



# **DIALOG GROUP BERHAD**

198901001388 (178694-V)  
(Incorporated in Malaysia)

Interim Financial Statements  
For The Financial Year Ended  
30 June 2024

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		3 MONTHS ENDED		12 MONTHS ENDED	
		30/06/2024	30/06/2023	30/06/2024	30/06/2023
		RM'000	RM'000	RM'000	RM'000
Revenue		810,069	690,039	3,151,926	3,001,534
Operating expenses		(719,340)	(646,184)	(2,809,681)	(2,810,769)
Other operating income		11,011	37,412	91,814	71,430
Share of profit of joint ventures and associates, net of tax		83,995	82,071	309,865	364,028
Finance costs		(14,901)	(17,989)	(64,808)	(72,335)
<b>Profit before tax</b>		<b>170,834</b>	<b>145,349</b>	<b>679,116</b>	<b>553,888</b>
Tax expense		(25,622)	(10,056)	(73,753)	(33,265)
<b>Profit for the year</b>		<b>145,212</b>	<b>135,293</b>	<b>605,363</b>	<b>520,623</b>
<b>Profit for the year attributable to:</b>					
Owners of the parent		138,415	126,778	575,032	510,522
Non-controlling interests		6,797	8,515	30,331	10,101
		<b>145,212</b>	<b>135,293</b>	<b>605,363</b>	<b>520,623</b>
Basic earnings per ordinary share (sen)	B13	2.45	2.25	10.19	9.05
Diluted earnings per ordinary share (sen)	B13	2.45	2.25	10.19	9.05

*(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the Interim Financial Statements.)*

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		3 MONTHS ENDED		12 MONTHS ENDED	
		30/06/2024	30/06/2023	30/06/2024	30/06/2023
		RM'000	RM'000	RM'000	RM'000
<b>Profit for the year</b>	B14	145,212	135,293	605,363	520,623
<b>Other comprehensive income</b>					
<b>Items that may not be reclassified subsequently to profit or loss</b>					
Fair value gain/(loss) on other investment		2,060	(17,706)	(7,722)	(6,645)
<b>Items that may be reclassified subsequently to profit or loss</b>					
Foreign currency translations		897	99,394	4,606	135,363
Cash flow hedge		306	7,579	(9,609)	15,882
Share of other comprehensive (loss)/gain of joint ventures		(4,884)	14,964	2,287	79,724
<b>Other comprehensive (loss)/ income for the year</b>		<u>(1,621)</u>	<u>104,231</u>	<u>(10,438)</u>	<u>224,324</u>
<b>Total comprehensive income for the year</b>		<u>143,591</u>	<u>239,524</u>	<u>594,925</u>	<u>744,947</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		136,614	227,367	563,586	729,637
Non-controlling interests		6,977	12,157	31,339	15,310
		<u>143,591</u>	<u>239,524</u>	<u>594,925</u>	<u>744,947</u>

*(The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the Interim Financial Statements.)*

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	NOTE	30/06/2024 RM'000	30/06/2023 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		2,794,139	2,750,105
Development of tank terminals		712,786	685,837
Intangible assets		992,968	922,445
Investments in joint ventures and associates	B12	1,727,687	1,814,313
Inventories	A16	284,442	271,655
Other investments		42,297	49,077
Deferred tax assets		80,216	76,976
		<b>6,634,535</b>	<b>6,570,408</b>
<b>CURRENT ASSETS</b>			
Inventories	A16	94,711	70,853
Trade and other receivables	A17	789,216	904,614
Current tax assets		32,306	20,438
Other investment		6,769	24,702
Cash and cash equivalents	A18	1,572,757	1,720,621
		<b>2,495,759</b>	<b>2,741,228</b>
<b>TOTAL ASSETS</b>		<b>9,130,294</b>	<b>9,311,636</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		1,698,431	1,698,323
Treasury shares		(3,625)	(3,625)
Reserves		4,249,378	3,881,431
		5,944,184	5,576,129
Perpetual Sukuk Wakalah	B8	498,940	498,940
Non-controlling interests		64,472	85,248
<b>TOTAL EQUITY</b>		<b>6,507,596</b>	<b>6,160,317</b>
<b>NON-CURRENT LIABILITIES</b>			
Bank Borrowings	B7	1,074,810	1,363,710
Senior Sukuk Wakalah	B8	500,000	500,000
Lease liabilities		18,864	16,914
Deferred tax liabilities		4,923	4,623
		<b>1,598,597</b>	<b>1,885,247</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	A19	822,015	906,988
Bank Borrowings	B7	127,745	298,791
Lease liabilities		7,265	5,327
Current tax liabilities		67,076	54,966
		<b>1,024,101</b>	<b>1,266,072</b>
<b>TOTAL LIABILITIES</b>		<b>2,622,698</b>	<b>3,151,319</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,130,294</b>	<b>9,311,636</b>
<b>Net assets per share attributable to owners of the parent (sen)</b>		<b>105.3</b>	<b>98.8</b>

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the Interim Financial Statements.)*

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2024**

	Attributable to owners of the parent					Perpetual Sukuk Wakalah RM'000	Non - controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000			
<b>Balance as at 1 July 2023</b>	1,698,323	(3,625)	482,287	3,399,144	5,576,129	498,940	85,248	6,160,317
Total comprehensive (loss)/income for the year	-	-	(11,446)	575,032	563,586	-	31,339	594,925
Appropriation:								
Final dividend for FY2023	-	-	-	(135,422)	(135,422)	-	-	(135,422)
Interim dividend for FY2024	-	-	-	(84,639)	(84,639)	-	-	(84,639)
Share options granted under ESOS	-	-	10,895	-	10,895	-	66	10,961
Dividend paid to non-controlling interests	-	-	-	-	-	-	(50)	(50)
Profit distribution paid to holders of Perpetual Sukuk Wakalah	-	-	-	(20,807)	(20,807)	-	-	(20,807)
Share options exercised	108	-	(25)	-	83	-	-	83
Acquisition of shares from non-controlling interests	-	-	-	34,359	34,359	-	(52,131)	(17,772)
<b>Balance as at 30 June 2024</b>	<b>1,698,431</b>	<b>(3,625)</b>	<b>481,711</b>	<b>3,767,667</b>	<b>5,944,184</b>	<b>498,940</b>	<b>64,472</b>	<b>6,507,596</b>
<b>Balance as at 1 July 2022</b>	1,698,303	(3,625)	258,501	3,101,219	5,054,398	498,940	99,115	5,652,453
Total comprehensive income for the year	-	-	219,115	510,522	729,637	-	15,310	744,947
Appropriation:								
Final dividend for FY2022	-	-	-	(118,494)	(118,494)	-	-	(118,494)
Interim dividend for FY2023	-	-	-	(73,353)	(73,353)	-	-	(73,353)
Share options granted under ESOS	-	-	4,671	-	4,671	-	69	4,740
Dividend paid to non-controlling interests	-	-	-	-	-	-	(5,405)	(5,405)
Profit distribution paid to holders of Perpetual Sukuk Wakalah	-	-	-	(20,750)	(20,750)	-	-	(20,750)
Share options exercised	20	-	-	-	20	-	-	20
Disposal of a subsidiary	-	-	-	-	-	-	(5,240)	(5,240)
Reclass subsidiary to joint venture	-	-	-	-	-	-	(980)	(980)
Acquisition of shares from non-controlling interests	-	-	-	-	-	-	5	5
Capital Reduction payable to non-controlling interests	-	-	-	-	-	-	(14,729)	(14,729)
Capital Reduction paid to non-controlling interests	-	-	-	-	-	-	(2,897)	(2,897)
<b>Balance as at 30 June 2023</b>	<b>1,698,323</b>	<b>(3,625)</b>	<b>482,287</b>	<b>3,399,144</b>	<b>5,576,129</b>	<b>498,940</b>	<b>85,248</b>	<b>6,160,317</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the Interim Financial Statements.)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2024**

	<b>12 MONTHS ENDED</b>	
	<b>30/06/2024</b>	<b>30/06/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	679,116	553,888
Adjustments for:		
Depreciation and amortisation	333,655	254,908
Net interest expense	18,903	38,841
Share of profit of joint ventures and associates	(309,865)	(364,028)
Share options granted under ESOS	10,961	4,740
Other non-cash items	39,802	(2,847)
Operating profit before working capital changes	772,572	485,502
Changes in working capital :		
Net change in inventories and receivables	79,372	(19,716)
Net change in payables	(107,713)	146,893
<b>Cash from operations</b>	<b>744,231</b>	<b>612,679</b>
Dividends received	473,067	162,705
Interest received	44,833	32,757
Tax paid	(82,245)	(69,807)
Tax refunded	7,148	11,843
<b>Net cash from operating activities</b>	<b>1,187,034</b>	<b>750,177</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of shares from non-controlling interests	(17,772)	-
Additions of intangible assets	(242,416)	(211,046)
Additions of other investment	(355)	(2,910)
Development of tank terminals	(26,949)	(46,197)
Investments in joint ventures and associates	(99,397)	(209,714)
Redemption of redeemable preference shares from an associate	5,556	250,521
Proceeds from disposal of property, plant and equipment	2,820	3,048
Proceeds from disposal of other investments	-	8,380
Purchase of property, plant and equipment	(158,982)	(62,763)
Additions of properties development	(12,966)	(24,791)
Other net changes in investing activities	(677)	(72)
<b>Net cash used in investing activities</b>	<b>(551,138)</b>	<b>(295,544)</b>

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)**

	<b>12 MONTHS ENDED</b>	
	<b>30/06/2024</b>	<b>30/06/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(63,736)	(71,598)
Dividends paid	(220,061)	(191,847)
Profit distribution to Sukuk holders	(20,807)	(20,750)
Dividend paid to non-controlling interests	(50)	(5,405)
Additional shares subscription from non-controlling interest	-	5
Capital reduction from non-controlling interests	-	(2,897)
Net repayment of bank borrowings	(484,071)	(305,517)
Proceeds from issuances of shares	83	20
<b>Net cash used in financing activities</b>	<b>(788,642)</b>	<b>(597,989)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(152,746)</b>	<b>(143,356)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		
As previously reported	1,720,497	1,840,183
Effects of exchange rate changes on cash and cash equivalents	4,226	23,670
	<b>1,724,723</b>	<b>1,863,853</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Note A18)</b>	<b>1,571,977</b>	<b>1,720,497</b>

*(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the Interim Financial Statements.)*

## INTERIM FINANCIAL REPORT

### NOTES TO THE INTERIM FINANCIAL REPORT

#### A EXPLANATORY NOTES PURSUANT TO MFRS 134

##### A1 Basis of preparation

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the reporting requirements of Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). These interim financial statements also comply with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2023.

##### A2 Changes in accounting policies

The audited financial statements of the Group for the year ended 30 June 2023 were prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") framework issued by MASB. As per requirements under MFRS, the significant accounting policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the year ended 30 June 2023 except as discussed below:

As of 1 July 2023, the Group has adopted the revised MFRSs and Amendments of MFRSs that have been issued by MASB as listed below:

##### MFRSs, Amendments to MFRSs

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

The adoption of the above Standards and Amendments of MFRSs did not have any material impact to the condensed financial statements.

##### A3 Auditors' report of preceding annual audited financial statements

The auditors' report on the preceding year's audited financial statements was not subject to any qualification.



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## INTERIM FINANCIAL REPORT

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### **A EXPLANATORY NOTES PURSUANT TO MFRS 134 – CONTINUED**

#### **A4 Seasonal or cyclical factors**

The Group's operations are not affected by seasonal or cyclical factors.

#### **A5 Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial year ended 30 June 2024.

#### **A6 Material changes in estimates**

There were no changes in estimates of amounts reported in the prior financial year, which have a material effect in the current financial year.

#### **A7 Debt and equity securities**

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial year except for exercise of 34,700 share options under Employees' Share Option Scheme.

#### **A8 Dividends paid**

- i. A final dividend of 2.40 sen per ordinary share, amounting to RM135,421,871 in respect of financial year ended 30 June 2023 was paid on 21 December 2023.
- ii. An interim dividend of 1.50 sen per ordinary share, amounting to RM84,639,194 in respect of financial year ended 30 June 2024 was paid on 27 June 2024.

#### **A9 Property, plant and equipment**

There was no revaluation of property, plant and equipment brought forward from the previous audited financial statements.

#### **A10 Material events subsequent to the end of the financial year**

There were no material events subsequent to the current financial year ended 30 June 2024 and up to the date of this report, which is likely to substantially affect the profits of the Group.

**INTERIM FINANCIAL REPORT**

**A EXPLANATORY NOTES PURSUANT TO MFRS 134 - CONTINUED**

**A11 Operating segments**

The Group is principally involved in providing integrated technical services to the energy sectors in Malaysia and other areas of the world. Its operating segments are presented based on the geographical location of its customers. The performance of each segment is measured based on profit before tax as included in the internal management report reviewed by the chief operating decision maker.

The Group's operating segments for the financial year ended 30 June 2024 are as follows:

	<b>Malaysia</b>	<b>Thailand</b>	<b>Other</b>	<b>Australia &amp;</b>	<b>Middle</b>	<b>Other</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>Asia</b>	<b>New Zealand</b>	<b>East</b>	<b>Countries</b>	<b>RM'000</b>
			<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
<b>Segment profits before tax</b>	497,223	56,678	3,483	28,199	90,526	3,007	679,116
<i>Included in the measure of segment profits are:</i>							
<i>Revenue from external customers</i>	1,735,489	257,971	293,337	452,556	395,417	17,156	3,151,926
<i>Inter-segment revenue</i>	24,162	-	983	644	-	-	25,789
<i>Depreciation and amortisation</i>	301,760	606	4,268	15,634	11,387	-	333,655
<i>Interest expense</i>	61,713	411	745	867	-	-	63,736
<i>Interest income</i>	37,578	1	5,678	168	1,408	-	44,833
<i>Share of profit of joint ventures and associates</i>	269,726	40,139	-	-	-	-	309,865
<b>Segment assets</b>	7,541,709	283,852	468,362	477,166	278,989	-	9,050,078
Deferred tax assets							80,216
<b>Total assets</b>							<u>9,130,294</u>
<i>Included in the measure of segment assets are:</i>							
<i>Investments in joint ventures and associates</i>	1,515,038	212,649	-	-	-	-	1,727,687
<i>Changes to non-current assets:</i>							
- <i>Property, plant and equipment</i>	143,828	57	6,454	7,466	1,177	-	158,982
- <i>Intangible assets</i>	238,270	335	2,665	817	329	-	242,416
- <i>Development of tank terminals</i>	26,949	-	-	-	-	-	26,949
- <i>Joint ventures and associates</i>	93,841	-	-	-	-	-	93,841
- <i>Inventories</i>	-	-	-	12,966	-	-	12,966
- <i>Other investments</i>	-	-	355	-	-	-	355
<b>Segment liabilities</b>	2,389,520	4,954	83,217	75,068	65,016	-	2,617,775
Deferred tax liabilities							4,923
<b>Total liabilities</b>							<u>2,622,698</u>

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**INTERIM FINANCIAL REPORT**

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**A EXPLANATORY NOTES PURSUANT TO MFRS 134 – CONTINUED**

**A12 Changes in the composition of the Group**

In November 2023, the Company acquired 100% equity interest in Tarpon Platform Systems Malaysia Sdn. Bhd. and all assets of Tarpon Systems International II, LLC for a cash consideration of USD 1,186,200 (equivalent to RM 5,530,200) and changed its name to Dialog Tarpon Offshore Platforms Sdn. Bhd.

In November 2023, Dialog Petroleum Technical Services (Beijing) Limited (“DPTSBL”), an inactive indirect wholly-owned subsidiary, had been deregistered under Article 180, Chapter 10 of the Company Law of the People’s Republic of China and ceased to be an indirect wholly owned subsidiary of the Group.

There were no other changes in the composition of the Group during the current financial year.

**A13 Commitments**

	<b>30/06/2024</b> <b>RM'000</b>
Capital commitments	
Capital expenditure in respect of property, plant and equipment:	
- approved but not contracted for	262,400
- contracted but not provided for	21,600
	284,000
Commitments of the Group in respect of upstream business	47,000

**A14 Changes in contingent liabilities and contingent assets**

The Company provides corporate guarantees up to a total amount of RM1,206.3 million (2023: RM 1,841.6 million) to licensed banks for banking facilities granted to certain subsidiaries. The amount of the banking facilities utilised by the said subsidiaries totalled RM 1,010.7 million as at 30.06.2024 (2023: RM1,465.3 million).

The Company also provides corporate guarantees up to a total amount of RM39.6 million (2023: RM 39.5 million) to licensed banks for banking facilities granted to certain joint ventures. The amount of the banking facilities utilised by the said joint ventures totalled RM30.5 million as at 30.06.2024 (2023: RM 29.4 million).

**INTERIM FINANCIAL REPORT**

**A EXPLANATORY NOTES PURSUANT TO MFRS 134 – CONTINUED**

**A15 Significant related party transactions**

Significant related party transactions which were entered into on agreed terms and prices for the financial year ended 30 June 2024 are set out below. The relationship of the related parties are disclosed in the audited financial statements for the financial year ended 30 June 2023.

	<b>12 MONTHS ENDED 30/06/2024 RM'000</b>
Transaction with associate and joint ventures:	
Dividend income	473,067
Subcontract works	79,499

**A16 Inventories**

	<b>30/06/2024 RM'000</b>
Non-current assets:	
Land held for development	284,442
Current assets:	
Construction materials	6,341
Trading inventories	88,370
	<u>94,711</u>
	<u><u>379,153</u></u>

**A17 Trade and other receivables**

	<b>30/06/2024 RM'000</b>
Trade receivables	552,364
Amounts due from customers for contract works	138,006
Amounts due from joint ventures and associates	52,689
Other receivables, deposits and prepayments	36,343
Hedge derivative assets	9,814
	<u>789,216</u>

**A18 Cash and cash equivalents**

	<b>30/06/2024 RM'000</b>
Bank balances and deposits with licensed banks	1,572,757
Less: Bank balances and deposits pledged to licensed banks	<u>(780)</u>
	<u><u>1,571,977</u></u>

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**INTERIM FINANCIAL REPORT**

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**A EXPLANATORY NOTES PURSUANT TO MFRS 134 – CONTINUED**

**A19 Trade and other payables**

	<b>30/06/2024</b>
	<b>RM'000</b>
Trade payables	589,912
Amounts due to customers for contract works	53,620
Accruals and other payables	178,062
Hedge derivative liabilities	421
	<u>822,015</u>

**A20 Employees' Share Option Scheme ("ESOS")**

The Company has implemented an ESOS scheme to attract and retain qualified and experienced employees. The scheme was approved by the shareholders at the Annual General Meeting held on 14 November 2018 and came into effect on 3 December 2018. The ESOS shall be in force for a period of ten (10) years until 2 December 2028.

In compliance with Malaysian Financial Reporting Standard, MFRS 2 on Share-based Payment, a total ESOS cost for share options amounted to RM10,961,000 was charged to the statement of profit or loss in the current financial year (FY2023: RM4,740,000).

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## INTERIM FINANCIAL REPORT

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### **B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA**

#### **B1 Performance analysis**

The Group closed its 4<sup>th</sup> quarter ended 30<sup>th</sup> June 2024 with a revenue of RM810.1 million and net profit after tax of RM145.2 million, higher by 17.4% and 7.3% respectively compared to the corresponding quarter last year. As for the full financial year compared to last year, the Group's revenue of RM3.15 billion was higher by 5% from RM3.00 billion, and its net profit after tax increased by 16.3% to RM605.4 million from RM520.6 million.

During the current quarter and financial year, the Malaysia operation recorded increased revenue and profit after tax mainly attributable to increased production from the upstream activities.

The midstream activities continued to contribute a stable revenue stream and profit to the Group from the operation of DIALOG Terminals Langsat and DIALOG Terminals Pengerang (5) for the current financial year.

The downstream team remained busy completing various EPCC and plant maintenance projects and reported losses for the current quarter and financial year caused by project cost overruns. The Group is facing many challenges brought on by the COVID-19 pandemic, conflict in Ukraine and Gaza, inflationary pressures, supply chain disruption, higher material prices and labour cost. Despite these challenges, the Group's main priority is to complete and deliver the committed projects, which have inevitably resulted in cost overruns and project losses.

On the International front, the Group reported higher revenue and profit after tax for the current quarter and financial year contributed by higher sales of specialist products and services in various countries. The increased fabrication activities in New Zealand have also contributed positively to the Group's better performance in the current financial year.

#### **B2 Variation of results against preceding quarter**

Against the preceding quarter, the Group's revenue for the current financial quarter of RM810.1 million was higher by 15.4% but profit before taxation was lower by 4.0%. The lower profit before taxation was mainly due to additional costs and losses incurred by EPCC and plant maintenance projects, and impairment provision on investment in a joint venture company that is involved in production of food grade recycled polyethylene terephthalate pellets.

#### **B3 Prospects**

As a leading integrated technical service provider that is diversified across the upstream, midstream, and downstream businesses of the energy sector, DIALOG will remain focused and steadfast in the pursuit of its key long-term strategies. With our dedicated management team, we remain confident that our business model is well structured to manage and sustain the Group through periods of economic uncertainty, oil price volatility and currency movements.

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## INTERIM FINANCIAL REPORT

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### **B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA – CONTINUED**

#### **B3 Prospects – continued**

In the Upstream business, the general outlook of the oil market continues to see an improvement following the disruption to demand caused by the global events. Against this backdrop, the Group will continue to grow its existing upstream business through the rejuvenation, development, and operatorship of oil and gas fields. In line with DIALOG's diversification strategy, the increased upstream activity provides the opportunity to participate in other parts of the value chain in the field development cycle, particularly in the provision of engineering and specialist technical services.

As the 2<sup>nd</sup> largest independent terminal owner cum operator in Southeast Asia with a current operating capacity of 5.1 million m<sup>3</sup>, midstream business continues to be a core area of emphasis for DIALOG. The Group will continue to invest in phased capacity expansions for dedicated long-term customers across the Group's midstream terminals business portfolio, with the focus on our ongoing development of Pengerang Deepwater Terminals ("PDT") into the largest petroleum and petrochemical hub for the Asia Pacific region. This is in line with the Group's longer-term strategy to grow its sustainable and recurring income.

In the Downstream business, we will continue to leverage on our strengths and established track record in integrated technical services comprising Engineering, Procurement, Construction & Commissioning ("EPCC"), Plant Maintenance & Catalyst Handling Services, and Specialist Products and Services. Given the current market uncertainties and challenges, including geopolitical conflicts in Ukraine and Gaza, inflationary pressures, supply chain disruptions, and increasing material and labor costs, the Group will conduct thorough risk assessments for new projects and strategically pursue opportunities that align with our risk management framework and strategic goals. The Group will exercise caution and selectivity, particularly in the bidding process for lump-sum EPCC contracts.

The Group via its associate company, Morimatsu Dialog (Malaysia) Sdn. Bhd. ("MDMSB"), is expanding its fabrication facilities in Pengerang with an investment value of approximately RM250 million to provide one-stop technical & fabrication solutions for specialized process modules & skids for the energy, chemical, pharmaceutical, solar power and data center industries. This will support MDMSB in meeting the demands and opportunities in the region and beyond.

In response to growing investor interest in low-carbon fuel alternatives, DIALOG marks its first venture into storage facilities for renewable fuel products under DIALOG Terminals Langsat (3). This venture will serve potential users such as biofuel production companies, energy trading houses and multinational energy companies. The first phase comprising of 24,000 m<sup>3</sup> storage facilities connected to truck loading bays and existing marine facilities is expected to be completed by end-2024. The second phase comprising an additional 150,000m<sup>3</sup> storage for renewable and petroleum products is expected to be completed by September 2026. 100,000 m<sup>3</sup> of this capacity is dedicated to EcoCeres Limited, a subsidiary of EcoCeres Inc.

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**INTERIM FINANCIAL REPORT**

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**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA – CONTINUED**

**B3 Prospects – continued**

As the economic environment is expected to remain challenging in the short to medium-term, we will continue to build and strengthen our competencies by investing in and multi-skilling our workforce to ensure we remain efficient and competitive. In addition to the investment in our people, we are also stepping up our digital transformation initiatives which will reinforce our competitiveness.

Barring any unforeseen circumstances, the Group is optimistic of its positive performance in the financial year ending 30 June 2025.

**B4 Profit forecast and profit guarantee**

The Group did not announce any profit forecast nor profit guarantee for the current financial year.

**B5 Taxation**

	<b>INDIVIDUAL PERIOD</b>	<b>CUMULATIVE PERIOD</b>
	<b>3 MONTHS ENDED 30/06/2024 RM'000</b>	<b>12 MONTHS ENDED 30/06/2024 RM'000</b>
Current tax	28,549	68,614
Deferred tax	(6,652)	(5,693)
Under provision in prior years	3,725	10,832
<b>Total tax expense</b>	<b>25,622</b>	<b>73,753</b>
Effective tax rate on profit before tax excluding share of profit of joint ventures and associates	<b>29.5%</b>	<b>20.0%</b>

The effective tax rates for the financial year ended 30<sup>th</sup> June 2024 was lower than the Malaysia's statutory rate of 24% mainly due to non- taxable income and lower tax rates in foreign tax jurisdictions.



**INTERIM FINANCIAL REPORT**

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA – CONTINUED**

**B6 Status of corporate proposals**

Memorandum of Understanding with the State Government of Johor Darul Ta'zim and the State Secretary, Johor (Incorporated) ("SSI")

In April 2018, Dialog Pengerang Sdn. Bhd., a wholly owned subsidiary of the Company, had signed a Memorandum of Understanding with the State Government of Johor Darul Ta'zim and SSI to outline the understanding between the said parties for Dialog Terminals Pengerang CTF Sdn. Bhd., which is currently an indirect wholly owned subsidiary of the Company, to develop common tankage facilities (including shared infrastructure) and deepwater marine facilities to support and promote the petroleum and petrochemicals storage and handling tank terminal business to be constructed and carried out as Pengerang Deepwater Terminals Phase 3.

This MOU has now lapsed. However, the parties are still in discussion on the development of this common tankage and deepwater marine facilities to support and promote the petroleum and petrochemicals storage and handling tank terminal business.

There are no other corporate proposals announced but not completed as at date of this report.

**B7 Borrowings and debt securities**

As at 30 June 2024, the Group's bank borrowings were denominated in the following currencies:

	<b>FC'000</b>	<b>RM'000</b>
Short term borrowings:		
Secured:		
New Zealand Dollar	511	1,458
Ringgit Malaysia	-	10,000
Singapore Dollar	22,000	76,560
Unsecured:		
Ringgit Malaysia	-	32,714
Sterling Pound	279	1,666
United States Dollar	1,133	5,347
		<u>127,745</u>
Long term borrowings:		
Secured:		
New Zealand Dollar	1,784	5,090
Ringgit Malaysia	-	156,000
Singapore Dollar	242,279	843,132
Unsecured:		
Ringgit Malaysia	-	70,588
		<u>1,074,810</u>
		<u><u>1,202,555</u></u>

Included in the bank borrowings of the Group is RM868.3 million (30.06.2023: RM1,234.4 million) obtained under Islamic financing facilities.

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## INTERIM FINANCIAL REPORT

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### **B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA – CONTINUED**

**B8** In September 2020, the Company had obtained approval for an Islamic notes issuance programme of up to an aggregate amount of RM3.0 billion in nominal value based on the Shariah principle of Sukuk Programme with the Securities Commission Malaysia. The Sukuk Programme, which has a perpetual programme tenure, provides the Company the flexibility to issue, from time to time, senior Islamic medium term notes (“Senior Sukuk Wakalah”) and/or subordinated perpetual Islamic notes (“Perpetual Sukuk Wakalah”) subject to the aggregate outstanding nominal amount not exceeding RM3.0 billion at any point in time.

In November 2020, the Company completed the first issuance of RM500 million Perpetual Sukuk Wakalah in nominal value with tenure of perpetual non-callable 7 years with a periodic distribution rate 4.15% per annum. The net nominal value after transaction costs is RM498.9 million.

In January 2022, the Company issued another RM500 million Senior Sukuk Wakalah in nominal value with tenure of 10 years with a periodic distribution rate 4.53% per annum.

### **B9 Material litigation**

The Group is not engaged in any material litigation and is not aware of any legal proceeding that might materially affect the financial position or business of the Group.

### **B10 Dividends**

- a) The Board of Directors, pursuant to the Company's Constitution, recommends a final cash dividend of 2.80 sen (previous corresponding year: 2.40 sen) per ordinary share in respect of the current financial year for approval of the shareholders at the forthcoming Annual General Meeting.
- b) The total cash dividend for current financial year of 4.30 sen per ordinary share is amounting to approximately RM242,639,194, comprises the following:
  - i) Interim cash dividend of 1.50 sen per ordinary share amounting to RM84,639,194; and
  - ii) Proposed final cash dividend of 2.80 sen per ordinary share amounting to approximately RM158,000,000.

The total dividend for the current financial year is higher than the Company's dividend payout policy of at least 40% of profit attributable to shareholders of RM575.0 million.

## INTERIM FINANCIAL REPORT

### B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA – CONTINUED

#### B11 Derivative financial instruments

As at 30 June 2024, the Group has the following outstanding derivatives:

	Contract/Notional Value		Net fair value (losses) /income
	FC'000	RM'000	RM'000
<b><u>Forward foreign exchange contracts</u></b>			
With maturity less than 1 year:			
Australian Dollar	310	958	-
Euro	4,404	22,504	(386)
Singapore Dollar	28	98	(7)
Japanese Yen	20,166	683	(175)
United States Dollar	2,060	9,664	(122)
<b><u>Interest rate swap contracts</u></b>			
With maturity less than 2 years:			
Singapore Dollar	153,000	532,440	9,677

There has been no significant changes to the financial derivatives in respect of the following since the last financial year ended 30 June 2023:

- a) the credit risk, market risk, and liquidity risk associated with these financial derivatives;
- b) the cash requirement of the financial derivatives; and
- c) the policy in place for mitigating or controlling the risk associated with these financial derivatives.

The basis of fair value measurement is the difference between the contracted rates and the market forward rates. This resulted in the Group recording a gain when the rates moved in its favour and recording a loss when the rates moved unfavourably against the Group.

#### B12 Investments in joint ventures and associates

The Company provides corporate guarantees to joint ventures as disclosed in A14.

**INTERIM FINANCIAL REPORT**

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF**

**B13 Earnings per share**

The basic and diluted earnings per ordinary share for the current financial year is calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares after deducting treasury shares.

	<b>INDIVIDUAL PERIOD</b>		<b>CUMULATIVE PERIOD</b>	
	<b>3 MONTHS ENDED</b>		<b>12 MONTHS ENDED</b>	
	<b>30/06/2024</b>	<b>30/06/2023</b>	<b>30/06/2024</b>	<b>30/06/2023</b>
Profit for the financial year attributable to owners of the Company (RM'000)	<u>138,415</u>	<u>126,778</u>	<u>575,032</u>	<u>510,522</u>
Weighted average number of ordinary shares in issue ('000)	<u>5,642,588</u>	<u>5,642,570</u>	<u>5,642,580</u>	<u>5,642,573</u>

Diluted earnings per ordinary share for the current financial year is calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares. The adjusted weighted average number of ordinary shares in issue and issuable has been arrived at based on the assumption that ESOS are exercised at the beginning of the financial year. The ordinary shares to be issued under ESOS are based on the assumed proceeds on the difference between average share price for the financial year and exercise price.

	<b>INDIVIDUAL PERIOD</b>		<b>CUMULATIVE PERIOD</b>	
	<b>3 MONTHS ENDED</b>		<b>12 MONTHS ENDED</b>	
	<b>30/06/2024</b>	<b>30/06/2023</b>	<b>30/06/2024</b>	<b>30/06/2023</b>
Profit for the financial year attributable to owners of the Company (RM'000)	<u>138,415</u>	<u>126,778</u>	<u>575,032</u>	<u>510,522</u>
Weighted average number of ordinary shares in issue ('000)	<u>5,642,588</u>	<u>5,642,570</u>	<u>5,642,580</u>	<u>5,642,573</u>
Effect of dilution due to:				
- ESOS ('000)	<u>84</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000)	<u>5,642,672</u>	<u>5,642,570</u>	<u>5,642,580</u>	<u>5,642,573</u>

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**INTERIM FINANCIAL REPORT**

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**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF**

**B14 Profit for the year**

	<b>INDIVIDUAL PERIOD</b>	<b>CUMULATIVE PERIOD</b>
	<b>3 MONTHS ENDED 30/06/2024 RM'000</b>	<b>12 MONTHS ENDED 30/06/2024 RM'000</b>
This is arrived at after crediting / (charging):		
Depreciation and amortisation	(80,970)	(333,655)
Dividend income	1,996	49,746
Fair value loss of other investment	(4,571)	(18,036)
Foreign exchange gain	6	3,379
Gain on disposal of property, plant and equipment	317	1,525
Impairment of investment in a joint venture	(22,500)	(22,500)
Interest expense	(14,749)	(63,736)
Interest income	11,052	44,833
Property, plant and equipment written off	(16)	(88)
Rental income	1,586	4,694
Other miscellaneous income	641	5,761

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia are not applicable.

Date: 15 August 2024