



SUPPORTED BY



DIALOG GROUP BERHAD
(178694-V)

DIALOG TOWER

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ANNUAL REPORT 2017

DIALOG GROUP BERHAD (178694-V)

DIALOG

DIALOG GROUP BERHAD
(178694-V)



CONTINUOUS GROWTH

ANNUAL REPORT
2017

An aerial photograph of an oil terminal. In the foreground, two large oil tankers are moored at a pier. The tanker on the left is red and has 'CMS' written on its side. The tanker on the right is black. A small barge is being towed by a tugboat towards the black tanker. In the background, there are several large white storage tanks and a city skyline under a blue sky with white clouds.

OUR VISION

TO BE THE LEADING INTEGRATED TECHNICAL SERVICES' PROVIDER TO THE UPSTREAM, MIDSTREAM AND DOWNSTREAM SECTORS IN THE OIL, GAS AND PETROCHEMICAL INDUSTRY IN MALAYSIA AND INTERNATIONALLY.

OUR VALUES

HSE • COMPETENCY • QUALITY • EXCELLENCE

OUR MISSION

**TO CONTINUOUSLY ENHANCE COMPETITIVENESS, COMPETENCE
AND LEADERSHIP IN THE PROVISION OF OUR SERVICES.**

WE SHALL

honour our commitment to quality and timely job completion as well as unfailing protection of health, safety and the environment.

WE SHALL

as responsible and caring corporate citizens, actively support the Nation's aspirations and serve the best interests of the communities in which we work and live in.

WE SHALL

continuously develop and retain a highly skilled, motivated and professional workforce to generate the dynamics that will propel our business into strategic growth areas with global reach and a diversified sustainable earnings base.

PENGERANG STORY



From a dream in 2007, the
Pengerang Deepwater
Terminal is now a reality.



2009



2012



2014



2016



The Pengerang Deepwater Terminal development continues to flourish. With the resolute support of the Malaysian Government, DIALOG has successfully promoted the Pengerang Deepwater Terminal to domestic and international investors. This has led to the development of the Pengerang Integrated Petroleum Complex and has attracted close to RM100 billion in total investments so far.

Phase 1, an independent terminal with an oil storage capacity of 1.3 million m³ complete with a dedicated deepwater jetty facility commenced operations in

April 2014. Phase 2, a dedicated petroleum and petrochemicals terminal with an estimated storage capacity of 2 million m³, commenced its construction in 2015. It includes a deepwater jetty facility, Liquefied Natural Gas ("LNG") regasification facilities and two units of 200,000 m³ LNG storage tanks.

With relatively low oil prices, the demand for oil storage is healthy and is expected to increase further. With that in mind, the Group is now expanding Phase 1 by 430,000 m³. At the same time, DIALOG is now working towards securing new

partners to develop Phase 3 of the Pengerang Deepwater Terminal, which will include the development of industrial land for further downstream petrochemical activities, and more petroleum and petrochemicals storage terminals.

Phase 3 and future phases will be developed on a total of approximately 800 acres comprising reclaimable land and the buffer zone. These developments will further drive our vision to transform Pengerang into an international oil and gas hub.



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- Proxy Form

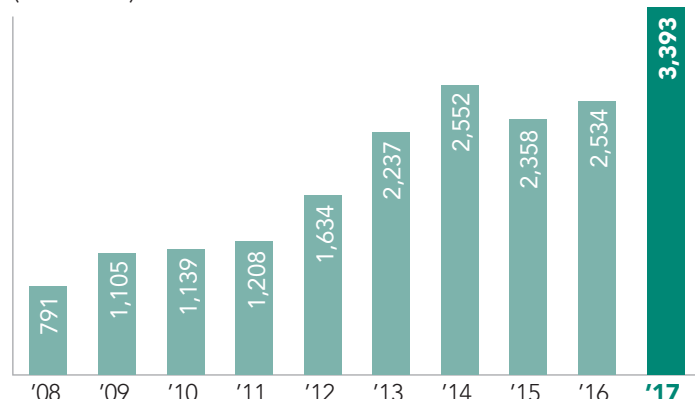
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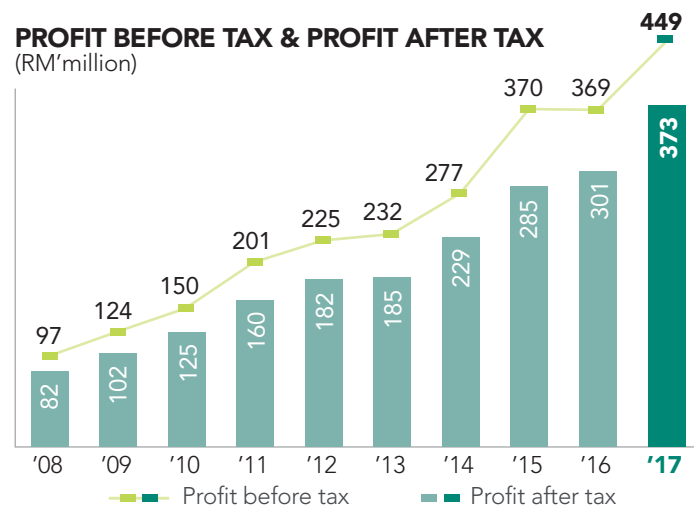
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DIALOG'S 10-YEAR FINANCIAL SUMMARY

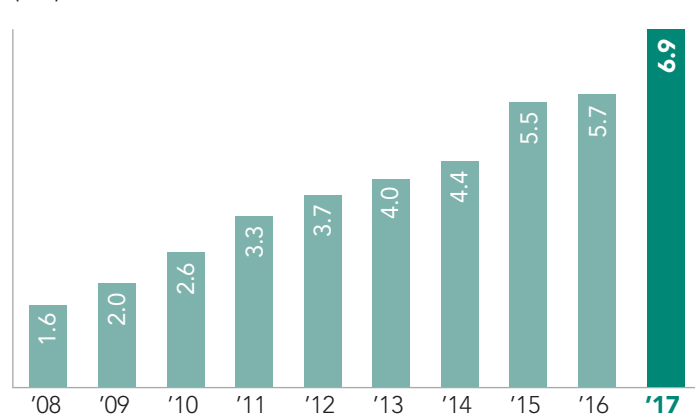
REVENUE
(RM'million)



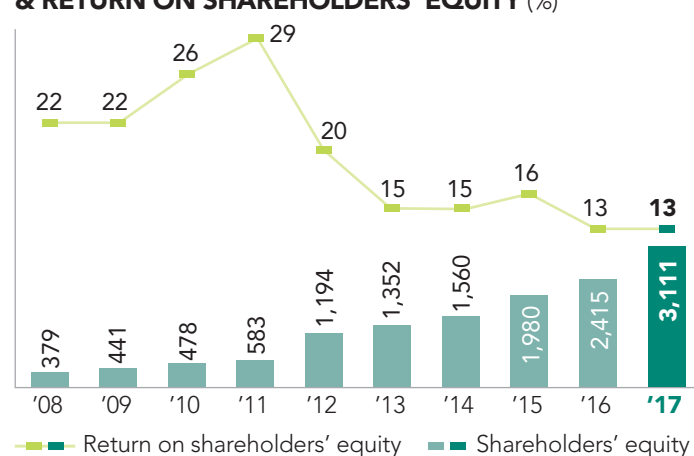
PROFIT BEFORE TAX & PROFIT AFTER TAX
(RM'million)



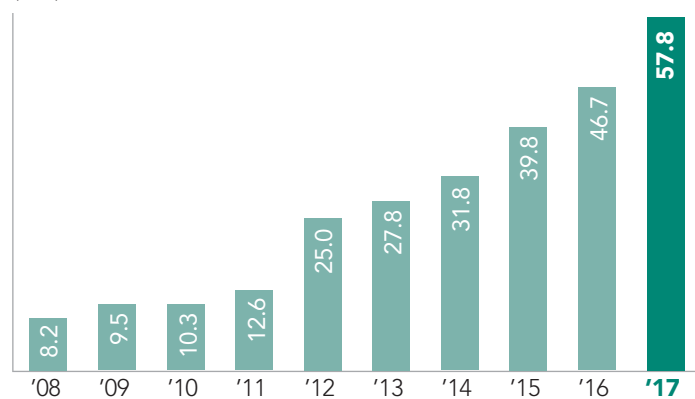
NET EARNINGS PER SHARE
(sen)



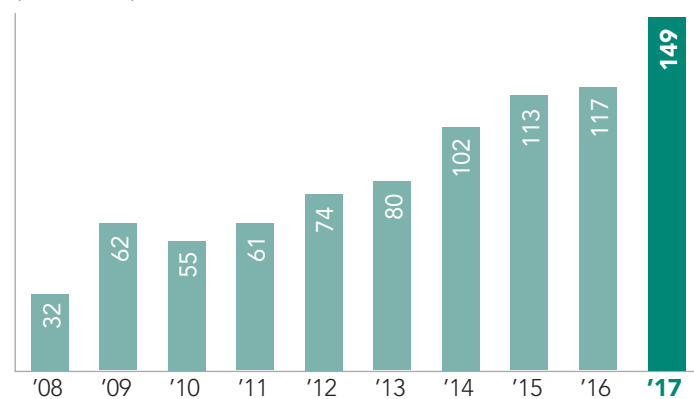
SHAREHOLDERS' EQUITY (RM'million)
& RETURN ON SHAREHOLDERS' EQUITY (%)



NET ASSETS PER SHARE
(sen)



DIVIDEND PAYMENT
(RM'million)



Included in the dividend payment above were:

1. Special share dividend of one treasury share for every fifty ordinary shares held in respect of FY2009.
2. Special share dividend of one treasury share for every one hundred and twenty five ordinary shares held in respect of FY2014.

TAN SRI DR NGAU BOON KEAT
Executive Chairman



EXECUTIVE CHAIRMAN'S STATEMENT



Dear Valued Shareholders,

**On behalf of the Board of Directors,
I am pleased to present to you the Annual
Report for DIALOG Group Berhad
("DIALOG" or "the Group") for the financial
year ended 30 June 2017 ("FY2017").**



OUR PERFORMANCE

I am delighted to report that DIALOG's financial performance for financial year ended 30 June 2017 ("FY2017") remained robust despite a very challenging economic situation for the oil and gas industry. The Group's revenue rose 33.9% to RM3.39 billion and profit after tax expanded 23.8% to RM373.1 million. Net profit attributable to shareholders after non-controlling interests was RM370.6 million, an increase of 25.7% against the last financial year.

The Group's balance sheet continued to strengthen with total assets increasing by 40.6% to RM5.82 billion from RM4.14 billion a year ago. Total shareholders' equity as at 30 June 2017 stood at RM3.11 billion and return on shareholders' equity for FY2017 was 13.4%.

The Board appreciates the support and trust of our shareholders as it remains committed to increasing the value of the Company, to ensure its long term sustainability as well as rewarding shareholders with attractive returns on their investment.

For FY2017, the Board recommends a final cash dividend of 1.45 sen per ordinary share amounting to approximately RM82 million, based on a share capital of 5.6 billion shares. This will be presented to shareholders at the forthcoming Annual General Meeting.

EXECUTIVE CHAIRMAN'S STATEMENT



Construction of Phase 2A of Pengerang Deepwater Terminal ("PT2SB") achieved 15 million Manhours without Loss Time Injury ("LTI") in September 2017

The dividend is in addition to the payment of an interim cash dividend of 1.2 sen per ordinary share amounting to RM67 million.

Upon obtaining shareholders' approval for the final dividend, the Group will be paying a total cash dividend of approximately RM149 million for FY2017, as compared to RM117 million in the previous financial year.

DIALOG places great importance on protecting the health, safety and welfare of its people and communities in which the Group operates. Recognition of our performances reflects the success of the various programmes implemented under the Group's Health, Safety and Environment Management System ("HSEMS").

The Group remains committed to maintaining the highest level of quality for our products and services, to meet industry norms and customers' expectation.

We remained focus on ensuring the effectiveness of our quality management system which has been acknowledged by national and international accreditation bodies.

The Board is committed to upholding the principles of integrity, transparency and accountability to safeguard and maintain our business reputation and the interests of all our stakeholders. To achieve this, the Group continues to adopt and implement good corporate governance practices.

Good corporate governance will ensure the long term viability of the Company. It goes beyond our daily operations and encompasses the impact our businesses have on the environment.

DIALOG remains supportive of the MyKasih Foundation and its programme for the underprivileged students and families. In addition, the Group continues to partner other charity and non-charity organisations in support of various community outreach programmes and events.



Pengerang Deepwater Terminal received its 6th VLCC in March 2017

OUR PROSPECTS

As a leading integrated technical services' provider to the upstream, midstream and downstream sectors in the oil, gas and petrochemical industry, DIALOG is confident that its business model is well structured and able to withstand the current oil price volatility and currency movements.

The outlook for the petroleum industry remains challenging for the upstream sector as oil and gas prices remain relatively low. Based on the International Energy Agency ("IEA")'s forecasts, global oil demand growth is expected to weaken in 2017 and 2018.

OPEC has made a commitment to rebalance oil markets by bringing its inventories down. However, US output and crude oil inventories remain bloated at record highs and shale investments are soaring, hence, oil and gas prices will remain under pressure. Consequently, investments in the upstream sector is expected to remain at lower levels.

Conversely, the midstream and downstream sectors of the petroleum industry continue to benefit from low oil and gas prices, resulting in strong investment activities in the coming years.

In view of DIALOG's business model, we are confident that we will achieve continuous growth in the near future.

DIALOG will remain committed to enhancing efficiency and productivity by incorporating new technologies and improving business processes. We will continue to review our human resources to ensure a more efficient and effective distribution system and to improve further the skills of the current manpower.

With the ongoing operations of Phase 1 ("PITSB") and current construction of Phase 2, the Group is now expanding Phase 1 by 430,000 m³. We are also securing new potential partners for Phase 3, which will include the development of industrial land and more petroleum and petrochemical storage terminals. Phase 3 and future phases will be developed on a total of approximately 800 acres comprising reclaimable land and the buffer zone.

EXECUTIVE CHAIRMAN'S STATEMENT



DIALOG sponsored Sekolah Kebangsaan Bukit Lanjan's 33rd Annual Sports Day in November 2016 with close to 70 DIALOG's staff volunteers

Further development of the Pengerang Deepwater Terminal will provide more opportunities for the Group's engineering, construction, fabrication and plant maintenance services. The liquefied natural gas ("LNG") regasification facility [owned by an associate of DIALOG] has received its first LNG vessel for commissioning in August 2017.

Recently, the Group acquired the remaining 45% interest in the jointly controlled Centralised Terminals Sdn Bhd ("CTSB"). CTSB owns 80% equity interest in Langsat Terminal (One) Sdn Bhd and Langsat Terminal (Two) Sdn Bhd, both engaged in the provision of centralised tankage and terminal facilities in Tanjung Langsat, Johor. This will enable CTSB to be aligned to the Group's Terminals Business streamlining and facilitating its future expansion.

In the upstream sector, the Group is actively developing new reserves from the existing contracts. At the same time, the Group is also on the lookout for viable production assets, which may become available for possible acquisition.

Moving forward, the Group will continue to grow its core businesses with recurring income especially in expanding its Logistics businesses, which includes storage tank terminals and the supply base.

Barring any unforeseen circumstances, the Group is optimistic that its performance will be favourable for the financial year ending 30 June 2018.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to thank all our esteemed customers, principals, as well as technology and business partners and their associates, for their worthy support and cooperation through the years. I would also like to convey my utmost gratitude to our valued shareholders for their unwavering confidence and continuous support of the Group.

I am fortunate to have on the Board a group of exceptional individuals. To each of the Board members, my sincere appreciation for your invaluable insights and counsel which has seen the Company flourished over the years. I would also like to express my gratitude to our very capable Management and the entire DIALOG family for their dedication and commitment to delivering good results against a challenging business environment.

We are proud of our achievements. My wish is for all of us to continue to work together as a team with one vision, as we continue to take this Company to greater heights.

Tan Sri Dr Ngau Boon Keat
Executive Chairman



MyKasih

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DR NGAU BOON KEAT
(Executive Chairman)

CHAN YEW KAI
(Executive Deputy Chairman)

DATUK OH CHONG PENG
(Senior Independent
Non-Executive Director)

KAMARIYAH BINTI HAMDAN
(Independent Non-Executive Director)

JA'AFAR BIN RIHAN
(Non-Independent
Non-Executive Director)

SITI KHAIRON BINTI SHARIFF
(Independent Non-Executive Director)

CHEW ENG KAR
(Director, Corporate Services)

ZAINAB BINTI MOHD SALLEH
(Group Chief Financial Officer)

AUDIT COMMITTEE

DATUK OH CHONG PENG
(Chairman, Senior Independent
Non-Executive Director)

KAMARIYAH BINTI HAMDAN
(Independent Non-Executive Director)

SITI KHAIRON BINTI SHARIFF
(Independent Non-Executive Director)

JOINT COMPANY SECRETARIES

ZAINAB BINTI MOHD SALLEH
MIA 7672

LIM HOOI MOOI
MAICSA 0799764

CHAY SIEW KIM
MAICSA 7012266

REGISTERED OFFICE

DIALOG TOWER, No. 15
Jalan PJU 7/5, Mutiara Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel No. : 603 7717 1111
Fax No. : 603 7722 3999
Homepage : www.dialogasia.com

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Helpdesk Line : 603 7849 0777
Fax No. : 603 7841 8151/8152
Email : ssr.helpdesk@symphony.com.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name : DIALOG
Stock Code : 7277

AUDITORS

BDO @ Menara CenTARa
Level 8
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Malaysia

SOLICITORS

Mah-Kamariyah & Philip Koh
Rahmat Lim & Partners
Shearn Delamore
Raja Darryl & Loh

PRINCIPAL BANKERS

AmBank (M) Berhad
CIMB Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Standard Chartered Bank
Malaysia Berhad

CORPORATE PROFILE

Established in 1984, **DIALOG** is a leading integrated technical services' provider to the upstream, midstream and downstream sectors in the oil, gas and petrochemical industry. Over the years, **DIALOG** has grown from strength to strength in the industry, both organically and through strategic alliances with internationally renowned technology partners.

Headquartered in Kuala Lumpur, **DIALOG** is a truly global player given the Group's strong and growing presence across 9 countries with a staff strength of over 2,300. **DIALOG** has offices and facilities in Malaysia, Singapore, Thailand, Indonesia, China, Australia, New Zealand, Saudi Arabia and United Arab Emirates. Such strategic locations bode well for **DIALOG** as the Group is able to operate from a position of strength in tapping synergistic benefits in readily serving a diverse range of customers that include multinational oil majors, national oil companies as well as multinational engineering and services providers located throughout the world.

DIALOG is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and has a market capitalisation of about RM11 billion as at September 2017.

Throughout the industry, the Group is highly regarded and respected as a trusted and dependable provider of comprehensive services that encompass:

- Logistics Assets & Services – Tank Terminals and Supply Base
- Upstream Assets & Services
- Engineering, Procurement, Construction and Commissioning
- Specialist Products and Services
- Plant Maintenance and Catalyst Handling Services
- Fabrication
- ePayment Technology and Solutions

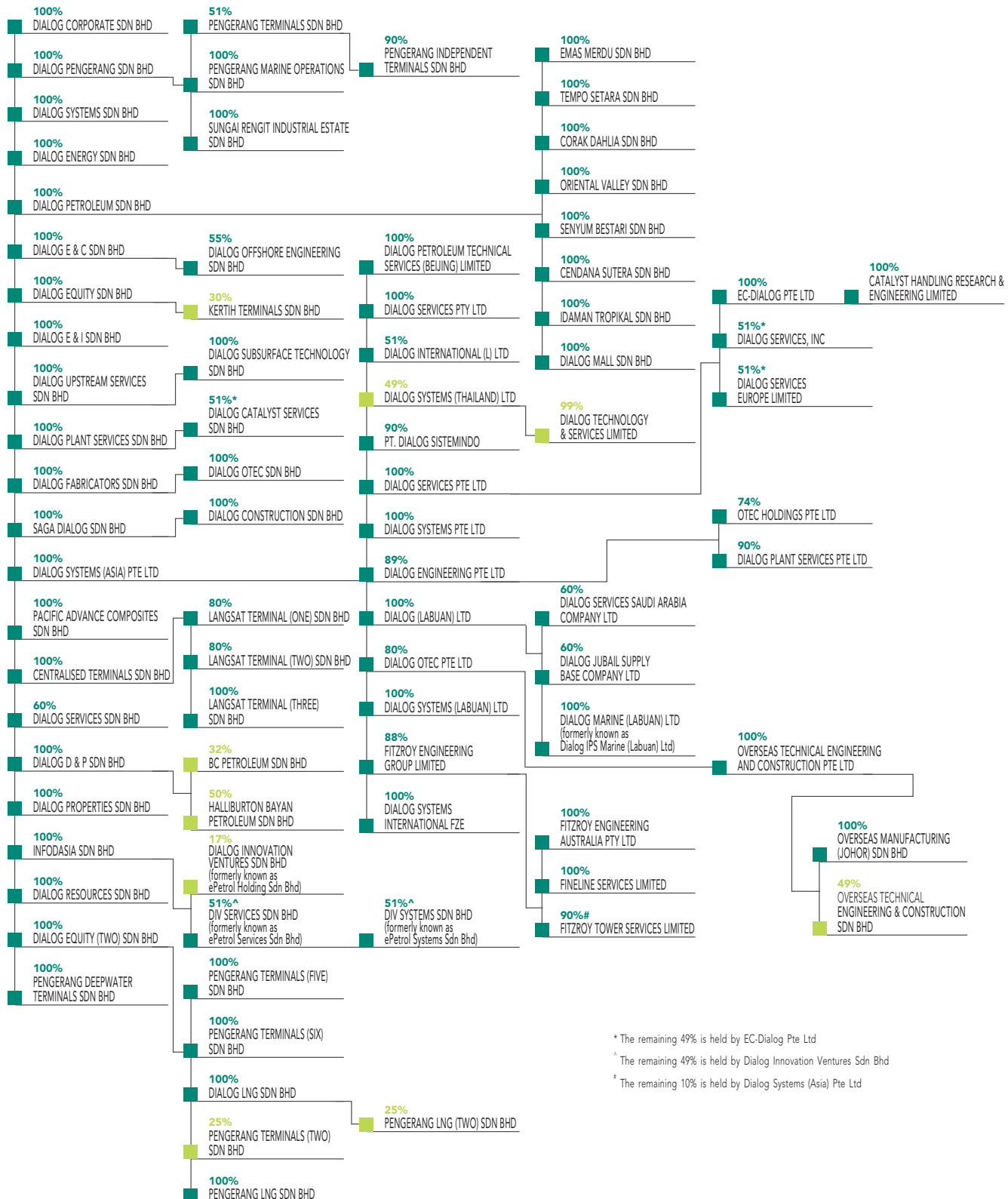


CORPORATE STRUCTURE

AS AT 30 SEPTEMBER 2017

DIALOG

DIALOG GROUP BERHAD

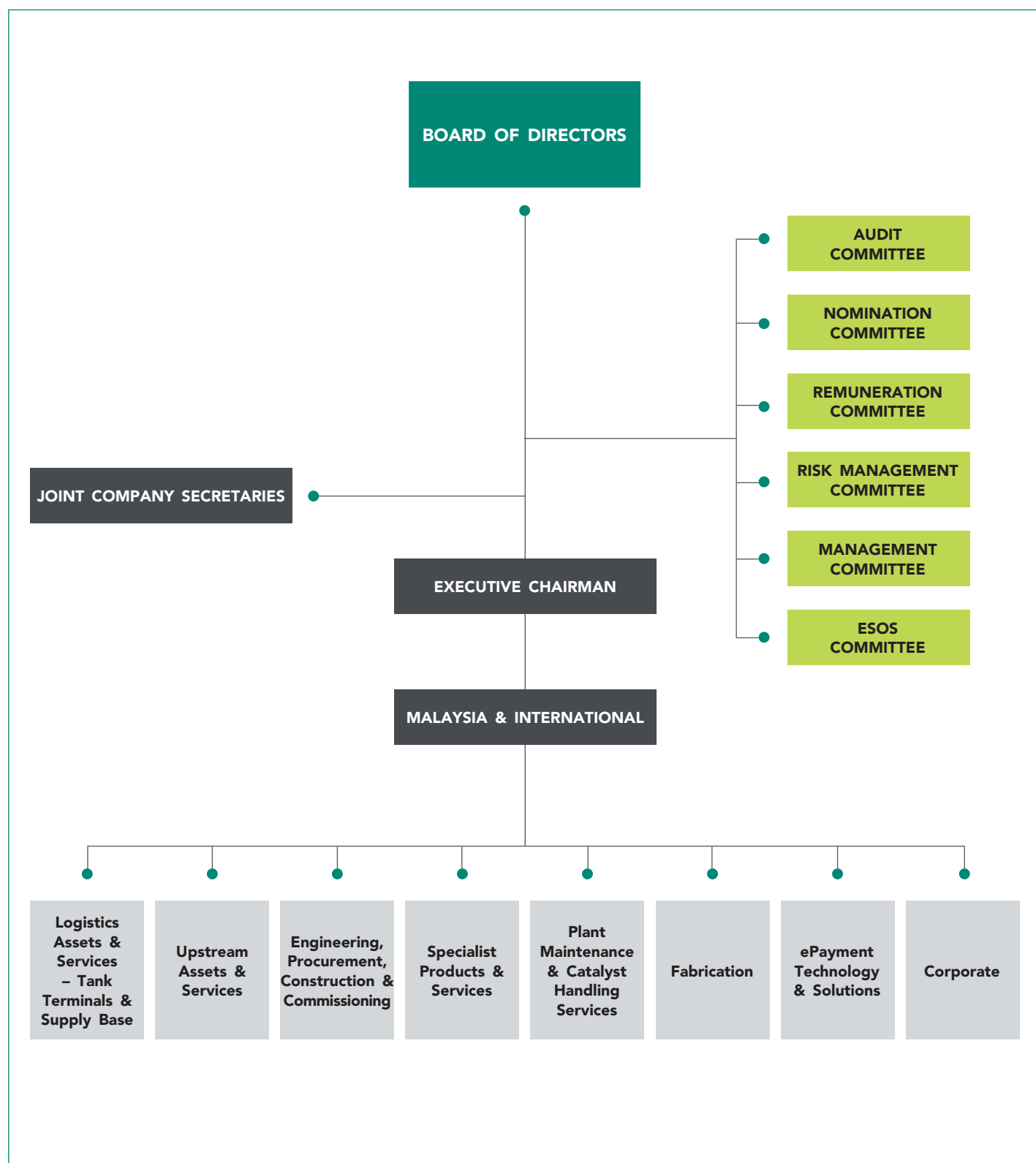


* The remaining 49% is held by EC-Dialog Pte Ltd

^ The remaining 49% is held by Dialog Innovation Ventures Sdn Bhd

The remaining 10% is held by Dialog Systems (Asia) Pte Ltd

ORGANISATION STRUCTURE



CALENDAR OF EVENTS



■ **15 July 2016**
Hari Raya Open House



■ **6 August 2016**
MyKasih Charity Golf 2016



■ **24 November 2016**
28th Annual General Meeting



■ **25 January 2017**
Pengerang Deepwater Terminal 2 – 10 million Manhours without LTI Celebration



- **6 February 2017**
Chinese New Year Open House



- **5 April 2017**
Arrival of 1000th Vessel at Pengerang Deepwater Terminal – Maersk Katarina



- **7 – 9 May 2017**
19 Asia Oil & Gas Conference ("AOGC 2017")



- **23 May 2017**
Recipient of the Exemplary Transformer to Market Change Award from the Malaysia Canada Business Council ("MCBC")



- **3 – 5 July 2017**
Annual Budget Planning FY2018

AWARDS AND ACCOLADES



QUALITY ASSURANCE & QUALITY CONTROL

For sustainable improvement of our business performance, DIALOG has always understood its customers' need. This is manifest as the result has been the delivery of products and services of the highest quality. And this is manifest in our scrupulous compliance of regulatory, statutory and ISO9001 standards.

The Group is committed towards upgrading its Quality Management System ("QMS") to ISO9001:2015 by ensuring that risks that can affect product and services quality are determined and addressed.

The Group takes pride in maintaining quality certification of its subsidiary companies. In September 2016, Dialog Plant Services Sdn Bhd successfully obtained certification of American Society of Mechanical Engineers ("ASME") and National Board ("NB") with 'R' for Dialog Fabricators Pengerang Facility ("DFPF").

In 2017, Pacific Advance Composites Sdn Bhd and Dialog Services Sdn Bhd underwent Re-certification Audits for ISO9001:2008. In the same year, Surveillance Audits for ISO 9001 and ISO/TS29001 were conducted for Dialog Plant Services Sdn Bhd, Dialog E & C Sdn Bhd and Dialog Systems Sdn Bhd respectively. By September 2018, ISO9001 certification for all companies will be completely transferred to its new editions.

During its latest project at Pengerang Terminals (Two) Sdn Bhd, DIALOG fully implemented an internally-designed Welding Control System ("WCS"). The new system was designed in-house by Dialog Innovation Ventures Sdn Bhd ("DIV"). As a result, the system has since been refined and used in refrigerated gaseous tank facility at Pengerang.

A further system development was completed with DIV designing and implementing a Punch List System ("PLS") that has been rolled out, achieving successful results on the first system handover (MCD-1) of Pengerang Terminals (Two) Sdn Bhd.

BOARD OF DIRECTORS



From left to right

Zainab Binti Mohd Salleh, Chew Eng Kar, Kamariyah Binti Hamdan, Chan Yew Kai,
Tan Sri Dr Ngau Boon Keat, Datuk Oh Chong Peng, Siti Khairon Binti Shariff, Ja'afar Bin Rihan

BOARD OF DIRECTORS' PROFILE



TAN SRI DR NGAU BOON KEAT is the co-founder and major shareholder of DIALOG and has been with the Group since 1984. He was appointed to the DIALOG Board on 2 January 1990 and is currently the Executive Chairman of DIALOG, Chairman of the Remuneration Committee, ESOS Committee and Risk Management Committee. He is the Chairman of Centralised Terminals Sdn Bhd and Pengerang Independent Terminals Sdn Bhd. He is also the Founder and Trustee of MyKasih Foundation, and Director of International Conference & Exhibition Professionals. He is a Board member of Johor Petroleum Development Corporation Berhad since 2012 and a Council member of the East Coast Economic Region Development Council since 2014.

He is a Malaysian, aged 69, and holds a Bachelor Degree (Hons.) in Mechanical Engineering and an Honorary Doctorate in Engineering from the University of Canterbury, New Zealand. He is a member of the Institution of Engineers, Malaysia and the Institution of Engineers, Singapore. He is also a Registered Professional Engineer with the Board of Engineers, Malaysia.

He began his career in 1972 as a Refinery Engineer with Mobil Singapore Pte Ltd. He worked at PETRONAS from 1975 to 1980 where he held various positions from Production Engineer to Engineering Manager. He has more than 45 years of working experience in the oil, gas and petrochemical industry.

Tan Sri Dr Ngau Boon Keat is deemed a major shareholder of DIALOG.



CHAN YEW KAI was appointed to DIALOG Board on 23 September 2005 and is currently the Executive Deputy Chairman of DIALOG. He is also a member of the Risk Management Committee.

He is a Malaysian, aged 63, and holds a first class Honours Degree in Chemical Engineering from the University of Malaya. He is a member of the Institution of Engineers, Malaysia and is a Professional Engineer registered with the Board of Engineers, Malaysia. He is also a Fellow of the Institution of Chemical Engineers, United Kingdom.

He joined DIALOG in 1993 as General Manager and was later promoted as Director and Chief Executive Officer of Dialog Systems (Asia) Pte Ltd, overseeing the operations of the Group's Business Development, Marketing, Technical Services and Petroleum Retail. He was later appointed as Deputy Group Managing Director and President & Chief Operating Officer of DIALOG prior to his current position. He is currently also an alternate board member of Johor Petroleum Development Corporation Berhad. He has over 39 years of experience in the oil, gas and petrochemical industry encompassing plant operations, project engineering and management, marketing and business development. He was formerly with ICI for 9 years and PETRONAS for 5 years.

BOARD OF DIRECTORS' PROFILE



DATUK OH CHONG PENG was appointed as an Independent Non-Executive Director of DIALOG on 9 January 2009. He is the Chairman of the Audit Committee and Nomination Committee, and a member of the Remuneration Committee. He is also the Senior Independent Non-Executive Director (email: ocp@dialogasia.com).

He is a Malaysian, aged 73. He is a qualified Chartered Accountant and is a Fellow of the Institute of Chartered Accountants in England and Wales. He is also a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and the Malaysian Institute of Accountants.

He was a senior partner of Coopers & Lybrand (now known as Pricewaterhouse Coopers), Malaysia (1974 – 1997). He was a Committee Member of the Kuala Lumpur Stock Exchange (1990 – 1996) and also a past President (1994 – 1996), Council Member (1981 – 2002) of the MICPA and was also a member of the Malaysian Accounting Standards Board (2003-2009).

His directorships in other public companies include British American Tobacco (Malaysia) Berhad, WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad), Malayan Flour Mills Berhad, PUC Berhad and Saujana Resort (M) Berhad. He is a Member of the Labuan Offshore Financial Services Authority. He is also a Council Member of Universiti Tunku Abdul Rahman ("UTAR") and a trustee of the UTAR Education Foundation.



KAMARIYAH BINTI HAMDAN was appointed as an Independent Non-Executive Director of DIALOG on 27 July 2010. She is a member of the Audit Committee, Nomination Committee, Remuneration Committee and ESOS Committee.

She is a Malaysian, aged 66, and holds a Bachelor and a Master of Laws degree from the University of London, and a Barrister-at-Law degree from the Honourable Society of Lincoln's Inn.

She joined PETRONAS in 1979 as one of its pioneer legal advisors and her last posting was as Legal Advisor and Company Secretary to PETRONAS Gas Sdn Bhd (now PETRONAS Gas Berhad) in 1988. She left PETRONAS to be a Partner of Mah-Kamariyah & Partners from 1989 to 2005 where she continued to be actively involved in the oil and gas business.

She has over 32 years of working experience in various aspects of legal matters in relation to oil and gas, general corporate advisory, corporate finance, banking, real and personal property transactions, joint ventures, privatisation, engineering, procurement and construction contracts, technology transfers etc.



JA'AFAR BIN RIHAN was appointed as a Non-Independent Non-Executive Director of the DIALOG Board on 25 November 2010, representing Employees Provident Fund Board ("EPF"), which is a substantial shareholder of DIALOG.

He is a Malaysian, aged 49, and holds a first class Honours Degree in Economics from International Islamic University, Selangor Darul Ehsan. He is also a National Member of Malaysian Financial Market Association since 1995.

He is currently the General Manager of the Simpanan Shariah Department of EPF and he joined EPF since 2008. He was a Vice-President of Calyon Bank prior to him joining EPF. He was with Bank Negara Malaysia for 15 years whereby he was actively involved in the development of Islamic Money Market and Islamic Financial Market. His last position held with Bank Negara was as a Manager of the Islamic Money Market and Investment Operations and Financial Market before he joined Calyon Bank.



SITI KHAIRON BINTI SHARIFF was appointed as an Independent Non-Executive Director of the DIALOG Board on 1 April 2013. She is also a member of the Audit Committee. She was previously on DIALOG Board between 2005 and 2010 as the appointed representative of Employees Provident Fund Board ("EPF"), which is a substantial shareholder of DIALOG.

She is a Malaysian, aged 63, and holds a Bachelor of Economics (Hons.) Degree from University Malaya and MA (Econs) Degree from University of Philippines. She retired from EPF as the General Manager, Fund Investment Department after having served EPF for 12 years until 2008. She was a lecturer at University Putra Malaysia for 16 years prior to joining the EPF. She is currently also a Trustee of MyKasih Foundation.



CHEW ENG KAR is the Director, Corporate Services of DIALOG. He was appointed to the DIALOG Board on 24 February 1998. He is also a member of the Risk Management Committee.

He is a Malaysian, aged 58, and holds a professional qualification with the Association of Chartered Certified Accountants, United Kingdom and is also a Chartered Accountant with the Malaysian Institute of Accountants.

He has been with DIALOG since 1992, where he joined as the Group Finance Manager and was later promoted to General Manager, Group Finance before his appointment to the Board. He has more than 33 years of working experience in corporate and financial management.



ZAINAB BINTI MOHD SALLEH is the Group Chief Financial Officer and Joint Company Secretary of DIALOG. She was appointed to the DIALOG Board on 15 May 2007. She is a member of the Risk Management Committee and also the Secretary of the Nomination Committee, Remuneration Committee and ESOS Committee.

She is a Malaysian, aged 51, and holds a Bachelor of Commerce in Accountancy from University of New South Wales, Australia and is a Chartered Accountant with the Malaysian Institute of Accountants.

She joined DIALOG in 1995 as Accountant and was later promoted to Group Chief Financial Officer and Joint Company Secretary. She has over 29 years of working experience in auditing and financial management. She was formerly with Price Waterhouse (now known as PricewaterhouseCoopers) and other companies responsible for financial and cost management accounting.

Other than disclosed, none of the Directors have:

1. any family relationship with any director and/or major shareholder of DIALOG;
2. any conflict of interest with DIALOG;
3. any conviction for offences within the past 5 years other than traffic offences; and
4. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT'S PROFILE



MUSTAFFA KAMAL BIN ABU BAKAR

is Chief Operating Officer of the Group and has been with the Group since 2001. He was appointed as Chief Operating Officer on 10 October 2014. He is a Malaysian, aged 53, and holds a Bachelor of Science Degree in Mechanical Engineering from the Nevada-Reno University, USA. He joined the Group in 2001 as Director, Business Development (Plant Services Division) and was later the Chief Executive Officer of Dialog E & C Sdn Bhd and Dialog Plant Services Sdn Bhd. He was subsequently promoted as Group Managing Director for the Malaysia Business Operations on 1 November 2009. He has more than 30 years of working experience in the oil, gas and petrochemical industry. He was formerly with PETRONAS Carigali Sdn Bhd for 5 years and with other oil and gas related companies in design consultancy, construction and fabrication, and maintenance & specialized services. He is currently also an alternate board member of International Conference and Exhibition Professionals.

He does not have:

1. any family relationship with any director and/or major shareholder of DIALOG;
2. any conflict of interest with DIALOG;
3. any conviction for offences within the past 5 years other than traffic offences; and
4. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MANAGEMENT TEAM'S PROFILE (MALAYSIA)



CHONG CHONG WOUI joined DIALOG in 1986. He was appointed Executive Director, Major Projects in January 2011. He is a Malaysian, aged 59 and holds a Bachelor of Science Degree in Civil Engineering from the University of Aston, Birmingham, United Kingdom. He is responsible for the development of Pengerang project which involves reclamation, dredging, jetty and storage tanks construction. He has over 34 years of working experience in engineering, construction and project management in the oil, gas and petrochemical industry.



TAN LIP LEONG joined DIALOG in 2007. He was appointed Head of Engineering and Construction, and Fabrication in December 2015. He is a Malaysian, aged 54 and holds a Bachelor of Engineering Degree in Mechanical Engineering from University of Malaya and is a Professional Engineer registered with the Board of Engineers. Prior to joining DIALOG, he was a partner in an engineering consultant firm heading the Oil and Gas Department. He has more than 30 years of working experience in engineering and design for the oil and gas and power generation facilities. He has actively participated in the engineering and construction of Oil Refineries, Gas Processing Plants, Ethylene/Polyethylene Plants, Butanol Plant and LNG plant facilities.



DAVID MARSLAND joined DIALOG in 2017 as Head of Upstream Ventures. He is a British citizen, aged 54 and holds a B.Sc. in Chemical Engineering from Birmingham University, a M.Sc. in Petroleum Engineering and a Ph.D. in Mineral Resource Engineering from the Imperial College, London, United Kingdom. During his 26 years with Shell International, he has acquired extensive experience where he held numerous senior technical as well as management positions.



JOHN HENRY THORNTON joined DIALOG in 2015 as Director of Downstream. He was subsequently appointed Director of Operations Excellence in June 2015 and, Head of Risk Management and Internal Audit for the Group in September 2015. He is a British citizen, aged 59 and holds a Bachelor of Science Degree in Chemical Engineering from the University of Birmingham, UK. He is a Fellow of the Institution of Chemical Engineers, United Kingdom, and has 35 years of working experience in downstream oil & gas industry with ConocoPhillips and Phillips 66, including 3 years as Refinery Manager in the UK and 6 years as President, Malaysia Downstream. During his career he has gained extensive experience in refining and petrochemicals engineering, projects, strategy, planning, management, and operations and maintenance.



DATO' CAPT. HJ ABDUL RAHIM BIN ABDUL AZIZ joined DIALOG in 2012 as Chief Executive Officer/General Manager of Pengerang Marine Operations Sdn Bhd ("PMOSB"), a subsidiary of DIALOG Group. He is a Malaysian, aged 63 and holds a Masters FG (RMIT Australia), Post Graduate Diploma in Ports and Shipping Administration (IMTA, Holland), MBA (Ohio, USA), 2nd Officer FG (LBS, India) and an Extra-First Class Pre-Sea (PMA, Pakistan). He is also an Unrestricted Class Harbour Pilot, was with MISC for 9 years, served Klang Port Authority (13 years) and Penang Port Commission (9 years) as Assistant General Manager and Chief Executive Officer/General Manager respectively before being a Special Maritime Advisor at the Ministry of Transport for 4 years.

MANAGEMENT TEAM'S PROFILE (MALAYSIA)



MOHAMED KHALZANI BIN MOHAMED SAFFIAN joined DIALOG in 2015 as Head of Group Logistics. He is a Malaysian, aged 51. He graduated with a Bachelor of Arts Degree in Business Administration majoring in Marketing and Management Information System from Eastern Washington University, USA. Prior to joining DIALOG, he served in MISC as Vice President, Chemical Business for 6 years overseeing chemical shipping and tank terminal joint ventures. He had also served in Shell Group of Companies for 17 years in various fields including Supply Chain Management, Logistics and Customer Service, New Market Entry, Business Development and Oil Trading. Mohamed Khalzani also sits as a board member in joint venture companies within DIALOG Group.



ANDY SOO SENG ONN joined DIALOG in 2015 as Head of Upstream Services. He is a Malaysian, aged 49 and holds a Bachelor of Electrical Engineering from the University of Technology Malaysia. He has more than 27 years of industry experience in field operations, technical support, operations, sales, project management, business development and marketing, and general management with International Oilfield Service Companies such as Halliburton, Western Atlas, Roxar and Weatherford, with the most recent one, Baker Hughes. His 8-year stint overseas included Indonesia, Australia, New Zealand and Bangladesh.



HENG SOON LIP joined DIALOG in 2002. He was appointed Head of Plant Services in July 2015. He is a Malaysian, aged 54 and holds a Bachelor of Engineering Degree in Civil and Structural Engineering from National University of Singapore and is a Professional Engineer registered with the Board of Engineers Malaysia. He leads and oversees the business development and operations of Plant Maintenance and Catalyst Handling Services. He has over 29 years of working experience in engineering design, project management and specialist services in the oil, gas and petrochemical industry. He was formerly with the Sembawang Group and Brown & Root for 6 years and 3 years, respectively in Singapore.



SHAHIMI ZAKARIA joined DIALOG in 2008. He was appointed Director of Plant Maintenance and Fabrication in April 2015. He is a Malaysian, aged 47 and has over 23 years working experience in oil, gas, petrochemical, refinery, combined cycle gas turbine power plant and offshore industry, working in various functions including fabrication, maintenance, commission and operation, both internationally and locally.



LOKE WEI YUAN has been with DIALOG since 2007. He was appointed as Head of Fabrication in January 2017. He is a Malaysian, aged 43 and holds a Certificate in Materials Engineering and Executive Diploma in Engineering Business Management (Project Management) from Tunku Abdul Rahman College and University Technology Malaysia respectively. He has also completed the Executive Master in Business Project management ("EMBPM") program at the Asia e-University. He has close to 22 years of working experience in the Engineering and Fabrication industry.



BRYAN TAN joined DIALOG in 2007 as an Electrical & Instrumentation Manager. Subsequent appointments included Deputy Design Engineering Manager and Deputy Head of Engineering & Construction. In 2013, he was appointed as the Deputy Director – Major Projects and in 2017, he was moved to head the Business Development for the Group. He will lead and oversee the business development activities of the various business units for DIALOG. He is a Malaysian, aged 41 and holds a Bachelor Degree in Electrical, Engineering and Computing from Monash University, Australia. He has 20 years of working experience in the Oil & Gas and Petrochemical industry. Prior to joining DIALOG, he was with BASF-PETRONAS Chemicals and Siemens Malaysia in technical and management role.

MANAGEMENT TEAM'S PROFILE (MALAYSIA)



SHAHRUDDIN AHMAD joined DIALOG in 2012. He was appointed Head of Government Relations in July 2016. He is a Malaysian, aged 53 and holds a Bachelor Degree in Business Administration from University of Arkansas and Master of Business Administration Degree from Mississippi State University, USA. He has more than 29 years of working experience including more than 3 years with a leading local banking institution, and about 20 years with Shell Malaysia Trading Sdn. Bhd. where he held various senior positions. Prior to joining DIALOG, he was the General Manager of the Tank Terminal Division at MISC Berhad for 2 years.



JESSIE KU joined DIALOG in 2007 and is the Head of Group Human Resources. She is a Malaysian, aged 59 and holds a Diploma in Personnel Management and is an ICF-ACSTH Certified Associate Coach. She leads and manages HR strategic plans, working with management on talent pipelining, leadership development, and learning programs to drive performance and staff morale. She has over 34 years of working experience in several multinational companies within the manufacturing, consultancy and professional services sector.



NG CHONG WAH joined DIALOG in 2007 as Director of Corporate Planning. He is a Malaysian, aged 69. He graduated from the University of Malaya in 1974 with a Degree in Chemical Engineering. He worked in a Singapore Petroleum Company (Refinery) for two years before he joined PETRONAS in 1976. He retired from PETRONAS in 2003 having worked in areas covering technical, business development, business and project planning, crude oils pricing, business evaluation and acquisition, joint ventures, LNG marketing, corporate planning, including international postings.



JENNY CHOK joined DIALOG in 2012 and is the Head of Group Legal. She is a Malaysian, aged 50. She obtained her Bachelor in Law degree from the University of London, UK. She completed the English Bar examinations and is a member of Grays' Inn, UK. She commenced her career in the legal education line as an academic, teaching various law courses, as well as managing a counselling office for legal education. She then practiced as an Advocate and Solicitor with the law firm of Messrs Shearn Delamore & Co, focusing on corporate and commercial law work. Prior to joining DIALOG, she was Head of Group Legal for an oil and gas service provider with other diversified activities, listed on the Main Market of Bursa Malaysia. She has over 24 years of working experience.



JEFFREY GERARD PERERA

joined DIALOG in 2008 and is the Managing Director of DIALOG Innovation Ventures Group of Companies, formerly known as ePetrol Group of companies. He oversees the development and commercialisation of integrated payment technology, systems, services and solutions, especially those related to MyKad use. He is a Malaysian, aged 63 and holds a Diploma in Banking Studies from the Institute of Bankers, London and has 29 years working experience with HSBC Malaysia, where his last posting was as Head of Card Business. Prior to joining DIALOG, he ran his own consulting practice after serving as Visa International's Country Manager for Malaysia, Brunei and Guam for 4 years.



HO KAM YONG, EVELYN

joined DIALOG in 2000 as Chief Planning Officer. She was appointed Head of Retail Petroleum and Director of Corporate Development in January 2004 and August 2007 respectively. She is currently the Chief Executive Officer of DIALOG Digital Ventures, (formerly known as ePetrol), Head of Digital and Technology, as well as, Acting Head of Group Corporate Communications. She is a Malaysian, aged 53 and holds a Master of Business Administration and a Bachelor Degree in Corporate Finance from University of North Texas, U.S.A. She has more than 25 years of working experience in the development of macro strategies and risk management.



MARINA MUSTAFFA KAMIL

joined DIALOG in 2010 as the Senior Manager for Corporate Planning and Development. She took a year off in 2016 and resumed her role in July 2017. She provides overall corporate management assistance to DIALOG's upstream business. She is a Malaysian, aged 46 and holds a Master of Arts and a Bachelor of Arts Degree in Economics from the University of Cambridge, England. She has over 22 years of working experience of which 13 years were in the oil and gas industry. She was formerly with PETRONAS Carigali Sdn Bhd prior to joining DIALOG.



ABDUL RASHID MOHD YUSOFF

joined DIALOG in 2012 as Senior Manager of Finance – Upstream. He is a Malaysian, aged 52 and holds a Bachelor of Arts Degree in Accountancy from the University of South Australia, Adelaide. He has over 25 years of working experience in the oil and gas industry. He was formerly with Shell Malaysia, Petrofield and MMC prior to joining DIALOG.

MANAGEMENT TEAM'S PROFILE

(INTERNATIONAL)



TAN LEK LEK joined DIALOG in 1995. He was appointed Executive Director – Technical in February 2016. He is a Malaysian, aged 65 and holds a Bachelor Degree with Honours in Mechanical Engineering from the University of Malaya. He is a member of the Institution of Engineers, Malaysia and the Institution of Engineers, Singapore and a Registered Professional Engineer in Malaysia and Singapore. He has more than 40 years of multi-discipline working experience in construction, commissioning and maintenance of onshore and offshore oil and gas facilities, petrochemical plants, water and waste water treatment plants, both locally and overseas.



LOY AH WEI joined DIALOG in 1986. He was appointed Director of Special Function for Singapore operations in September 2012. He is a Singaporean, aged 71 and holds a Master of Science Degree from the University of Manchester, United Kingdom. He is a Chartered Engineer and is also registered with the Professional Engineers Board Singapore. He has over 45 years of working experience in the oil, gas and petrochemical industry and was formerly with Mobil and Western Geophysical for 3 years and 5 years, respectively.



TEO SEOW LING joined DIALOG in 2017 and is the Chief Executive Officer of the Terminal Business. He is a Singaporean, aged 47, and holds a Bachelor of Engineering (B.Eng) degree in Mechanical Engineering and a Masters of Science Degree in Industrial Engineering from the National University of Singapore. He has more than 19 years of extensive experience in both operation and general management of bulk liquid terminals of which he spent close to 17 years with Vopak where he held a variety of operational and senior management positions. Prior to joining DIALOG, he was the Vice-President of Operations at SLNG – Singapore LNG Corporation Pte Ltd for 2 years.



YOSHIYUKI HIRAOKA is the Managing Director of Dialog OTEC Pte Ltd since April 2006 through the acquisition of OTEC Holdings Pte Ltd. He is a Japanese citizen, aged 72 and holds a Bachelor Degree in Chemical Engineering from Kogakuin University, Tokyo, Japan. He has over 46 years of working experience in engineering design of petrochemical storage facilities which include LPG, VCM and Butadiene distribution facilities including project management and shop fabrication of vessels and tanks in the oil, gas and petrochemical industry.



RICHARD ELLIS is the Managing Director of Fitzroy Engineering, New Zealand, a subsidiary of DIALOG since April 2011 through the acquisition of Fitzroy Engineering Group Ltd. He is a New Zealand citizen, aged 44 and holds a Bachelor of Technology Mastering in Engineering and Automation. He has over 22 years of working experience, 11 years of which were in the automated technology industry assisting the company to establish itself as an international leader in the field. He has extensive experience in project management, contract negotiation and global market.



ANDREW LAI joined DIALOG in 1986. He was appointed Executive Director of Pacific Advance Composites Sdn Bhd in February 2012. He is a Malaysian, aged 59 and responsible for the business strategy and development of our locally-manufactured FIBERBOND® FRP Piping system as well as specialty products and services covering Asia and Australia regions. In 2017, he was also appointed to head the Drilling Fluid Marketing team. He has 35 years of working experience in the oil, gas and petrochemical industry.



MIKE NEWMAN joined DIALOG in 2013 as Director of Petroleum Engineering in Upstream Division. He is a British citizen, aged 69 and holds a Bachelor of Science Degree in Chemical Engineering & Fuel Technology from Sheffield University, United Kingdom. He has more than 44 years of experience in the oil and gas industry and has acquired extensive reservoir engineering, field development and project management skills during his lengthy career with Shell International where he held a variety of technical and senior management positions. His global experience spans Europe, Africa, South America, Middle East and South East Asia, and includes some 8 years working for Shell in East Malaysia.

MANAGEMENT TEAM'S PROFILE (INTERNATIONAL)



GEORGE BELL joined DIALOG in 2012 as Director of Engineering in Upstream Division. He is a British citizen, aged 73 and has a Bachelor of Science Degree in Mechanical Engineering from Heriot Watt University, Edinburgh, United Kingdom. He has more than 44 years of experience, of which he was with Shell International for 25 years where he worked on major projects worldwide, holding a variety of technical, project and senior management positions.



NIGEL JONES joined DIALOG in 2015 as Director of Geoscience in Upstream Division, holding a Bachelor of Science Degree in Exploration Sciences from Nottingham University, United Kingdom. He is an Australian, aged 62 and has 36 years of experience, working mostly with independent Australian oil and gas companies in technical and management positions. He has been involved in projects spanning from exploration through development across Australasia, Africa and South East Asia, and most recently, in appraising and developing marginal fields offshore Malaysia.



STEVEN TEOW YEE joined DIALOG in 2004. He was appointed Country Manager of Singapore in October 2014. He is a Singaporean, aged 43 and holds an Honours Degree in Chemical Engineering from the National University of Singapore and a Diploma in Marketing from the Chartered Institute of Marketing (United Kingdom). He has 19 years of working experience in the sales and marketing of specialist products and services.



TAN NGEE MENG joined DIALOG in 2007. He was appointed Country Manager for Saudi Arabia in June 2013. He is a Malaysian, aged 46 and oversees the business operations in that region which consist of specialised industrial services, minor projects, equipment support services and trading services as well as logistic services of a supply base located in the Jubail Commercial Port that serves the offshore oil & gas industry in the Arabian Gulf Region. He has 24 years of working experience in the oil, gas and petrochemical industry in Saudi Arabia.



VIJAYASEKHARAN N joined DIALOG in 2012. He was appointed Country Manager for U.A.E. in July 2015. He is an Indian citizen, aged 46 and holds a Diploma in Mechanical Engineering. He has over 28 years of work experience in fields of engineering fabrication, construction, logistics and supply chain, and sales and marketing of specialist products for Oil and Gas sector.



ANDY COPLAND joined DIALOG in 1995 and is the General Manager of Dialog Services Pty Ltd, Australia. He holds extensive inspection qualifications, a Certificate of Quality Assurance from New Zealand and is a Lead Quality Systems Auditor. He is a New Zealand citizen, aged 58 and has over 31 years of worldwide working experience in a variety of roles in the oil, gas and petrochemical industry.



TIRIN TONGPATANAKUL joined DIALOG in 2009. He was appointed Country Manager for Dialog Systems (Thailand) Ltd in July 2015. He is a Thai citizen, aged 40 and holds a Bachelor of Engineering (Honours) in Mechanical Engineering from University College London, University of London and has more than 17 years working experience. He is currently responsible for overseeing business operations in Thailand.



ROKMANHILI ZAKARIA joined DIALOG in 1998. He was appointed Senior Manager, Business Development/Client Representative for business development activities for DIALOG's centralised tankage facility services business in November 2009. In May 2017, he was appointed Country Manager for Indonesia. He is a Malaysian, aged 45 and holds a Bachelor of Science in Chemical Engineering from Purdue University, USA. He has more than 21 years of working experience in the oil, gas and petrochemical industry.

MANAGEMENT DISCUSSION AND ANALYSIS



MUSTAFFA KAMAL BIN ABU BAKAR
Chief Operating Officer



Phase 2A – Pengerang Terminals (Two) Sdn Bhd ("PT2SB") and Phase 2B – Pengerang LNG (Two) Sdn Bhd ("PLNG-2") of Pengerang Deepwater Terminal (PDT).

During the financial year under review, the upstream sector of the oil and gas industry continued to face challenges amid prolonged low crude oil prices globally. DIALOG, however, has been relatively unaffected, thanks to its diversified portfolio in all three sectors of the industry – the Upstream, Midstream and Downstream businesses.

In the Upstream ventures, DIALOG continues to value-add and implement measures to consolidate, integrate and innovate to keep the cost of production at a minimum to deliver better economies of scale to our ventures.

With the development of Pengerang Deepwater Terminal ("PDT"), the Engineering, Procurement, Construction and Commissioning ("EPCC") activities continue to be the main drivers of DIALOG's earnings. The Group has ensured the delivery of current phases of the development of PDT and various projects in timely and safe manner.

Our Plant Maintenance Division continues to invest in human capital, technology, plant and machinery enabling it to be a preferred service provider for Turnaround and Maintenance works in Malaysia. This was achieved by timely delivery of executed projects with the highest standards of safety and quality. DIALOG

aims for the division to grow into a major player, as a specialist Maintenance and Turnaround service provider not just in Malaysia but also in Saudi Arabia, Singapore, Indonesia, Thailand, Australia and New Zealand.

As a whole, DIALOG will continue to adapt to market environment by focusing on consolidating its diverse capabilities and resources, strengthening its operational efficiency and optimising cost management.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS MODEL

MALAYSIA / INTERNATIONAL

**UPSTREAM**

Upstream Assets & Services



MIDSTREAM

Logistics Assets & Services
– Tank Terminals & Supply Base



DOWNSTREAM

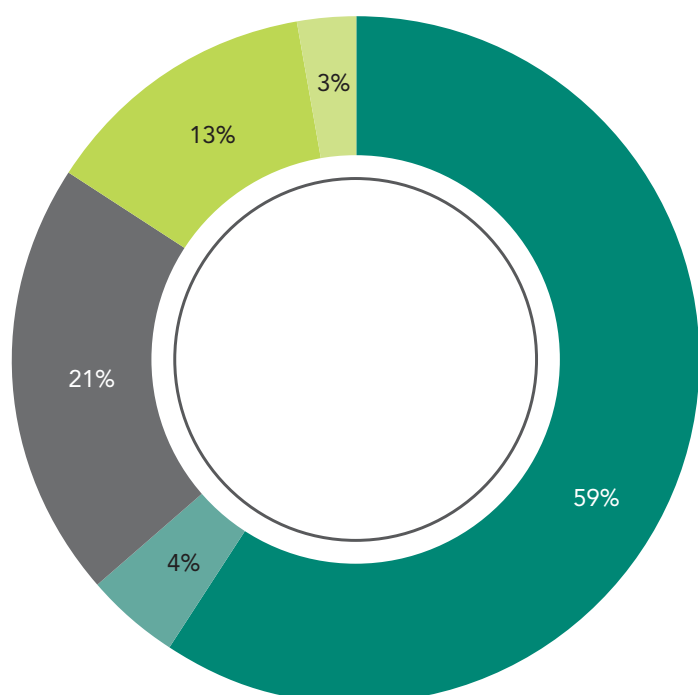
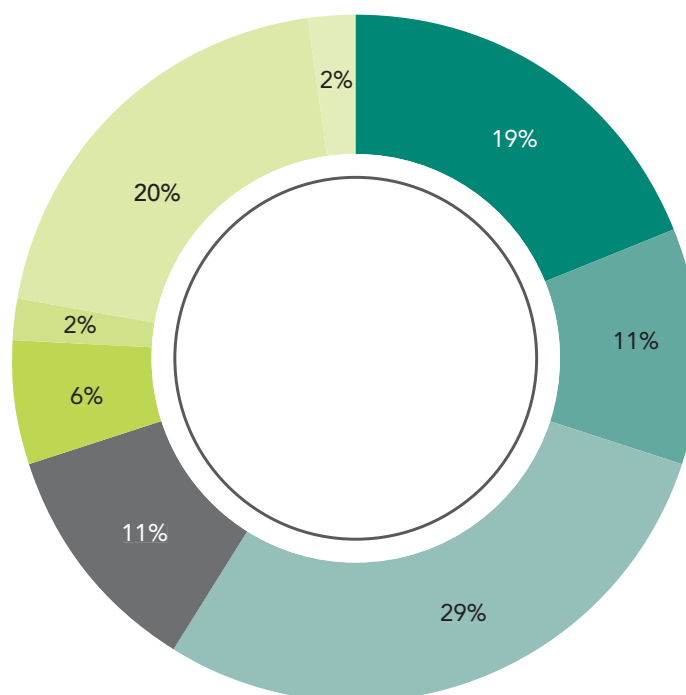
- Engineering, Procurement, Construction & Commissioning
- Specialist Products & Services
- Plant Maintenance & Catalyst Handling Services
- Fabrication
- ePayment Technology & Solutions

MANAGEMENT DISCUSSION AND ANALYSIS

HUMAN RESOURCE
AS AT 30 JUNE 2017

EMPLOYEES BY LEVEL OF EDUCATION

Education Level	No. of Employees
Technical Degree	466
Technical Diploma	264
Technical Certificate	681
Non Technical Degree	255
Non Technical Diploma	135
Non Technical Certificate	50
Secondary Certificate	486
Lower Secondary/Primary Certificate	46
Total	2,383



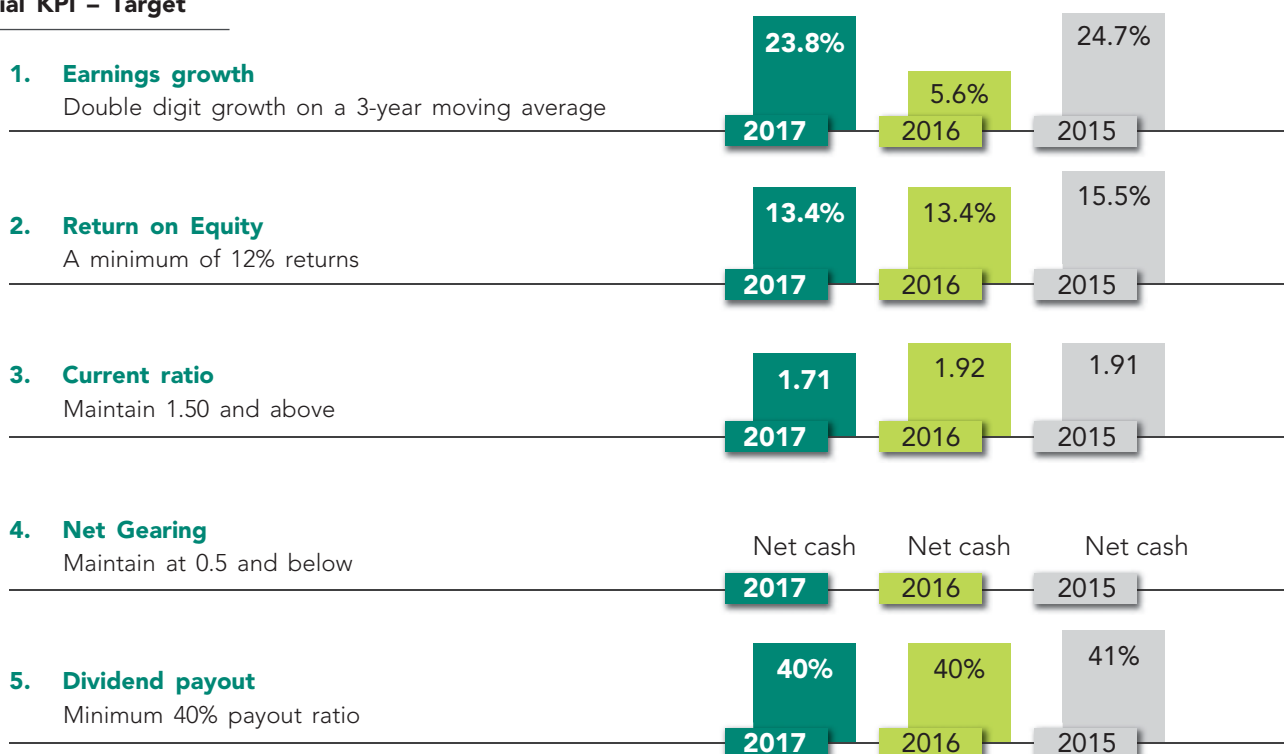
EMPLOYEES DISTRIBUTION BY LOCATION

Country	No. of Employees
Malaysia	1,417
Singapore	104
Australia & New Zealand	490
Middle East	307
Other Countries	65
Total	2,383

KEY PERFORMANCE INDICATORS

DIALOG's key performance indicators ("KPIs") seek to measure the Group's success in maintaining value through sustainable earnings growth, driving business excellence as well as the ability to operate in a safe and effective manner. We continually monitor, and when necessary, revise these targets to take into account refinements in the Group's strategy.

Financial KPI – Target



Non-Financial KPI – Target



MANAGEMENT DISCUSSION AND ANALYSIS

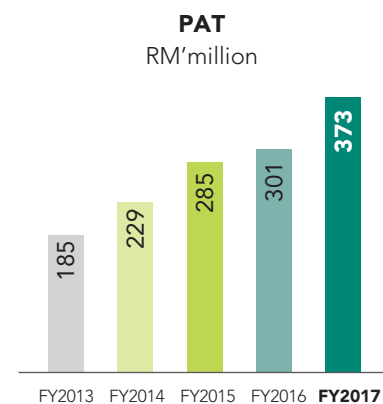
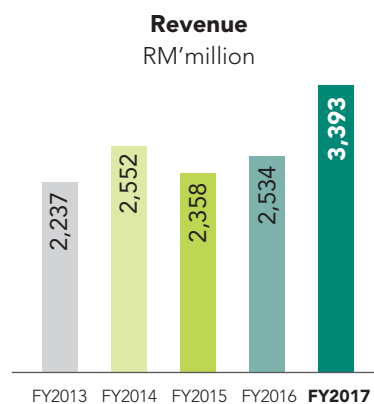
FINANCIAL PERFORMANCE

DIALOG delivered a strong financial performance for the financial year ended 30 June 2017. The Group's revenue increased by 33.9% to RM3.39 billion from RM2.53 billion registered in last financial year and its' after tax profits of RM373.1 million was higher by 23.8% against RM301.3 million recorded a year ago.

The financial year under review saw the joint ventures' operations contributed 51.3% more profits to the Group. The Group shared RM107.0 million from its' joint ventures operations in the current financial year as compared to RM70.8 million in last financial year. This was mainly attributable to increased contributions from terminal operations which experienced improved occupancy rates and better fees for its tank storage facilities during the financial year.

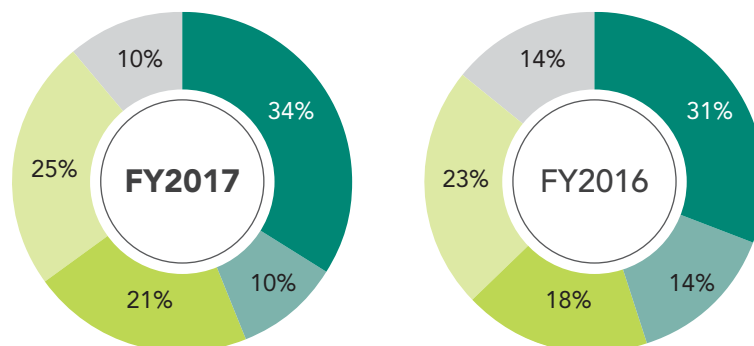
The Malaysia revenue for the financial year ended 30 June 2017 was RM2.46 billion, an increase of RM844.3 million or 52.4% as compared to 2016. This was primarily driven by the midstream and downstream activities. During the financial year, the Malaysia operation was busy with engineering, construction and fabrication works from ongoing projects and also performed some plant maintenance works. These well executed activities had contributed to the better results delivered by the Malaysia operation despite the slower upstream activities faced during the financial year.

On the International front, revenue for the financial year ended 30 June 2017 was RM937.0 million, increased marginally by 1.5% from RM922.8 million recorded last year. The downstream activities in Singapore and Saudi Arabia were the main contributors to the current year financial performance.



Assets

The Group's total assets stood at RM5.82 billion as at 30 June 2017, representing an increase of RM1.68 billion (40.6%) from RM4.14 billion as of last financial year.



- Investments in Joint Ventures & Associates
- Property, Plant & Equipment
- Trade and other receivables
- Cash and bank balances
- Other assets

Investments in joint ventures and associates

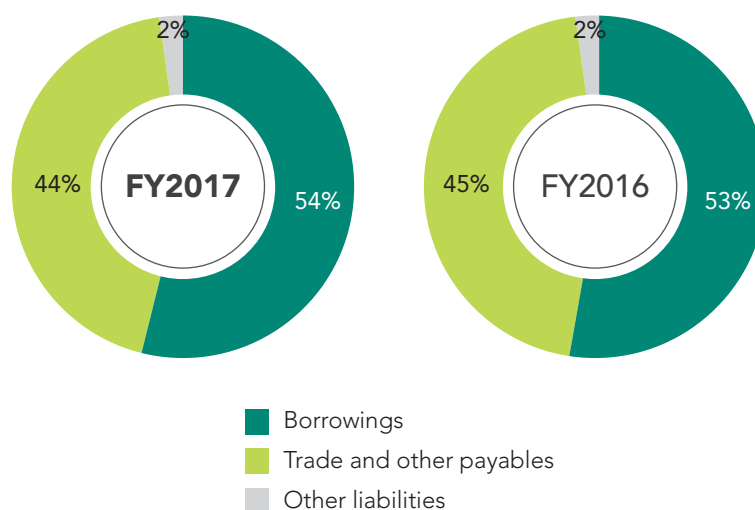
Investments in joint ventures and associates as at 30 June 2017 increased by RM671.0 million or 52.0% to RM1.96 billion. During the financial year, the Group increased its investment in Pengerang Terminals (Two) Sdn Bhd by RM207.6 million through subscription in redeemable preference shares. The Group also increased its investment in Pengerang LNG (Two) Sdn Bhd by RM372.7 million through subscription in redeemable preference shares and shareholders' loan. These investments are within the Group's vision in developing Pengerang into an international oil and gas hub.

Cash and bank balances

The Group's cash and bank balances increased to RM1.43 billion as at 30 June 2017 from RM0.94 billion previously. The increase was mainly due to the net cash generated from operation activities amounted to RM591.8 million and RM398.7 million cash proceeds from issuance of new shares following the exercise of warrants and share options. During the financial year, there was also a net drawdown of bank borrowings totaled to RM534.6 million. However, the increase in cash and cash equivalents from these activities was partially offset by the investments and advances in joint ventures and associate totaled to RM833.4 million as well as the dividend payment of RM131.1 million.

Liabilities

The Group's total liabilities rose by RM971.6 million (58.8%) from RM1.65 billion to RM2.62 billion as at 30 June 2017.



Capital Management

The primary objective of the Group's capital management is to maintain a strong capital base, good credit rating and healthy capital ratios to support its businesses and maximise its shareholders value. The Group uses various methods including issuance of new shares, share buyback, distribution of cash and share dividends and debt financing in managing its capital structure. The Group's dividend policy is to make a dividend payout ratio of at least 40% of profit attributable to owners of the parent for each financial year.

The Group monitors capital utilisation on the basis of debt-to-equity ratio. The debt-to-equity ratio as at 30 June 2017 and 30 June 2016 are as follows:

	2017 RM'000	2016 RM'000
Borrowings	(1,423,715)	(875,082)
Less: Cash and bank balances	1,425,358	944,383
Net cash	1,643	69,301
Total equity attributable to shareholders	3,111,486	2,414,737
Net debt-to-equity ratio	—	—

Total equity attributable to shareholders rose by RM696.7 million primarily contributed by profits for the financial year and the exercise of warrants and share options amounted to RM161.7 million and RM238.3 million respectively, offset by dividend payments.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital commitments

As at 30 June 2017, the Group's total capital commitments authorised for property, plant and equipment was RM5.7 million, of which RM4.5 million has been contracted for but not provided.

In addition, the Group had a capital commitment authorised for tank terminal business amounted to RM285.0 million. This commitment relates to the Group's investments in the Pengerang Deepwater Terminal Phase 2 developments.

In the Upstream sector, the capital commitment as at 30 June 2017 stood at RM58.3 million, mainly for the Field Development Plan activities under the D35/J4/D21 Production Sharing Contract.

REVIEW OF OPERATING ACTIVITIES**Malaysia Operations**

During the FY2017, our Malaysia Operations recorded another good year of busy activities in the midstream and downstream sectors, highlighted by the good performances of the Joint Venture ("JV") terminals.

One of the Group's JV, Pengerang Independent Terminals Sdn. Bhd. ("PITSB") with a total storage capacity of 1.3 million m³ has been fully leased out. The terminal continues to serve as a tankage facility for the handling, storage, blending and distribution of crude oil and petroleum products of Oil Majors and Traders. The terminal has received over 1,100 vessels since its operations and has recorded over 4.5 million manhours without Loss Time Incident ("LTI").

The other JV terminals during FY2017, Kertih Terminals Sdn Bhd ("KTSB"), Langsat Terminal (One) Sdn Bhd ("LgT-1") and Langsat Terminal (Two) Sdn Bhd ("LgT-2") continue to register sustainable profit on the back of consistent operational excellence during the period under review.

KTSB has a total storage capacity of about 400,000 m³. This terminal achieved over 6.6 million manhours without Loss Time Incident ("LTI").

LgT-1 and LgT-2 have a total storage capacity of 647,000 m³ for petroleum products. These two terminals achieved over 1.7 million manhours without Loss Time Incident ("LTI"). On the back of operational performance, LgT-1 received the prestigious Occupational, Safety and Health's ("OSH") Excellence Award Year 2016 in the Storage Category at Johor State level.



Langsat Terminal (One) Sdn Bhd and Langsat Terminal (Two) Sdn Bhd in Tanjung Langsat, Johor



Phase 2 Development of Pengerang Deepwater Terminal

The Phase 2 development of PDT under Pengerang Terminals (Two) Sdn Bhd ("PT2SB") and Pengerang LNG (Two) Sdn Bhd ("PLNG-2") are progressing well.

PT2SB will have a storage capacity of approximately 2 million m³ for crude, refined petroleum and petrochemical products. The terminal will have a deepwater jetty facility with water depths of up to 24 metres capable of handling VLCCs and berths for unloading and reloading of Liquefied Natural Gas ("LNG") vessels up to QMax-sized (Qatar Max, currently the largest LNG carrier class in the world).

The construction of PT2SB is currently on schedule and achieved over 13 million manhours without LTI.

Pengerang LNG (Two) Sdn. Bhd. ("PLNG-2"), a JV between Dialog LNG Sdn Bhd ("Dialog LNG"), PETRONAS Gas Berhad ("PGB") and State Secretary, Johor (Incorporated) ("SSI"), will comprise a regasification unit and two units of 200,000 m³ LNG storage tanks. The initial send out capacity of the facilities is 3.5 million tonnes per annum ("MTPA") (equivalent to approximately 490 million standard cubic feet per day) of natural gas.

The construction of PLNG-2 was on schedule and achieved over 7.5 million manhours without LTI.

During the financial year under review, the Upstream Division still remained busy and active. As part of our Field Development Plan ("FDP") of our commitment to the D35/D21/J4 Production Sharing Contract ("PSC") we have started drilling four wells of which 2 in-fill and 2 appraisal wells. Further to the drilling activity, 3D hybrid marine seismic is being acquired to reduce risk and identify new prospects within the asset. Continuous efforts are being undertaken to optimise our FDP, to deliver better economies of scale over the entire drilling campaign.

Incremental production continued to be delivered in the Bayan mature field through production enhancement campaigns. Continuous studies are being performed to identify more production enhancement candidates. The team continues to progress in maturing the Bayan Oil Phase 2 development plan targeted for 2019. Simultaneously, the Bayan Gas Phase 2 is progressing through the FEED stage with full development planned for 2020.

During the financial year under review, yet another challenging year for the Specialist Products and Services as the drilling related activities still remained low due to low oil prices. As a result, business was affected in particular the sales of drilling base oil. However, the Division managed to generate a positive income from sales of other Specialist Products and through operational cost management.

The Specialist Products and Services Division will continue its journey with the existing technology partners to provide solutions focusing on production enhancement solutions, well technology and digitisation solutions to further contribute to the Group's performance. An agency agreement has been signed with Honeywell Process Solutions to provide software and automation solutions to the oil and gas industry.

The Engineering and Construction Division continues to record outstanding performance in project execution and new business development.

The Pengerang Deepwater Terminal Phase 2 Project is still on track with over 13 million manhours achieved without LTI. To date, the Terminal Administration Complex and the Utilities have achieved completion during the financial year in review and is ready for operational support for the commissioning of PLNG-2.

Meanwhile, Front End Engineering Design ("FEED") for the Refrigerated Gases Facilities (Ethylene and Propylene) as well as other petrochemical facilities has been completed. Currently construction is in progress.

MANAGEMENT DISCUSSION AND ANALYSIS

Elsewhere, the division is pleased to report the completion of the LNG jetty topside facilities for Samsung C & T for the PLNG-2 Terminal. This strong performance has led to an award for additional works for the piping fabrication and erection works inside the PLNG-2 terminal and targeted to complete by September 2017.

During the financial year under review, the Division's Engineering, Procurement, Construction and Commissioning ("EPCC") work of a new 120,000 tonnes per annum Plasticizer Plant in Gebeng and Kuantan Port for Taiwan's UPC Chemicals is progressing well and is expected to complete by end 2017.

The Fabrication Division carried out a number of major projects and have successfully completed the following:

- (a) Toyo-Thai Corporation Ltd's ("TTCL") mounded bullet tanks
- (b) PT2SB's module pipe racks
- (c) Samsung's LNG pipeline rescue works
- (d) Toyo Engineering and Construction's ("TEC") large bored piping
- (e) PETRONAS Chemicals Glycol's pressure vessel and heat exchanger

The Fibreglass Reinforced Plastic ("FRP") Services Division activities were mainly contributed from modifications projects for offshore Peninsular Malaysia, Sabah and Sarawak. The division also undertook projects for the replacement from metallic piping to glass fiber reinforced plastics ("GRP") for service water and portable water piping systems for vessels (ships and FPSOs).

For the financial year under review, Plant Maintenance Services Division successfully completed turnaround works for PETRONAS Chemicals MTBE ("PCMTBE"). In addition, the Maintenance team continued the tank cleaning and repair services at PETRONAS Penapisan (Terengganu) Sdn Bhd ("PPTSB") and various mechanical and piping maintenance jobs in refineries and petrochemicals' plants within Malaysia under its long term service contracts.

Our Catalyst Handling Services continued its work for PETRONAS Chemicals Group and BASF PETRONAS, along with most of the international companies in the refining and petrochemical industry in South East Asia and Australia. The Catalyst Handling Services continued to leverage on its strength and experience to expand maintenance services throughout the region.

Moving forward, the Division is planning to setup maintenance facilities in Pengerang to support the Pengerang Integrated Petroleum Complex ("PIPC") for future turnaround, maintenance and catalyst handling services.



Installation of Reactors at UPC PL-2 Plant, Kuantan



Catalyst loading being carried out on a tubular reactor

DIALOG Innovation Ventures ("DIV"), formerly known as ePetrol, the information technology arm of DIALOG has been the backbone in designing and developing proprietary software for the Group that is continuously enhanced and improved, to support the Group's strategic business goals to increase efficiency, productivity and quality. The software tools developed have been implemented across Malaysia, Singapore, New Zealand and Australia.

- (a) Asset Management Systems ("AMS") – capturing and managing the Group's assets
- (b) DIALOG Intelligent Planning Systems ("DIPS") – tools used to manage the Turnaround and Maintenance planning and execution
- (c) Welding Control Systems ("WCS") – tools used for welding tracking works

Looking ahead, DIV expects to further enhance DIALOG's in-house proprietary software to support the delivery of DIALOG's services.

It's been another eventful year for DIV as the Group's technology arm are now expanding their services of its cashless payment solutions into the education, waste recycling and management sectors.

In October 2016, DIV secured its e-Money license from Bank Negara Malaysia. The license enables DIV to operate its own electronic wallet ("e-Wallet"), which can be loaded with money for payment of purchases at the point-of-sale (in-stores or online) using a prepaid card or a smartphone.

Efforts are now underway to implement the programme nationwide. DIV's signature welfare distribution system continues to be used by MyKasih Foundation to support corporates, individuals and institutions to reach out to economically challenged households and schools. Close to 250,000 recipients have since 2009 benefitted from food aid delivered through the MyKasih cashless welfare distribution system.



Large Pressure Vessel Installation

MANAGEMENT DISCUSSION AND ANALYSIS

International Operations

Dialog Jubail Supply Base Co. Ltd ("DJSB"), which operates within Saudi Arabia's Jubail Commercial Port, continues to grow its reputation for excellence in operational performance, quality of work and a wide range offering of specialised services despite the challenging business environment.

DJSB has received over 900 vessel calls since its operations in June 2012. The contract with Saudi Aramco for the supply of Base Oil has been extended. Earlier this year, DJSB secured a long-term service agreement for the provision of allied services for McDermott Arabia Co Ltd.

Dialog Services Saudi Arabia Co. Ltd ("DSSA") continues to focus on specialised plant services to serve major oil, gas and petrochemical plants in Saudi Arabia.

Since March 2012, Dialog Systems International FZE, Dubai, United Arab Emirates ("UAE") office has been steadily increasing its presence and expanded the specialist products marketing activities into Middle East, Africa, Europe and Central Asia.

DIALOG Thailand has managed to maintain its contribution to the group's result with its core mix of drilling base fluids and catalyst products, while also successfully expanding into minor project like supply of waste air purification technology solution that contributes to a better environment (i.e. WK Technology).

The Singapore-based Engineering, Construction and Maintenance Division continued to support the implementation of the Group's major projects, in particular the Pengerang Deepwater Terminal Phase 2 Project and Dialog Fabricators Pengerang Facility ("DFPF")'s contract to supply mounded bullet tanks which has been completed successfully.

Meanwhile, there are ongoing fabrication and piping projects for petrochemical plants in Singapore. The division also secured some maintenance works in various tank terminals in Singapore.

During the financial year under review, 2 projects have been completed included Vopak Banyan Terminal, Jurong Island and Kaneka BD2 (Butadiene) project, Kuantan, Malaysia.

The New Zealand operations under Fitzroy have had a challenging year during the financial year under review. Fitzroy was involved in a number of successful shutdown and turnaround projects. It was also able to further develop and utilise the Group's proprietary planning software, DIPS, enabling it to grow and further develop shutdown services opportunities in New Zealand and Australia.

The projects ongoing were the erection of the structural steel for the new Christchurch Hospital Acute Services Building, National Bio-containment Laboratory in Wellington and Wellington International Airport Hotel.

Business Risks

DIALOG's business activities expose the Group to a wide variety of risks in all aspects of our operations. Our ability to manage these risks is a key competency within the Group, and is supported by a strong risk culture and effective risk management approach.

Key operational risks and its mitigating controls are disclosed in the following table while the Group's financial risks are presented in DIALOG's Audited Financial Statements on page 086.

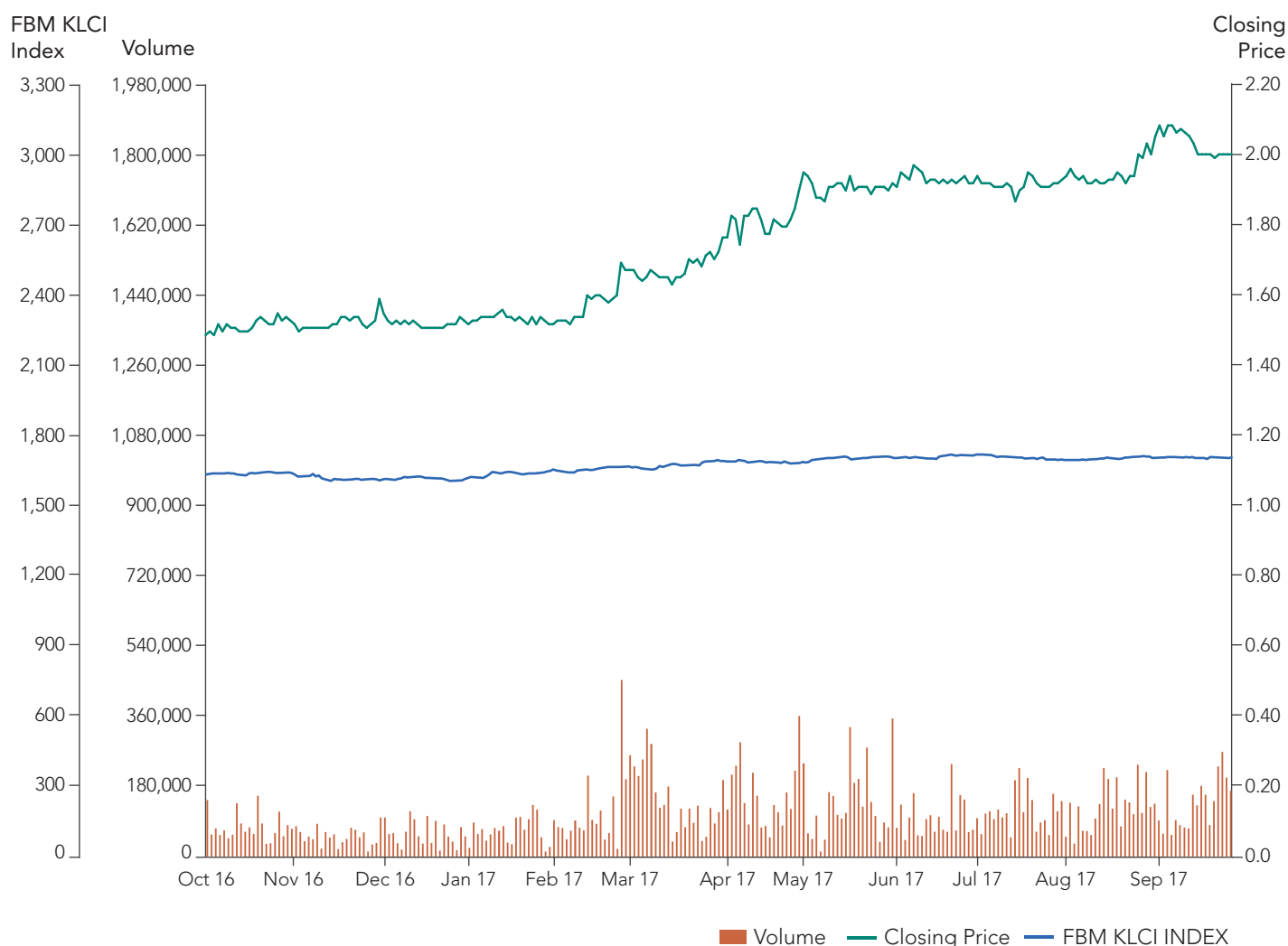


Structural steel works at the National Bio-containment Laboratory in Wellington, New Zealand

KEY RISKS	DESCRIPTION	MITIGATING CONTROLS
Health, Safety & Environment 	<p>The Group places strong emphasis on Health, Safety & Environment (“HSE”) practices to ensure the safety of our employees and assets.</p> <p>Non-compliance or a major HSE incident would affect the Group’s business and its reputation.</p>	<ul style="list-style-type: none"> Established policies and procedures are communicated to employees and contractors, and implemented by business units. Audits and inspections are conducted periodically to ensure effective implementation and compliance. Continuous enhancement, training and awareness of regulations, requirements and incident learnings are conducted to promote a strong HSE culture. Target expectations and KPIs are set to create greater awareness and accountability for HSE performance.
Market & Business Environment 	<p>The global economic, political and social factors largely remains beyond the Group’s control.</p> <p>The current sustained lower oil price environment continues to impact oil and gas exploration and production investments, but supports robust refining, petrochemical and logistics investments.</p>	<ul style="list-style-type: none"> The Group’s business diversification in upstream, midstream and downstream sectors of the oil, gas and petrochemical industry enables it to withstand volatility in the market environment. Continuous undertaking of strategy meetings to review the Group business strategies and tactics to ensure operational sustainability. Ongoing engagement with existing and new clients/business partners to identify new markets and business opportunities.
Operations 	<p>The Group is renowned for its excellence in the delivery and execution of projects and services in the oil and gas and petrochemical industries.</p> <p>However, a significant failure of internal processes, people and systems, or from external events, would impact the Group’s ability to meet its deliverables.</p>	<ul style="list-style-type: none"> Leveraging on the Group’s core competencies, processes and network of facilities which enable us to achieve cost savings, improve efficiency and productivity. Ongoing project and operations monitoring at various levels, including engagements with client and relevant stakeholders, to ensure timely completion and within budget while meeting required HSE and quality standards. Enhancement of the Group’s operational processes by way of continuous improvement, lessons learnt and adoption of best practices.
Security 	<p>Security of the Group’s employees, operating assets, facilities and information systems are of paramount importance.</p> <p>Security breaches or incidents could cause operational disruptions to the Group.</p>	<ul style="list-style-type: none"> The Group has security systems in place at all its work locations, covering physical and IT systems. They are regularly reviewed to ensure effectiveness. The Group has established close working relationship with relevant local enforcement authorities for security patrols of our operating facilities. Continuous initiatives, inclusive of awareness sessions, are carried out to enhance the Group’s IT security system capabilities against latest IT and cyber threats.
Legal 	<p>The Group’s business could be exposed to the risk of litigation action by our clients, vendors and other parties.</p> <p>Such litigation actions may have a material effect on our financial condition and results of operations.</p>	<ul style="list-style-type: none"> The Group has in place contracts and agreements to govern the contractual agreements with its customers and vendors. The Group has robust systems in place to manage the quality and accuracy of all its project activities. Continuous review and management of contractual terms and conditions by the business units to ensure compliance at all times.



SHARE PERFORMANCE



SUMMARY OF MONTHLY SHARE INFORMATION FOR THE PERIOD FROM OCTOBER 2016 TO SEPTEMBER 2017

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
Opening Price (RM)	1.48	1.54	1.54	1.54	1.54	1.67	1.77	1.95	1.92	1.94	1.93	2.05
Highest Price (RM)	1.56	1.60	1.56	1.58	1.74	1.78	1.97	1.96	1.99	1.96	2.08	2.11
Lowest Price (RM)	1.47	1.49	1.51	1.52	1.53	1.56	1.74	1.84	1.89	1.84	1.91	1.98
Closing Price (RM)	1.55	1.60	1.54	1.53	1.68	1.77	1.95	1.92	1.92	1.93	2.05	2.00
Volume (Board Lot of 100 units)	1,478,298	1,108,730	1,147,212	1,277,076	1,947,451	3,294,338	2,972,753	2,729,599	1,791,419	2,375,616	2,721,813	2,383,838

SUSTAINABILITY REPORT

EXECUTIVE CHAIRMAN STATEMENT



The DIALOG Sustainability Report 2017 ("Sustainability Report") is our first annual sustainability report. Our vision is to be a sustainable leading integrated technical services' provider. We strive to achieve sustainable growth with our business model through operational excellence by capitalising on synergies across our operations, strength of our human capital and strategic alliance with our business partners as well as being committed to operate with high standards of health and safety while minimising the environmental impact from our operations. In addition, the Sustainability Report includes DIALOG's commitment to corporate social responsibility. This Sustainability Report aims to provide our stakeholders, including our customers, partners, investors, employees, local communities, non-governmental organisations, and governments, with a transparent account of how we addressed the most material sustainability matters to DIALOG during the current financial year.

This Sustainability Report covers our global operations which include operations outlined in the Corporate Profile section of this Annual Report for the financial year ended 30 June 2017. This Sustainability Report is prepared in accordance with the Bursa Malaysia Sustainability Reporting guide.



SUSTAINABILITY GOVERNANCE

At DIALOG, our approach to sustainability is supported by sound decision making, policies and systems including effective internal controls to manage risk as disclosed in our Statement of Risk Management and Internal Control.

DIALOG's sustainability governance is supported by key policies, systems, processes, standard operating procedures and best practices.

Governance structure

Board of Directors	● Ultimate responsibility
	● Ensures business strategy contains sustainability
	● Approves sustainability strategies
Risk Management Committee	● Evaluates overall risks and opportunities
Executive Chairman	● Approves target and market disclosures
	● Develops sustainability strategies and recommends revision to the Board
	● Oversees implementation of sustainability strategies
	● Provides leadership over implementation
Chief Operating Officer	● Implements strategies
	● Reports on performance of processes and controls
	● Reports management targets
Corporate	● Oversees business functions in ensuring robustness of system of sustainability management
	● Considers input of all business functions in sustainability process

SUSTAINABILITY REPORT

STAKEHOLDERS ENGAGEMENT

An integral part of our sustainability management approach is listening and responding to our priority stakeholders. Stakeholders are people who impact our business or are affected by our operations.

Feedback from stakeholders helps us understand their expectations, needs and concerns, allowing us to prioritise issues more effectively and addressing them in a timely manner. This feedback contributes to our overall business strategy and helps us meet our combined sustainability goals.

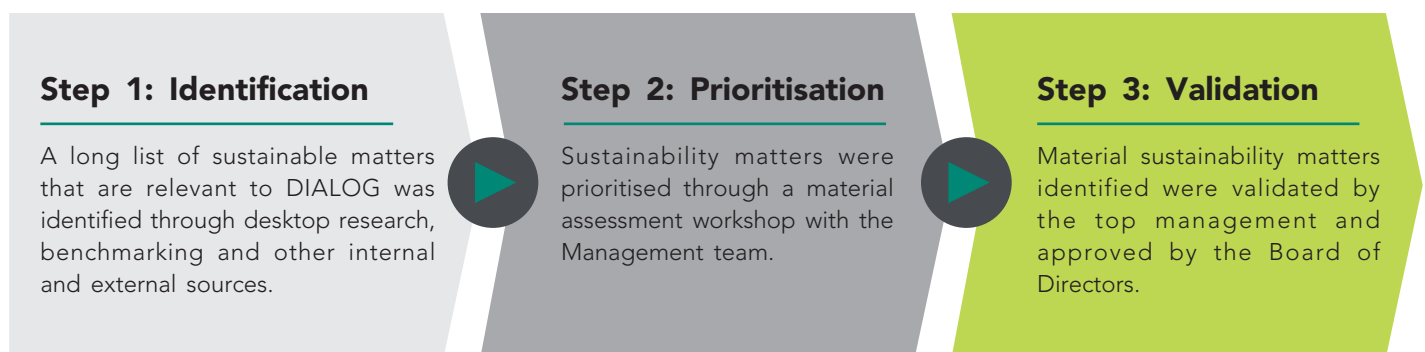
We reach out to stakeholders through a variety of formal and informal communication channels. These valuable platforms allow us to share knowledge and best practices while networking more effectively with other market players and industry experts.



MATERIAL SUSTAINABILITY MATTERS

Our definition of 'material' is consistent with the Bursa Malaysia Sustainability Reporting Guide in which a matter is material if it reflects DIALOG's significant economic, environmental and social impacts or it substantively influence the assessments and decisions of stakeholders.

We developed a structured process to identify, prioritise and validate material sustainability matters with a clear focus on key impacts, risks and opportunities.



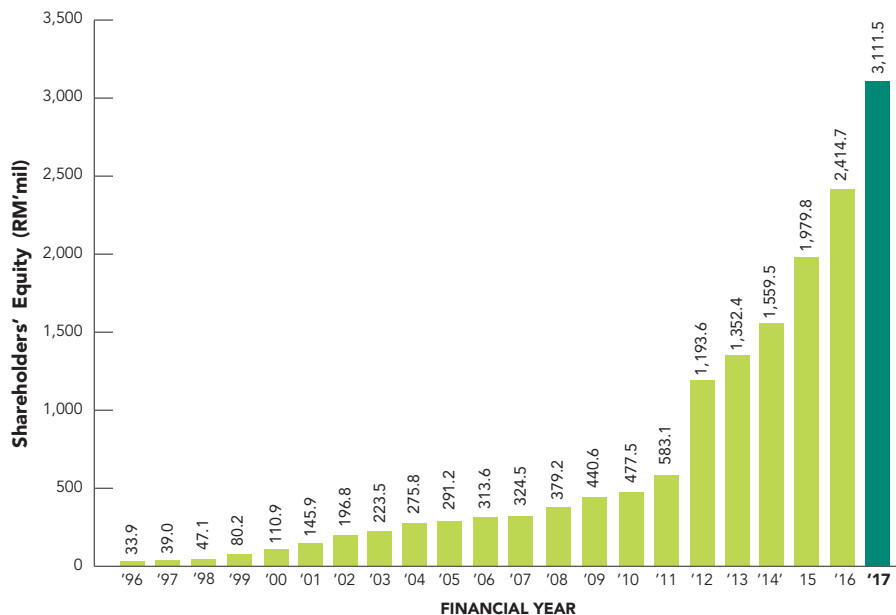
Based on our material assessment process, we have identified 5 material key sustainability matters as follows:



SUSTAINABILITY REPORT

ECONOMIC PERFORMANCE

GROWTH IN SHAREHOLDERS' EQUITY



DIALOG has grown steadily since its listing on the stock exchange in 1996 and its well-structured business model has withstood periods of oil price volatility and currency movements.

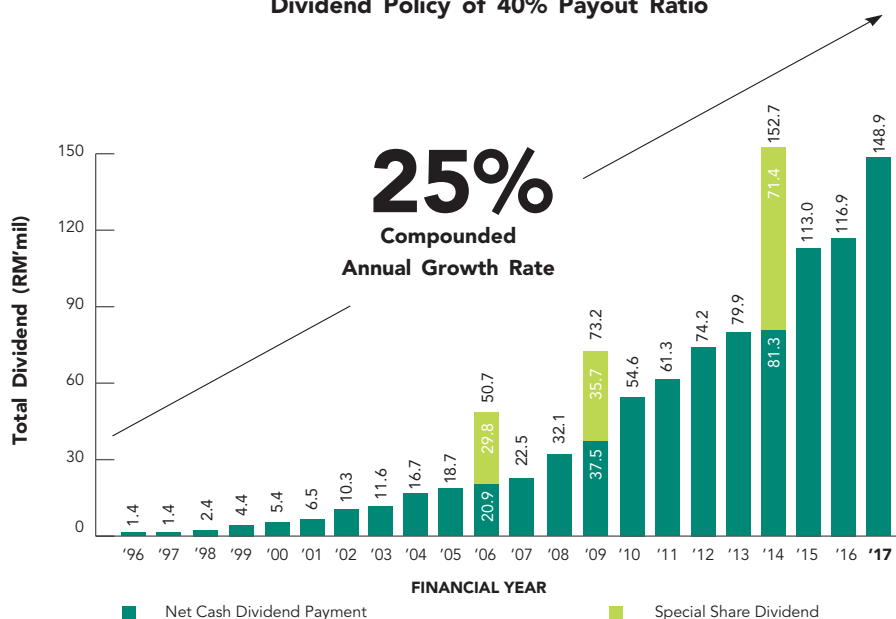
For FY2017, the Group's revenue increased by 33.9% to RM3.39 billion from RM2.53 billion registered in last financial year and its' after tax profits of RM373.1 million was higher by 23.8% against RM301.3 million recorded a year ago. A detailed analysis of our key operational risks and mitigating controls is disclosed in the Management Discussion and Analysis section of this Annual Report.

Our strong economic performance is a testament to our unwavering commitment to run our business efficiently, capture opportunities and mitigate risk through a robust risk management strategy.

Our business model is designed with sustainability at its core. This is important to us as our operations have a considerable impact to our stakeholders through our local employment and economic value distribution.

DIVIDEND RECORDS

Dividend Policy of 40% Payout Ratio



HEALTH, SAFETY AND ENVIRONMENT

HSE POLICY AND GUIDELINES

DIALOG Health, Safety and Environment ("HSE") Policy drives our commitment to our stakeholders with respect to HSE. The Group's HSE procedures outline the roles and responsibilities of the relevant departments and business units across the Group.

HSE management and compliance is embedded in work processes applicable to all phases of DIALOG's businesses. We strive to continuously improve our HSE performance, and apply an integrated management approach in accordance with the Plan-Do-Check-Act methodology.



ZERO HARM TO PEOPLE

ZERO DAMAGE TO ENVIRONMENT

ZERO DAMAGE TO ASSET

ZERO NON-COMPLIANCE



Business units under the management and operational control of DIALOG must comply with the requirements set out in the HSE procedures, and must monitor the performance relating to the standardised key HSE Leading Indicators which strive for ZERO harm to people, ZERO damage to environment, ZERO damage to asset and ZERO non-compliance with legal and regulatory requirements.

The Group HSE Department coordinates our Global HSE efforts across our business units and establishes HSE reporting structures. We encourage the implementation of internationally recognised HSE Management Systems ("HSEMS") across our operations.



More information on our HSE Policy, HSEMS and certifications achieved is available at www.dialogasia.com.

SUSTAINABILITY REPORT

OCCUPATIONAL SAFETY

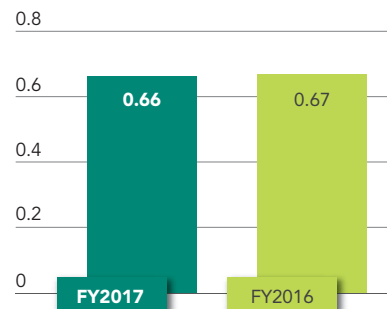
Ensuring workplace safety is key in DIALOG. It is our policy to place the health and safety of our employees, contractors and visitors as the top priority.

As one of the leading services' providers to the oil, gas and petrochemical industry, we continue to adopt best practices in HSE aspects, in compliance with local and international standards and guidelines as well as requirements set by our clients.

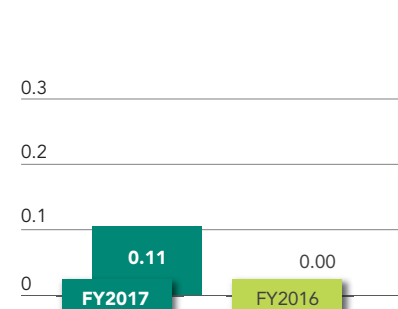
We continuously improve our HSE performance through the implementation of the various DIALOG HSE Management System ("HSEMS") programmes. We provide adequate and relevant training to ensure that people responsible for tasks involving a significant safety hazard have the necessary training and skills. In addition, rigorous HSE inspections and audits are carried out at workshops and project sites to ensure HSEMS programmes are effectively implemented.

Our Total Recordable Incident Rate ("TRIR") has improved to 0.66 incidents per million manhours, although our Lost Time Injury Rate ("LTIR") increased to 0.11. Unfortunately, this included one fatality in our Saudi Arabia operations, which was a fall from height incident. Such an incident is unacceptable to DIALOG, and a thorough investigation was carried out and corrective actions were taken to prevent similar incidents. The lessons learned were also shared with all other DIALOG businesses to avoid recurrence across the Group.

Total Recordable Injury Rate ("TRIR")



Lost Time Injury Rate ("LTIR")



We are honoured to have been accorded the following awards and milestone recognitions by our clients for our various HSE achievements for the last three years:

Recipients	Achievements	Awarding Company
Dialog Plant Services Sdn Bhd	Best HSE Performance – 2017	PETRONAS Penapisan (Melaka) Sdn Bhd
Dialog Plant Services Sdn Bhd	Best HSE Performance (23/01/2017)	PETRONAS Penapisan (Terengganu) Sdn Bhd
Dialog Fabricators Sdn Bhd	RGT – 2 Terminal Project HSES Award (02/02/2017)	Samsung C & T Sdn Bhd
Dialog Catalyst Services Sdn Bhd	Safety Award for Excellence (S.A.F.E) 2016	Carigali Hess
Pacific Advance Composites Sdn Bhd	Bergading Project (27/1/2016)	Carigali Hess, MMHE
Pacific Advance Composites Sdn Bhd	Contribution toward 5 Million Project Manhours Without LTI (27/03/2015)	TMJV-PETRONAS
Dialog Plant Services Sdn Bhd	Schedule, HSE & Quality Contractor Outstanding Behaviour & Recognition Award – May 2015	PETRONAS Chemical Ammonia Sdn Bhd
Dialog Systems Sdn Bhd	Safety Recognition for Hurt Free Operations <100,000 Manhours (11/06/2015)	ExxonMobil Exploration and Production Malaysia Inc



■ Pengerang Deepwater Terminal 2 – 10 million Manhours without LTI Celebration – 25 January 2017



■ Best HSE Performance – 2017 by PETRONAS Penapisan (Melaka) Sdn Bhd



■ RGT – 2 Terminal Project HSES Award – 2 February 2017

SUSTAINABILITY REPORT

ENVIRONMENT PROTECTION

DIALOG is committed to operating responsibly whilst protecting the environment. Our HSEMS also includes a structured framework that concerns energy usage, fresh water consumption, greenhouse gas emissions and protection of biodiversity. In support of the green initiative, our employees continue to practise simple daily routines such as separating and recycling waste and, minimising printing using both sides of paper as well as recycled paper.

Our Catalyst Handling Services team stays committed to operating in a dust-free environment. All catalyst handling equipment is designed with a 'closed-loop' function which prevents the emission of harmful or toxic dust from polluting the atmosphere. Our obligation to protect the environment is in compliance with SIRIM QAS/IQNET ISO 14001:2004 certification which serves as a guide for all works performed.

We continue to practice the 3R (Reduce, Reuse, Recycle) approach to manage scheduled wastes at our Langsat Terminals. All scheduled wastes are managed by our own Certified Scheduled Waste Competent Person registered and recognised by the Department of Environment.

In Pengerang, all developments are carried out in accordance to the approved Detailed Environment Impact Assessment ("DEIA") that was performed at the beginning of the project.

State-of-the-art online monitoring devices are used to provide live data to a 3-tier management system which includes the site specific Environmental Management Plan ("EMP"), an ongoing Environmental Monitoring and Management Plan ("EMMP") and fixed periodic Independent Third Party Audit.

We are proud that DIALOG TOWER, the Group's Headquarters, is Green Building Index ("GBI") certified. This certification indicates the incorporation of environment-friendly features and design. These include energy-efficient lighting with sensor controls, which will turn lights out when there is sufficient daylight and, zone controlled air conditioning that allows for air conditioning to be switched off in areas not in use, gardens with planted trees and plants for use to facilitate staff engagements.

HSE COMPLIANCE

Regular inspections and audits are performed at supplier and project sites to ensure strict adherence to our HSE Policy and procedures as well as meeting or exceeding regulatory and client requirements. The Group HSE Steering Committee meets every quarter to review performance and findings.

During the current financial year, inspections carried out by the Department of Occupational Safety and Health identified 2 cases of non-compliance with regulation in relation to safety control measures for working in confined space and scaffold erection and dismantling works at one of our workshops within our Malaysia operations. We have taken these findings seriously and have since implemented controls to ensure strict compliance.

There were no fines or penalties incurred in respect of non-compliance with HSE related laws and regulations for the current financial year.

Our HSEMS initiatives have helped to ensure that our subsidiaries obtained internationally recognised certification as follows:

OHSAS 18001:2007

- ✓ Dialog Systems Sdn Bhd
- ✓ Pacific Advance Composites Sdn Bhd (HQ)
- ✓ Pacific Advance Composites Sdn Bhd (Nilai)
- ✓ Dialog Plant Services Sdn Bhd (HQ) (including Dialog Catalyst Services Sdn Bhd)
- ✓ Dialog Plant Services Sdn Bhd (Nilai) (including Dialog Catalyst Services Sdn Bhd)
- ✓ Dialog Plant Services Sdn Bhd (Labohan) (including Dialog Catalyst Services Sdn Bhd)
- ✓ Dialog Fabricators Sdn Bhd

ISO 14001:2004

- ✓ Dialog Systems Sdn Bhd
- ✓ Pacific Advance Composites Sdn Bhd (HQ)
- ✓ Pacific Advance Composites Sdn Bhd (Nilai)
- ✓ Dialog Plant Services Sdn Bhd (HQ) (including Dialog Catalyst Services Sdn Bhd)
- ✓ Dialog Plant Services Sdn Bhd (Nilai) (including Dialog Catalyst Services Sdn Bhd)
- ✓ Dialog Plant Services Sdn Bhd (Labohan) (including Dialog Catalyst Services Sdn Bhd)
- ✓ Dialog Fabricators Sdn Bhd

ISO UKAS 14001:2004

- ✓ Dialog Systems Sdn Bhd
- ✓ Dialog Fabricators Sdn Bhd

OUR PEOPLE

EMPLOYEE MANAGEMENT

At DIALOG, our people are the driving force behind our strong economic performance, working relentlessly to provide exceptional customer services and deliver projects successfully meeting stringent HSE requirements, quality, schedule and budget. It is, therefore, of paramount importance for us to provide a great workplace and inclusive culture in ensuring a great employee experience.

Our employee management strategy aims to build a sustainable and effective talent pool and pipeline of qualified individuals at DIALOG. For the past 4 years, our Talent Acquisition Department under the Group Human Resources has embarked on brand awareness campaigns within Malaysia through social media and career fairs.

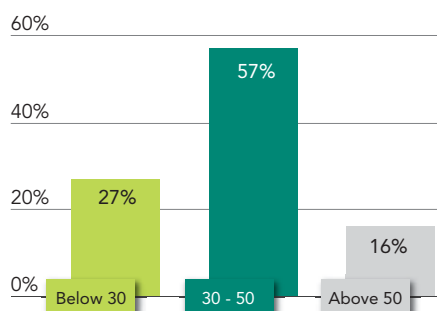
Around 41% of our workforce is in countries outside of Malaysia. Our workforce consists of 65% permanent staff and 35% contract staff. Contract staff is recruited on project basis as and when required. In FY2017, we recruited 310 experienced hires and fresh graduates to fulfil the needs of our operations.

We have a diverse age group of workforce, of which 57% are between the age of 30 to 50, 27% below the age of 30 and 16% above the age of 50. This ensures a healthy pipeline and succession planning opportunities within DIALOG which will enable us to sustain in the longer term.

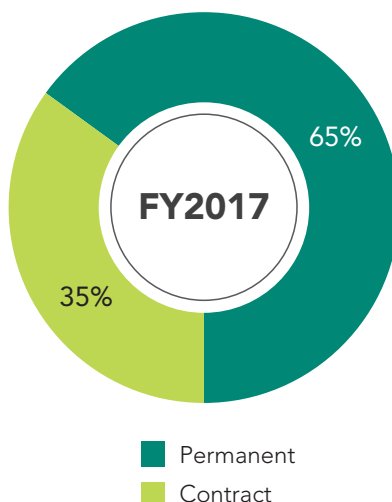
We embarked on succession management exercise since 2012 and have seen the identified talents taking up greater responsibilities and expanded portfolio. In this financial year, we further enhanced the process to ensure the leadership sustainability of DIALOG.



Employee by age group (%)



Employee by category (%)



Our workforce:
2,383
people across 9 countries

80%
LOCAL
HIRES

LOCAL HIRING

Our local hiring practices supports the development of local skilled labour and capability of the countries where we operate to ensure a sustainable talent pool and pipeline of skilled workers through knowledge transfer. We are proud that our workforce is currently made up of 80% local hires across 9 countries.

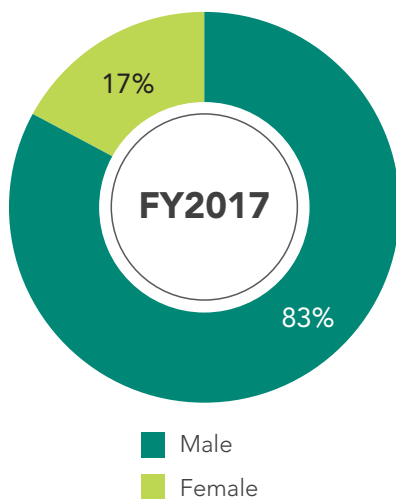
SUSTAINABILITY REPORT

GENDER DIVERSITY

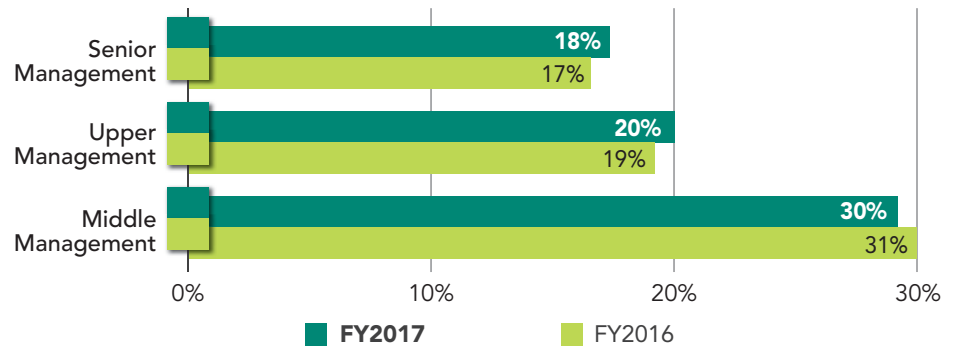
Our working culture promotes gender diversity and inclusivity. Our employees are evaluated based on their performance and merits. We strongly believe that everyone should be given equal opportunity in recruitment, career development, promotion, training and reward, regardless of their gender, ethnicity, sexual orientation or physical ability.

To ensure gender balance is supported, we recognise our women's abilities and contributions by providing career advancement opportunities within DIALOG. As at the end of FY2017, 18% of our senior level management are female while 30% of middle level management are female.

Employee by gender (%)



% of Female in management



CONDUCTIVE WORKPLACE

As one of DIALOG's core value – caring, we recognise the importance of maintaining a caring environment. As a 'caring' employer, we provide a conducive workplace that will promote safety, health, sense of belonging and treating employees as one 'family'. Amongst some of the benefits we provide includes:

- Employee wellness such as gym, sports activities including running, badminton, futsal and weekly yoga, dancing and Qigong classes organised by Sports Club, health talks and financial planning talks, etc.
- Competitive medical coverage and benefits.
- Staff Welfare Programme set up back in 2001 where we provide schooling assistance to the lower income Malaysian employees.
- Academic Achievement Reward Programme aimed at rewarding Malaysia based employees' children for their academic achievement with the aim to encourage and promote a learning and excellence culture in the 'DIALOG Families'.

The Academic Achievement Rewards Programme is a tradition that began ten years ago and has become a much anticipated event in DIALOG each year. In this financial year, we rewarded a record number of 68 primary and 31 secondary students who did well in their school and national examinations.

We also extend our caring culture to the communities by organising blood donation campaign twice a year, donation of books and donation of food and clothes for natural disaster victims.

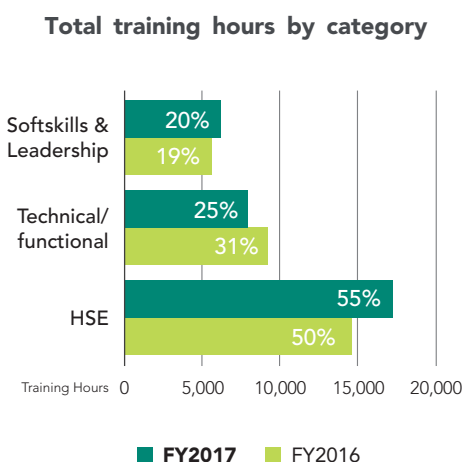
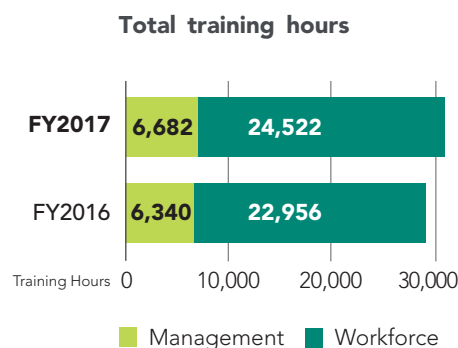


Academic Achievement Awards in May 2017

LEARNING & DEVELOPMENT

Developing a highly skilled, motivated and professional workforce is vital to support operational excellence and strategic business growth of DIALOG. It is also important that we develop a leadership pipeline and ensure leadership continuity in DIALOG.

We ensure our employees at all levels are competent to meet the current and future business needs. We develop our employees' competency through various human capital development activities, such as training seminars, e-learning programmes, briefing sessions, talks, conferences, forums and team-building activities.



TRAINING

During the current financial year, a total of 31,204 hours were incurred in providing training for our management and workforce, equivalent to an average of 13.09 training hours per employee.

Majority of the training hours are given to HSE and technical training. We aim to increase the percentage of soft skills and leadership training to strengthen the managerial and leadership competency of our future leaders.

The soft skills and leadership training intends to enhance negotiation skills, presentation skills, English proficiency and leadership competency.

We consistently send our leaders to attend high profile leadership forum such as "Global Transformation Forum" organised by PEMANDU and conferences such as Asia Pacific Petroleum Conference ("APPEC"), China Petrochemical Annual Conference, Platts Malaysia Oil and Petrochemicals Forum and Asian Refining Summit.

CAREER DEVELOPMENT

A group wide implementation of biennial Skills Assessment was carried out to empower managers and employees to be more proactive in identifying learning and career development opportunities with Group Human Capital Development ("GHCD") and to ensure the employees' skills sets are continuously aligned to the current business direction and strategic business growth of DIALOG.

Description	FY2017	FY2015
Online Biennial Skills Assessment Submitted	83%	78%

All employees receive regular feedbacks and performance review to appraise their performance against common targets which contributes to both skills management and the development of human capital within DIALOG.

Description	FY2017	FY2016
% of employees who received a regular performance review	100%	100%

We also provide career development opportunities for our employees through mobilising them to various projects which include local and overseas assignment as well as secondment to our JV Partners.

DIALOG also offers work experience opportunities to university students. Our internship programmes are key in developing potential future talents. In this financial year, 64 interns (FY2016: 57) were accepted and placed in various divisions within the Group, including placement at our workshops and projects in states where we have a presence.

SUSTAINABILITY REPORT

CORPORATE SOCIAL RESPONSIBILITY

A HELPING HAND TO THE COMMUNITY

DIALOG and its joint venture companies – Pengerang Independent Terminals Sdn Bhd, Langsat Terminal (One) Sdn Bhd and Langsat Terminal (Two) Sdn Bhd, are devoted supporters of the MyKasih Foundation, a non-profit organisation with a mission to assist and educate economically-challenged Malaysian households through food aid, student bursaries, academic scholarships, and training programmes.

RM2.3
million

Contribution in FY2017

1,366

MyKasih 'Love My Neighbourhood' (LMN) families in 15 locations nationwide received monthly food aid in 2017.

594

MyKasih 'Love My School' (LMS) student beneficiaries in 7 schools received monthly bursaries in 2017.

RM2.1
million

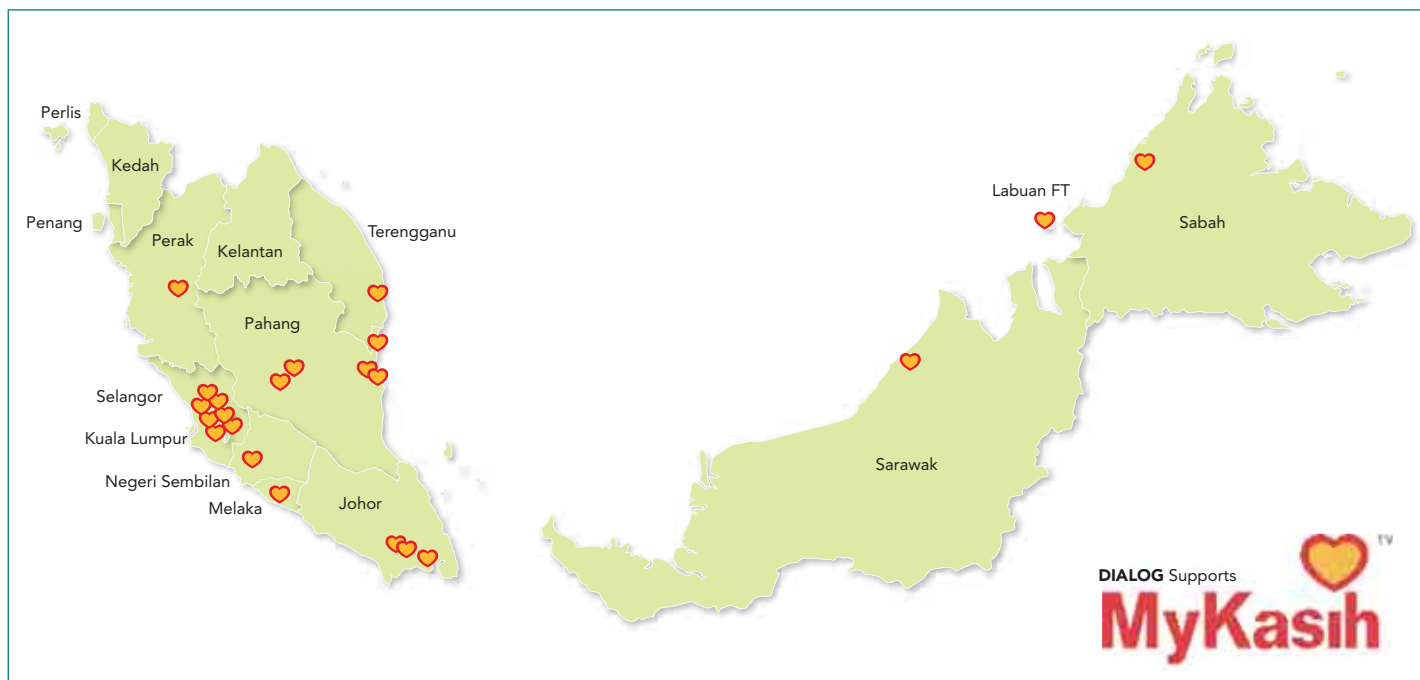
Contribution in FY2016

1,350

MyKasih 'Love My Neighbourhood' (LMN) families in 15 locations nationwide received monthly food aid in 2016.

120

MyKasih 'Love My School' (LMS) student beneficiaries in 2 schools received monthly bursaries in 2016.





A food aid recipient using her MyKad to make a cashless payment for groceries.

Cashless payment system

DIALOG, via its subsidiary DIV Services Sdn Bhd (formerly known as ePetrol Services Sdn Bhd), has consigned its unique technology to MyKasih Foundation. The technology is a cashless payment system used to manage welfare in an efficient, transparent, and secure fashion. This system uses the chip technology of the Malaysian identity card, the MyKad, and MyKasih smartcard, to disburse aid to targeted beneficiaries.

By vesting the technology with MyKasih Foundation, other corporates, non-corporate funding bodies, and individuals are able to reach out and help the poor segments of society. Since 2008, RM190 million worth of aid has been disbursed through the MyKasih cashless platform.

In addition to pioneering the cashless system that manages MyKasih's welfare distribution, DIALOG and its joint venture companies in FY2017 – Pengerang Independent Terminals Sdn Bhd ("PITSB"), Langsat Terminal (One) Sdn Bhd ("LgT-1") and Langsat Terminal (Two) Sdn Bhd ("LgT-2"), are also donors of MyKasih's flagship food aid and student bursary programmes. For this financial year, DIALOG, PITSB and LgT-1 and LgT-2 contributed RM2.3 million to support 1,960 families and students through the MyKasih food aid and student bursary programmes across 11 states nationwide, as well as other community projects and charitable causes.

In essence, the overall aim of DIALOG's support of MyKasih's programmes is to help alleviate the burden shouldered by underprivileged families to put food on the table and keep their children in school. Towards this objective, DIALOG has not only contributed financial aid yearly but also provided the technology and systems required to manage the MyKasih programmes.

SUSTAINABILITY REPORT

OUR FLAGSHIP PROGRAMMES

MyKasih 'Love My Neighbourhood' ("LMN") food aid programme

Food aid is the first step taken to engage with communities. Recipients of the aid are households earning a monthly combined household income of RM1,500 per month.

Under the food aid programme, registered recipients use their MyKad to draw upon a monthly allowance of RM80 to purchase essential food items. They are able to choose from a variety of brands within 10 different product categories, like rice, cooking oil, canned foods, biscuits, bread, noodles, seasonings, eggs, beverages and flour at partner retail outlets.

Echoing the Group's community outreach efforts, PITSB contributed RM336,000 to support 350 families in Pengerang, Johor, through monthly food aid, while LgT-1 and LgT-2 contributed RM64,000 to support 50 families in Pasir Gudang, Johor, with food aid and tuition classes for their school-going children.



A food aid recipient has choice when purchasing groceries.



A student beneficiary using her smartcard to pay for food at the canteen.

MyKasih 'Love My School' ("LMS") student bursary programme

DIALOG supports 594 students across 7 schools with cashless bursaries to pay for books and stationeries at the school bookshop, as well as daily meals at the school canteen. These schools are – SK Bukit Lanjan (177 Orang Asli beneficiaries) in Damansara Perdana, Selangor; SK Penderas (100 Orang Asli beneficiaries) in Temerloh, Pahang; SK Batang Benang (50 beneficiaries) in Negeri Sembilan; SK Tasik Cini (117 Orang Asli beneficiaries) in Pekan, Pahang; SMK Tanjung Datuk (50 beneficiaries) in Pengerang, Johor; SMK Asyakin (50 beneficiaries) in Bintulu, Sarawak; and SJKC Chung Ching (50 beneficiaries) in Kuantan, Pahang.

Each primary school student receives a monthly bursary of RM60, while a secondary student receives RM80. The students draw upon the bursaries using a smartcard, linked to their MyKad account.

Back-to-School

In line with the Group's increasing focus on children's education, DIALOG spent RM41,000 in November 2016 on Back-To-School shopping for all the students of SK Bukit Lanjan in preparation for the new school term.

School Sports Day

The Group contributed a further RM10,000 in November to support SK Bukit Lanjan's 33rd Annual Sports Day in an effort to regularly engage with the Orang Asli community of Damansara Perdana. As part of DIALOG's employee volunteer programme, close to 70 staff volunteered as facilitators to ensure the smooth-running of the sports event. The volunteers took up tasks such as score recorders, track timekeepers, photographers, as well as coordinators for meals, sports equipment, prizes, sports houses and participants.

'Edible Garden' Project

On 9 August 2016, in conjunction with the International Day for the World's Indigenous Peoples 2016, themed 'Indigenous Peoples and Education', DIALOG provided a seed grant of RM10,000 to kick-off SK Bukit Lanjan's 'OA Greens' edible garden project. The project aimed to give the students and the Bukit Lanjan community access to nutrition and food security. The garden project also provides the students with experiential learning of valuable life skills in an outdoor classroom setting, while providing teachers with creative methods of teaching.



Students participating in an outdoor edible garden workshop.

MyKasih Charity Golf Tournament

In the month of August 2016, DIALOG, together with PITSB and Langsat Terminals, contributed a total RM208,000 towards the annual MyKasih Charity Golf Tournament to support the running of MyKasih programmes in communities the foundation reaches out to. The golf fund-raiser collected RM867,404 in cash donations this financial year.



A good putt for a good cause.

21st Century Classroom Transformation Project

In May 2017, DIALOG funded the '21st Century Classroom Transformation' project in SK Bukit Lanjan, which provided the Orang Asli primary school with IT equipment worth RM47,000. The project is part of the Malaysia Education Blueprint (2013 – 2025) endorsed by the Malaysian Ministry of Education to equip schools with essential ICT infrastructure to enable students to access a wider source of information, to increase innovation, and encourage creativity and critical thinking for problem solving.



Students familiarising themselves with laptops received under the 21st Century Classroom project.

STATEMENT ON CORPORATE GOVERNANCE



DIALOG Group Berhad's ("DIALOG") Directors and Management continue to be committed in maintaining good corporate governance by constantly having in place an effective Corporate Governance framework which is in line with the Malaysian Code on Corporate Governance 2012 ("the Code").



The Principles and Recommendations of the Code are carried out across the Group to ensure that high standards of transparency, accountability and integrity are attained in managing the Group's business. The Board believes that having a strong corporate governance framework is the key for enhancing sustainable shareholders' value and the Group's financial performance as well as protecting stakeholders' interests.

This Corporate Governance Statement outlines how DIALOG has applied the Principles and Recommendations of the Code during the financial year under review. The reasons for non-observance of Recommendation 3.5 in the Code are also included in this Statement.

BOARD OF DIRECTORS

Board Composition and Balance

The Board consists of eight (8) members, comprising three (3) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and four (4) Executive Directors.

DIALOG believes that the current Board's composition and size is deemed to be an effective team for the Group. There is a good balance due to the presence of the three (3) Independent Non-Executive Directors and whereas all the Non-Executive Directors are free of management obligations and free from any relationships that could materially interfere with the exercise of their independent judgment.

The Independent Directors provide a strong independent element on the Board where all matters are reviewed with balance and fairness. Among the Non-Executive Directors is a representative from the Employees Provident Fund ("EPF"), a substantial shareholder of the Company. His independent judgment together with that of the other Independent Directors are important in ensuring that the strategies proposed by the Management are fully discussed and intently deliberated, and thus in the long term, the interest of all stakeholders of the Group is safeguarded.

The Directors with their different backgrounds and specialisation, collectively bring with them a wide range of experience and expertise from engineering, construction, marketing, accounting, finance, economics, legal, corporate to general management disciplines suitable for managing the Group's businesses in the oil, gas and petrochemical industry. A brief profile of each Director is presented on pages 021 to 023 of this Annual Report.

Tan Sri Dr Ngau Boon Keat is the Executive Chairman and Mr Chan Yew Kai is the Executive Deputy Chairman of the Group. Tan Sri Dr Ngau focuses on steering DIALOG on its vision while Mr Chan is involved in dealing with business strategies and new ventures. Tan Sri Dr Ngau and Mr Chan each have more than 30 years experience in the oil, gas and petrochemical industry and their track record capabilities on leadership, entrepreneurship skills and business acumen is immeasurable.

Encik Mustaffa Kamal Bin Abu Bakar who is the Chief Operating Officer of the Group, manages the operations of the Group.

The Board is mindful of the Code's recommendation on the composition of the Board where the chairman of the Board is not an independent director. The Board has strong confidence in the balance of power and authority on the Board with the current composition which leverages on the independent judgment of the four (4) Non-Executive Directors on the Board including a representative from the EPF, a substantial shareholder of the Company. These Non-Executive Directors whose calibre, diverse experiences and integrity add strength to objective discussions and decision makings. In addition, the Board composition is well defined and fulfils the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") of having at least 1/3 of the Board are independent directors. Furthermore, the Board Charter sets out amongst others matters reserved solely for the Board to make decisions which provides the check and balance in the decision making process of the Board.

Datuk Oh Chong Peng is the Senior Independent Non-Executive Director, and should there be any concerns or queries pertaining to the Group, he will be the main contact person. Any concerns or queries may be sent by way of writing to DIALOG's registered address, or electronic mail to Datuk Oh Chong Peng's email address at ocp@dialogasia.com.

Board Committees

The Board has delegated specific responsibilities to six (6) Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee, Management Committee, Risk Management Committee and Employees' Share Option Scheme ("ESOS") Committee.

These Board Committees operate under clearly defined roles and responsibilities as set out in its respective terms of reference. They have the authority to deal with particular issues and report to the Board with their respective recommendations, if any.

Board Charter

A Board Charter ("the Charter") has been drawn up and approved by the Board. The Charter provides guidance to the Board in the discharge of its duties and functions which sets out, amongst others, the roles and responsibilities of the Board to ensure that each Board member acting on behalf of the Company is aware of his fiduciary duties and responsibilities, the legislation and regulations affecting their duties and the principles and practices of good corporate governance which apply to the Group.

The Charter is published on the Company's corporate website at www.dialogasia.com. The Charter will be periodically reviewed and updated as and when deemed

necessary and upon any new regulations that may have an impact on the discharge of the Board's duties and responsibilities.

Code of Ethics

The Code of Ethics, which forms part of the Board Charter, sets out the broad standards of conducts and basic principles to guide the Board in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity.

The Group has also in place a Code of Ethics for its employees which encompass all aspects of its day to day business operations.

Directors and employees of the Group are expected to observe high standards of integrity and fair dealings in relation to customers, staff and regulators in the communities within which the Group operates and ensure compliance with all applicable laws, rules and regulations to which the Group is bound to observe in the performance of its duties.

Meetings

During the FY2017, six (6) meetings of the Board were held. All Directors have complied with the requirement in respect of board meetings attendance as provided in DIALOG's Articles of Association.

The attendance of the members of board at all meetings was recorded during FY2017, details of which are set out as below:

Name	No. of meetings attended
Tan Sri Dr Ngau Boon Keat	6/6
Chan Yew Kai	6/6
Datuk Oh Chong Peng	6/6
Kamariyah Binti Hamdan	6/6
Ja'afar Bin Rihan	6/6
Siti Khairon Binti Shariff	6/6
Chew Eng Kar	6/6
Zainab Binti Mohd Salleh	6/6

STATEMENT ON CORPORATE GOVERNANCE

The schedule of meeting calendar which provides the tentative schedule dates for meetings of the Board, Audit Committee and Annual General Meeting is circulated to Directors before the beginning of each calendar year to enable the Directors to plan ahead and coordinate their respective schedules.

Supply and Access to Information

Prior to the meetings of the Board and Board Committees, Board papers which include the agenda and reports relevant to the issues of the meetings covering the areas of quarterly financial results, progress reports of the various core services, corporate development, regulatory updates, business development, audit reports, risk management reports and/or updates on corporate social responsibility are circulated to all Directors. The information supplied to the members of the Board and Board Committees is relevant and timely to enable the members of the Board and Board Committees to review matters and bring such matters to the meetings for deliberation.

Management personnel of various core services are invited to provide additional insights and deliberations to their areas of responsibilities during the Board and Board Committee meetings.

The Board has direct and unrestricted access to the advice and services of the Company Secretaries. This will ensure that they have ready and unrestricted access to all information within the Group. The Directors are also able to receive advice and services from the external auditors and other independent professionals upon their request.

Appointments to the Board

The Nomination Committee has been established to take on the responsibility of making recommendations for appointments to the Board and ensuring that the Board comprises individuals with the requisite skills, knowledge, qualities and experience. The Nomination Committee is guided by its terms of reference (which is published on the Company's corporate website at www.dialogasia.com) and the Board Charter on appointments to the Board. The Nomination Committee will annually evaluate the effectiveness of the Board, its Committees and also the performance of the Directors. They are also responsible for assessing the suitability of any proposed candidate as a board member and to submit their recommendations to the Board. In evaluating the suitability of candidates, the Nomination Committee considers the following criteria:

- skills, knowledge, qualities and experience;
- commitment (including time commitment) and contribution;
- diversity of the Board; and
- in the case of the independence of a candidate for the position of an independent director, whether the candidate can bring independent and objective judgment to board deliberations.

The Nomination Committee of the Company comprised of two (2) Independent Non-Executive Directors. The Committee is chaired by Datuk Oh Chong Peng, a Senior Independent Non-Executive Director and the other member is Puan Kamariyah Binti Hamdan.

During the FY2017, the Nomination Committee met once to review the composition of the Board, mix of skills, knowledge, experience, qualities, time commitment and diversity of the Board members and their individual performance for the past year. The Nomination Committee also assessed the independence of Independent Directors. The Independent Directors namely Datuk Oh Chong Peng, Puan Kamariyah Binti Hamdan and Cik Siti Khairon Binti Shariff fulfil the criteria of "Independence" as prescribed under Chapter 1 of the Listing Requirements.

Re-election of Directors

DIALOG's Articles of Association provides for all directors, including the managing director, to submit themselves for re-election at least once every three years. Directors appointed during the year are required to retire at the following Annual General Meeting ("AGM") but are eligible for re-election.

Directors' Training

For FY2017, the Directors have attended various seminars and briefings to enhance their knowledge with the latest development in the industry and to better enable them to fulfil their responsibilities and to discharge their duties. These seminars and training programmes range from many areas, which include leadership management, corporate governance, internal control, financial reporting, tax, strategic planning, developments in the oil and gas industry, finance and economic outlook. Conferences, seminars, dialogues, briefings and training programmes attended by the Directors include the following:

- Vopak Global Minds Conference
- 2016 China Petrochemical Annual Conference
- Companies Act 2016 – Key Insights and Implication for Directors/ Shareholders
- Mid-Year Review Sharing Session – The Three Circles Underscoring Excellence
- Mid-Year Review Sharing Session – DIALOG Group's HSE Performance – Past, Present and Future
- Mid-Year Review Sharing Session - IT Effectiveness (Technology Trends and Cyber Security)
- Global Transformation Forum
- Directors' Continuing Education Programme 2016
- Overview of The Companies Act 2016: Practical Insights & The Challenges and Duties and Responsibilities of Directors
- The Companies Act 2016
- 2nd IPBA Asia-PAC Arbitration Day
- Risk Management Conference 2017
- Audit Committee Conference 2017
- EPF-I Investment System PSC
- Up, Close & Personal with DCEO
- Data Conversion Plan PWC
- EPF Investment Seminar 2016
- Latihan Skil dan Komunikasi Media
- Islamic Finance – Product and Structure
- Pengenalan Kepada Keselamatan Sosial
- 5 Year Rolling Plan 2016-2020
- Bursa Malaysia's Sustainability Forum 2017: "The Velocity of Global Change & Sustainability – The New Business Model"
- Sharing Session – Malaysian Tax Updates
- Managing Your Tax Affairs in the Current Economic Environment
- MFRS Updates 2017/2018

The Board has assessed the trainings attended by the Directors during FY2017 and was satisfied that each of the Directors had attended continuous training. The Directors will continue to undergo relevant training programmes to further enhance their skills and knowledge as well as awareness of the development in the industry that inevitably can contribute to the Group. The Board acknowledges that continuous education is essential for the Directors to keep abreast with the dynamic environment in which the Group operates.

DIRECTORS' REMUNERATION

The Level and Make-up of Remuneration

The Group has a policy for remunerating directors for their responsibilities and contributions in leading and managing the Group's business operations. The remuneration package is structured to offer reward in tandem with the Group's financials and the individual's performance.

Remuneration Procedure

The Remuneration Committee is responsible for recommending to the Board a remuneration framework and package for the Executive Directors that are considered necessary to attract, retain and motivate key personnel needed for the continual success of the Group.

The Remuneration Committee comprised of a majority of non-executive directors and is chaired by Tan Sri Dr Ngau Boon Keat and the other members are Datuk Oh Chong Peng and Puan Kamariyah Binti Hamdan.

The Remuneration Committee met once during the FY2017.

The remuneration awarded to the Executive Directors consists of salary, allowance, employers' contribution to the Employees Provident Fund, bonus, incentive, ESOS and other benefits accorded such as company cars, drivers, insurance, hospitalisation and club membership.

Non-Executive Directors' remuneration package includes directors' fees, allowances and other benefits.

The directors' remuneration for FY2017 is presented in DIALOG's Audited Financial Statements on page 076.

STATEMENT ON CORPORATE GOVERNANCE

**RELATIONSHIP WITH
STAKEHOLDERS****Dialogue Between DIALOG and Investors**

The Group recognises the importance of effective constant open communication with shareholders and investors. Information on the Group's business activities and financial performance is disseminated through various mediums including announcements of quarterly results, annual report, forums, company visits, site visits, annual general meeting, exhibitions and other company activities.

DIALOG's announcements of quarterly results and annual report are key channels of communication with its shareholders and investors. DIALOG strives to keep its announcements of quarterly results and annual report as informative, comprehensive, and user friendly as possible, as well as provide factual descriptions on business operations, figures and charts on the performance of the Group.

Investor relations communication is also important to DIALOG. Therefore regular company and site visits, briefings, meetings, dialogues and teleconferences were conducted with institutional investors, fund managers, analysts, investors and media representatives to give them a better understanding of the business and financial performance of the Group. In FY2017, the Executive Chairman and the Executive Directors met with more than 300 representatives from various fund management and investment companies, investment banks and other stakeholders. DIALOG also participated in various roadshows in Kuala Lumpur and Singapore organised by various banks and investment banks. There were also numerous visits to the Group's project sites, notably visits to the Pengerang Deepwater Terminal by analysts and fund managers.

Relationship with Government

Apart from that, DIALOG was privileged by visits from department heads and officers from various federal and state government ministries and foreign diplomatic missions.

Relationship with Customers and Potential Partners

We are constantly engaging with existing and potential customers and also potential investors/partners to visit Pengerang Deepwater Terminal and Langsat Terminals to see the progress of the development of our facilities and operations.

DIALOG has an established homepage, www.dialogasia.com, where stakeholders and investors can have access to information on the Group. The homepage is constantly updated to incorporate the latest developments of the Group. DIALOG's quarterly financial results announcements, general announcements and press releases are also posted on the homepage. The homepage has an e-news section where shareholders and anyone who is interested may register to obtain DIALOG's announcements via email. Investors' queries relating to financial performance or company developments can be directed to Mr Chew Eng Kar, Director, Corporate Services (Tel: 603 7717 1168 or Email: ekchew@dialogasia.com) or Puan Zainab Mohd Salleh, Group Chief Financial Officer (Tel: 603 7717 1284 or Email: zainabs@dialogasia.com), and other company related queries can be directed to Ms Chay Siew Kim, Company Secretary (Tel: 603 7717 1130 or Email: kim@dialogasia.com).

Annual General Meeting

The AGM is an excellent opportunity for the Company's shareholders to have a dialogue session with the Board of Directors. Shareholders are encouraged to attend and participate in a questions and answers session during the AGM. After the conclusion of the AGM, it is a practice of DIALOG to have about an hour of open discussion with its shareholders on any issue with regard to the Group including issues of strategy and performance, and macro views of the oil, gas and petrochemical industry. An exhibition is usually held during the AGM where important informative charts are displayed to explain to shareholders, DIALOG's various core services, corporate strategies, performance and major developments.

SUSTAINABILITY REPORT

The DIALOG Sustainability Report 2017 ("Sustainability Report") is DIALOG's first annual sustainability report. DIALOG's vision is to be a sustainable leading integrated technical service provider. DIALOG strive to achieve sustainable growth with its business model through operational excellence by capitalising on synergies across its operations, strength of its human capital and strategic alliance with its business partners as well as being committed to operate with high standards of health and safety while minimising the environmental impact from its operations. In addition, the Sustainability Report includes DIALOG's commitment to corporate social responsibility.

This Sustainability Report aims to provide DIALOG's stakeholders, including its customers, partners, investors, employees, local communities, non-governmental organisations, and governments, with a transparent account of how DIALOG addressed the most material sustainability matters to DIALOG during the current financial year.

The Sustainability Report is detailed on pages 050 to 065 of this Annual Report.

ACCOUNTABILITY AND AUDIT

Audit Committee

The present Audit Committee of the Company comprises exclusively Independent and Non-Executive Directors, namely Datuk Oh Chong Peng (Chairman), Puan Kamariyah Binti Hamdan and Cik Siti Khairon Binti Shariff.

The summary of work of the Audit Committee relating to the FY2017 are highlighted on page 073 of this Annual Report.

Risk Management and Internal Control

Recognising the importance of risk management and internal controls, the Company has established a sound risk management framework and internal controls system to safeguard shareholders' investments and the Group's assets.

The Statement on Risk Management and Internal Control set out on pages 074 to 075 of this Annual Report provides an overview of the state of risk management and internal controls within the Group.

Financial Reporting

The Board is committed to the preparation of financial statements that present a true and fair view of the financial position of the Group and prospects each time it releases its quarterly and annual financial results. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and ensure necessary internal controls are in place to enable that the preparation of financial statements are free from material misstatement, whether due to fraud or error.

Relationship with the Auditors

Through the Audit Committee of the Board, the Group has established transparent and appropriate relationship with the Group's auditors. The Audit Committee had convened one (1) meeting with the external auditors without the presence of executive directors and officers to discuss the audit process and findings for FY2017.

DIRECTORS' RESPONSIBILITY IN FINANCIAL REPORTING

The Board is satisfied that in preparing the financial statements of the Group for the financial year ended 30 June 2017, the Group has:

- Ensured compliance in accordance with the applicable Malaysian and International Financial Reporting Standards and provisions of the Malaysian Companies Act 2016.
- Adopted and consistently applied relevant accounting policies.
- Made estimates and judgments which are reasonable based on the Board's best knowledge.

The Board is responsible for ensuring the proper maintenance of accounting records, disclosing with reasonable accuracy the financial position of the Group. In addition, the Board is responsible for taking reasonable steps to safeguard the assets of the Group and to detect as well as prevent fraud and other irregularities.

AUDIT COMMITTEE REPORT



The Audit Committee ("The Committee") provide assistance to the Board in fulfilling the Board's responsibilities to the Company and its shareholders relating to the internal control systems, accounting and financial reporting process and the audit of the Company's financial statements.



COMPOSITION

Board members who served on the Audit Committee during the year are as follows:

- (a) Datuk Oh Chong Peng**
(Senior Independent Non-Executive Director and a member of the Malaysian Institute of Accountants)
(Chairman of the Audit Committee)
- (b) Kamariyah Binti Hamdan**
(Independent Non-Executive Director)
- (c) Siti Khairon Binti Shariff**
(Independent Non-Executive Director)

The Secretary of the Committee is Ms Chay Siew Kim, who is also the Joint Company Secretary.

The Terms of Reference ("TOR") of the Audit Committee is published on the Company's corporate website at www.dialogasia.com. The TOR will be periodically reviewed and updated as and when deemed necessary and upon any new regulations that may have an impact on the discharge of the Audit Committee's duties and responsibilities.

TERM OF MEMBERSHIP

Members of the Audit Committee are appointed for an initial term of 2 years after which they may be re-appointed on such terms as may be determined by the Board of Directors.

MEETINGS

The Audit Committee met six times during the financial year 2017. The external auditors, other non-executive directors of the Company and the senior management personnel of the operating business units of the Group were invited, when appropriate, to attend the Audit Committee meetings to assist in its deliberations.

The details of attendance at the Audit Committee meetings during the financial year 2017 are as follows:

No.	Name	No. of Meetings Attended	Percentage of Attendance (%)
1	Datuk Oh Chong Peng	6/6	100
2	Kamariyah Binti Hamdan	6/6	100
3	Siti Khairon Binti Shariff	6/6	100

AUTHORITY

The Committee has the authority to seek any information it requires from any officer or employee of the Group and such officers or employees are instructed by the Board of the Company employing them to respond to such enquiries. It is also authorised to seek independent professional advice, as it considers necessary.

The Committee is authorised by the Board to investigate any activity within its responsibility and duties. The Committee submits a report to the Board detailing its findings and recommendations immediately after deliberating on the findings of its enquiries.

SUMMARY OF WORK OF THE AUDIT COMMITTEE RELATING TO FINANCIAL YEAR 2017

The Audit Committee carried out the following work in the discharge of its functions and duties through reviewing and deliberation during Audit Committee meetings for the financial year 2017:

- (a) Reviewed the quarterly financial statements and annual audited financial statement of the Group;
- (b) Reviewed the scope, functions and resources of the internal audit function;
- (c) Reviewed and appraised the Group's internal control systems and report to the Board of Directors on the Risk Management and Internal Control Statement of the Group;
- (d) Reviewed the terms of reference of the audit committee and audit plan;
- (e) Reviewed the internal audit reports and adequacy and effectiveness of the management responses in implementing the recommendations of the Internal Audit department;
- (f) Reviewed the risk management process for managing the risks associated with the Group's business activities;
- (g) Reviewed related party transactions of the Group; and

- (h) Reviewed with the external auditors their audit scope, procedures and reporting requirements. Convened 1 meeting with the external auditors without the presence of executive directors and officers.

INTERNAL AUDIT FUNCTION

The Board of Directors and the Audit Committee are assisted by the in-house Internal Audit Department in ensuring that a sound system of internal controls is in place. The Internal Audit Department reports to the Audit Committee in the performance of its duties and is guided by its Audit Charter in its independent appraisal functions.

The primary role of internal audit is to provide independent assurance to the Board that:

- (a) The Group's policies and guidelines have been communicated, implemented and are working as intended; and
- (b) Risk areas have been identified and there are effective internal control systems over all aspects of the Group's business and operations.

The Internal Audit Department is responsible for developing and monitoring an efficient and effective audit plan to provide the Board with assurance that the systems of internal control of the Group achieve the following:

- (a) That business is planned and conducted in an orderly, prudent, efficient and cost effective manner;
- (b) Transactions and commitments are entered into in accordance with management's authority;
- (c) Management is able to safeguard the assets and control the liabilities of the Group, i.e. there are measures to minimise and to detect the loss from irregularities, frauds and errors; and
- (d) The accounting and other records of the business provide complete, accurate and timely information.

During the financial year 2017, the Internal Audit Department conducted a total of 17 audit reviews and 7 follow-up/audit closure reviews for current and previous years. Ongoing actions were taken by the management to rectify the weaknesses identified in the reports. The total costs incurred for the internal audit function in respect of the financial year 2017 amounted to RM741,517.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors affirms its responsibility for maintaining a sound and effective system of risk management and internal control. This system is designed to:

- a. Safeguard shareholders' investments and the Group's assets;
- b. Ensure continuous identification, evaluation, monitoring and management of key risks that may impede the achievement of the Group's business objectives;
- c. Ensure that proper accounting records are maintained;
- d. Ensure that the financial information used within the business and for publication to the public is reliable; and
- e. Ensure compliance with applicable laws and regulations.

The Group's risk management and internal control system is an ongoing process designed to meet the Group's particular needs and to manage the risks associated with strategic, operations, financial and regulatory compliance.

The Directors are aware that the risk management and internal control system can only provide reasonable and not absolute assurance against the risk of material errors, misstatement, fraud or occurrences of unforeseeable circumstances. The Directors constantly review the adequacy and integrity of the Group's risk management and systems of internal control with the assistance of both the Audit Committee and the Risk Management Committee. The Directors believe that the business and operation environment in DIALOG is conducive for the Group to accomplish its mission and business objectives.

KEY INTERNAL CONTROLS PROCESSES

The key processes of the Group's internal controls include the following elements:

CONTROL ENVIRONMENT

Line of Reporting

Clear organisational structures with formally defined lines of responsibility and delegation of authority that act as a control mechanism in terms of lines of reporting and accountability.

Financial Authority Limits

A well-defined financial limits of authority on all financial commitments for each level of management within the Group. The financial authority limits are continuously reviewed and updated so as to ensure their suitability for implementation. Policies and procedures on such limits are documented to guide staff at all levels in the performance of their duties.

RISK ASSESSMENT

Risk Management

The Group has in place a Risk Management policy and framework to identify, evaluate, monitor and manage risks encountered by the Group. The policy and framework are consistent with the principles set out in accordance with ISO 31000:2009 Risk Management – Principles and Guidelines. The policy and framework provide a common understanding and approach in the application of risk management process across the Group.

The Risk Management Committee, chaired by the Executive Chairman and comprised of senior management within the Group, reviews the effectiveness of the risk management process and reports arising from risk management activities as well as deliberating the risks identified, controls and risk mitigation strategies.

Key and potential risks identified, together with the mitigation action plans are reported to the Risk Management Committee, Audit Committee and the Board for their attention and deliberation.

CONTROL ACTIVITIES

Internal Audit Function

Internal Audit Department is responsible to assist the Audit Committee in providing independent assessments on the adequacy, efficiency and effectiveness of internal control systems and ensuring operational compliance with standard operating procedures within the Group.

The Internal Audit Department undertakes regular and systematic review of the internal controls, providing the Audit Committee and the Board with sufficient independent assurance that the system of internal control is effective in identifying and addressing potential risks.

ISO 9001 and TS 29001 Quality Management Systems Audit

Annual audits are conducted internally as well as externally by certified bodies to ensure compliance with all requirements of the ISO 9001:2008 and ISO/TS 29001:2010 by each of the certified subsidiaries. The certifications serve as an assurance to customers with regards to the delivery of the highest quality of products and services by the Group.

Centralised Functions

Centralised control of selected key functions of the Group such as finance, accounts, Health, Safety and Environment ("HSE"), quality assurance/quality control, contracting, procurement, legal, human resource, treasury and tax enables the management to minimise risk exposure and increase the efficiency and effectiveness of business operations.

Human Resource Development

A proactive approach in human resource development is adopted to ensure employees at all levels are competent to meet the current business requirements and future business needs. Training is provided on various areas of work such as knowledge of leadership, health and safety, technical training as well as soft skills, both locally and overseas to ensure staff of all levels are proficient and competent in handling their job functions. Training programmes are also conducted for risk awareness and on implementation of total risk management process and procedures as part of the Group's efforts to foster a proactive risk management culture.

INFORMATION AND COMMUNICATION

Financial Reporting

A financial system is in place to capture all financial transactions and generate periodic management financial reports for performance review and decision making.

Annual budgets are prepared by operating units and approved by the Board. Actual performance of operating units against the budgets is reviewed and monitored on a regular basis.

MONITORING

Management Visit

Directors and senior management conduct regular visits to project sites, overseas offices, customers and principals' offices to review the Group's operations and gain better understanding to facilitate informed decision-making.

Third Party Audit

Third party audit is carried out by the project owners if required. These audit processes are conducted by joint venture partners, alliance partners and also other relevant parties.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITOR

As required by the Bursa Securities' Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Recommended Practice Guide 5 (Revised) ["RPG 5 (Revised)"] issued by the Malaysian Institute of Accountants. Their review has been conducted to assess whether the Statement on Risk Management and

Internal Control is supported by the documentation prepared by or for the Directors and appropriately reflects the process the Directors have adopted in reviewing the adequacy and integrity of risk management and the system of internal control for the Group.

RPG 5 (Revised) does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures. Based on the procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

CONCLUSION

The Risk Management and Internal Control system is in place, are adequate and effective for the Group.

The Executive Chairman and Group Chief Financial Officer have provided assurance to the Board that the Group's Risk Management and Internal Control system is operating adequately and effectively.

The Group will continue to take measures to strengthen the Risk Management and Internal Control system with a view to further enhance its effectiveness and to ensure new and additional risks arising from changes in the business and operating environment are managed within tolerable limits and dealt with in a timely manner.

ENHANCING SHAREHOLDERS' VALUE

21-YEAR RETURN TO SHAREHOLDERS

Compounded Annual Growth Rate on return to shareholders is 32% from IPO in 1996 to 2017

Financial Year	Particulars	New Shares Issued to a Shareholder	Free Warrants Alloted	Cumulative Number of Shares Held by a Shareholder	Cumulative Number of Warrants Held by a Shareholder	Cost of Investment of a Shareholder
1996	Initial Public Offer ("IPO") at RM2.75 per share			1,000		RM2,750
2000	Bonus issue : 4 for 5	800		1,800		
2000	Bonus issue : 2 for 3	1,200		3,000		
2001	Bonus issue : 2 for 5	1,200		4,200		
2002	Bonus issue : 1 for 5	840		5,040		
2004	Bonus issue : 1 for 5	1,008		6,048		
2004	Share split of 1 into 10	–		60,480		
2006	Special share dividend : 1 for 50	1,209		61,689		
2009	Special share dividend : 1 for 50	1,233		62,922		
2010	Bonus issue : 2 for 5	25,168		88,090		
2012	Rights Issue at RM1.20 : 2 for 10	17,618		105,708		RM21,142
2012	Free Warrants : 1 for 10		8,809		8,809	
2014	Special share dividend : 1 for 125	845	70	106,553	8,879	
2014	Bonus issue : 1 for 1	106,553	8,879	213,106	17,758	
2017	Conversion of warrants into shares at RM1.19 per warrant	17,758	(17,758)	230,864	–	RM21,132
Total Investment						RM45,024

RETURN TO SHAREHOLDERS

Market value of shares held (plus dividend received from IPO in 1996 to FY2017 based on closing price as at 30 September 2017)	RM505,535
Compounded annual growth rate from IPO in 1996 to 2017	32%

SHAREHOLDINGS INFORMATION

AS AT 30 SEPTEMBER 2017

Issued and Paid-up Share Capital (RM)	: 1,684,286,771.70
Issued and Paid-up Share Capital (No. of Shares)	: 5,641,642,303
No. of Shareholders	: 15,735
Class of the Shares	: Ordinary Shares
Voting Rights	: One Vote per ordinary share (On a poll)

DISTRIBUTION SCHEDULE OF SHARES AS AT 30 SEPTEMBER 2017

No of Holders	Total Holdings	Holdings*	%*
1,952	Less than 100	80,573	0.00
2,271	100 to 1,000	940,737	0.02
5,871	1,001 to 10,000	27,605,957	0.49
4,116	10,001 to 100,000	125,481,756	2.23
1,522	100,001 to less than 5% of issued shares	4,594,839,218	81.49
2	5% and above of issued shares	889,359,030	15.77
15,734		5,638,307,271	100.00

Note:

* Excluding a total of 3,335,032 shares bought-back by DIALOG Group Berhad and retained as treasury shares as at 30 September 2017.

THIRTY SECURITIES ACCOUNT HOLDERS HAVING THE LARGEST NUMBER OF ORDINARY SHARES AS AT 30 SEPTEMBER 2017

Name	Holdings	%*
1. CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	559,045,316	9.92
2. CIMSEC NOMINEES (TEMPATAN) SDN BHD < PLEDGED SECURITIES ACCOUNT FOR AZAM UTAMA SDN BHD >	330,313,714	5.86
3. CIMSEC NOMINEES (TEMPATAN) SDN BHD < PLEDGED SECURITIES ACCOUNT FOR WIDE SYNERGY SDN BHD >	212,113,352	3.76
4. CARTABAN NOMINEES (ASING) SDN BHD < GIC PRIVATE LIMITED FOR GOVERNMENT OF SINGAPORE (C) >	187,010,506	3.32
5. CIMB GROUP NOMINEES (TEMPATAN) SDN BHD < PLEDGED SECURITIES ACCOUNT FOR WIDE SYNERGY SDN BHD (CORPBANKING-5) >	181,440,000	3.22
6. AMANAHRAYA TRUSTEES BERHAD < AMANAH SAHAM BUMIPUTERA>	137,736,200	2.44
7. AZAM UTAMA SDN BHD	130,337,666	2.31
8. KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	123,300,986	2.19
9. CARTABAN NOMINEES (ASING) SDN BHD < EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLTOD67) >	100,571,322	1.78
10. AMSEC NOMINEES (ASING) SDN BHD < MTRUSTEE BERHAD FOR CIMB ISLAMIC DALI EQUITY GROWTH FUND (UT-CIMB-DALI)>	88,091,152	1.56
11. MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD < GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1) >	81,667,400	1.45

SHAREHOLDINGS INFORMATION

THIRTY SECURITIES ACCOUNT HOLDERS HAVING THE LARGEST NUMBER OF ORDINARY SHARES AS AT 30 SEPTEMBER 2017 (CONTINUED)

Name	Holdings	%*
12. MAYBANK NOMINEES (TEMPATAN) SDN BHD < MAYBANK TRUSTEES BERHAD FOR PUBLIC ITTIKAL FUND (N14011970240) >	80,000,000	1.42
13. CARTABAN NOMINEES (TEMPATAN) SDN BHD < PAMB FOR PRULINK EQUITY FUND >	79,303,870	1.41
14. HSBC NOMINEES (ASING) SDN BHD < BBH AND CO BOSTON FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND >	77,558,700	1.38
15. ABDUL RASHID HUSSAIN	71,366,400	1.27
16. CITIGROUP NOMINEES (TEMPATAN) SDN BHD < EXEMPT AN FOR AIA BHD. >	69,778,858	1.24
17. HSBC NOMINEES (ASING) SDN BHD < JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND >	59,079,344	1.05
18. CIMSEC NOMINEES (TEMPATAN) SDN BHD < PLEDGED SECURITIES ACCOUNT FOR GMC SDN BHD >	58,387,484	1.04
19. AMANAHRAYA TRUSTEES BERHAD < PUBLIC ITTIKAL SEQUEL FUND >	57,110,076	1.01
20. CARTABAN NOMINEES (ASING) SDN BHD < GIC PRIVATE LIMITED FOR MONETARY AUTHORITY OF SINGAPORE (H) >	56,172,700	1.00
21. DB (MALAYSIA) NOMINEE (ASING) SDN BHD < BNYM SA/NV FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM) >	54,751,200	0.97
22. CITIGROUP NOMINEES (TEMPATAN) SDN BHD < EMPLOYEES PROVIDENT FUND BOARD (NOMURA) >	53,070,000	0.94
23. CIMSEC NOMINEES (TEMPATAN) SDN BHD < CIMB BANK FOR NGAU BOON KEAT (MM0592) >	51,116,491	0.91
24. CIMSEC NOMINEES (TEMPATAN) SDN BHD < CIMB BANK FOR IMPRESIF MATRIK SDN BHD (MY 1150) >	48,577,456	0.86
25. MAYBANK NOMINEES (TEMPATAN) SDN BHD < MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND > (N14011940100) >	44,168,330	0.78
26. AMANAHRAYA TRUSTEES BERHAD < PUBLIC ISLAMIC DIVIDEND FUND >	41,478,090	0.74
27. AMANAHRAYA TRUSTEES BERHAD < PUBLIC ISLAMIC SECTOR FUND >	40,000,000	0.71
28. AMANAHRAYA TRUSTEES BERHAD < PUBLIC ISLAMIC SELECT ENTERPRISES FUND >	39,803,464	0.71
29. CIMSEC NOMINEES (TEMPATAN) SDN BHD < PLEDGED SECURITIES ACCOUNT FOR CHAN YEW KAI >	28,659,983	0.51
30. CITIGROUP NOMINEES (ASING) SDN BHD < EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 9) >	28,612,500	0.51

Note:

The above list is according to the Record of Depositors (without aggregating the number of ordinary shares from different securities accounts belonging to the same person).

* Excluding a total of 3,335,032 shares bought-back by DIALOG Group Berhad and retained as treasury shares as at 30 September 2017.

INFORMATION ON SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES) AS AT 30 SEPTEMBER 2017

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	No.	%*	No.	%*
Employees Provident Fund Board	712,932,650 ¹	12.64	—	—
Azam Utama Sdn Bhd	462,563,330 ¹	8.20	—	—
Wide Synergy Sdn Bhd	426,970,688 ¹	7.57	—	—
Tan Sri Dr Ngau Boon Keat	65,904,103 ¹	1.17	1,082,445,842 ²	19.20

Notes:

¹ Shares are held in own name and/or nominee account(s).

² Deemed interested by virtue of his interest in Azam Utama Sdn Bhd, Wide Synergy Sdn Bhd, GMC Sdn Bhd and WRN Sdn Bhd and interests held by his spouse and children.

* Excluding a total of 3,335,032 shares bought-back by DIALOG Group Berhad and retained as treasury shares as at 30 September 2017.

DIRECTORS' SHAREHOLDINGS AS AT 30 SEPTEMBER 2017

Name of Directors	Direct Interest		Deemed Interest	
	No.	%*	No.	%*
Tan Sri Dr Ngau Boon Keat	65,904,103 ¹	1.17	1,082,445,842 ²	19.20
Chan Yew Kai	35,384,767 ¹	0.63	—	—
Datuk Oh Chong Peng	—	—	—	—
Kamariyah Binti Hamdan	1,938,614 ¹	0.03	268,158 ³	0.00
Ja'afar Bin Rihan	—	—	—	—
Siti Khairon Binti Shariff	—	—	—	—
Chew Eng Kar	12,811,760 ¹	0.23	10,138,607 ⁴	0.18
Zainab Binti Mohd Salleh	7,956,879 ¹	0.14	—	—

Notes:

¹ Shares are held in own name and/or nominee account(s).

² Deemed interested by virtue of his interest in Azam Utama Sdn Bhd, Wide Synergy Sdn Bhd, GMC Sdn Bhd and WRN Sdn Bhd and interests held by his spouse and children.

³ Deemed interested by virtue of her spouse's interest.

⁴ Deemed interested by virtue of his interest in CEKinvst Sdn Bhd and his family trust.

* Excluding a total of 3,335,032 shares bought-back by DIALOG Group Berhad and retained as treasury shares as at 30 September 2017.

LIST OF PROPERTIES

AS AT 30 JUNE 2017

		Existing Use	Tenure	Date of Acquisition by the Group	Approximate Age of Building	Land Area/ Build Up Area (Sq. Ft.)	Net Book Value as at 30 June 17 RM'000
1	DIALOG PROPERTIES SDN BHD DIALOG TOWER No. 15, Jalan PJU 7/5 Mutiarra Damansara 47810 Petaling Jaya Selangor Darul Ehsan	Corporate Office	Freehold land and building	2 Apr 07	4 years	53,508	131,472
2	DIALOG CORPORATE SDN BHD G9-G, G9-1, G9-2, G9-3, G9-3A, G9-5, G9-6, G9-7 Block G, Phileo Damansara 1 No. 9, Jalan 16/11 46350 Petaling Jaya Selangor Darul Ehsan	Vacant	Freehold land and building	16 Aug 95	19 years	18,656	4,099
3	DIALOG CORPORATE SDN BHD G8-7, Block G, Phileo Damansara 1 No. 9, Jalan 16/11 46350 Petaling Jaya Selangor Darul Ehsan	Vacant	Freehold land and building	15 Jun 98	19 years	2,518	422
4	DIALOG FABRICATORS SDN BHD P.T 1480 Lot B12, Mukim Setul Kawasan Perindustrian Nilai 71800 Seremban Negeri Sembilan Darul Khusus	Fabrication Workshop	Leasehold land and building expiring on 20 Aug 2089	28 Dec 90	26 years	232,625/ 37,200	2,591
5	DIALOG FABRICATORS SDN BHD Lot 3739, Mukim Kertih Daerah Kemaman Terengganu Darul Iman	Regional Office and Workshop	Freehold land and building	16 Jan 02	12 years	215,601	4,663
6	DIALOG FABRICATORS SDN BHD Lot 5-HS(M) – PT6337 Mukim Sungai Karang Kuantan Pahang Darul Makmur	Vacant	Leasehold land expiring on 16 Apr 2063	10 Jul 02	–	43,551	421
7	DIALOG FABRICATORS SDN BHD Lot 6-HS(M) – PT6338 Mukim Sungai Karang Kuantan Pahang Darul Makmur	Workshop	Freehold land and building	10 Jul 02	24 years	108,900	1,786

		Existing Use	Tenure	Date of Acquisition by the Group	Approximate Age of Building	Land Area/ Build Up Area (Sq. Ft.)	Net Book Value as at 30 June 17 RM'000
8	DIALOG FABRICATORS SDN BHD PT 8920 Mukim Kertih Daerah Kemaman Terengganu Darul Iman	Fabrication Workshop	Leasehold land and building expiring on 31 Dec 2070	4 Jun 98	18 years	471,115	1,876
9	DIALOG FABRICATORS SDN BHD Lot 486, Mukim Teluk Panglima Garang Daerah Kuala Langat Selangor Darul Ehsan	Fabrication Workshop	Freehold land and building	1 Mar 07	10 years	172,880/ 17,760	5,848
10	DIALOG FABRICATORS SDN BHD Lot 487, Mukim Teluk Panglima Garang Daerah Kuala Langat Selangor Darul Ehsan	Vacant	Freehold land	23 May 08	–	175,602	4,215
11	DIALOG FABRICATORS SDN BHD No. 15 & 17, Jalan TP 4 Taman Perindustrian Bukit Rambai Fasa 6, 75250 Melaka Bandaraya Bersejarah	Workshop and Office	Freehold land and building	13 Aug 08	11 years	72,979/ 29,202	3,164
12	DIALOG FABRICATORS SDN BHD Lot 4993 & 4994, Mukim Pengerang 81620 Kota Tinggi Johor Darul Takzim	Workshop and Office	Leasehold land and building expiring on 12 May 2110	13 May 11	3 years	5,126,141/ 311,672	106,003
13	DIALOG FABRICATORS SDN BHD Lot 128 GRN 88708, Mukim Pengerang 81620 Kota Tinggi Johor Darul Takzim	Staff Quarters	Building on rented land and expiring on 31 Jan 2019	1 May 17	1 year	136,305	4,350
14	ORIENTAL VALLEY SDN BHD Lot 1939, 18 1/4 Mile Jalan Semenyih, Mukim Semenyih Daerah Hulu Langat 43000 Kajang Selangor Darul Ehsan	Petrol Station	Freehold land and building	17 Mar 00	16 years	114,868	4,084
15	CORAK DAHLIA SDN BHD Geran 1476 Lot 236 & Geran 1477 Lot 237 Mukim Seremban, Daerah Seremban Negeri Sembilan Darul Khusus	Vacant	Freehold land	28 Apr 00	–	86,112	5,232

LIST OF PROPERTIES

		Existing Use	Tenure	Date of Acquisition by the Group	Approximate Age of Building	Land Area/ Build Up Area (Sq. Ft.)	Net Book Value as at 30 June 17 RM'000
16	SENYUM BESTARI SDN BHD Lot 1011, Jalan Lingkaran Tengah 2 Batu 7 1/2 Ulu Klang 68000 Ampang Selangor Darul Ehsan	Petrol Station	Freehold land and building	26 May 00	13 years	113,256	15,035
17	SAGA DIALOG SDN BHD HS(M) 418 PT 31 Batu 4, Mukim Kapar Daerah Klang Selangor Darul Ehsan	Vacant	Leasehold land expiring on 25 Jul 2072	21 Jul 86	–	87,120	63
18	DIALOG PLANT SERVICES SDN BHD Lot 1B, Industri Kecil & Sederhana (IKS) Kampung Ranche-Ranche 87000 W.P. Labuan	Workshop and Office	Building on rented land expiring on 31 May 2023	1 Jun 13	3 years	8,267	348
19	OVERSEAS MANUFACTURING (JOHOR) SDN BHD PLO 111, Jalan Firma 1/5, Tebrau Industrial Estate 81100 Johor Bahru Johor Darul Takzim	Fabrication Workshop	Leasehold land expiring on 14 Feb 2053	18 Apr 06	–	42,194	569
20	OVERSEAS MANUFACTURING (JOHOR) SDN BHD PLO 112, Jalan Firma 1/5, Tebrau Industrial Estate 81100 Johor Bahru Johor Darul Takzim	Workshop and Office	Leasehold land and building expiring on 5 Sep 2051	18 Apr 06	24 years	60,497/ 3,782	1,484
21	OVERSEAS TECHNICAL ENGINEERING AND CONSTRUCTION PTE LTD 259, Arcadia Road #02-02, Hillcrest Arcadia Singapore 289852	Studio Apartment	Leasehold land and building expiring on 1 Dec 2074	18 Apr 06	38 years	700	311
22	DIALOG SYSTEMS PTE LTD 10 Tuas Avenue 16 Singapore 638931	Workshop and Office	Leasehold land and building expiring on 31 Dec 2021	5 Sep 07	28 years	86,115/ 56,695	1,256

		Existing Use	Tenure	Date of Acquisition by the Group	Approximate Age of Building	Land Area/ Build Up Area (Sq. Ft.)	Net Book Value as at 30 June 17 RM'000
23	DIALOG SERVICES SAUDI ARABIA CO LTD Section J, Block 5B Lot 4 Jubail 31951 Kingdom Of Saudi Arabia	Workshop and Office	Building on rented land expiring on 6 Aug 2018	17 Jun 08	12 years	108,253/ 38,000	2,932
24	DIALOG TECHNOLOGY AND SERVICES LIMITED 22/9 Soi Chaklukya 4 Watchaklukya Road Tambol Huaypong Amphur Muang Rayong Rayong 21150 Thailand	Workshop and Office	Freehold land and building	7 Apr 11	31 years	307,214/ 37,084	4,663
25	PT. DIALOG SISTEMINDO Kawasan Industri Jababeka 3 Jl. Tekno Boulevard Blok B 6 A Cikarang Utara Bekasi 17530 Indonesia	Workshop	Freehold land and building	25 Oct 10	7 years	35,424/ 13,358	2,186
26	FITZROY ENGINEERING GROUP LIMITED Devon Road, Private Bag 2053 New Plymouth 4342 New Zealand	Workshop and Office	Freehold land and building	3 Feb 14	43 years	348,535/ 77,274	18,973
27	FITZROY ENGINEERING GROUP LIMITED 45 Mawhitiwhiti Road Normanby Hawera 4614 New Zealand	Workshop and Office	Freehold land and building	1 Apr 14	23 years	58,523/ 8,805	2,018
28	FITZROY ENGINEERING GROUP LIMITED 215 Connett Road Bell Block New Plymouth 4312 New Zealand	Fabrication Workshop	Leasehold land and building expiring on 30 Jul 2025	1 Sep 15	1 year	36,124/ 13,207	4,451

GROUP CORPORATE DIRECTORY

MALAYSIA

Head Office

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No. 15, Jalan PJU 7/5
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Terengganu Office

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Melaka

Office and Workshop

No. 15 & 17, Jalan TP4
Tmn Perindustrian Bukit Rambai
Fasa 6, Mukim Bukit Rambai
75250 Melaka Bandaraya Bersejarah
Malaysia
Tel : 606 351 9051
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Fabrication Yards

Lot 486, Mukim Teluk
Panglima Garang
Daerah Kuala Langat
42600 Selangor Darul Ehsan
Malaysia
Tel : 603 3191 4068
Fax : 603 3191 4081

Lot 1480, B12 Mukim Setul
Kawasan Perindustrian Nilai
71800 Nilai
Negeri Sembilan Darul Khusus
Malaysia
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Plo 112, Jalan Firma 1/5
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Lot 4993-4994
Tanjung Kapal
Mukim Pengerang
81600 Pengerang
Johor Darul Takzim
Malaysia
Tel : 607 826 3485
Fax : 607 836 3465

Workshops

P.T. 8920 Kawasan Bukit Labohan
Mukim Kertih, Daerah Kemaman
24300 Kertih
Terengganu Darul Iman
Malaysia
Tel : 609 826 6050
Fax : 609 826 5969

Lot 6, Kawasan Perindustrian Gebeng
Mukim Sg. Karang
26080 Kuantan
Pahang Darul Makmur
Malaysia
Tel : 609 580 1212
Fax : 609 580 1213

Lot 1B, Industri Kecil &
Sederhana ("IKS")
Kampung Rancha-Rancha
87000 W.P. Labuan

Pengerang Marine Operations Centre

Lot PTD 4836
Kg. Sungai Kapal
Mukim Pengerang
81600 Pengerang
Johor Darul Takzim
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Fax : 607 824 2601

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Workshop

Kawasan Industri Jababeka 3
Jl. Tekno Boulevard Blok B 6 A
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Bekasi 17530
Indonesia
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Fax : 62 21 8984 4542

THAILAND

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Kampaengpet 6 Road
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SAUDI ARABIA**Office and Workshop**

P.O. Box 10990
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Kingdom of Saudi Arabia
Tel : 966 1 3340 7740/42
Fax : 966 1 3340 7741

Supply Base

P.O. Box 10990
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Kingdom of Saudi Arabia
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AUSTRALIA**Office**

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Office and Workshop

1294 Lytton Road
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Tel : 61 7 3900 4500
Fax : 61 7 3393 9232

Workshop

9 Osborne Street
Chinchilla QLD 4413
Australia
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NEW ZEALAND**Office and Workshop**

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Private Bag 2053
New Plymouth 4342
New Zealand
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Fax : 64 6 759 5253

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Workshops

579 Rakaunui Road
Taupo, New Zealand
Tel : 64 7 378 5772

45 Mawhitiwhiti Road
Normanby
Hawera 4614
New Zealand
Tel : 64 6 272 8694

72A Seaview Road
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Tel : 64 4 389 9210

215 Connett Road East
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Tel : 64 755 0709

UNITED ARAB EMIRATES**Office**

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NOTICE OF THE 29TH ANNUAL GENERAL MEETING AND DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that the Twenty-Ninth Annual General Meeting of DIALOG Group Berhad ("DIALOG" or the "Company") will be held at **Ballroom 1, 1st Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Thursday, 23 November 2017 at 10.00 a.m.** to consider the following matters:

AGENDA

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 30 June 2017 together with the Reports of the Directors and Auditors thereon. | (Please refer to Explanatory Note 1) |
| 2. To approve the payment of a Final Single Tier Cash Dividend of 1.45 sen per ordinary share in respect of the financial year ended 30 June 2017. | (Resolution 1) |
| 3. To re-elect Chan Yew Kai, the director retiring pursuant to Article 96 of the Company's Articles of Association. | (Resolution 2) |
| 4. To re-elect Chew Eng Kar, the director retiring pursuant to Article 96 of the Company's Articles of Association. | (Resolution 3) |
| 5. To re-elect Ja'afar Bin Rihan, the director retiring pursuant to Article 96 of the Company's Articles of Association. | (Resolution 4) |
| 6. To re-appoint Datuk Oh Chong Peng as a director of the Company. | (Resolution 5) |
| 7. To approve the payment of Directors' fees and Board Committees' fees of RM471,000 in respect of the financial year ended 30 June 2017 (2016: RM442,000). | (Resolution 6) |
| 8. To approve Directors' benefits (other than Directors' fees and Board Committees' fees) up to an amount of RM275,000 from 31 January 2017 to the next Annual General Meeting of the Company. | (Resolution 7) |
| 9. To re-appoint Messrs BDO as auditors of the Company and to authorise the Directors to fix their remuneration. | (Resolution 8) |
| 10. Special Business: | |

To consider and if thought fit, to pass the following resolutions:

ORDINARY RESOLUTION 1

– PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

"THAT, subject to the Companies Act 2016, the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and the requirements of any other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia upon such terms and conditions as the Directors of the Company may deem fit in the interest of the Company provided that the aggregate number of ordinary shares purchased pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company ("Proposed Renewal of Share Buy-Back Authority") and that an amount not exceeding the total audited retained profits of the Company at the time of purchase, would be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority.

THAT the authority conferred by this ordinary resolution will commence immediately upon passing of this ordinary resolution until the conclusion of the next Annual General Meeting of the Company (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting) or until the expiration of the period within which the next Annual General Meeting after that date is required by law to be held.

THAT the Directors of the Company be and are hereby authorised to take all steps necessary to implement, finalise and to give full effect to the Proposed Renewal of Share Buy-Back Authority and THAT authority be and is hereby given to the Directors of the Company to decide in their discretion to either retain the ordinary shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority as treasury shares and/or to resell the treasury shares and/or to distribute them as share dividends and/or to cancel them."

(Resolution 9)

11. To transact any other ordinary business for which due notice shall have been given.

NOTICE IS ALSO HEREBY GIVEN that the Final Single Tier Cash Dividend of 1.45 sen per ordinary share held in DIALOG, if approved, will be paid on 20 December 2017 to shareholders whose names appear in the Record of Depositors at the close of business on 4 December 2017.

A depositor shall qualify for entitlement to the Final Single Tier Cash Dividend only in respect of:

- Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 4 December 2017 in respect of ordinary transfers.
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

ZAINAB BINTI MOHD SALLEH, MIA 7672

LIM HOOI MOOI, MAICSA 0799764

CHAY SIEW KIM, MAICSA 7012266

Joint Company Secretaries

Petaling Jaya

25 October 2017

Notes:

- Other than an exempt authorised nominee, a member of the Company is entitled to appoint not more than two (2) proxies to attend, speak and vote in his stead. Where a member appoints more than one (1) proxy, he shall specify the proportion of his shareholdings to be represented by each proxy.
- A proxy need not be a member of the Company and a member may appoint any person to be his proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation under its Common Seal or the hand of its duly authorised officer or attorney.
- An instrument appointing a proxy must be deposited at the Registered Office of the Company at DIALOG TOWER, No. 15, Jalan PJU 7/5, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting ("AGM") or any adjournment thereof.
- Members whose names appear in the Record of Depositors as at 16 November 2017 shall be regarded as members entitled to attend, speak and vote at the AGM or appoint a proxy or proxies to attend, speak and vote in his stead.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of AGM will be put to vote by poll.

Explanatory Notes to the Agenda:

1. Item 1 of the Agenda

The audited financial statements are for discussion only as it does not require shareholders' approval under the provisions of Section 340(1)(a) of the Companies Act 2016. Hence, it will not be put for voting.

2. Item 6 of the Agenda

Datuk Oh Chong Peng who was re-appointed as a Director pursuant to Section 129 of the Companies Act, 1965 at the last Annual General Meeting to hold office until the conclusion of the forthcoming Annual General Meeting has, being eligible, offered himself for re-appointment as a Director.

3. Item 8 of the Agenda

The Directors' Benefits (other than Directors' fees and Board Committees' fees) comprise meeting attendance allowances. In determining the estimated total amount, the Board has considered various factors, among others, the estimated number of meetings for the Board and its Committees.

4. Special Business

Item 10 of the Agenda

The proposed Resolution No. 9, if passed, will empower Directors of the Company to purchase and/or hold up to ten percent (10%) of the issued and paid-up share capital of the Company. For further information on the Proposed Renewal of Share Buy-Back Authority, please refer to Part B of the Statement to Shareholders dated 25 October 2017 enclosed together with the Company's Annual Report 2017.

STATEMENT ACCOMPANYING THE NOTICE OF THE 29TH ANNUAL GENERAL MEETING OF THE COMPANY

(Pursuant to Paragraph 8.27 (2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

- **Details of individuals who are standing for election as Directors**

No individual is seeking election as a Director at the Twenty-Ninth Annual General Meeting of the Company.

PROXY FORM

DIALOG**DIALOG GROUP BERHAD**(Company No. 178694-V)
(Incorporated in Malaysia)

No. of Ordinary Shares Held	
CDS Account No.	

I/We _____

I.C./Passport/Company No. _____

of _____

being a member of **DIALOG GROUP BERHAD** hereby appoint _____

I.C./Passport No. _____

of _____

or failing him, the Chairman of the Meeting as my/our proxy, to attend and vote for me/us on my/our behalf at the Twenty-Ninth Annual General Meeting of the Company to be held at **Ballroom 1, 1st Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Thursday, 23 November 2017 at 10.00 a.m.** and at any adjournment thereof.

No.	Resolution	For	Against
1.	To approve the payment of a Final Single Tier Cash Dividend of 1.45 sen per ordinary share for the financial year ended 30 June 2017.		
2.	To re-elect Chan Yew Kai, the director retiring pursuant to Article 96 of the Company's Articles of Association.		
3.	To re-elect Chew Eng Kar, the director retiring pursuant to Article 96 of the Company's Articles of Association.		
4.	To re-elect Ja'afar Bin Rihan, the director retiring pursuant to Article 96 of the Company's Articles of Association.		
5.	Re-appointment of Datuk Oh Chong Peng as a director of the Company.		
6.	To approve the payment of Directors' fees and Board Committees' fees in respect of the financial year ended 30 June 2017.		
7.	To approve the payment of Directors' benefits (other than Directors' fees and Board Committees' fees) from 31 January 2017 to the next Annual General Meeting of the Company.		
8.	To re-appoint Messrs BDO as auditors of the Company and to authorise the Directors to fix their remuneration.		
9.	Special Business – Ordinary Resolution 1		

Please indicate with an "X" in the appropriate space how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Dated this _____ day of _____ 2017

Signature/Common Seal of Shareholder(s)

Date:

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	Percentage
Proxy 1	_____ %
Proxy 2	_____ %
Total	_____ 100%

Notes:

- (a) Other than an exempt authorised nominee, a member of the Company is entitled to appoint not more than two (2) proxies to attend, speak and vote in his stead. Where a member appoints more than one (1) proxy, he shall specify the proportion of his shareholdings to be represented by each proxy.
- (b) A proxy need not be a member of the Company and a member may appoint any person to be his proxy.
- (c) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation under its Common Seal or the hand of its duly authorised officer or attorney.
- (d) An instrument appointing a proxy must be deposited at the Registered Office of the Company at DIALOG TOWER, No. 15, Jalan PJU 7/5, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting ("AGM") or any adjournment thereof.
- (e) Members whose names appear in the Record of Depositors as at 16 November 2017 shall be regarded as members entitled to attend, speak and vote at the AGM or appoint a proxy or proxies to attend, speak and vote in his stead.
- (f) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of AGM will be put to vote by poll.

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STAMP

The Company Secretary
DIALOG GROUP BERHAD
(Company No. 178694-V)

DIALOG TOWER, No. 15, Jalan PJU 7/5
Mutiara Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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