79,279
Reclassification	(4,240)	(4,240)
Amortisation	(32,330)	(32,330)
At 31 December	42,709	42,709
Cost	192,958	192,958
Accumulated amortisation	(150,249)	(150,249)
	42,709	42,709
<u>2023</u>		
At 1 January	101,298	101,298
Written off	(526)	(526)
Amortisation	(21,493)	(21,493)
At 31 December	79,279	79,279
Cost	192,958	192,958
Accumulated amortisation	(113,679)	(113,679)
	79,279	79,279

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 15 SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Unquoted shares at cost	132,384,848	146,217,367
Less: Impairment loss	0	(13,832,519)
	132,384,848	132,384,848

Details of subsidiaries, the Company'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:

	Company	
	2024 RM	2023 RM
At 1 January	13,832,519	13,832,519
Written off during the financial year*	(13,832,519)	0
At 31 December	0	13,832,519

\* The cost of investment in Deleum Services Holdings Limited has been written off during the 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.	Other individually immaterial subsidiary	Total
In RM					
<u>Financial year ended</u> <u>31 December 2024</u>					
NCI percentage of ownership interest and voting interest	49%	10%	13.33%		
Carrying amount of NCI	27,921,329	7,759,550	(84,420)	(494,995)	35,101,464
<u>Financial year ended</u> <u>31 December 2023</u>					
NCI percentage of ownership interest and voting interest	49%	26%	13.33%		
Carrying amount of NCI	18,242,711	13,595,175	972,481	250,375	33,060,742

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 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.	
	For the financial year ended 31 December		For the financial year ended 31 December		For the financial year ended 31 December	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	143,274,859	109,347,255	540,075,093	522,944,239	24,775,433	5,300,773
Profit/(loss) before tax	55,047,127	31,961,368	42,583,648	33,429,898	(7,926,741)	(9,249,361)
Tax (expense)/credit	(13,294,845)	(7,857,542)	(10,881,283)	(7,787,588)	0	570,755
Profit/(loss) for the financial year/ Total comprehensive income/ (loss) for the financial year	41,752,282	24,103,826	31,702,365	25,642,310	(7,926,741)	(8,678,606)
Total profit/(loss) allocated to NCI	20,458,618	11,810,875	7,902,872	6,667,001	(1,056,635)	(1,157,147)
Total comprehensive income/(loss) allocated to NCI	20,458,618	11,810,875	7,902,872	6,667,001	(1,056,635)	(1,157,147)
Dividends to NCI	10,780,000	9,310,000	1,662,960	1,020,760	0	0

Summarised statements of financial position

	Penaga Dresser Sdn. Bhd.		Turboservices Sdn. Bhd.		Deleum Technology Solutions Sdn. Bhd.	
	As at 31 December		As at 31 December		As at 31 December	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
<u>Current</u>						
Assets	79,354,661	55,808,336	235,601,124	185,066,403	26,854,731	12,442,154
Liabilities	(29,540,508)	(23,426,431)	(162,190,357)	(135,846,800)	(26,890,529)	(4,181,017)
Total current net assets	49,814,153	32,381,905	73,410,767	49,219,603	(35,798)	8,261,137
<u>Non-current</u>						
Assets	7,799,083	5,294,050	4,274,768	3,456,956	523,896	154,450
Liabilities	(205,690)	(20,692)	(90,038)	(387,425)	0	(744)
Total non-current net assets	7,593,393	5,273,358	4,184,730	3,069,531	523,896	153,706
Net assets	57,407,546	37,655,263	77,595,497	52,289,134	488,098	8,414,843

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 15 SUBSIDIARIES (CONTINUED)

Summarised statements of cash flows

	Penaga Dresser Sdn. Bhd.		Turboservices Sdn. Bhd.		Deleum Technology Solutions Sdn. Bhd.	
	For the financial year ended 31 December		For the financial year ended 31 December		For the financial year ended 31 December	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities						
Cash generated from/(used in) operations	46,781,461	30,395,066	6,750,536	43,423,831	(19,422,152)	111,485
Tax paid	(13,244,626)	(5,252,862)	(8,620,116)	(7,381,429)	(202,786)	(6,841,553)
Interest (paid)/received	(24,341)	(33,192)	2,143,327	1,550,333	(24,972)	(2,407)
Net cash generated from/(used in) operating activities	33,512,494	25,109,012	273,747	37,592,735	(19,649,910)	(6,732,475)
Net cash (used in)/generated from investing activities	(3,006,307)	(324,145)	617,039	(347,795)	(298,023)	124,674
Net cash (used in)/generated from financing activities	(22,466,830)	(19,339,162)	1,907,213	(14,962,336)	17,298,274	(80,036)
Net increase/(decrease) in cash and cash equivalents	8,039,357	5,445,705	2,797,999	22,282,604	(2,649,659)	(6,687,837)
Foreign currency translation	(1,299)	101,078	87,796	(398,803)	(41,274)	0
Cash and cash equivalents at beginning of the financial year	11,738,777	6,191,994	52,681,922	30,798,121	5,992,012	12,679,849
Cash and cash equivalents at end of the financial year	19,776,835	11,738,777	55,567,717	52,681,922	3,301,079	5,992,012

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 16 JOINT VENTURE

	Company	
	2024 RM	2023 RM
Unquoted shares at cost	29,375,937	29,375,937

	Group	
	2024 RM	2023 RM
Group's share of net assets of joint venture	35,913,473	35,143,972

Turboservices Overhaul Sdn. Bhd. ("TOSB") was a wholly owned subsidiary of the Group. It was incorporated in Malaysia and its main activities include the provision of gas turbine overhaul and maintenance services. In March 2015, the Group entered into a Subscription Agreement with STICO, which resulted in the Group having an equity interest of 80.55%. However, both parties' approval on relevant activities is required as stated in the Subscription Agreement. 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

	For the financial year ended	
	2024 RM	2023 RM
Revenue	4,062,536	4,562,536
Depreciation	(1,183,638)	(1,188,957)
Interest expense	(509)	(653)
Interest income	1,087,642	855,207
Profit before tax	1,267,832	1,767,138
Tax expense	(312,523)	(441,199)
Profit for the financial year/Total comprehensive income for the financial year	955,309	1,325,939



# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 16 JOINT VENTURE (CONTINUED)

Summarised statement of comprehensive income (continued)

	For the financial year ended	
	2024 RM	2023 RM
Interest in joint venture (80.55%)		
Share of results for the financial year	769,501	1,068,044
Others	0	(4,206)
	769,501	1,063,838

Summarised statement of financial position

	As at 31 December	
	2024 RM	2023 RM
<u>Current</u>		
Cash and bank balances	35,615,787	33,912,068
Other current assets (excluding cash and bank balances)	511,085	225,863
Total current assets	36,126,872	34,137,931
Financial liabilities (excluding trade payables)	(293,553)	(346,572)
Other current liabilities (including trade payables)	(592,193)	(390,993)
Total current liabilities	(885,746)	(737,565)
<u>Non-current</u>		
Assets	9,851,751	10,884,478
Liabilities	(507,559)	(654,835)
Net assets	44,585,318	43,630,009

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 16 JOINT VENTURE (CONTINUED)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint venture.

	As at 31 December	
	2024 RM	2023 RM
Opening net assets		
1 January	43,630,009	42,309,291
Other adjustments	0	(5,221)
Profit for the financial year	955,309	1,325,939
Closing net assets		
31 December	44,585,318	43,630,009
Interest in joint venture (80.55%)	35,913,473	35,143,972
Carrying value	35,913,473	35,143,972

## 17 ASSOCIATE

	Group	
	2024 RM	2023 RM
Group's share of net assets of associate	23,204,562	22,803,933

In the opinion of the Directors, as at 31 December 2024, 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.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 17 ASSOCIATE (CONTINUED)

Summarised statement of comprehensive income

	MMC	
	For the financial year ended	
	2024 RM	2023 RM
Revenue	49,362,268	40,252,985
Depreciation	(7,066,876)	(7,992,247)
Profit before tax	25,012,617	17,610,663
Tax expense	(5,747,787)	(3,101,874)
Profit for the financial year/Total comprehensive income for the financial year	19,264,830	14,508,789
Interest in associate (32%)		
Share of results for the financial year	6,164,746	4,642,812
Others	(4,116)	0
	6,160,630	4,642,812
Dividends receivable/distribution of net asset surplus from associate	5,760,000	5,760,000

Summarised statement of financial position

	MMC	
	As at 31 December	
	2024 RM	2023 RM
<u>Current</u>		
Cash and bank balances	3,621,116	20,516,950
Other current assets (excluding cash and bank balances)	33,235,553	13,718,103
Total current assets	36,856,669	34,235,053
Financial liabilities (excluding trade payables)	(3,594,630)	(3,276,429)
Other current liabilities (including trade payables)	(2,593,672)	(2,436,950)
Total current liabilities	(6,188,302)	(5,713,379)
<u>Non-current</u>		
Assets	48,247,656	50,412,312
Liabilities	(6,401,766)	(7,671,695)
Net assets	72,514,257	71,262,291

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 17 ASSOCIATE (CONTINUED)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associate.

	MMC	
	2024 RM	2023 RM
Opening net assets		
1 January	71,262,291	74,753,502
Other adjustments	(12,864)	0
Profit for the financial year	19,264,830	14,508,789
Dividends	(18,000,000)	(18,000,000)
Closing net assets		
31 December	72,514,257	71,262,291
Interest in associate (32%)	23,204,562	22,803,933
Carrying value	23,204,562	22,803,933

## 18 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	Group	
	2024 RM	2023 RM
<u>Financial assets at FVOCI</u>		
Unquoted shares outside Malaysia	6,515,463	1,166,750

Financial assets at FVOCI mainly represents the strategic investment for which the Group considers this classification to be appropriate and relevant.

The carrying values of investments in unquoted shares approximate fair value determined based on the latest transaction price for the same investment by a third party investor. 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	
	2024 RM	2023 RM
At 1 January	1,166,750	0
Addition on investments during the financial year	5,348,713	1,166,750
At 31 December	6,515,463	1,166,750

Sensitivity analysis for investments in unquoted shares is not disclosed as it is not material to the Group.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 19 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2024 RM	2023 RM
<u>Non-current:</u>		
Amounts due from subsidiaries	18,151,146	16,420,361
Less: Impairment of amounts due from subsidiaries	(1,359,441)	(1,065,710)
	16,791,705	15,354,651
<u>Current:</u>		
Amounts due from subsidiaries	47,462,512	34,855,684
Less: Impairment of amounts due from subsidiaries	(540,559)	(534,290)
	46,921,953	34,321,394
Amounts due to subsidiaries	(8,899,783)	(3,935,380)

Movement in impairment of amounts due from subsidiaries is as follows:

	Company	
	2024 RM	2023 RM
At 1 January	1,600,000	1,000,000
Impairment made during the financial year	300,000	600,000
At 31 December	1,900,000	1,600,000

Except as mentioned above, 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.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 20 INVENTORIES

	Group	
	2024 RM	2023 RM
At cost:		
Finished goods	27,567,821	25,730,941
Work in progress	1,754,365	0
Goods in transit	30,577,920	6,360,200
Less: Allowance for slow moving inventories	(14,479,429)	(14,355,037)
	45,420,677	17,736,104

Included in costs of sales are inventories consumed and recognised as cost of sales during the financial year of RM136,147,307 (2023: RM121,596,960).

Movement in allowance for slow moving inventories is as follows:

	Group	
	2024 RM	2023 RM
At 1 January	14,355,037	12,179,842
Allowance made during the financial year	4,557,527	2,901,033
Reversal of allowance made during the financial year	(3,229,597)	(725,838)
Written off during the financial year	(1,203,538)	0
At 31 December	14,479,429	14,355,037

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 21 RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Non-current:</u>				
Other receivables	4,182,900	3,992,366	0	0
Less: Impairment of other receivable	(4,182,900)	(1,798,715)	0	0
	0	2,193,651	0	0
Prepayments*	9,503,799	458,936	0	0
	9,503,799	2,652,587	0	0
<u>Current:</u>				
Trade receivables	126,236,694	116,493,956	0	0
Less: Impairment of trade receivables	(473,700)	(1,527,128)	0	0
Trade receivables, net	125,762,994	114,966,828	0	0
Contract assets	172,253,597	90,597,444	0	0
Less: Impairment of contract assets	(869,200)	0	0	0
Contract assets, net	171,384,397	90,597,444	0	0
Other receivables	838,890	612,543	11,212	14,533
Less: Impairment of other receivables	(10,470)	(3,566)	0	0
	828,420	608,977	11,212	14,533
Deposits	1,965,986	1,552,149	35,335	35,335
Prepayments**	13,108,912	17,498,377	1,203,014	646,706
	15,903,318	19,659,503	1,249,561	696,574
	313,050,709	225,223,775	1,249,561	696,574

\* The Group's non-current prepayments include an advance payment of RM5.9 million for property, plant, and equipment, as well as an advance of RM3.1 million to OSA Industries Pte. Ltd. as part of the Share Purchase Agreement dated 5 December 2024.

\*\* The Group's current prepayments include advance to trade suppliers amounting to RM4.8 million (2023: RM13.1 million) and other prepayments to non-trade suppliers of RM8.3 million (2023: RM4.4 million).

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 21 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

### Other receivables

Included in 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 back 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. An impairment loss made in the financial year ended 31 December 2024 and 31 December 2023 is as follows:

	Group	
	2024 RM	2023 RM
At 1 January	1,802,281	1,775,813
Impairment made during the financial year	2,448,646	26,468
Reversal of impairment losses	(68,027)	0
At 31 December	4,182,900	1,802,281

The maturity profile of other receivable can be analysed as follows:

	Group	
	2024 RM	2023 RM
Due after 12 months	0	2,193,651
Due within 12 months	68,027	268,910

### Deposits

Other receivables, deposits and prepayments are non-trade in nature, unsecured, interest free and payable on demand.



# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 21 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

The currency profile of other receivables, deposits and prepayments is as follows:

	Group	
	2024 RM	2023 RM
- Ringgit Malaysia	25,162,612	19,787,195
- Euro	68,027	2,462,561
- US Dollar	31,570	44,752
- Indonesian Rupiah	42,107	17,582
- Thailand Baht	102,801	0
	25,407,117	22,312,090

Other receivables, deposits and prepayments of the Company are denominated in Ringgit Malaysia.

Movement of impairment of other receivables is as follows:

	Group	
	2024 RM	2023 RM
At 1 January	1,802,281	1,775,813
Impairment made during the financial year	2,461,116	26,468
Reversal of impairment losses	(70,027)	0
At 31 December	4,193,370	1,802,281

### Trade receivables

The currency profile of trade receivables is as follows:

	Group	
	2024 RM	2023 RM
- Ringgit Malaysia	64,523,022	60,299,173
- US Dollar	59,182,646	49,253,129
- Sterling Pound	1,549,620	4,179,267
- Indonesian Rupiah	329	759,895
- Euro	507,377	475,364
	125,762,994	114,966,828

Credit terms of trade receivables range from 30 to 120 days (2023: 30 to 90 days) and trade receivables are non-interest bearing. They are recognised at their original invoice amounts which represent their transaction price on initial recognition.

58% of the Group's trade receivables as at 31 December 2024 (2023: 62%) relates to 5 (2023: 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.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 21 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

### Trade receivables (continued)

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2024 RM	2023 RM
Neither past due nor impaired	83,044,844	91,025,333
1 to 30 days past due not impaired	29,802,733	15,153,024
31 to 60 days past due not impaired	5,003,625	1,227,000
61 to 90 days past due not impaired	4,699,450	2,676,170
91 to 120 days past due not impaired	1,135,471	2,254,939
More than 121 days past due not impaired	2,076,871	2,630,362
Past due and impaired:		
More than 121 days past due and impaired	473,700	1,527,128
	126,236,694	116,493,956
Less: Impairment of receivables	(473,700)	(1,527,128)
	125,762,994	114,966,828

### 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 RM42,718,150 (2023: RM23,941,495) 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.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 21 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

Trade receivables (continued)

Receivables that are not past due but impaired

Trade receivables that are not past due but impaired are specific debtors that are identified in which collection are in doubt.

Movement in impairment of trade receivables is as follows:

	Group	
	2024 RM	2023 RM
At 1 January	1,527,128	977,440
Impairment made during the financial year	0	1,235,273
Written off during the financial year	0	(220,200)
Reversal of impairment losses	(1,053,428)	(465,385)
At 31 December	473,700	1,527,128

All impaired trade receivables are individually assessed. These receivables are not secured by collateral or credit enhancements.

Contract assets

	Group	
	2024 RM	2023 RM
Accrued revenue	166,035,406	85,839,725
Less: Impairment of accrued revenue	(869,200)	0
Accrued revenue, net (note(a))	165,166,206	85,839,725
Retention sum (note(a))	6,119,953	4,757,719
	171,286,159	90,597,444
Deferred costs (note(b))	98,238	0
	171,384,397	90,597,444

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 RM80.7 million due to unbilled amount on goods delivered and services performed, offset by amount transferred to trade receivables when the billing milestone is met.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 21 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

Contract assets of which performance obligations have been satisfied (continued)

### a. Accrued revenue and retention sum (continued)

The Group's movement in contract assets consisting of accrued revenue and retention sum is summarised as follows:

	Group	
	2024 RM	2023 RM
At 1 January	90,597,444	178,605,478
Revenue recognised during the financial year	825,384,121	716,810,040
Transferred to receivables	(743,826,206)	(804,818,074)
Impairment during the financial year	(869,200)	0
At 31 December	171,286,159	90,597,444

The currency profile of contract assets consisting of accrued revenue and retention sum is as follows:

	Group	
	2024 RM	2023 RM
- Ringgit Malaysia	84,031,252	68,844,090
- US Dollar	86,863,132	21,546,034
- Indonesian Rupiah	173,461	101,152
- Euro	218,314	6,268
- Sterling Pound	0	99,900
	171,286,159	90,597,444

Movement in impairment of contract assets consisting of accrued revenue and retention sum is as follows:

	Group	
	2024 RM	2023 RM
At 1 January	0	0
Impairment made during the financial year	869,200	0
At 31 December	869,200	0

### b. Deferred costs

Deferred costs 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 deferred costs shall be recognised as cost of sales only when the performance obligation is satisfied.

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 deferred costs and revenue respectively as these performance obligations are part of contracts that have an original expected duration of one year or less.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 22 AMOUNTS DUE FROM AN ASSOCIATE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Amounts due from an associate	1,280,000	0	0	0

Included in the amounts due from an associate is dividend receivable of RM1,280,000 (2023: RM Nil).

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	
	2024 RM	2023 RM	2024 RM	2023 RM
Amounts due from a joint venture	535,556	369,035	532,954	365,000

The amounts due from a joint venture are unsecured, interest free, repayable on demand and are denominated in Ringgit Malaysia.

## 24 CASH AND BANK BALANCES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Non-current:</u>				
Deposits pledged as security	3,852,686	0	0	0
Total cash and bank balances	3,852,686	0	0	0
<u>Current:</u>				
Cash and cash equivalents*	188,451,505	198,243,766	9,995,391	12,333,078
Add:				
Cash held in a designated account	419,372	0	0	0
Deposits pledged as security	6,534,897	17,635,774	0	0
Total cash and bank balances	195,405,774	215,879,540	9,995,391	12,333,078
	199,258,460	215,879,540	9,995,391	12,333,078
<u>Represented by:</u>				
Deposits with licensed banks	177,489,758	203,646,150	9,965,000	12,305,000
Cash and bank balances	21,768,702	12,233,390	30,391	28,078
Total cash and bank balances	199,258,460	215,879,540	9,995,391	12,333,078

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 24 CASH AND BANK BALANCES (CONTINUED)

The currency profile of cash and bank balances is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
- Ringgit Malaysia	195,177,551	210,893,133	9,995,391	12,333,078
- US Dollar	3,991,887	4,876,115	0	0
- Thai Baht	26,397	102,704	0	0
- Indonesia Rupiah	62,625	7,588	0	0
	199,258,460	215,879,540	9,995,391	12,333,078

The range of interest rate (per annum) and maturity periods of the deposits are as follows:

	Group		Company	
	2024	2023	2024	2023
Interest rate (%)	1.50 - 4.78	2.00 - 4.83	2.45 - 3.00	2.30 - 2.85
Maturities (days)	1 - 731	1 - 731	1 - 41	1 - 37

Cash held in a designated account was an escrow account required by the terms of the term loans undertaken by subsidiary companies (Note 25).

\* Included in cash and cash equivalents of the Group and of the Company as at 31 December 2024 are cash in hand of RM29,412 (2023: RM30,969) and RM1,170 (2023: RM957) respectively.

## 25 BORROWINGS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revolving credits	5,000,000	0	0	0
Lease liabilities on right-of-use assets	2,111,768	2,410,087	135,783	93,756
Term loans	8,000,000	0	0	0
	15,111,768	2,410,087	135,783	93,756
Less: amount repayable within 12 months				
Revolving credits	(5,000,000)	0	0	0
Lease liabilities on right-of-use assets	(1,166,971)	(1,515,242)	(37,011)	(28,790)
Term loans	(1,176,000)	0	0	0
	(7,342,971)	(1,515,242)	(37,011)	(28,790)
Amount repayable after 12 months	7,768,797	894,845	98,772	64,966

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 25 BORROWINGS (CONTINUED)

### (a) Term loans (secured)

The above term loans were structured as follows:

	Group	
	2024 RM	2023 RM
Term loan – TL 1	8,000,000	0

#### 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 13<sup>th</sup> 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 time in that account. The balance in the escrow account as at 31 December 2024 is RM419,372 (2023: RM Nil) (Note 24).

The period in which the term loans of the Group attain maturity is as follows:

	Group	
	2024 RM	2023 RM
Not later than 1 year	1,176,000	0
Later than 1 year but not later than 2 years	2,016,000	0
Later than 2 years but not later than 5 years	4,808,000	0
	8,000,000	0

### (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 4.14% (0.85% per annum above the KLIBOR) (2023: 4.61%). 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 RM136,000,000 furnished by the Company and another subsidiary of the Group respectively.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 25 BORROWINGS (CONTINUED)

### (c) Lease liabilities

#### Lease liabilities on right-of-use assets

	Group	
	2024 RM	2023 RM
<u>Future minimum lease payments on right-of-use assets and hire purchase:</u>		
Not later than 1 year	1,227,401	1,609,106
Later than 1 year but not later than 2 years	751,876	869,539
Later than 2 years but not later than 5 years	232,462	64,580
	2,211,739	2,543,225
Less: Future finance charges	(99,971)	(133,138)
Present value of lease liabilities and hire purchase	2,111,768	2,410,087
<u>Analysis of present value of lease liabilities on right-of-use assets and hire purchase:</u>		
Not later than 1 year	1,166,971	1,515,242
Later than 1 year but not later than 2 years	726,642	832,409
Later than 2 years but not later than 5 years	218,155	62,436
	2,111,768	2,410,087
<u>Analysed as:</u>		
Due within 12 months	1,166,971	1,515,242
Due after 12 months	944,797	894,845
	2,111,768	2,410,087

The lease liabilities on right-of-use assets carry interest rates ranging from 2.46% to 4.68% (2023: 2.55% to 4.68%).



# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 25 BORROWINGS (CONTINUED)

### (c) Lease liabilities (continued)

#### Lease liabilities on right-of-use assets (continued)

	Company	
	2024 RM	2023 RM
<u>Future minimum lease payments on right-of-use assets:</u>		
Not later than 1 year	41,640	31,624
Later than 1 year and not later than 2 years	41,640	23,760
Later than 2 years but not later than 5 years	62,742	44,780
	146,022	100,164
Less: Future finance charges	(10,239)	(6,408)
Present value of lease liabilities	135,783	93,756
<u>Analysis of present value of lease liabilities on right-of-use assets:</u>		
Not later than 1 year	37,011	28,790
Later than 1 year and not later than 2 years	38,450	21,775
Later than 2 years but not later than 5 years	60,322	43,191
	135,783	93,756
<u>Analysed as:</u>		
Due within 12 months	37,011	28,790
Due after 12 months	98,772	64,966
	135,783	93,756

The lease liabilities on right-of-use assets carry interest rates ranging from 3.41% - 3.82% (2023: 3.41% - 4.40%).

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 25 BORROWINGS (CONTINUED)

### (d) Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	Other borrowings* RM	Lease liabilities on right-of-use assets RM	Total RM
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
As at 1 January 2023	6,780,000	2,007,192	8,787,192
Cash flows:			
- Repayments	(6,780,000)	(1,362,191)	(8,142,191)
- Interest paid	(93,122)	(105,384)	(198,506)
Non-cash changes:			
- Finance costs	93,122	105,384	198,506
- Acquisition of new leases	0	1,765,086	1,765,086
As at 31 December 2023	0	2,410,087	2,410,087

\* Other borrowings include revolving credits and term loans.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 25 BORROWINGS (CONTINUED)

(d) Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

Company	Other borrowings* RM	Lease liabilities on right-of-use assets RM	Total RM
As at 1 January 2024	0	93,756	93,756
Cash flows:			
- Repayments	0	(38,602)	(38,602)
- Interest paid	0	(4,942)	(4,942)
Non-cash changes:			
- Finance costs	0	42	42
- Finance costs re-charged to subsidiaries	0	4,900	4,900
- Acquisition of new leases	0	80,629	80,629
As at 31 December 2024	0	135,783	135,783
As at 1 January 2023	2,580,000	120,091	2,700,091
Cash flows:			
- Repayments	(2,580,000)	(47,843)	(2,627,843)
- Interest paid	(38,568)	(4,435)	(43,003)
Non-cash changes:			
- Finance costs	38,568	235	38,803
- Finance costs re-charged to subsidiaries	0	4,200	4,200
- Acquisition of new leases	0	21,508	21,508
As at 31 December 2023	0	93,756	93,756

\* Other borrowings include revolving credits.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 26 DERIVATIVE FINANCIAL INSTRUMENT

Movement in derivative assets/(liabilities) are as follows:

	Group	
	2024 RM	2023 RM
<u>Assets/(liabilities)</u>		
As at 1 January	(338,086)	(1,512,231)
Changes in fair value (Note 6)	4,075,425	940,077
Settlement during the financial year	(3,636,909)	234,068
As at 31 December	100,430	(338,086)

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 2 to 102 days (2023: 4 to 184 days). As at the reporting date, the notional principal amount of the outstanding forward foreign currency exchange contracts was RM14,917,218 (2023: RM28,005,339).

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 gain arising from the forward foreign currency exchange contracts entered by the Group and remained outstanding as at 31 December 2024 is RM100,430 (2023: fair value loss of RM338,086).

## 27 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables	148,052,481	95,671,053	0	0
Contract liabilities	2,900,114	19,475,080	0	0
Other payables	17,120,944	7,574,979	1,353,956	426,660
Staff related accruals	23,582,378	18,189,449	5,114,207	4,510,237
Other accruals	7,980,870	8,575,296	427,161	514,964
	31,563,248	26,764,745	5,541,368	5,025,201
	48,684,192	34,339,724	6,895,324	5,451,861
	199,636,787	149,485,857	6,895,324	5,451,861

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 27 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES (CONTINUED)

The currency profile of trade payables is as follows:

	Group	
	2024 RM	2023 RM
- Ringgit Malaysia	21,722,971	22,143,199
- US Dollar	125,817,952	73,121,928
- Singapore Dollar	3,088	16,286
- Sterling Pound	3,442	72,884
- Euro Dollar	505,028	53,115
- Indonesian Rupiah	0	261,615
- Japanese Yen	0	2,026
	148,052,481	95,671,053

The currency profile of other payables is as follows:

	Group	
	2024 RM	2023 RM
- Ringgit Malaysia	42,560,797	32,361,592
- US Dollar	6,045,122	1,918,076
- Indonesian Rupiah	3,368	5,938
- Thai Baht	74,905	34,542
- Sterling Pound	0	19,122
- Singapore Dollar	0	454
	48,684,192	34,339,724

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 (2023: 30 to 60 days).

Contract liabilities have decreased by RM16.6 million due to the recognition of revenue during the financial year on the prior financial year contract liabilities, on which the performance obligation has been satisfied. This decrease is offset by 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 currency profile of contract liabilities is as follows:

	Group	
	2024 RM	2023 RM
- Ringgit Malaysia	303,279	1,579,422
- US Dollar	2,596,835	17,842,661
- Indonesian Rupiah	0	52,997
	2,900,114	19,475,080

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 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	
	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax assets	4,496,662	5,974,485	1,687,774	1,308,877
Deferred tax liabilities	(8,736,285)	(12,458,439)	0	0
At 1 January	(6,483,954)	(12,410,049)	1,308,877	1,109,113
Credited/(charged) to profit or loss (Note 9)				
- property, plant and equipment	2,292,545	2,214,457	101,223	(36,651)
- unutilised tax losses	71,427	0	0	0
- inventories	411,267	597,152	0	0
- deferred cost	1,267,099	(1,903,908)	0	0
- deferred revenue	(3,764,634)	4,188,011	0	0
- provisions	1,587,715	1,384,476	277,674	236,568
- others	378,360	(554,093)	0	(153)
	2,243,779	5,926,095	378,897	199,764
	(4,240,175)	(6,483,954)	1,687,774	1,308,877
Effects of foreign exchange rates	552	0	0	0
	(4,239,623)	(6,483,954)	1,687,774	1,308,877
<u>Recognised deferred tax assets</u>				
<u>Deferred tax assets (before offsetting)</u>				
Property, plant and equipment	72,399	0	68,504	0
Unutilised tax losses	71,979	0	0	0
Inventories	2,473,456	2,062,189	0	0
Deferred revenue	623,240	4,387,874	0	0
Provisions	5,777,433	4,189,718	1,619,270	1,341,596
Others	170,802	208,978	0	0
	9,189,309	10,848,759	1,687,774	1,341,596
Less: Offsetting	(4,692,647)	(4,874,274)	0	(32,719)
Deferred tax assets (after offsetting)	4,496,662	5,974,485	1,687,774	1,308,877

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 28 DEFERRED TAX (CONTINUED)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Recognised deferred tax liabilities</u>				
<u>Deferred tax liabilities (before offsetting)</u>				
Property, plant and equipment	(12,389,373)	(14,609,519)	0	(32,719)
Deferred cost	(1,039,559)	(2,306,658)	0	0
Others	0	(416,536)	0	0
	(13,428,932)	(17,332,713)	0	(32,719)
Less: Offsetting	4,692,647	4,874,274	0	32,719
Deferred tax liabilities (after offsetting)	(8,736,285)	(12,458,439)	0	0

### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2024 RM	2023 RM
Property, plant and equipment	3,952,592	2,509,746
Unutilised tax losses:		
- expires by YA 2028	10,565,111	6,905,858
- expires by YA 2029	1,743,549	0
- expires by YA 2030	816,921	816,921
- expires by YA 2031	1,120,939	1,120,939
- expires by YA 2032	1,809,598	1,809,598
- expires by YA 2033	7,128,794	10,917,098
- expires by YA 2034	6,169,201	0
Inventories	4,173,362	0
Deferred revenue	0	53,276
Accruals	1,078,984	8,200,719
Others	43,645	312,782
Total unrecognised temporary differences	38,602,696	32,646,937
Unrecognised deferred tax assets	9,264,647	7,835,265

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 28 DEFERRED TAX (CONTINUED)

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 indefinitely. 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 a subsidiary amounting to RM5,402,802 (2023: RM3,659,253) 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	
	2024 RM	2023 RM
<u>Non-current</u>		
As at 1 January	206,069	259,079
Recognised in profit or loss	(36,365)	(53,010)
As at 31 December	169,704	206,069

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	
	2024 RM	2023 RM
<u>Issued and fully paid ordinary shares:</u>		
At 1 January / 31 December		
- 401,553,500 ordinary shares with no par value (2023: 401,553,500 ordinary shares with no par value)	201,801,508	201,801,508

## 31 MERGER DEFICIT

	Group	
	2024 RM	2023 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 2024

## 32 FINANCIAL INSTRUMENTS

Financial instruments by category

Financial year ended 31 December 2024

Group	Financial assets at amortised cost RM	Other financial liabilities at amortised cost RM	FVTPL RM	FVOCI RM	Total RM
<u>Assets</u>					
Receivables, deposits and prepayments (excluding prepayments and contract assets)	128,557,400	0	0	0	128,557,400
Amounts due from an associate	1,280,000	0	0	0	1,280,000
Amounts due from a joint venture	535,556	0	0	0	535,556
Cash and bank balances	199,258,460	0	0	0	199,258,460
Derivative financial instrument	0	0	100,430	0	100,430
Financial assets at FVOCI	0	0	0	6,515,463	6,515,463
	329,631,416	0	100,430	6,515,463	336,247,309
<u>Liabilities</u>					
Trade and other payables (excluding statutory obligations, staff costs and contract liabilities)	0	165,082,330	0	0	165,082,330
Borrowings	0	15,111,768	0	0	15,111,768
	0	180,194,098	0	0	180,194,098

Company	Financial assets at amortised cost RM	Other financial liabilities at amortised cost RM	Total RM
<u>Assets</u>			
Receivables, deposits and prepayments (excluding prepayments and contract assets)	46,547	0	46,547
Amounts due from subsidiaries	63,713,658	0	63,713,658
Amounts due from a joint venture	532,954	0	532,954
Cash and bank balances	9,995,391	0	9,995,391
	74,288,550	0	74,288,550
<u>Liabilities</u>			
Other payables and accruals (excluding statutory obligations, staff costs, and contract liabilities)	0	1,781,117	1,781,117
Amounts due to subsidiaries	0	8,899,783	8,899,783
Borrowings	0	135,783	135,783
	0	10,816,683	10,816,683

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 32 FINANCIAL INSTRUMENTS (CONTINUED)

Financial instruments by category (continued)

Financial year ended 31 December 2023

Group	Financial assets at amortised cost RM	Other financial liabilities at amortised cost RM	FVTPL RM	FVOCI RM	Total RM
<u>Assets</u>					
Receivables, deposits and prepayments (excluding prepayments, SST receivables and contract assets)	118,862,669	0	0	0	118,862,669
Amounts due from a joint venture	369,035	0	0	0	369,035
Cash and bank balances	215,879,540	0	0	0	215,879,540
Other investment	0	0	0	1,166,750	1,166,750
	335,111,244	0	0	1,166,750	336,277,994

### Liabilities

Trade and other payables (excluding statutory obligations and contract liabilities)	0	123,473,233	0	0	123,473,233
Derivative financial instrument	0	0	338,086	0	338,086
Borrowings	0	2,410,087	0	0	2,410,087
	0	125,883,320	338,086	0	126,221,406

Company	Financial assets at amortised cost RM	Other financial liabilities at amortised cost RM	Total RM
<u>Assets</u>			
Receivables, deposits and prepayments (excluding prepayments and contract assets)	49,868	0	49,868
Amounts due from subsidiaries	49,676,045	0	49,676,045
Amounts due from a joint venture	365,000	0	365,000
Cash and bank balances	12,333,078	0	12,333,078
	62,423,991	0	62,423,991

### Liabilities

Other payables and accruals (excluding statutory obligations and contract liabilities)	0	5,124,877	5,124,877
Amounts due to subsidiaries	0	3,935,380	3,935,380
Borrowings	0	93,756	93,756
	0	9,154,013	9,154,013

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 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 include 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	
	2024 RM	2023 RM
- Management fees	31,519,800	27,818,400
- Dividend income	38,500,000	26,500,000
- Inter-company interest income	0	116,629
- Expenses paid on behalf	7,040,048	3,241,749
- Re-charge of expenses from a subsidiary	11,448,469	0

- (b) The following transactions are with a joint venture of the Group and the Company

	Group and Company	
	2024 RM	2023 RM
- Management fees	883,200	730,200
- Expenses paid on behalf	143,187	76,071

- (c) The following transactions are with a corporate shareholder and affiliated companies of a subsidiary of the Group, Turboservices Sdn. Bhd.

	Group	
	2024 RM	2023 RM
Purchases from Solar Turbines International Company ("STICO")	399,296,093	348,866,227
Purchases from affiliated companies of STICO	48,187,474	41,270,669
Technical fees to STICO	1,592,084	1,429,345
	449,075,651	391,566,241

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 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)

	Group	
	2024 RM	2023 RM
Manpower services to STICO and its affiliated companies	3,774,624	6,904,249
Rental income from an affiliated company of STICO	49,964	54,672
	3,824,588	6,958,921

Significant outstanding balances arising from the above transactions during the financial year are as follows:

	Group	
	2024 RM	2023 RM
Amounts due from STICO and its affiliated company	2,592,078	3,409,677
Amounts due to STICO and its affiliated company	112,566,599	62,064,937

- (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	
	2024 RM	2023 RM
Sales to related parties of Dresser Italia S.R.L	140,474	349,288
Purchases from Dresser Italia S.R.L	786,990	452,042
Purchases from related parties of Dresser Italia S.R.L	49,904,521	39,423,527
	50,691,511	39,875,569

Significant outstanding balances arising from the above transactions during the financial year are as follows:

	Group	
	2024 RM	2023 RM
Amounts due from related parties of Dresser Italia S.R.L	40,690	320,807
Amounts due to related parties of Dresser Italia S.R.L	11,089,014	6,089,344

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 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	
	2024 RM	2023 RM
Sales to STICO	3,500,000	4,000,000
Rental income from affiliated company of STICO	562,536	562,536
	4,062,536	4,562,536

Significant outstanding balance arising from the above transactions during the financial year is as follows:

	Group	
	2024 RM	2023 RM
Amount due from STICO and its affiliated company	152,119	0
Amount due to STICO and its affiliated company	25,181	0

- (f) The remuneration of key management personnel during the financial year is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors’ fees	511,600	585,933	511,600	585,933
Salaries and bonuses	12,234,397	10,878,224	5,591,247	5,179,060
Defined contribution plans	1,589,652	1,402,638	790,402	735,625
Other remuneration	1,319,607	1,417,220	538,375	509,146
Estimated monetary value of benefits-in-kind	218,617	366,357	115,382	197,893
	15,873,873	14,650,372	7,547,006	7,207,657

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	
	2024 RM	2023 RM
Provision for general and financial advisory services	218,342	109,097

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 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		Principal activities
		2024	2023	
		%	%	
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 *^	Hong Kong	0	100	Investment holding.
Delflow Solutions Sdn. Bhd.	Malaysia	100	100	Dormant.
Subsidiaries of <u>Deleum Services Sdn. Bhd.</u>				
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.***	Malaysia	90	74	Provision of gas turbine overhaul and technical services and supply of gas turbine parts to the oil and gas industry.
VSM Technology Sdn. Bhd.#	Malaysia	0	90	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. ##	Malaysia	100	100	Servicing, repair and maintenance of motors, generators, transformers, pumps and valves.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 34 CORPORATIONS IN THE GROUP (CONTINUED)

Name of company	Place of business/ Country of incorporation	Group's effective equity interest		Principal activities
		2024	2023	
		%	%	
<b>SUBSIDIARIES (CONTINUED):</b>				
Subsidiaries of <u>Deleum Services Sdn. Bhd (continued)</u>				
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.@	Malaysia	70	0	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.**	Malaysia	49	0	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.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 34 CORPORATIONS IN THE GROUP (CONTINUED)

Name of company	Place of business/ Country of incorporation	Group's effective equity interest		Principal activities
		2024	2023	
		%	%	
JOINT VENTURE:				
Joint venture of <u>Deleum Berhad</u>				
Turboservices Overhaul Sdn. Bhd.	Malaysia	80.55	80.55	Overhaul of gas turbine and maintenance services to oil and gas companies.
ASSOCIATE:				
Associate of <u>Deleum Services Sdn. Bhd.</u>				
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.

^ 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.

# 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.

@ 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.

\*\* 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.

## 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.

\*\*\* 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.

^^ Audited by PricewaterhouseCoopers ABAS Ltd. which is a separate and independent legal entity from PricewaterhouseCoopers PLT, Malaysia.



# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 35 CAPITAL COMMITMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Authorised and contracted for at the end of the reporting period but not yet incurred				
- Plant and machinery	5,615,880	6,563,017	0	0
- Others	443,788	497,472	0	101,330
Authorised but not contracted for at the end of the reporting period				
- Plant and machinery	49,592,061	47,444,569	0	0
- Others	6,617,700	6,078,000	1,226,000	769,500
	62,269,429	60,583,058	1,226,000	870,830
Share of capital commitment of a joint venture	891,150	905,329	0	0
	63,160,579	61,488,387	1,226,000	870,830

## 36 PERFORMANCE GUARANTEES

In the ordinary course of business, the Group has given guarantees amounting to RM56,199,205 (2023: RM35,505,696) 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").

Following through from the Settlement Agreement, the Case Management on 16 May 2024 recorded as follows:

- Plaintiff filed its Notice of Discontinuance dated 14 May 2024 for Suit 544 against the Parties without any orders to cost and without liberty to file afresh;
- Defendant No. 8 filed its Notice of Discontinuance dated 14 May 2024 for Defendant No. 8's counterclaim without any orders to cost and without liberty to file afresh;
- Defendant No. 10 filed its Notice of Discontinuance dated 14 May 2024 for Defendant No. 10's counterclaim without any orders to cost and without liberty to file afresh;
- A copy of the Notices of Discontinuance has been sent to the Parties; and
- Plaintiff paid to Defendant No. 10 the amount of RM834,225.00 on 15 May 2024.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 37 MATERIAL LITIGATION (CONTINUED)

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 RM75,000.00 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.

## 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	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and cash equivalents	188,451,505	198,243,766	9,995,391	12,333,078
Less: Total borrowings	(15,111,768)	(2,410,087)	(135,783)	(93,756)
	173,339,737	195,833,679	9,859,608	12,239,322
Total equity	498,145,876	446,451,028	226,849,313	220,440,426

The borrowings of the Group are subject to the bank's covenants as below of which the Group has complied with.

- (i) the tangible net worth shall not be less than RM50,000,000;
- (ii) the gearing ratio shall not exceed 1.5 times; and
- (iii) the debt service coverage ratio shall not be less than 1.5 times.

## 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	
	2024 RM	2023 RM
Carrying amount of shares at the date of deregistration	33	0
Less: Realisation of post-acquisition reserves		
Accumulated losses	(33)	0
Exchange translation reserve reclassified to profit or loss	1,685,963	0
Loss on liquidation of a subsidiary	1,685,963	0

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 39 CHANGES IN THE COMPOSITION OF THE GROUP (CONTINUED)

- (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	
	2024 RM	2023 RM
Carrying amount of shares at the date of dissolution	404,000	0
Less: Realisation of post-acquisition reserves		
Accumulated losses	(404,000)	0
	0	0
Less: Non-controlling interest	(322,666)	0
Gain on liquidation of a subsidiary	(322,666)	0

- (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	
	2024 RM	2023 RM
Net cash flows from investing activities:		
Net cash inflow on incorporation	30,000	0

- (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	
	2024 RM	2023 RM
Net cash flows from investing activities:		
Net cash inflow on incorporation	51,000	0

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2024

## 39 CHANGES IN THE COMPOSITION OF THE GROUP (CONTINUED)

- (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	
	2024 RM	2023 RM
Carrying amount of non-controlling interest acquired	12,075,537	0
Consideration paid to non-controlling interest	(7,343,000)	0
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity	4,732,537	0

## 40 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 19 March 2025.

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# 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 148 to 253 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 2024 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 19 March 2025.

**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 148 to 253 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: 19 March 2025

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 2024, 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 2024 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 148 to 253.

### 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"), 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
<p><b>Revenue recognition on contracts with customers</b></p> <p>Refer to Note 5 - Summary of material accounting policies: Revenue Recognition, Note 5 - Revenue</p> <p>The Group recognised revenue of RM907.5 million mainly derived from sale 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.</p> <p>As disclosed in Note 5, RM314.8 million of the revenue is recognised over time and the remaining RM592.7 million is based on point in time.</p> <p>We focused on this area due to the significant revenue amounts reported and the significant time spent auditing the revenue balance.</p>	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"><li>• Evaluated and tested the effectiveness of key controls on material revenue streams;</li><li>• Performed substantive procedures on significant revenue balances by examining sales transactions to proof of delivery and acceptance by customers and to signed contracts;</li><li>• Performed cut off procedures on revenue;</li><li>• Reviewed management's assessment of principal versus agent in accordance with MFRS 15 - Revenue from contracts with customers; and</li><li>• Examined non-standard journal entries and other material adjustments related to revenue accounts.</li></ul> <p>Based on the procedures performed, no material exceptions were noted.</p>

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 and Statement on Risk Management and Internal Control, which we obtained prior to the date of this auditors' report, and other sections of the 2024 Annual Report, 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.

# 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)

### 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.

### 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.



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# 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 (continued)

- (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

Kuala Lumpur  
19 March 2025

**PAULINE HO**  
02684/11/2025 J  
Chartered Accountant

## Additional Compliance Information

### 1. UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate proposal during the financial year ended 31 December 2024 ("FY2024").

### 2. MATERIAL CONTRACTS INVOLVING THE INTERESTS OF DIRECTORS, CHIEF EXECUTIVE AND 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 FY2024 or entered into since the end of the previous financial year.

# Analysis of Shareholdings

As At 24 March 2025

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	330	8.28	9,021	0.00
100 to 1,000	719	18.04	396,832	0.10
1,001 to 10,000	1,927	48.36	9,583,212	2.39
10,001 to 100,000	803	20.15	27,402,593	6.82
100,001 to less than 5% of issued shares	202	5.07	167,365,524	41.68
5% and above of issued shares	4	0.10	196,796,318	49.01
<b>Total</b>	<b>3,985</b>	<b>100.00</b>	<b>401,553,500</b>	<b>100.00</b>

## 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.	4,462,332	1.11
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	3,905,000	0.97
11.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Leong Dana Makmur	3,900,000	0.97
12.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Datin Che Bashah @ Zaiton binti Mustaffa (PB)	3,719,998	0.93
13.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for Manulife Investment Al-Fauzan (5170)	3,418,600	0.85

## Analysis of Shareholdings

As At 24 March 2025

No.	Name of Shareholders	No. of Shares	Percentage (%)
14.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Yee Hui	3,150,000	0.78
15.	DYMM Tuanku Syed Sirajuddin Putra Jamalullail	2,901,066	0.72
16.	Dilip Manharlal Gathani	2,737,800	0.68
17.	Saudah binti Hashim	2,500,000	0.62
18.	AmanahRaya Trustees Berhad Public Islamic Alpha-40 Growth Fund	2,464,300	0.61
19.	Hj. Abd Razak bin Abu Hurairah	2,461,546	0.61
20.	Universal Trustee (Malaysia) Berhad KAF Core Income Fund	2,448,000	0.61
21.	AmanahRaya Trustees Berhad PB Islamic SmallCap Fund	2,305,700	0.57
22.	AmanahRaya Trustees Berhad Public Emerging Opportunities Fund	2,241,000	0.56
23.	Phillip Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Yee Hui	2,200,000	0.55
24.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for Manulife Investment Shariah Progress Plus Fund	2,084,900	0.52
25.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for Manulife Investment Al-Faid (4389)	2,038,800	0.51
26.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sri Dato' Mohd Ibrahim bin Mohd Zain	2,000,000	0.50
27.	RHB Nominees (Tempatan) Sdn. Bhd. Terence Wong @ Huang Thar-Rearn	2,000,000	0.50
28.	Goh Thong Beng	1,950,000	0.49
29.	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Datin Che Bashah @ Zaiton binti Mustaffa (CEB)	1,920,100	0.48
30.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Terence Wong @ Huang Thar-Rearn	1,900,000	0.47
<b>TOTAL</b>		<b>297,754,560</b>	<b>74.15</b>

# Analysis of Shareholdings

As At 24 March 2025

## 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 <sup>(1)</sup>	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 <sup>(2)</sup>	14.14
Reshad Rao bin Ramanrao	0	0	81,740,900 <sup>(3)</sup>	20.36
Zoena binti Raman Rao	0	0	81,740,900 <sup>(3)</sup>	20.36
Ramanrao bin Abdullah	0	0	81,740,900 <sup>(4)</sup>	20.36
Datin Sian Rahimah Abdullah	0	0	48,165,418 <sup>(5)</sup>	11.99
Faye Miriam Abdullah	0	0	48,165,418 <sup>(5)</sup>	11.99
Hugh Idris Abdullah	0	0	48,165,418 <sup>(5)</sup>	11.99
Farid Riza Izham	0	0	24,360,000 <sup>(6)</sup>	6.07
Faidz Raziff Izham	0	0	24,360,000 <sup>(6)</sup>	6.07
Hana Sakina Izham	0	0	24,360,000 <sup>(6)</sup>	6.07

Notes:

<sup>(1)</sup> Deemed interested by virtue of his shareholdings in Lantas Mutiara Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("the Act").

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

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

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

<sup>(6)</sup> 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 <sup>(1)</sup>	20.36
Dato' Izham bin Mahmud	11,310,000	2.82	56,765,698 <sup>(2)</sup>	14.14
Tan Sri Dato' Seri Shamsul Azhar bin Abbas	1,000,000	0.25	-	-
Ramanrao bin Abdullah	0	0	81,740,900 <sup>(3)</sup>	20.36

Notes:

<sup>(1)</sup> Deemed interested by virtue of his shareholdings in Lantas Mutiara Sdn. Bhd. pursuant to Section 8 of the Act.

<sup>(2)</sup> 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.

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

## List of Properties

No	Company	Address	Brief Description	Existing Use	Land Area/ Built up Area	Tenure/Date of Expiry of Lease	Age of Building	Net Book Value @31/12/24	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	26 years	2,530,688	-	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	36 years	302,182	-	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	36 years	373,975	-	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	22 years	318,227	-	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	22 years	334,746	-	03/02/1997
6	Deleum Services Sdn. Bhd.	Lot 1315, Miri Waterfront Commercial Centre 98000 Miri, Sarawak Malaysia	4 storey corner shop office	Office	186.70 sq metres/  891.84 sq metres	Leasehold/ 30/09/2066	20 years	695,990	-	20/08/2004
7	Deleum Services Sdn. Bhd. (Operations)	Asian Supply Base, Ranca Ranca Industrial Estate, P.O. Box 81730, 87027 Labuan, Federal Territory, Malaysia	Warehouse	Warehouse	5,700.00 sq metres/  1,776.43 sq metres	On Lease/ 30/09/2034	24 years	1	-	-
8	Deleum Services Sdn. Bhd. (Operations)	Kemaman Supply Base, Warehouse 28, 24007 Kemaman, Terengganu Darul Iman, Malaysia	Warehouse	Warehouse	6,021.00 sq metres/  1,456.00 sq metres	On Lease/ 31/03/2028	16 years	31	-	-
9	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	32 years	889,428		12/04/2004

# 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

**Miri**  
 Lot 1315, Miri Waterfront  
 Commercial Centre  
 98000 Miri, Sarawak  
 Malaysia  
 Tel : +6085-413 528/417 020  
 Fax : +6085-418 037  
 Email : info@deleum.com

**Kota Kinabalu**  
 Lot A, H-02-7  
 Block H, Level 7  
 Aeropod Commercial Square  
 Jalan Aeropod Off Jalan Kepyau  
 88200 Kota Kinabalu, Sabah  
 Malaysia  
 Tel : +6088-203 941  
 Email : info@deleum.com

## Subsidiaries

**Turboservices Sdn. Bhd.**  
 Unit No. B-23-1, Level 23  
 Tower B, Menara UOA Bangsar  
 No. 5, Jalan Bangsar Utama 1  
 59000 Kuala Lumpur  
 Malaysia  
 Tel : +603-2280 2200  
 Fax : +603-2280 2249/2250  
 Email : info@deleum.com

**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

## Penaga Dresser Sdn. Bhd.

Lot A, H-02-7  
 Block H, Level 7  
 Aeropod Commercial Square  
 Jalan Aeropod Off Jalan Kepyau  
 88200 Kota Kinabalu, Sabah  
 Malaysia  
 Tel : +6088-203 941  
 Email : sales@penagadresser.com

## Deleum Services (Sabah) Sdn. Bhd.

Lot A, H-02-7  
 Block H, Level 7  
 Aeropod Commercial Square  
 Jalan Aeropod Off Jalan Kepyau  
 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  
 Email : info@deleum.com

## Deleum Technology Solutions Sdn. Bhd.

Lot 1313 & 1314  
 Miri Waterfront  
 Commercial Centre  
 98000 Miri, Sarawak  
 Malaysia  
 Tel : +6085-329 555  
 Fax : +6085-329 556

## Operations And Supply Bases

**Kemaman**  
 Kemaman Supply Base  
 Warehouse 28  
 24007 Kemaman  
 Terengganu Darul Iman  
 Malaysia  
 Tel : +609-863 1407/1408  
 Fax : +609-863 1379  
 Email : info@deleum.com

**Labuan**  
 Asian Supply Base  
 Ranche Ranche Industrial Estate  
 87027 Labuan  
 Malaysia  
 Tel : +6087-413 935/583 205  
 Fax : +6087-425 694  
 Email : info@deleum.com

## Service Facilities

**Deleum Chemicals Sdn. Bhd.**  
 Lot 11, 13 Bay Workshop  
 ASB Yard 23  
 Ranche Ranche Industrial Estate  
 87000 Labuan  
 Malaysia  
 Tel : +6087-413 935/583 205  
 Fax : +6087-425 694  
 Email : info@deleum.com

**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  
 Email : info@deleum.com

**Deleum Technology Solutions Sdn. Bhd.**  
 (Telok Kalong Facility)  
 Lot PT8777  
 Telok Kalong Industrial Area  
 24000 Kemaman  
 Terengganu Darul Iman  
 Malaysia  
 Tel : +609-862 6666  
 Fax : +609-862 6667  
 Email : info@deleum.com

**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 Darul Takzim  
 Malaysia  
 Email : sales@penagadresser.com

**Penaga Dresser Sdn. Bhd.**  
 (Terengganu Engineering Centre)  
 Lot A1 -A2  
 Kawasan Miel Jakar Phase III  
 24000 Kemaman  
 Terengganu Darul Iman  
 Malaysia  
 Tel : +609-868 6799  
 Fax : +609-868 3453  
 Email : sales@penagadresser.com

## 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  
 Email : sales@penagadresser.com

**Penaga Dresser Sdn. Bhd.**  
 (Labuan Engineering Centre)  
 Asian Supply Base  
 Ranche Ranche Industrial Estate  
 87027 Labuan  
 Malaysia  
 Email : sales@penagadresser.com

**Deleum Chemicals Sdn. Bhd.**  
 (Research & Development Facility)  
 No. 4-3, Jalan Bangsar Utama 9  
 Bangsar Utama  
 59000 Kuala Lumpur  
 Malaysia  
 Tel : +603-2295 7788  
 Fax : +603-2295 7777  
 Email : info@deleum.com

**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  
 Email : info@deleum.com

## Joint Venture

**Turboservices Overhaul Sdn. Bhd.**  
 (Turboservices: Solar Turbines  
 Integrated Service Centre)  
 Lot 26197  
 Kawasan Perindustrian Tuanku Jaafar  
 71450 Seremban  
 Negeri Sembilan Darul Khusus  
 Malaysia  
 Tel : +606-6798 270/207  
 Fax : +606-6798 267  
 Email : info@deleum.com

## Associate

**Malaysian Mud And Chemicals Sdn. Bhd.**  
 Asian Supply Base  
 Ranche Ranche 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 Twentieth Annual General Meeting (“20th AGM”) of DELEUM BERHAD (“the Company”) will be held at Summit 1 Ballroom, Level M1, The Vertical, Connexion Conference & Event Centre, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on Thursday, 22 May 2025 at 11.00 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 2024 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) Mr. Lee Yoke Khai **Ordinary Resolution 1**  
 (ii) Datuk Manharlal a/l Ratilal **Ordinary Resolution 2**  
**(Please refer to Explanatory Note B)**
3. To re-elect En. Ainul Azhar bin Ainul Jamal 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 3**  
**(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 RM1,500,000 for the period from the day after the Annual General Meeting to the next Annual General Meeting. **Ordinary Resolution 4**  
**(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 5**  
**(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 6**  
**(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”).



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## 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 Listing Requirements 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 7**

**(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 Nineteenth Annual General Meeting (“AGM”) held on 23 May 2024 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 21 April 2025 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 21 April 2025 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.

## Notice of Annual General Meeting

**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 8**

**(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 Nineteenth Annual General Meeting ("AGM") held on 23 May 2024 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 21 April 2025 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 21 April 2025 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 9**

**(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 Nineteenth Annual General Meeting ("AGM") held on 23 May 2024 pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Securities Malaysia 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 21 April 2025 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 21 April 2025 provided that the transactions are:

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## 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 10**

**(Please refer to Explanatory Note G)**

### **11. 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.

## Notice of Annual General Meeting

**THAT** the Board of Directors of the Company be and are 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 are 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 11**

**(Please refer to Explanatory Note H)**

12. 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

21 April 2025

### Notes

1. A member of the Company entitled to attend, participate and vote at the 20th 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 20th 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.

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## Notice of Annual General Meeting

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 **Tuesday, 20 May 2025 at 11.00 a.m.**, 48 hours before the time appointed for holding the 20th 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 Tricor Online System (TIIH Online)

The Proxy Form can be electronically submitted via TIIH Online at <https://tiih.online>.

Please follow the procedures set out in the Administrative Guide for the 20th 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 20th 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 20th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 14 May 2025 and only a depositor whose name appears on this Record shall be entitled to attend, participate and vote at the 20th AGM or appoint proxy or proxies to attend, participate and/or 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 20th 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 2024 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.

## Notice of Annual General Meeting

For the purpose of determining the eligibility of the Directors to stand for re-election at the 20th AGM, the Joint Remuneration and Nomination Committee ("JRNC") has via the annual Board Evaluation and Assessment for year 2024 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 20th 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 25 February 2025 approved the JRNC's recommendation that the Directors who retire in accordance with Clause 88 of the Company's Constitution, namely Mr. Lee Yoke Khai and Datuk Manharlal a/l Ratilal, are eligible to stand for re-election. These two (2) 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 2024.

### **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.

En. Ainul Azhar bin Ainul Jamal who was appointed as an Independent Non-Executive Director of the Company on 1 November 2024 shall hold office until the conclusion of the 20th 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.

En. Ainul Azhar bin Ainul Jamal has abstained from the deliberation and decision on his proposed re-election. The profile of En. Ainul Azhar bin Ainul Jamal is enclosed in the Profiles of Directors of the Company's Annual Report 2024.

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 20th 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 RM1,500,000 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 RM1,500,000 under Ordinary Resolution 4, 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 2026. The fees are in accordance with the Directors' Remuneration Framework for Non-Executive Directors reviewed in 2023 which the Board opines remain competitive and equitable given their role and responsibilities, as well as time commitment required to discharge their duties.

In determining the estimated total Directors' fees payable to the Directors, the Board has considered various factors including the number of scheduled meetings for the Board and Board Committees, 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 Resolution 4, the payment of Directors' fees payable will be made by the Company on a monthly basis or as and when incurred.

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## Notice of Annual General Meeting

### 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 5 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 2026. The benefits are in accordance with the Directors' Remuneration Framework for Non-Executive Directors reviewed in 2023 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 4 and 5, 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 25 February 2025 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 FY2024 did not in any way impair their objectivity and independence as external auditors of the Company.

The Board at its meeting held on 25 February 2025 approved the AC's recommendation for the shareholders' approval to be sought at the 20th AGM on the appointment of PwC as external auditors of the Company for the FY2025 under Ordinary Resolution 6 in accordance with Section 340(1)(c) and Section 274(1)(a) of the Act.



## Notice of Annual General Meeting

### 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 Nineteenth AGM held on 23 May 2024, 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 7 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 20th 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 and 10

#### **Proposed Renewal of Shareholders' Mandate**

Please refer to the Circular to Shareholders dated 21 April 2025 for detailed information. The Ordinary Resolutions 8, 9 and 10 proposed under Agenda Items 8, 9 and 10, 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 11

#### **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 21 April 2025 for detailed information. The Ordinary Resolution 11 proposed under Agenda Item 11, 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.



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## **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 Twentieth Annual General Meeting ("20th 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 20th AGM.

# Administrative Guide

## For the Twentieth Annual General Meeting (20th AGM)



### Deleum Berhad

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

Day & Date : Thursday, 22 May 2025  
Time : 11.00 a.m.  
Broadcast Venue : Summit 1 Ballroom, Level M1, The Vertical, Connexion Conference & Event Centre, Bangsar South City, No. 8, Jalan Kerinchi, 59200 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 you have your Touch 'n Go card or a Debit/Credit card available for validation.

### 2. Registration

- a. Registration will commence at 09.30 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 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 AGM Venue. No person will be allowed to enter the AGM 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. Refreshment Pack and Door Gift

Registered attendees will receive Refreshment Pack and Door Gift at the Registration Counter upon successful registration.

### 4. General Meeting Record of Depositors

Only depositors whose names appear on the General Meeting Record of Depositors as at 14 May 2025 shall be entitled to register and participate at the 20th AGM. If a member is unable to participate at the said meeting, he/she may appoint proxy/proxies to participate on his/her behalf. A shareholder will not be allowed to participate at the meeting if his/her proxy(ies) has/have been registered to participate in the meeting.

### 5. Submission of Questions to the Board of Directors

In order to enhance the efficiency of the proceedings of the 20th AGM, shareholders or proxies may submit questions in advance via Tricor's TIIH Online website at <https://tiih.online> under "e-Services Login" to login, pose the questions and submit electronically not later than 20 May 2025 at 11.00 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 20th AGM.

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# Administrative Guide

For the Twentieth Annual General Meeting (20th AGM)

## 6. 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 20th AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Tuesday, 20 May 2025 at 11.00 a.m.**, forty-eight (48) hours before the time 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. Via Tricor Online System (TIIH Online)

The Proxy Form can be electronically submitted via TIIH Online at <https://tiih.online>. 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 participate 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 participate 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 TIIH Online at <https://tiih.online> 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.

## Administrative Guide

### For the Twentieth Annual General Meeting (20th AGM)

#### 7. 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 20th 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 20th AGM, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

#### 8. Electronic Lodgement of Proxy Form

The procedures to lodge your proxy form electronically via Tricor's TIIH Online website are summarised below:

Procedure	Action
<b>i. Steps for Individual Shareholders</b>	
a. Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>Using your computer, please access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the "e-Services Login". Please do refer to the tutorial guide posted on the homepage for assistance.</li> <li>If you are already a user with TIIH Online, you are not required to register again.</li> </ul>
b. Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password.</li> <li>Select the corporate event: <b>"Deleum Berhad 20th AGM - Submission of Proxy Form"</b>.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf.</li> <li>Appoint your proxy(s) and insert the required details of your proxy(s) or appoint Chairman as your proxy.</li> <li>Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote.</li> <li>Review and confirm your proxy(s) appointment.</li> <li>Print proxy form for your record.</li> </ul>
<b>ii. Steps for Corporate or Institutional Shareholders</b>	
Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>Access TIIH Online at <a href="https://tiih.online">https://tiih.online</a>.</li> <li>Under e-Services Login, the authorised or nominated representative of the corporate or institutional shareholder selects <b>"Create Account by Representative of Corporate Holder"</b>.</li> <li>Complete the registration form and upload the required documents.</li> <li>Registration will be verified, and you will be notified by email within one to two working days.</li> <li>Proceed to active your account with the temporary password given in the email and re-set your own password.</li> </ul> <p>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.</p>
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>Login to TIIH Online at <a href="https://tiih.online">https://tiih.online</a></li> <li>Select the corporate event: <b>"Deleum Berhad 20th AGM – Submission of Proxy Form"</b></li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration</li> <li>Proceed to download the file format for <b>"Deleum 20th AGM - Submission of Proxy Form"</b> in accordance with the Guidance Note set therein.</li> <li>Prepare the file for the appointment of proxies by inserting the required data.</li> <li>Login to TIIH Online, select corporate event: <b>"Deleum Berhad 20th AGM – Submission of Proxy Form"</b>.</li> <li>Proceed to upload the duly completed proxy appointment file.</li> <li>Select "Submit" to complete your submission.</li> <li>Print the confirmation report of your submission for your record.</li> </ul>

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# Administrative Guide

For the Twentieth Annual General Meeting (20th AGM)

## 9. No Recording or Photography

No recording or photography of the AGM proceedings is allowed without the prior written permission of the Company.

## 10. Compliance with Guidelines and Updates on the 20th 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 20th 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 20th AGM.

## 11. Enquiry

If you have any enquiry prior to the 20th 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  
Fax Number : +603-2783 9222  
Email : [is.enquiry@my.tricorglobal.com](mailto:is.enquiry@my.tricorglobal.com)

Contact persons : En. Mohammad Amirul Iskandar  
+603-2783 9279 ([mohammad.amirul@vistra.com](mailto:mohammad.amirul@vistra.com))

En. Syafiquil Hafidz  
+603-2783 9024 ([syafiquil.hafidz@vistra.com](mailto:syafiquil.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 Twentieth Annual General Meeting ("20th AGM") of the Company to be held at Summit 1 Ballroom, Level M1, The Vertical, Connexion Conference & Event Centre, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on **Thursday, 22 May 2025 at 11:00 a.m.:**

Please indicate with an "x" in the spaces provided 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 Mr. Lee Yoke Khai as Director.		
2.	To re-elect Datuk Manharlal a/I Ratilal as Director.		
3.	To re-elect En. Ainul Azhar bin Ainul Jamal as Director.		
4.	To approve the payment of Directors' fees to Non-Executive Directors of the Company up to an amount of RM1,500,000.		
5.	To approve the payment of Directors' benefits to Non-Executive Directors of the Company up to an amount of RM500,000.		
6.	To re-appoint Messrs. PricewaterhouseCoopers PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	To authorise the issuance and allotment of shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
8.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Solar Turbines International Company.		
9.	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.		
10.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with LatConnect 60 Ltd.		
11.	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 \_\_\_\_\_ 2025.

Signature/Common Seal of Shareholder(s)

- A member of the Company entitled to attend, participate and vote at the 20th 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.
- A member shall not be entitled to appoint more than two (2) proxies to attend, participate and vote at the 20th AGM. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined 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.
- 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.
- Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The instrument appointing a proxy ("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.
- The original signed Proxy Form must be deposited in the following manner, not later than **Tuesday, 20 May 2025 at 11.00 a.m.**, 48 hours before the time for holding the 20th AGM or at any adjournment thereof, otherwise the Proxy Form shall not be treated as valid:
  - 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.
  - In electronic form via Tricor Online System (TIH Online)**  
The Proxy Form can be electronically submitted via TIH Online at <https://tih.online>. Please follow the procedures set out in the Administrative Guide for the 20th AGM.
- 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 20th AGM will be put to vote by way of poll.
- For the purpose of determining a member who shall be entitled to attend, participate and vote at the 20th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 14 May 2025 and only a depositor whose name appears on this Record shall be entitled to attend, participate and vote at the 20th AGM or appoint proxy or proxies to attend, participate and/or vote in his/her stead.
- 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 20th 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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2<sup>nd</sup> fold here





**DELEUM BERHAD**

Registration No. 200501033500 (715640-T)

No. 2, Jalan Bangsar Utama 9

Bangsar Utama

59000 Kuala Lumpur

Malaysia

T +603 2295 7788

F +603 2295 7777

[www.deleum.com](http://www.deleum.com)