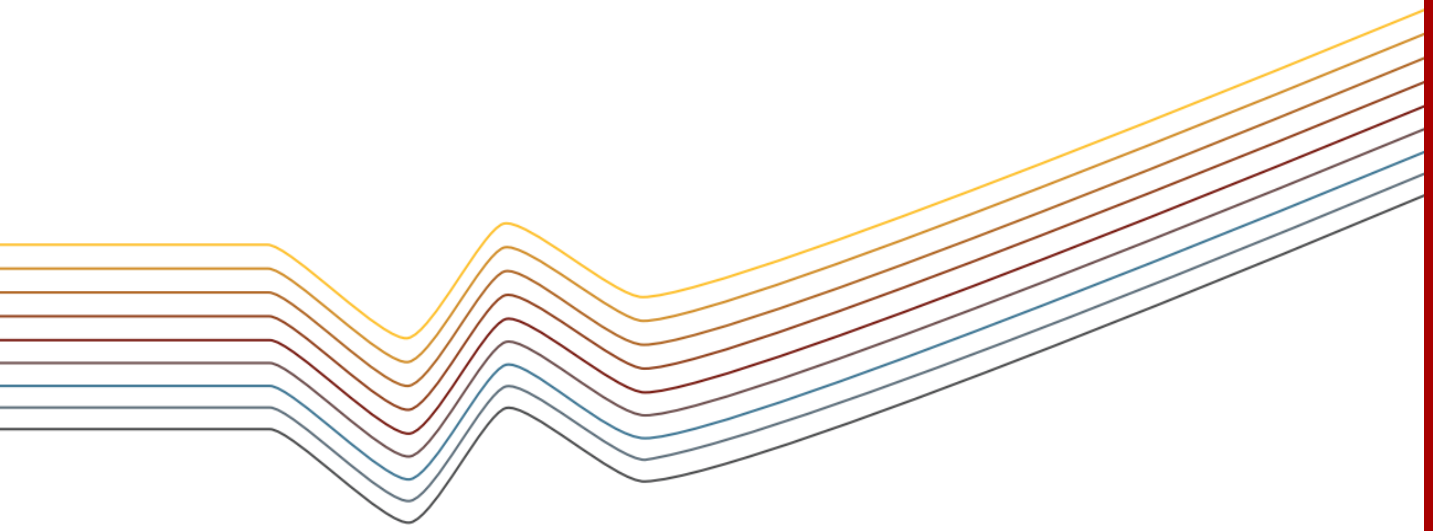
DELEUM



Q4FY2018 Group Analyst Briefing

Resilient
and Sustainable



ABOUT DELEUM

CORE BUSINESS SEGMENTS

CONTRACTS

AWARD & RECOGNITION

FINANCIAL RESULTS

CORPORATE DIRECTORY

CONTENTS

Our People



CORPORATE STATEMENT



SHARED VALUES

INTEGRITY

Respect, Honesty & Ethics

PROFESSIONALISM

Accountability, Teamwork & Communication

HEALTH, SAFETY & ENVIRONMENT

Healthy/Balanced Lifestyle, Safety & Environment

EXCELLENCE

Quality, Deliverance & Rewards

MISSION

To Provide Sustainable Growth and Enhance Stakeholders' Value

VISION

To be the Market Leader in our Operating Segments domestically and a regional presence by 2020

ABOUT DELEUM

Overview

- Established in 1982
- Listed on the Main Market of Bursa Malaysia in 2007
- PETRONAS Licensed Service Provider
- ISO9001:2015 and ISO14001:2015 Certified

Our Business

- Evolved from a Product Oriented business to an **Integrated Solutions** provider.
- Focused on 3 core business segments :
  - ***Power and Machinery*** *(P&M)*
  - ***Oilfield Services (OS)***
  - ***Integrated Corrosion Solution*** *(ICS)*

Our Competencies

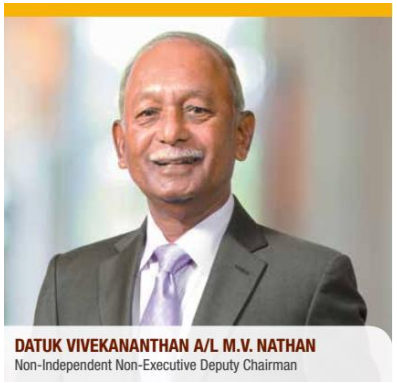
- Recorded 12.8m Free Lost Time Injury (LTI) Man-hours as of 28 February 2019 (since 25 August 2012)
- Staff strength: 1,818 employees as of 31 December 2018
- First Training Well Facility commissioned at Asian Supply Base in Labuan, Malaysia



BOARD OF DIRECTORS



DATO' IZHAM BIN MAHMUD
Non-Independent Non-Executive Chairman



DATUK VIVEKANANTHAN A/L M.V. NATHAN
Non-Independent Non-Executive Deputy Chairman



NAN YUSRI BIN NAN RAHIMY
Group Managing Director



DATUK ISHAK BIN IMAM ABAS
Independent Non-Executive Director



DATUK IR (DR) ABDUL RAHIM BIN HASHIM
Senior Independent Non-Executive Director



DATUK NOOR AZIAN BINTI SHAARI
Independent Non-Executive Director



LEE YOKE KHAI
Independent Non-Executive Director

DELEUM BERHAD PROFILE

Deleum Berhad (Bursa: Deleum) is an investment holding company and through its subsidiaries, provides a diverse range of supporting specialised products and services for the oil and gas industry, particularly the exploration and production of oil and gas.

FINANCIAL YEAR (RM'000)	FY2017 Restated	FY2018
Revenue	534,058	623,685
Gross Profit	139,868	124,450
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	87,119	73,889
Profit before Tax (PBT)	54,025	42,548
Profit after Tax and Non-Controlling Interest (PAT after NCI)	32,277	27,169

MARKET DATA	
Current Share Price *(as at 21/3/19)*	RM1.1090
Number of Ordinary Shares	401,125,700
Market Capitalisation *(as at 21/3/19)*	RM.437.2 million
Shareholders' Equity as at 31 December 2018	RM331.6 million

HISTORICAL PRICE / VOLUME CHART
(AS AT 21/3/19)



MILESTONES ACCOMPLISHED

1980-90's

- Establishment of the Provision of Gas Turbine Services
  - *Establishment of Turboservices Sdn. Bhd. – JV with Solar Turbines Inc. for after market sales for gas turbines in 1987*
- Establishment of JV, Malaysian Mud and Chemicals Sdn. Bhd. for Bulking Services at ASB, Labuan in 1987
- Establishment of the Provision of Slickline Services
  - *Established Camco (Malaysia) Sdn. Bhd. (CMSB) in partnership with Camco Inc. in 1987*
  - *First wireline contract secured in 1989*
- Establishment of Cambodia Utilities Pte. Ltd. for Independent Power Production in Cambodia in 1995
- Establishment of Industrial Power Generation services with first project secured in 1997

2000's

- Acquisition of the remaining 49% equity interest in CMSB from Schlumberger - now known as Deleum Oilfield Services Sdn. Bhd. in 2001
- Establishment of the Supply of Oilfield Chemicals Services in 2003
- Establishment of Turbine Overhaul Facility - Dedicated Solar Turbines Integrated Services Centre in Senawang
- Deleum Berhad was listed on Main Market of Bursa Malaysia in 2007
- Acquisition of 51% equity interest of Penaga Dresser Sdn. Bhd. via 80% subsidiary Delcom Holdings Sdn. Bhd. in 2008

2010's

- Establishment of Maintenance, Overhaul and Repair (MRO) Segment via
  - *Acquisition of 100% equity interest of Deleum Rotary Services Sdn. Bhd. in 2010*
  - *Acquisition of 60% equity interest of Deleum Primera Sdn. Bhd. in 2012*
- Attainment of OPITO Certification on Competence Management System (OPITO-CMS) by Deleum Oilfield Services Sdn. Bhd.
- 30th Anniversary and Corporate Rebranding
- Establishment of JV between Deleum Berhad and Solar Turbines International Company (STICO) via STICO participation in Turboservices Overhaul Sdn. Bhd. in 2015
- Restructuring of Integrated Corrosion Solution (ICS) (*formerly known as Maintenance, Overhaul and Repair (MRO)*) Segment in 2015
- Acquisition of the remaining 20% equity interest in Delcom Holdings Sdn. Bhd. in 2015

CORE BUSINESS SEGMENTS



BUSINESS SEGMENTS



Power & Machinery (P&M)

100% **Deleum Services S/B**

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.

100% **Deleum Rotary Services S/B**

Servicing, repair and maintenance of transformers, motor, generators, pumps and valves.

74% **Turboservices S/B^**

Provision of gas turbine overhaul and technical services and supply of gas turbine parts.

51% **Penaga Dresser S/B**

Supply, repair, maintenance and installation of valves and flow regulators.



Oilfield Services (OS)

100% **Deleum Oilfield Services S/B**

Provision of slickline equipment and services, integrated wellhead maintenance services, drilling equipment and services and other oilfield related products and services.

100% **Deleum Chemicals S/B**

Development and provision of solid deposit removal solutions for enhancement of crude oil production and the supply of oilfield chemicals and services.



Integrated Corrosion Solution (ICS)

60% **Deleum Primera S/B**

Provision of integrated corrosion and inspection services, blasting technology, maintenance, construction and modification ("MCM") maintenance activities, services for tanks, vessels, structures and pipping.

Remarks:

** Dormant subsidiaries, associates and joint venture were excluded from the above business segments.*

^ Partnership with STICO.



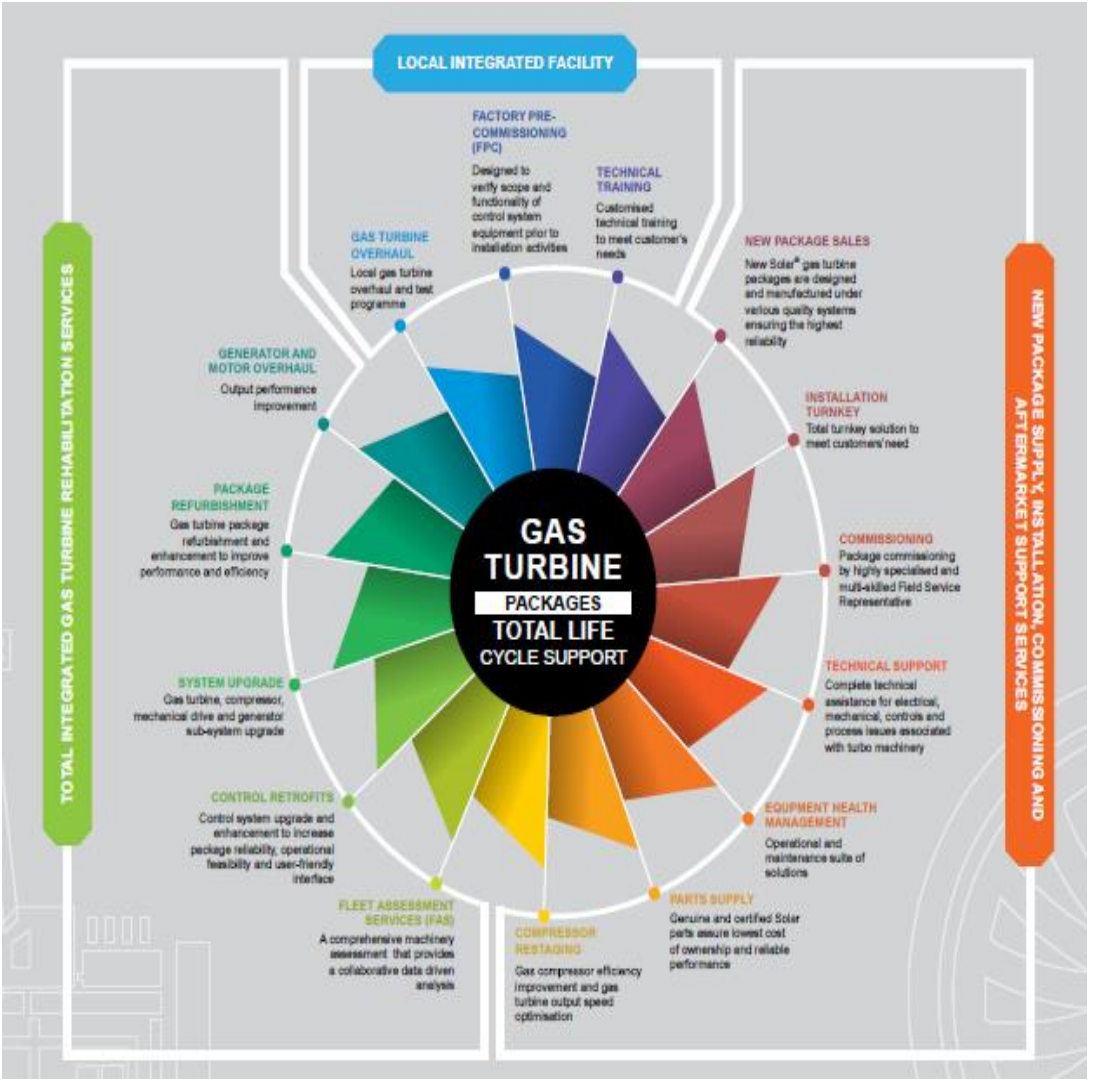
POWER AND MACHINERY

- **Provision of gas turbine packages, aftersales support and services**
- **Supply, installation, repair and maintenance of valves and flow regulators**
- **Motors, generators and transformers maintenance services**

POWER AND MACHINERY

Power and Machinery segment focuses on the provision of:

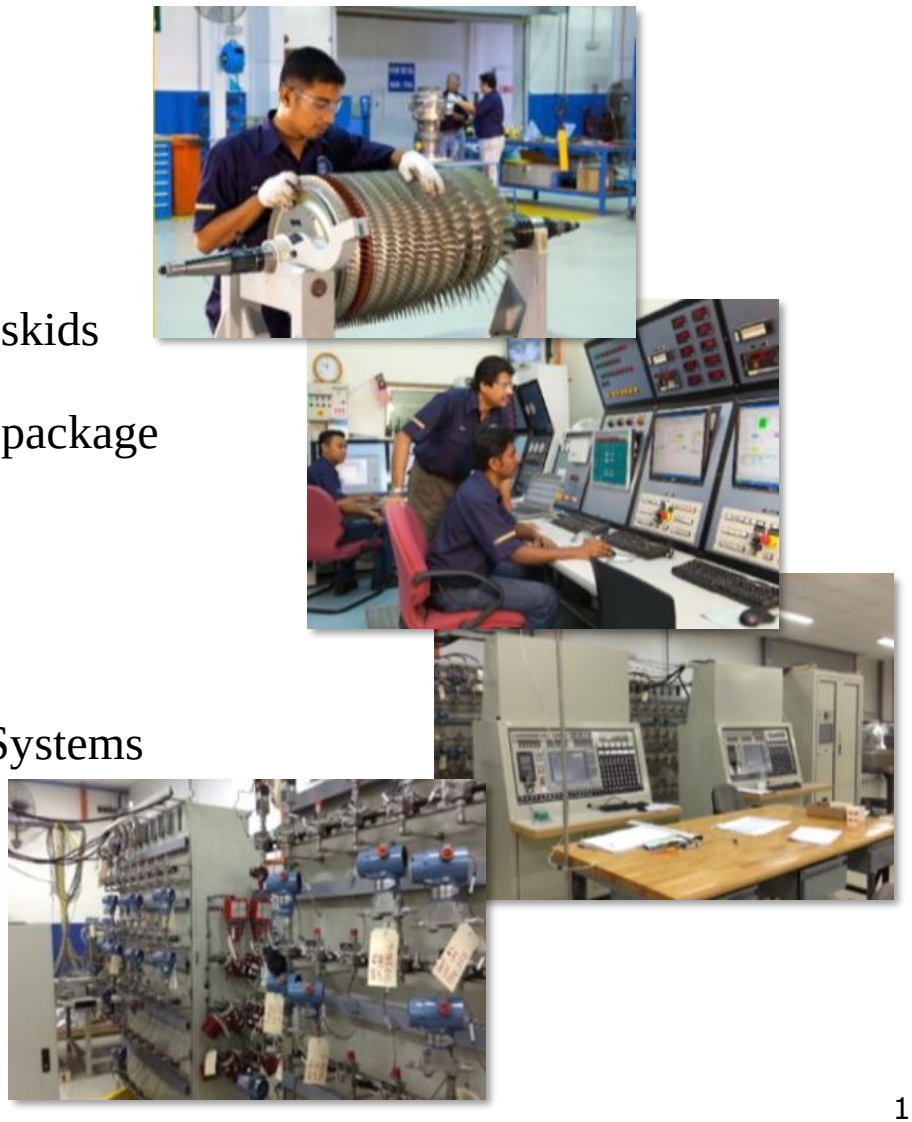
- Complete life cycle support of gas turbine generators, mechanical drives and compressor packages
- Turnkey solutions for combine heat and power plants
- EPCC for gas turbine installation, refurbishment and upgrades
- Supply, installation and maintenance of Acid Gas Removal Unit (AGRU) and Absorbent
- Supply, installation, repair and maintenance of valves and flow regulators
- Maintenance, Repair & Overhaul of motors, generators and transformers
- Highly insulated pipe-in-pipes for pipeline solution
- Offshore Transportation and Installation (T&I) works



LOCAL INTEGRATED FACILITY

LOCATED AT SENAWANG

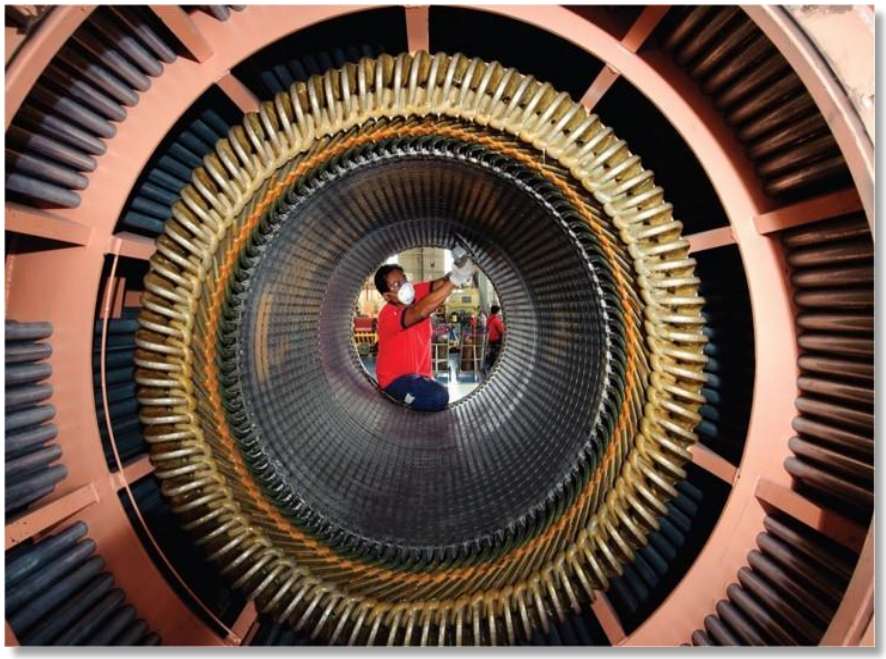
- Invested plant and equipment > RM 20 million
- Sitting on 3.5 acres site (30k sq. ft. built-up area)
- Equipped with advanced simulators and training skids
- Only Solar Factory Pre-Commissioning tests for package system upgrades outside USA
- Capabilities:
  - Gas Turbine Overhaul
  - Gas Compressor Overhaul
  - Factory Pre-Commissioning Test for Control Systems Upgrade
  - Classroom and Practical Training



PROVISION OF MAINTENANCE, SERVICE AND OVERHAUL

DELEUM ROTARY SERVICES

- Acquired in year 2010
- International Electrotechnical Commission Explosive (IECEX) certified
- Facilities/ Service centres at Kajang, Kemaman and Bintulu which are authorized by Original Equipment Manufacturers (OEMs)
- Supported by highly skilled, experienced and trained personnel to execute workshop activities and field works
- Provides an integrated package solution for Plant Turnaround and Outages on the provision of specialized Services such as Condition Based Monitoring (CBM), Repair and Overhaul for electrical equipment (onsite), machining, inspection and upgrades.
- Provides manpower services for Deleum Services Sdn Bhd’s retrofit jobs



VALVES AND FLOW REGULATORS SERVICES

PENAGA DRESSER is the sole agent of Dresser's products on Control Valves, Regulators and Safety Relief Valve for the Malaysian market. It also provides Total Valve Management and supporting activities.



The services offered by **PENAGA DRESSER** include:

- Service support for Control Valves, Regulators and Safety Relief Valves, Actuators and related instruments
- Diagnostic services using Electronic Valve Testing (EVT) methodology
- Control valves modification, upgrading and refurbishment
- Training on control valves servicing, assembly and smart products (i.e. Positioners and Digital Level Transmitters)





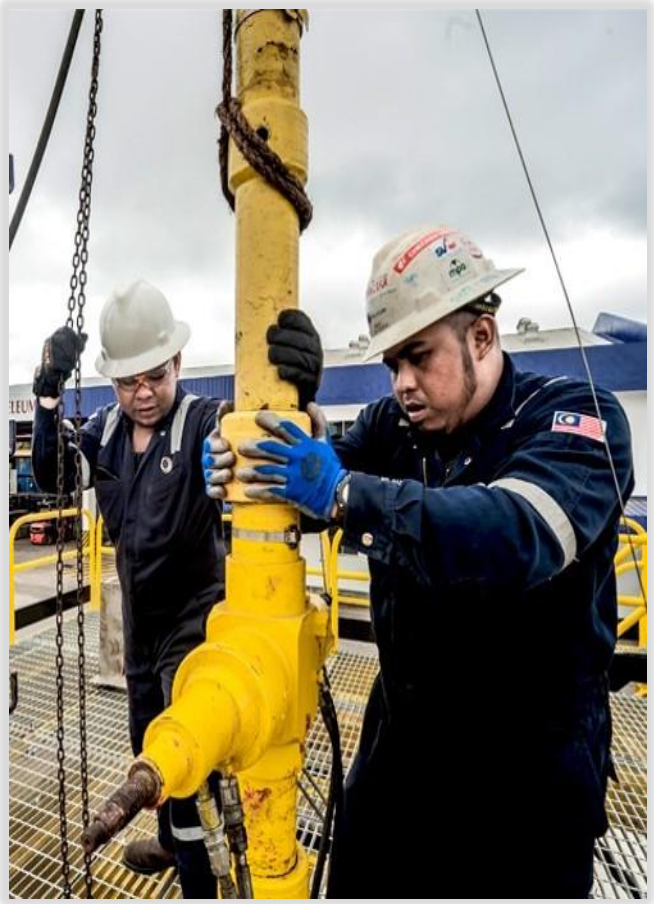
OILFIELD SERVICES

- **Slickline equipment and services (Slickline)**
- **Asset Integrated Solutions (A.I.S.)**
- **Specialty Chemical and Well Stimulation (SCWS)**

OILFIELD SERVICES

Oilfield Services segment focuses on the provision of:

- Focuses on upstream activities which is, predominantly in the sub-surface sections on upstream
- Provision of slickline equipment and services activities
- Integrated wellhead maintenance services
- Asset integrated solutions (AIS)
- Data processing and interpretation
- Geoscience studies
- Auxiliary cementing and casing accessories
- Production facilities
- Drilling related services
- Integrated chemical solutions



Deleum has 45-50 units of Slickline with 45%-49% market share in Malaysia.

Overseas contribution for OS segment approximately 1.5% in Indonesia

TRAINING WELL FACILITY

COMPETENCIES MANAGEMENT

DEVELOPMENT OF TRAINING WELL FACILITY

- **DELEUM OILFIELD SERVICES** had successfully commissioned the first Training Well Facility at Asian Supply Base in Labuan, Malaysia.
- Serves as a training platform providing simulated work environment.
- Made available also to external parties for training, testing and etc.
- Group's commitments:
  - To ensure workforce's competency and safety
  - To provide quality service to all customers





ASSET INTEGRATED SOLUTIONS (A.I.S.)

A.I.S. was established in 2013 which sets to be a provider of niche product in asset lifecycle which consolidates and integrates the products and services under Oilfield Services segment including Integrated Chemical Solutions.



- A.I.S. helps to bolster the strength of the segment in addressing specific requirement of the customers ranging from a selection of specific services to designing and managing complex projects.

- A.I.S. offers the provision of comprehensive, high quality and cost-effective services that help to customize solutions for all types of assets through smart and viable integration of diversified services.

SPECIALTY CHEMICAL & WELL STIMULATION (SCWS)

SCWS is a research oriented unit within the Oilfield Services segment focusing on developing chemical solutions for production enhancement, flow assurance and well integrity.

- SCWS's solutions include a wide scope of performance chemicals designed to support activities such as :
    a) Production enhancement
    b) Well stimulations
    c) Tubing & wellbore cleaning
    d) Integrated tank cleaning
    e) Integrated pipeline cleaning
    f) Integrated process equipment cleaning
    g) Integrated Improved Oil Recovery (IOR) services.

- Following the success of the development and commercialisation of SolidClenz™ in collaboration with PETRONAS Research Sdn. Bhd. and PETRONAS Technology Ventures Sdn. Bhd. respectively, Deleum continues to leverage on the in-house expertise to further develop solutions.
- In 2013, a Research & Development (R&D) facility was set up in Petaling Jaya to further support the Chemical Services unit's R&D efforts.

SCWS

SPECIALTY CHEMICALS (TRADEMARKS)

SolidClenz®	Thermo-chemical solution to remove wax deposits
DEL-CLEAN®	Specialty formulation to dissolve and disperse complex inorganic deposits
Antifoulant GP-HX®	Specialty formulation to remove foulant from thermo-siphon equipment
DEL-SOL®	Specialty formulation to dissolve and disperse naphthenate deposits
Flow Surf®	Specialty formulation to separate sludge, rag, muck and emulsion
LIQUID FILTER®	Specialty polymer formulation for water shut-off and profile modification
SCALESTIM®	Squeeze treatment for prevention of scale
SAND-LIFT®	Specialty formulation to remove sand from tubing
SCALE-FREE	Specialty formulation to remove pipeline scale
DEL-PERSE®	Specialty formulation for wax inhibitor / PPD / dissolver
DEL-MUL®	Specialty formulation to break tough emulsion
DEL-MUL ® LT	Specialty formulation to break tough emulsion in low temperature environment
DEL-SOL ® AD	Specialty formulation to dissolve and disperse asphaltene deposits
DeWIS™	Modular and chemical assisted water treatment and injection system for injector wells



INTEGRATED CORROSION SOLUTION

- **Provision of low dust, environmentally friendly blasting technology for surface preparation**
- **Coating removal by controlled induction heating**
- **Passive fire protection services**
- **Integrated maintenance, construction and modification services**
- **Slickbar products and combat services for oil spills**

INTEGRATED CORROSION SOLUTION (ICS)

DELEUM PRIMERA is currently providing services in the integrated corrosion, inspection and mitigation for the oil and gas industry. Other services include composite repair integrity for pipeline and structure for the oil and gas industry as well as general industries.

- Core services and solutions provided:

    a) Surface preparation works

    b) Corrosion protection and prevention application

    c) Fire proofing and shielding

    d) Cold and hot insulation

    e) Structure, equipment and pipeline integrity maintenance

INTEGRATED CORROSION SOLUTION (ICS)

DELEUM PRIMERA is the sole distributor of Sponge-Jet products for surface preparation works in Malaysia, Indonesia, Singapore, Brunei, Turkmenistan and Iraq.





SPONGE-JET Technology

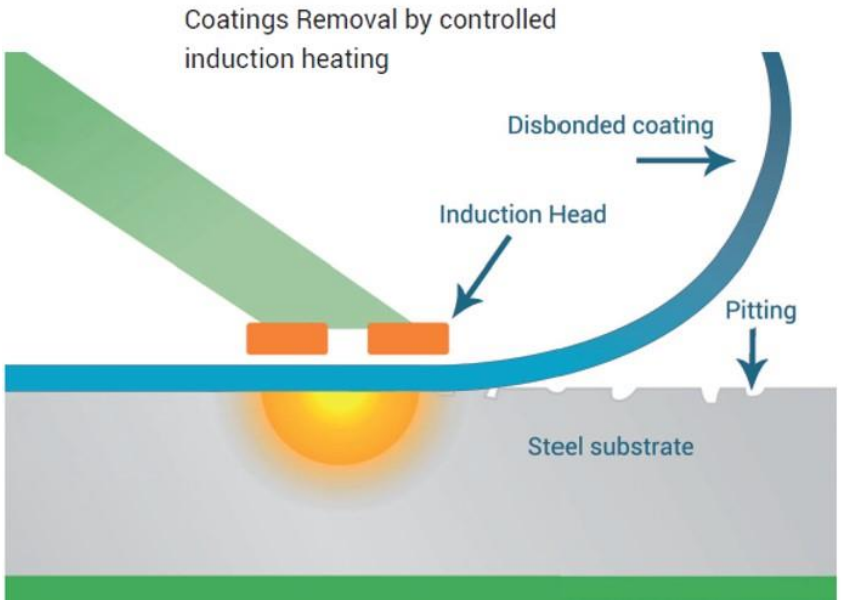
- Alternative green blasting technology
- Environmental friendly with low dust emission and no silica content
- Exponential waste reduction
- High efficacy and productivity during blasting
- Improves work safety
- Reduces water consumption

INTEGRATED CORROSION SOLUTION (ICS)

DELEUM PRIMERA has also ventured into Rust and Paint Removal (RPR) Technology, a paint and coatings removal technology by controlled induction heating.







RPR Technology

- Ideal for removing paint and coatings
- Health and environmental friendly - removed entire coating without disintegrating and completely free from contaminating agents
- Makes disposal and recycling of waste easier and cheaper
- Minimum power consumption

INTEGRATED CORROSION SOLUTION (ICS)

DELEUM PRIMERA has also ventured with Pinovo – ATEX Certified Vacuum Blasting Technology. Pinovo is an international world class-supplier of environmental friendly innovative and patented technology for treatment, maintenance and inspection of industrial surfaces.
Pinovo has been certified by ATEX given the ability to work in any areas including explosive areas.

The company recently introduced a new coating green technology called NRXTM Coating System which utilises rust conversion primer, water borne and surface tolerant. NRXTM coating requires minimum surface preparation and provides excellent corrosion protection whilst reducing the cost of coating application.

NanoRustX LLC
NRX
NANO TECH, ECO FRIENDLY, RUST EXTERMINATING COATINGS

Deleum Primera been appointed as a distributor by PT Slickbar who is one of the largest Oil Spill control companies in the world. SLICKBAR™ Indonesia locally manufactures Oil Booms, Oil Skimmers, Oil Absorbents, Oil Spill Monitoring Systems, Oil Dispersants, Dispersant Sprayer Systems, Oil Spill Response Vehicles, Response Vessels and many others.

SLICKBAR®


March 11, 20
- Late Edit
GHLIGHTS
amalan kesihatan, keselamatan dan
Perusahaan Gas Malaysia (MGA) sentiasa
mahasiswa enam buah universiti terpilih menyertai acara tahunan yang
Bimbingan Perindustrian Untuk

CONTRACTS

LONG TERM SERVICE AGREEMENT (LTSA)

UPDATES:
LONG TERM SERVICE AGREEMENT

- Turboservices Sdn. Bhd. had in FY2013 received a Letter of Award from Petroliam Nasional Berhad to provide aftermarket turbomachinery maintenance services for Solar Turbines Incorporated's gas turbines in Malaysia.
- The tenure of the LTSA is for 7 years with an extension option of 3 years until 2023.
- The scope of work in regards to the LTSA consists of supply of serviced parts, overhaul and exchange engine services, field service support, training, machinery renewal and upgrade work as well as project management.
- Covering approximately 300 gas turbine packages in the range of 1-15MW.
- Overhaul indicative numbers for FYE2018 in terms of jobs done and delivered are 36 units, whereas for FYE2017 it was 29 units.



OILFIELD CONTRACTS

UPDATES FROM UMBRELLA CONTRACTS BY PETRONAS CARIGALI SDN BHD (PCSB)

Date of Award	Years	Umbrella Contract details
28 April 2017	3+1	Provision of Integrated Drilling Services for Package A and B for PCSB
1 November 2017	5	Provision of Rock/ PDC Bits/ Hole Enlargement Equipment and Services for Petroleum Arrangement Contractors (PACs)
15 November 2017	5	Provision of Geomechanics and Pore Pressure Prediction Study for PCSB
15 January 2018	2	Provision of Casing Accessories and Auxiliary Cementing Equipment for PCSB
30 October 2018	3+1	Provision of Drill Bits (Rock/ PDC) and Hole Enlargement Equipment and Services for Petroleum Arrangement Contractors (PACs)
30 October 2018	3+1	Provision of Drill Bits (Rock/ PDC) and Hole Enlargement Equipment and Services for North Malay Basin Drilling Campaign

OILFIELD CONTRACTS

Date of Award	Years	Contract details
27 August 2018	3+2	Provision of Slickline Equipment and Services for SHELL (SSB/ SSPC)
20 December 2018	3+1	Provision of Slickline Equipment and Services for PCSB
27 December 2018	3+1	Provision Of Slickline Equipment And Services For ExxonMobil Exploration And Production Malaysia Inc. (EMEPMI)
7 January 2019	3+1	Provision of Gas Lift Valves and Insert Strings Equipment, Accessories and Services for PCSB

OILFIELD CONTRACTS

PROVISION OF SLICKLINE EQUIPMENT AND SERVICES FOR PETRONAS CARIGALI SDN BHD (PCSB)

- On 20 December 2018, Deleum Oilfield Services Sdn. Bhd. secured a major contract for the Provision of Slickline Equipment and Services for PCSB.

- The duration of the contract is for three (3) years with an extension period of one (1) year from 20 December 2018 until 19 January 2022 at an agreed fixed schedule of rates.



OILFIELD CONTRACTS

PROVISION OF SLICKLINE EQUIPMENT AND SERVICES FOR SARAWAK SHELL BERHAD (SSB)/ SABAH SHELL PETROLEUM COMPANY LIMITED (SSPCL)

- On 27 August 2018, Deleum Oilfield Services Sdn. Bhd. secured a major contract for the Provision of Slickline Equipment and Services for SSB/ SSPCL.

- The duration of the contract is for three (3) years with an extension period of two (2) years from 27 August 2018 until 26 August 2021 at an agreed fixed schedule of rates.

PROVISION OF SLICKLINE EQUIPMENT AND SERVICES FOR EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC. (EMEPMI)

- On 27 December 2018, Deleum Berhad made an announcement via Bursa with regards to Deleum Oilfield Services Sdn. Bhd. securing a major contract for the Provision of Slickline Equipment and Services for EMEPMI.

- The duration of the contract is for three (3) years with an extension period of one (1) year at an agreed fixed schedule of rates.

ICS CONTRACTS

MAINTENANCE, CONSTRUCTION AND MODIFICATION (MCM) CONTRACT

- On 20 September 2017, Deleum Primera Sdn. Bhd. Secured a major contract for the Provision of Maintenance, Construction and Modification (MCM) services for PETRONAS Carigali Sdn Bhd (PCSB) – Package C (Offshore) – Peninsular Malaysia Gas.

- The duration of the contract is for five (5) years with an extension period of one (1) year from 20 September 2017 until 19 September 2022 at an agreed fixed schedule of rates.

- The MCM contract involves:
  - Top Side Maintenance (TSM)
  - Hook Up and Commissioning (HUC)
  - Facility Improvement Programme (FIP)
  - Provision to supply Marine Spread.

- Total CAPEX requirement is approximately RM10-15million for the MCM contract. Currently, surveying jobs are on-going.



ICS CONTRACTS

UPDATES FROM CONTRACTS BY PETRONAS CARIGALI SDN BHD (PCSB)

Date of Award	Years	Contract details
4 July 2018	3+1	Provision of Riser Corrosion Prevention System and Maintenance (Package B: Sabah Asset and Package C: Peninsular Malaysia Asset)
5 Sept 2018	3+1	Provision of Alternative Blasting & Painting (Package B: Spongejet, Vapour & Other Methods for Sabah Asset and Package C: Peninsular Malaysia Asset)



AWARDS & CERTIFICATIONS

ASIA PACIFIC ENTREPRENEURSHIP AWARDS (APEA)

The prestigious Asia Pacific Entrepreneurship Awards (APEA) is a Regional Award Recognition Programme recognizing entrepreneurial excellence.

Held on 7th September 2018, Deleum Berhad was awarded for its Corporate Excellence under the Oil & Gas Industry category.







EMEPMI SSHE FORUM & CHAIRMAN SAFETY AWARD (DOSSB)

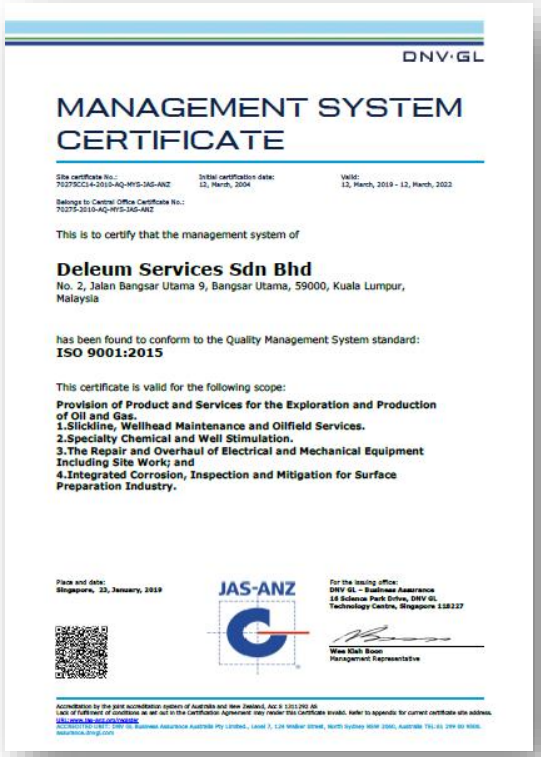
On 13th February 2019, Deleum Oilfield Services Sdn. Bhd. (DOSSB) was awarded Grand Winner for 2018 Chairman's Safety Award during the annual ExxonMobil Exploration & Production Malaysia Inc. (EMEPMI) Safety, Security, Health and Environment (SSHE) Forum and Chairman's Safety Awards held at the Pullman Hotel in Kuala Lumpur.

The award is in recognition to DOSSB to have constantly demonstrated excellent conduct in the following areas, but not limited to:

- Leadership and Communication;
- Crew Competency Program;
- Worker Empowerment/ Engagement;
- SSHE Program Effectiveness.



CERTIFICATIONS OBTAINED



DNV·GL

MANAGEMENT SYSTEM CERTIFICATE

Site certificate No.: 70275CC14-2010-AQ-MYS-JAS-ANZ
Initial certification date: 12, March, 2004
Valid: 13, March, 2019 - 12, March, 2022
Belongs to Central Office Certificate No.: 70275-2010-AQ-MYS-JAS-ANZ

This is to certify that the management system of

Deleum Services Sdn Bhd
No. 2, Jalan Bangsar Utama 9, Bangsar Utama, 59000, Kuala Lumpur, Malaysia

has been found to conform to the Quality Management System standard:
ISO 9001:2015

This certificate is valid for the following scope:
Provision of Product and Services for the Exploration and Production of Oil and Gas.
1.Slickline, Wellhead Maintenance and Oilfield Services.
2.Specialty Chemical and Well Stimulation.
3.The Repair and Overhaul of Electrical and Mechanical Equipment Including Site Work; and
4.Integrated Corrosion, Inspection and Mitigation for Surface Preparation Industry.

Place and date: Singapore, 23, January, 2019
JAS-ANZ
For the issuing office: DNV GL – Business Assurance 16 Science Park Drive, DNV GL Technology Centre, Singapore 118227
Wee Kiah Soon
Management Representative

Accreditation by the joint accreditation system of Australia and New Zealand. Acc # 1311292 AS
Lack of fulfilment of conditions as set out in the Certification Agreement may render this Certificate invalid. Refer to appendix for current certificate site address.
URL www.dnvgl.com/assurance
ACCREDITED UNIT: DNV GL Business Assurance Australia Pty Limited., Level 7, 124 Walker Street, North Sydney NSW 2060, Australia TEL:61 299 00 9000. assurance.dnvgl.com

ISO 9001:2015
Quality Management System

Deleum Services Sdn. Bhd.
Deleum Oilfield Services Sdn. Bhd.
Deleum Chemicals Sdn. Bhd.
Deleum Rotary Services Sdn. Bhd.
Deleum Primera Sdn. Bhd.
(Valid till 12th March 2022)
Turboservices Sdn. Bhd.
(*Valid till 25th July 2020*)



DNV·GL

MANAGEMENT SYSTEM CERTIFICATE

Certificate No: 185950-2015-AE-MYS-JAS-ANZ
Initial certification date: 01, October, 2015
Expiry date of last certificate: 01, October, 2018
Date of last re-certification: 01, August, 2018
Valid: 29, October, 2018 - 01, October, 2021

This is to certify that the management system of

Deleum Chemicals Sdn Bhd
No. 2, Jalan Bangsar Utama 9, Bangsar Utama, 59000, Kuala Lumpur, Malaysia and the sites as mentioned in the appendix accompanying this certificate

has been found to conform to the Environmental Management System standard:
ISO 14001:2015

This certificate is valid for the following scope:
Provision of product and services for the exploration and production of oil and gas:
Chemical Supply and Services.

Place and date: Singapore, 29, October, 2018
JAS-ANZ
For the issuing office: DNV GL – Business Assurance 16 Science Park Drive, DNV GL Technology Centre, Singapore 118227
Hemal Pushpendra Trivedi
Management Representative

Accreditation by the joint accreditation system of Australia and New Zealand. Acc # 1311292 AS
Lack of fulfilment of conditions as set out in the Certification Agreement may render this Certificate invalid. Refer to appendix for current certificate site address.
URL www.dnvgl.com/assurance
ACCREDITED UNIT: DNV GL Business Assurance Australia Pty Limited., Level 7, 124 Walker Street, North Sydney NSW 2060, Australia
TEL:61 299 00 9000. assurance.dnvgl.com

ISO 14001:2015
Environmental Management System

Deleum Chemicals Sdn. Bhd.
(Valid till 1st October 2021)

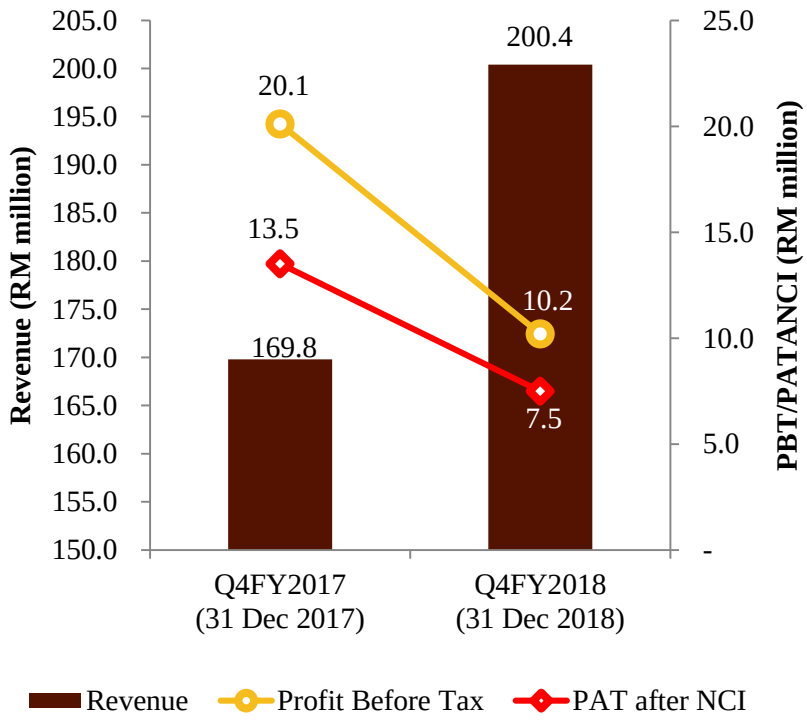


FINANCIAL RESULTS

Q4FY2018

QUARTERLY RESULTS – Q4FY2018

QUARTERLY - REVENUE/PBT/PATANCI



TOP LINE ANALYSIS

Q4FY2018 revenue increased by RM30.6 million or 18.0% as compared to Q4FY2017.

P&M: ▲ RM6.4 mil (▲ 5.4%)	Due to stronger work orders for exchange engines, increase in sales contribution from retrofit projects and higher commission income earned on oil and gas projects offset by the lower demand for valves and flow regulators, turbine parts, repair, maintenance and other ancillary services.
OS: ▲ RM46k (▲ 0.1%)	Due to flat revenue generated from slickline activities.
ICS: ▲ RM24.2 mil (▲ 120.8%)	Due to additional revenue generated from the Maintenance, Construction and Modification ("MCM") services contract offset by lower sales from Pan Malaysia Blasting Contract which expired in November 2017.

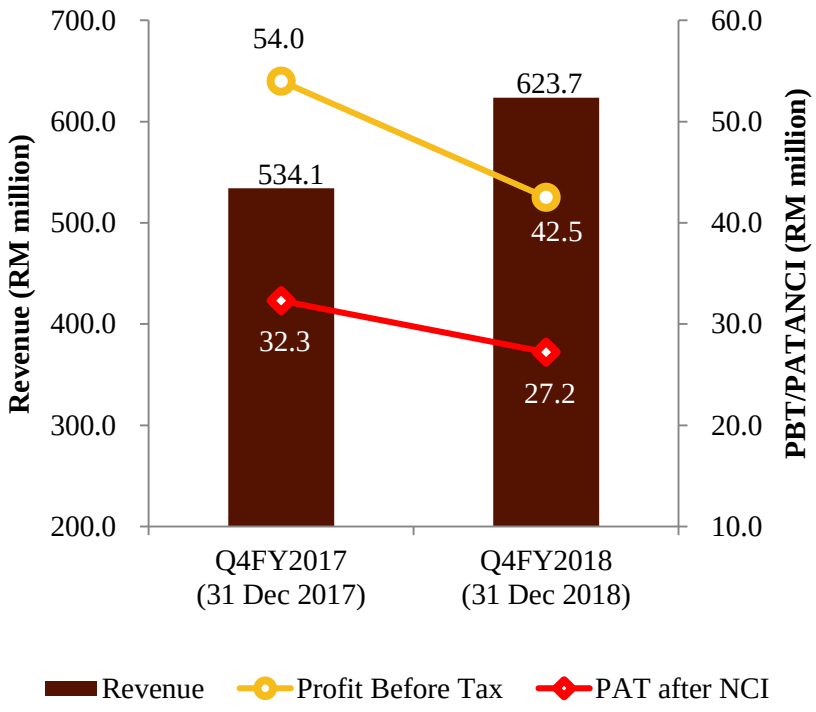
BOTTOM LINE ANALYSIS

PBT for Q4FY2018 decreased by RM9.8 million or 49.0% as compared to Q4FY2017 despite higher revenue was due to lower operating results from all reportable segments with weaker margins earned.

P&M: ▼ RM5.5 mil (▼ 35.7%)	Due to unfavourable change in sales compositions of the P&M products and services.
OS: ▼ RM3.5 mil (▼ 88.8%)	Due to lower margins from slickline activities and continued weakness in the chemicals business.
ICS: ▼ RM1.5 mil (▼ 108.6%)	Due to preparatory costs to service the new contracts awarded in September 2018 and mitigated by a net profit contribution from the MCM services contract.

CUMULATIVE RESULTS – Q4FY2018

CUMULATIVE - REVENUE/PBT/PATANCI



TOP LINE ANALYSIS

Cumulative Q4FY2018 revenue strengthened by RM89.6 million or 16.8% as compared to the corresponding period.

P&M: ↓ RM4.2 mil (↓ 1.2%)	Due to weak work orders for turbine parts, repairs and maintenance services, valve and flow regulators mitigated by higher orders on exchange engines, retrofit projects and commission income earned.
OS: ↑ RM5.4mil (↑ 4.5%)	Due to stronger revenue contribution from slickline activities offset by lower work orders on well intervention and enhancement services and oilfield chemicals.
ICS: ↑ RM88.5 mil (↑ 177.8%)	Due to revenue earned from the MCM services contract offset by the reduced contribution from Pan Malaysia Painting and Blasting Contract which expired in November 2017.

BOTTOM LINE ANALYSIS

Cumulative PBT for Q4FY2018 was lower by RM11.5 million or 21.2% as compared to the corresponding period due to lower results reported across all reportable segments coupled with higher tax charge incurred following the completion of the tax review exercise by the tax authorities.

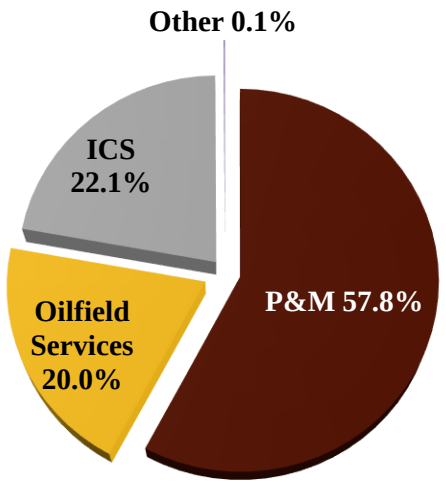
P&M: ↓ RM3.1 mil (↓ 7.8%)	Due to unfavourable sales mix mitigated by lower net foreign exchange losses.
OS: ↓ RM0.1 mil (↓ 0.7%)	Due to softer pricing power.
ICS: ↓ RM10.6 mil (↓ 259.7%)	Due to legacy costs of the sponge jet blasting business and preparatory costs to service the newly awarded contracts.

SEGMENTAL REVENUE – Q4FY2018

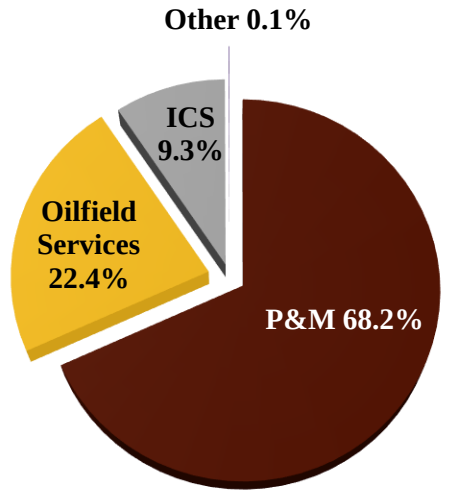
	Quarterly			Cumulative		
	Q4FY2018 RM'000	Q4FY2017 RM'000	Changes %	Q4FY2018 RM'000	Q4FY2017 RM'000	Changes %
Power and Machinery (P&M)	125,194	118,802	5.38%	360,179	364,409	(1.16%)
Oilfield Services (OS)	30,902	30,856	0.15%	124,811	119,403	4.53%
Integrated Corrosion Solution (ICS)	44,192	20,019	120.75%	138,213	49,746	177.84%
Other Non-reportable Segment*	159	172	(7.56%)	482	500	(3.60%)
Total Segment Revenue	**200,447**	**169,849**	**18.01%**	**623,685**	**534,058**	**16.78%**

* *Other non-reportable segment comprises provision of management services to TOSB, a joint venture between Deleum Berhad and SOLAR.*

Segment Revenue Composition Cumulative Q4FY2018



Segment Revenue Composition Cumulative Q4FY2017

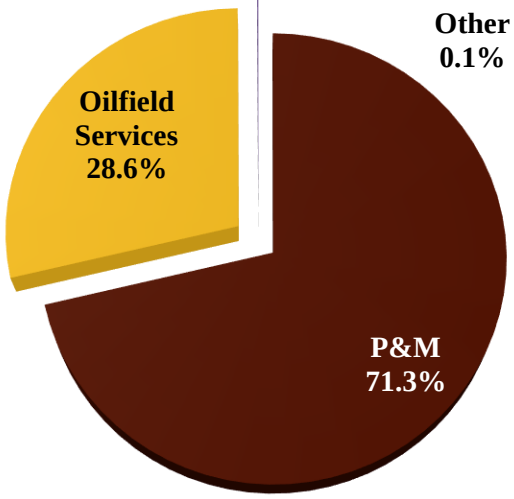


SEGMENTAL RESULTS – Q4FY2018

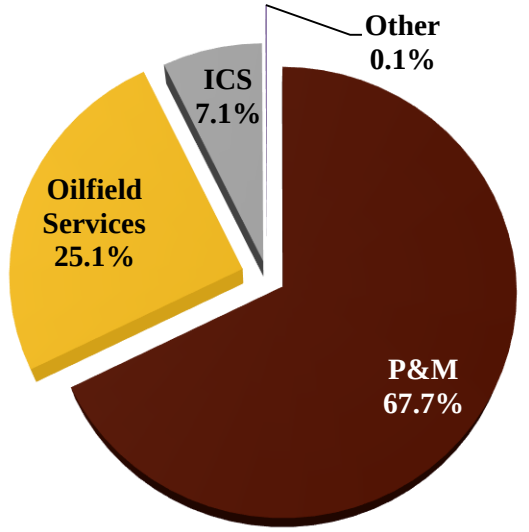
	Quarterly			Cumulative		
	Q4FY2018 RM'000	Q4FY2017 RM'000	Changes %	Q4FY2018 RM'000	Q4FY2017 RM'000	Changes %
Power and Machinery (P&M)	9,826	15,283	(35.71%)	36,041	39,109	(7.84%)
Oilfield Services (OS)	439	3,929	(88.83%)	14,423	14,523	(0.69%)
Integrated Corrosion Solution (ICS)	(122)	1,414	(108.63%)	(6,501)	4,072	(259.65%)
Other Non-reportable Segment*	14	16	(12.5%)	54	55	(1.82%)
Total Segment Results	**10,157**	**20,642**	**(50.79%)**	**44,017**	**57,759**	**(23.79%)**

* *Other non-reportable segment comprises provision of management services to TOSB, a joint venture between Deleum Berhad and SOLAR.*

Segment Results Composition Cumulative Q4FY2018



Segment Results Composition Cumulative Q4FY2017



**Excludes ICS segmental losses of RM6.5 million*

SUSTAINABILITY OF OUR BUSINESS

BREAKDOWN OF REVENUE

Products and Services by Segment

	Cumulative Q4FY2018		Cumulative Q4FY2017^	
	Percentage (%)		Percentage (%)	
	Products	Services	Products	Services
Power and Machinery (P&M)	32%	68%	41%	59%
Oilfield Services (OS)	10%	90%	10%	90%
Integrated Corrosion Solution (ICS)	0%	100%	0%	100%
Other Non-reportable Segment*	0%	100%	0%	100%
Group Revenue	**21%**	**79%**	**30%**	**70%**

Recurring and Once-off by Segment

	Cumulative Q4FY2018		Cumulative Q4FY2017	
	Percentage (%)		Percentage (%)	
	Recurring	Once-off	Recurring	Once-off
Power and Machinery (P&M)	80%	20%	78%	22%
Oilfield Services (OS)	91%	9%	97%	3%
Integrated Corrosion Solution (ICS)	100%	0%	100%	0%
Other Non-reportable Segment*	100%	0%	100%	0%
Group Revenue	**87%**	**13%**	**85%**	**15%**

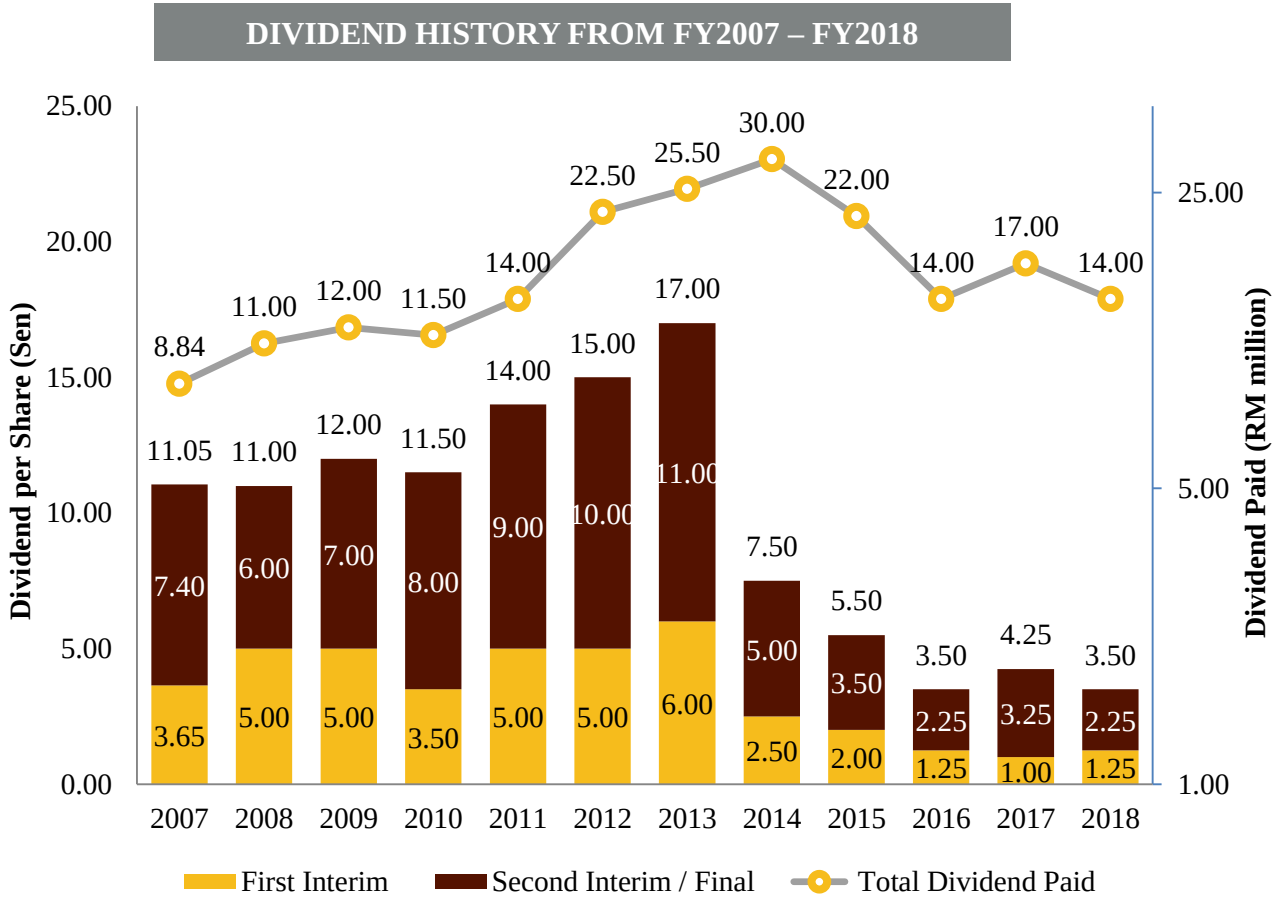
^ *Comparative is restated to conform with current period presentation*

* *Other non-reportable segment comprises provision of management services to TOSB, a joint venture between Deleum Berhad and SOLAR.*

DIVIDEND

DIVIDEND POLICY

Deleum's dividend policy is of distributing gross dividend of 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 requirements, financial commitments, expansion plans and other relevant factors.



FY2018 DIVIDEND
per share
3.50 sen

Total Dividend Paid
since listing
RM205.5 mil

Dividend Payout
ratio of
51.6%
of earnings attributable to equity holders of the Company for FY2018

SHAREHOLDERS' VALUE

TOTAL SHARES ACCUMULATED FOR ONE (1) UNIT OF SHARE INVESTED SINCE IPO

Year	Description	No. of Share(s) Issued	Cumulative No. of Share(s) Per Shareholder	Value (RM)
2007	Initial Public Offering (IPO) at RM2.55 per share	-	1.00	RM2.55
2008	Bonus Issue: 1 for 4	0.25	1.25	
2012	Bonus Issue: 1 for 2	0.63	1.88	
2014	Bonus Issue: 1 for 3	0.63	2.50	
2014	Share Split: 1 into 2	-	5.00	
Total Shares Accumulated for 1 Unit of Share Invested since IPO			**5.00**	

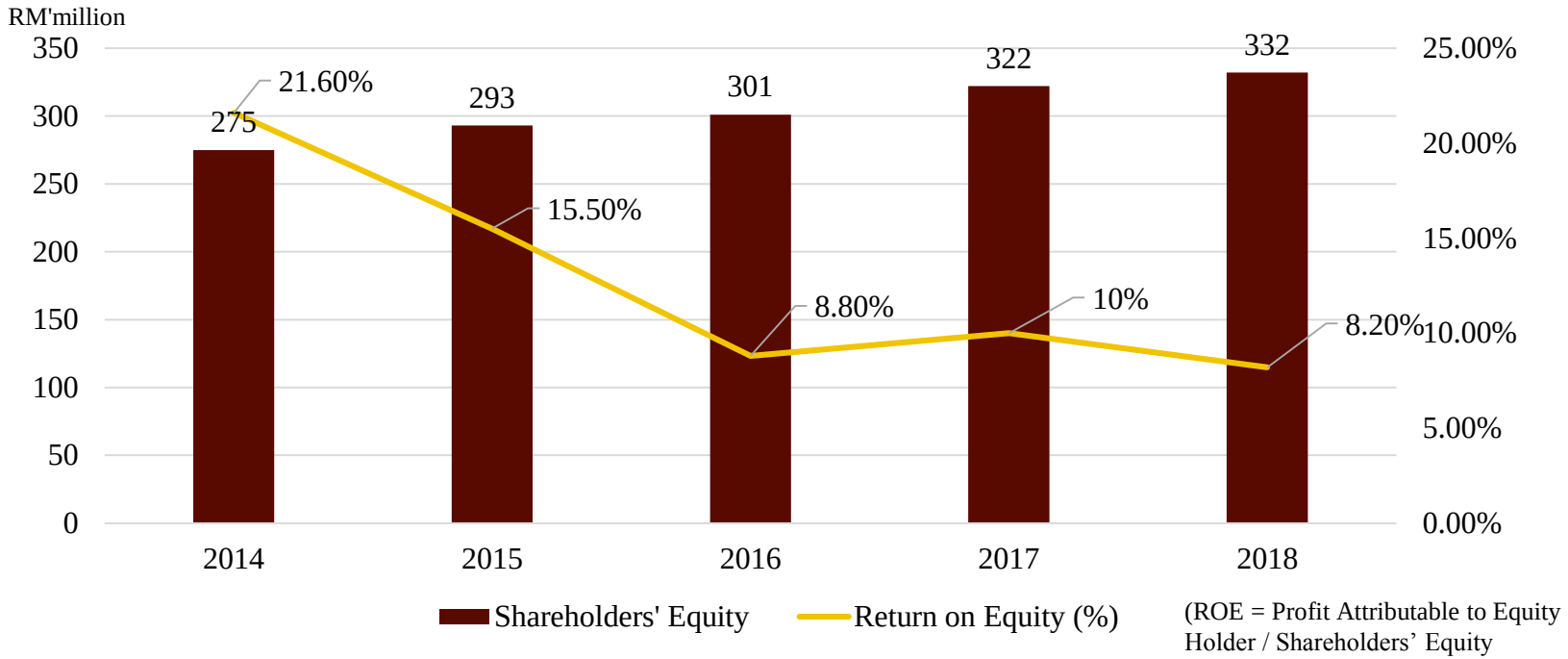
Return Per Share Since Listing	Formula	
Total market value for one (1) unit of share invested since IPO *(5 shares X RM1.090*)*	**A**	RM5.45
Accumulated dividend received	**B**	RM2.53
Total Return	**C=A+B**	RM7.98
Cost of Investment on IPO	**D**	RM2.55
Net Return	**E=C-D**	**RM5.43**
% of Return for One (1) Unit of Share Invested since IPO	**E/D X 100%**	**213%**

Note:

* *Closing price as at 21 March 2019 is RM1.090 per ordinary share.*

SHAREHOLDERS' EQUITY & KEY FINANCIAL RATIOS

GROWTH IN SHAREHOLDERS' EQUITY



(ROE = Profit Attributable to Equity Holder / Shareholders' Equity

OTHER FINANCIAL RATIOS

Financial Year	2014	2015	2016	2017	2018
Return on Total Assets (%)	8.9	6.7	4.0	5.3	4.1
Gearing Ratio (%)	56.5	46.9	36.4	23.6	19.1
Net Asset Per Share (RM)*	0.69	0.73	0.75	0.80	0.83

** Based on the number of the issued and paid-up shares for the respective financial year.*

SUMMARY OF CONTRACTS AS OF JANUARY 2019

Contracts	Expiry Year
Supply & Services for Casing Centralizer Equipment	2019
Provision of Integrated Drilling Services	2020
Provision of Casing Accessories and Auxiliary Cementing Equipment	2020
Provision of Risk Transfer Incentive Contract (RTIC) for Idle Well Reactivation	2020
Provision of Riser Corrosion Prevention System & Maintenance	2021
Provision of Slickline Equipment and Services	2021
Provision of Alternative Painting and Blasting	2021
Provision of Consultancy, Lab, Technical Services, Associated Equipment	2021
Provision of Gas Lift Valve (GLV) and Insert String Equipment	2021
Provision of Well Control Services	2022
Provision of Rock/ PDC Bits/ Hole Enlargement Equipment	2022
Provision of Geomechanics and Pore Pressure Prediction Study	2022
MCM Contract	2022
Long Term Service Agreement for Gas Turbine	2023

DISCLAIMER

- The content of this presentation is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning the Company. We take no responsibility or liability for, the accuracy or completeness of, or any errors or omissions in, any information contained herein.
- This presentation includes materials which may be capable of being interpreted as forward-looking statements. Such statements are merely predictions, based on circumstances and reasonable assumptions which apply only at the date of such statements. Accordingly, no reliance should be placed on any forward-looking statement, express or implied, contained in this presentation.
- Forward-looking statements involve assumptions concerning various risks and uncertainties including, but not limited to, the Company's development activities, the existence of competent management, the Company's financial activities, the domestic and global economy, changes in applicable laws and regulations, the obtaining of approvals and stock market activity. Actual results, performance and levels of activity may differ significantly from those expressed or implied in any forward-looking statements. As such, the Company gives no assurances that any of the events anticipated by any forward-looking statements will actually occur, or what the actual outcome or results of such events will be. In addition, the Company gives no undertaking that it will update or alter any forward-looking statements, irrespective of what may transpire after such statement is made.
- This presentation is strictly not to be distributed without the explicit consent of Company's management under any circumstances.

For more information, please visit us at www.deleum.com