



DIALOG GROUP BERHAD

198901001388 (178694-V)
(Incorporated in Malaysia)

Interim Financial Statements
For The Financial Year Ended
30 June 2025

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2025**

	NOTE	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		3 MONTHS ENDED		12 MONTHS ENDED	
		30/06/2025	30/06/2024	30/06/2025	30/06/2024
		RM'000	RM'000	RM'000	RM'000
Revenue		608,344	810,069	2,501,606	3,151,926
Operating expenses		(524,181)	(719,340)	(2,438,629)	(2,809,681)
Other operating income		16,671	11,011	68,552	91,814
Share of profit of joint ventures and associates, net of tax		93,098	83,995	293,167	309,865
Finance costs		(12,603)	(14,901)	(48,831)	(64,808)
Profit before tax		181,329	170,834	375,865	679,116
Tax expense		(29,506)	(25,622)	(66,159)	(73,753)
Profit for the year		151,823	145,212	309,706	605,363
Profit for the year attributable to:					
Owners of the parent		147,384	138,415	303,825	575,032
Non-controlling interests		4,439	6,797	5,881	30,331
		151,823	145,212	309,706	605,363
Basic earnings per ordinary share (sen)	B13	2.61	2.45	5.38	10.19
Diluted earnings per ordinary share (sen)	B13	2.61	2.45	5.38	10.19

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 30 June 2024 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 2025**

	NOTE	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		3 MONTHS ENDED		12 MONTHS ENDED	
		30/06/2025	30/06/2024	30/06/2025	30/06/2024
		RM'000	RM'000	RM'000	RM'000
Profit for the year	B14	151,823	145,212	309,706	605,363
Other comprehensive income					
Items that may not be reclassified subsequently to profit or loss					
Fair value (loss)/gain on other investment		(1,951)	2,060	2,501	(7,722)
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations		(22,754)	897	(174,975)	4,606
Cash flow hedge		(2,020)	123	(11,350)	(9,792)
Share of other comprehensive (loss)/gain of joint ventures and an associate		(13,328)	(4,701)	(74,578)	2,470
Other comprehensive loss for the year		(40,053)	(1,621)	(258,402)	(10,438)
Total comprehensive income for the year		111,770	143,591	51,304	594,925
Total comprehensive income attributable to:					
Owners of the parent		107,993	136,614	48,790	563,586
Non-controlling interests		3,777	6,977	2,514	31,339
		111,770	143,591	51,304	594,925

(The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 June 2024 and the accompanying explanatory notes attached to the Interim Financial Statements.)

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

	NOTE	30/06/2025 RM'000	30/06/2024 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		2,644,036	2,794,139
Development of tank terminals		727,297	712,786
Intangible assets		926,901	992,968
Investments in joint ventures and associates	B12	1,794,934	1,727,687
Inventories	A16	249,376	284,442
Other investments		33,809	42,297
Deferred tax assets		63,306	80,216
		6,439,659	6,634,535
CURRENT ASSETS			
Inventories	A16	73,700	94,711
Trade and other receivables	A17	483,365	789,216
Current tax assets		20,066	32,306
Other investment		228	6,769
Cash and cash equivalents	A18	1,669,918	1,572,757
		2,247,277	2,495,759
TOTAL ASSETS		8,686,936	9,130,294
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		1,698,645	1,698,431
Treasury shares		(3,625)	(3,625)
Reserves		4,046,284	4,249,378
		5,741,304	5,944,184
Perpetual Sukuk Wakalah	B8	498,940	498,940
Non-controlling interests		3,486	64,472
TOTAL EQUITY		6,243,730	6,507,596
NON-CURRENT LIABILITIES			
Bank borrowings	B7	361,118	1,074,810
Senior Sukuk Wakalah	B8	500,000	500,000
Lease liabilities		15,598	18,864
Deferred tax liabilities		5,236	4,923
		881,952	1,598,597
CURRENT LIABILITIES			
Trade and other payables	A19	809,006	822,015
Bank borrowings	B7	724,059	127,745
Lease liabilities		9,267	7,265
Current tax liabilities		18,922	67,076
		1,561,254	1,024,101
TOTAL LIABILITIES		2,443,206	2,622,698
TOTAL EQUITY AND LIABILITIES		8,686,936	9,130,294
Net assets per share attributable to owners of the parent (sen)			
		101.7	105.3

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 June 2024 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 2025**

	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			
Balance as at 1 July 2024	1,698,431	(3,625)	481,711	3,767,667	5,944,184	498,940	64,472	6,507,596
Total comprehensive (loss)/income for the year	-	-	(255,035)	303,825	48,790	-	2,514	51,304
Appropriation:								
Final dividend for FY2024	-	-	-	(157,995)	(157,995)	-	-	(157,995)
Interim dividend for FY2025	-	-	-	(73,355)	(73,355)	-	-	(73,355)
Share options granted under ESOS	-	-	(3,528)	-	(3,528)	-	54	(3,474)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(42,456)	(42,456)
Profit distribution paid to holders of Perpetual Sukuk Wakalah	-	-	-	(20,750)	(20,750)	-	-	(20,750)
Share options exercised	214	-	(42)	-	172	-	-	172
Disposal of a subsidiary	-	-	-	-	-	-	(2,959)	(2,959)
Acquisition of shares from non-controlling interests	-	-	-	3,786	3,786	-	(19,098)	(15,312)
Increase shares by non-controlling interests	-	-	-	-	-	-	959	959
Balance as at 30 June 2025	<u>1,698,645</u>	<u>(3,625)</u>	<u>223,106</u>	<u>3,823,178</u>	<u>5,741,304</u>	<u>498,940</u>	<u>3,486</u>	<u>6,243,730</u>
Balance as at 1 July 2023	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)
Balance as at 30 June 2024	<u>1,698,431</u>	<u>(3,625)</u>	<u>481,711</u>	<u>3,767,667</u>	<u>5,944,184</u>	<u>498,940</u>	<u>64,472</u>	<u>6,507,596</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 June 2024 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 2025

	12 MONTHS ENDED	
	30/06/2025	30/06/2024
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	375,865	679,116
Adjustments for:		
Depreciation and amortisation	329,343	333,655
Net interest expense	6,394	18,903
Share of profit of joint ventures and associates	(293,167)	(309,865)
Share options granted under ESOS	(3,474)	10,961
Other non-cash items	134,537	39,749
Operating profit before working capital changes	549,498	772,519
Changes in working capital :		
Net change in inventories and receivables	269,939	66,406
Net change in payables	2,718	(107,660)
Cash from operations	822,155	731,265
Dividends received	230,697	473,067
Interest received	42,006	44,833
Tax paid	(80,313)	(82,245)
Tax refunded	1,755	7,148
Net cash from operating activities	1,016,300	1,174,068
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of shares from non-controlling interests	(15,312)	(17,772)
Additions of intangible assets	(121,735)	(242,416)
Additions of other investment	(286)	(355)
Development of tank terminals	(14,511)	(26,949)
Investments in joint ventures and associates	(118,153)	(99,397)
Redemption of redeemable preference shares from an associate	-	5,556
Net cash on disposal of a subsidiary	(5,371)	-
Proceeds from disposal of property, plant and equipment	9,444	2,820
Proceeds from disposal of other investments	9,768	-
Purchase of property, plant and equipment	(222,488)	(158,982)
Other net changes in investing activities	(228)	(677)
Net cash used in investing activities	(478,872)	(538,172)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

	12 MONTHS ENDED	
	30/06/2025	30/06/2024
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(48,400)	(63,736)
Dividends paid	(231,350)	(220,061)
Profit distribution to Sukuk holders	(20,750)	(20,807)
Dividend paid to non-controlling interests	(42,456)	(50)
Additional shares subscription from non-controlling interest	959	-
Net repayment of bank borrowings	(75,808)	(484,071)
Proceeds from issuances of shares	172	83
Net cash used in financing activities	(417,633)	(788,642)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	119,795	(152,746)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		
As previously reported	1,571,977	1,720,497
Effects of exchange rate changes on cash and cash equivalents	(22,850)	4,226
	1,549,127	1,724,723
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Note A18)	1,668,922	1,571,977

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 30 June 2024 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 2024. 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 2024.

A2 Changes in accounting policies

The audited financial statements of the Group for the year ended 30 June 2024 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 2024 except as discussed below:

As of 1 July 2024, the Group has adopted the Amendments of MFRSs that have been issued by MASB as listed below:

Amendments to MFRSs

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

The adoption of the above 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.

INTERIM FINANCIAL REPORT

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 2025.

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 71,900 share options under Employees' Share Option Scheme.

A8 Dividends paid

- i. A final dividend of 2.80 sen per ordinary share, amounted to RM157,995,173 in respect of financial year ended 30 June 2024 was paid on 20 December 2024.
- ii. An interim dividend of 1.30 sen per ordinary share, amounting to RM73,354,904 in respect of financial year ended 30 June 2025 was paid on 26 June 2025.

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 2025 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 2025 are as follows:

	Malaysia RM'000	Thailand RM'000	Other Asia RM'000	Australia & New Zealand RM'000	Middle East RM'000	Other Countries RM'000	Total RM'000
Segment profits before tax	292,832	43,679	13,898	4,233	16,290	4,933	375,865
<i>Included in the measure of segment profits are:</i>							
Revenue from external customers	1,438,135	260,154	196,572	455,295	122,982	28,468	2,501,606
Inter-segment revenue	21,562	-	979	772	-	-	23,313
Depreciation and amortisation	308,075	1,586	4,362	14,090	1,230	-	329,343
Interest expense	47,245	313	418	424	-	-	48,400
Interest income	35,414	1	4,338	236	2,017	-	42,006
Share of profit of joint ventures and associates	259,530	33,637	-	-	-	-	293,167
Segment assets	7,379,231	275,753	483,201	431,137	54,308	-	8,623,630
Deferred tax assets							63,306
Total assets							<u>8,686,936</u>
<i>Included in the measure of segment assets are:</i>							
Investments in joint ventures and associates	1,613,103	181,831	-	-	-	-	1,794,934
<i>Changes to non-current assets:</i>							
- Property, plant and equipment	205,284	396	267	16,542	(1)	-	222,488
- Intangible assets	121,730	1	-	4	-	-	121,735
- Development of tank terminals	14,511	-	-	-	-	-	14,511
- Joint ventures and associates	118,153	-	-	-	-	-	118,153
- Inventories	-	-	-	9,813	-	-	9,813
- Other investments	-	-	286	-	-	-	286
Segment liabilities	2,253,232	13,670	94,643	57,278	19,147	-	2,437,970
Deferred tax liabilities							5,236
Total liabilities							<u>2,443,206</u>

INTERIM FINANCIAL REPORT

A EXPLANATORY NOTES PURSUANT TO MFRS 134 – CONTINUED

A12 Changes in the composition of the Group

In August 2024, the Group's indirect subsidiary, Dialog (Labuan) Ltd entered into an agreement to dispose its entire 60% equity stake in Dialog Jubail Supply Base Company Limited ("DJSB") for a total cash consideration of SAR47.5 million (approximately RM55.1 million) comprising sales consideration of SAR3.0 million (approximately RM3.6 million) and dividends of SAR44.5 million (approximately RM51.6 million). The disposal was completed in June 2025 and DJSB ceased to be a subsidiary of the Group in the current financial year.

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

A13 Commitments

30/06/2025
RM'000

(a) Capital expenditure in respect of property, plant and equipment:	
- approved but not contracted for	151,400
- contracted but not provided for	14,100
	<u>165,500</u>
(b) Commitments of the Group in respect of upstream business	<u>1,030,000</u>

A14 Changes in contingent liabilities and contingent assets

- (a) The Company provides corporate guarantees up to a total amount of RM1,166.2 million (2024: RM1,206.3 million) to licensed banks for banking facilities granted to certain subsidiaries. The amount of the banking facilities utilised by the said subsidiaries totalled RM861.6 million as at 30.06.2025 (2024: RM1,010.7 million).
- (b) The Company also provides corporate guarantees up to a total amount of RM43.0 million (2024: RM39.6 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 RM25.9 million as at 30.06.2025 (2024: RM30.5 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 2025 are set out below. The relationship of the related parties are disclosed in the audited financial statements for the financial year ended 30 June 2024.

**12 MONTHS
ENDED
30/06/2025
RM'000**

Transaction with joint ventures and associates:

Dividend income	230,697
Subcontract works	180,569

A16 Inventories

**30/06/2025
RM'000**

Non-current assets:

Land held for development	249,376
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Current assets:

Construction materials	5,502
Trading inventories	68,198
	<u>73,700</u>
	<u>323,076</u>

A17 Trade and other receivables

**30/06/2025
RM'000**

Trade receivables	277,359
Amounts due from customers for contract works	153,512
Amounts due from joint ventures and associates	14,971
Other receivables, deposits and prepayments	37,484
Hedge derivative assets	39
	<u>483,365</u>

A18 Cash and cash equivalents

**30/06/2025
RM'000**

Bank balances, short term funds and deposits with licensed banks	1,669,918
Less: Bank balances and deposits pledged to licensed banks	(996)
	<u>1,668,922</u>

INTERIM FINANCIAL REPORT

A EXPLANATORY NOTES PURSUANT TO MFRS 134 – CONTINUED

A19 Trade and other payables

	30/06/2025
	RM'000
Trade payables	606,286
Amounts due to customers for contract works	20,386
Accruals and other payables	180,520
Hedge derivative liabilities	1,814
	<u>809,006</u>

INTERIM FINANCIAL REPORT

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

B1 Performance analysis

For the 4th quarter ended 30th June 2025, the Group reported a net profit after tax of RM151.8 million, representing a 4.6% increase compared to the same quarter last year. This was achieved despite a 24.9% decline in revenue to RM608.3 million. The performance for the current financial quarter was driven by contributions from both Malaysia and International operations, as well as share of profits from the Group's joint ventures and associates.

Within Malaysia, performance was driven primarily by midstream operations which reported increased earnings from healthy tank storage occupancy. The current quarter also saw positive contributions from the downstream operations driven by cost optimisation initiatives and completion of some projects. The revenue and profit contributions from the upstream operation for the current financial quarter were, however, lower when compared to the same period last year due to lower production as a result of scheduled maintenance shutdown and lower realised oil prices.

On the International front, the revenue and profits achieved in the current financial quarter were lower due to reduced business activities. Furthermore, the Group completed the sale of its entire 60% equity interest in Dialog Jubail Supply Base during the financial quarter. This contributed to the lower revenue and earnings reported by international operations.

For the financial year ended 30th June 2025, the Group recorded revenue of RM2,502 million and net profit after tax of RM309.7 million. This represents year-on-year decline of 20.6% and 48.8%, respectively. The weaker full year performance was primarily impacted by the loss after tax reported in the second quarter, largely due to the one-off impairments in petrochemical and renewable projects, and EPCC projects cost overruns.

In addition, the Group's bottom line for the current financial year was also impacted by a reduced share of profits of joint ventures and associates. This was mainly attributable to the share of losses incurred by a joint venture company involved in the production of food grade recycled polyethylene terephthalate pellets ("rPET"). This joint venture company has since ceased production.

B2 Variation of results against preceding quarter

The Group recorded a profit before tax of RM181.3 million for the current financial quarter, representing a 17.9% increase compared to RM153.8 million reported in the preceding quarter. The improved performance was in line with a 5.1% increase in revenue, and it was also supported by higher contributions from joint ventures and associates.

INTERIM FINANCIAL REPORT

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

B3 Prospects

As a leading integrated technical service provider that is diversified across the energy sector's Upstream, Midstream, and Downstream businesses, DIALOG remains 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.

The Group's core business remains intact as we realign our focus to prioritise our key competencies across the three businesses.

In the Upstream business, the Group will continue to grow its presence through the development and rejuvenation of oil and gas fields. Following the final investment decision (FID), the development of the Baram Junior Cluster Small Field Asset Production Sharing Contract, a 70 : 30 joint venture between DIALOG and Petroleum Sarawak Exploration and Production, a wholly owned subsidiary of Petroleum Sarawak Berhad ("Petros") commenced in January 2025. Meanwhile, pre-development studies for the RAJA and Mutiara Cluster Small Fields Asset Production Sharing Contract, awarded to DIALOG in December 2024 and June 2025 respectively, are currently underway. In line with DIALOG's diversification strategy, the increased upstream activity provides the opportunity to participate in the field development cycle value chain, particularly in the provision of engineering and specialist technical services.

As the 2nd largest independent terminal owner-cum-operator in Southeast Asia with a current operating capacity of 5.1 million m³, the Midstream business will continue to be a core focus 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. Our focus will be on our ongoing development of Pengerang Deepwater Terminals ("PDT") into one of the largest petroleum and petrochemical hubs for the Asia Pacific region. Within PDT, DIALOG and PETRONAS Gas Berhad joint venture has commenced work on the Liquefied Natural Gas-driven Air Separation Unit facility.

Recognising the growing demand for 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 users such as biofuel production companies, energy trading houses and multinational energy companies. The first phase comprising 24,000 m³ storage facilities commenced operation in February 2025. The second phase comprising an additional 150,000 m³ storage for renewable and petroleum products is expected to be completed by September 2026, with 100,000 m³ dedicated to EcoCeres Limited.

In July 2025, DIALOG's joint venture company, Pengerang Terminals (Two) Sdn. Bhd. ("PT2SB") signed a 25-year long term take-or-pay Terminal Usage Agreement ("TUA") with Pengerang Biorefinery Sdn. Bhd. ("PBSB"). PT2SB will develop a storage capacity of about 272,000 cbm dedicated to PBSB at a total investment of approximately USD330 million, including costs associated with shared facilities at the terminal. The development of these storage facilities for sustainable and renewable products aligns with the low-carbon economy transition under DIALOG's Climate Change Strategy and forms part of ongoing efforts to expand product and solution offering to support the growth and development in the sustainable and renewable sector.

INTERIM FINANCIAL REPORT

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

B3 Prospects – continued

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 geopolitical and market uncertainties, 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 take a cautious and selective approach to bidding for EPCC contracts, prioritising in-house projects.

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 upskilling our workforce, and digital transformation to ensure we remain efficient and competitive.

Barring any unforeseen circumstances, the Group is optimistic of its positive performance in the financial year ending 30 June 2026.

B4 Profit forecast and profit guarantee

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

B5 Taxation

	INDIVIDUAL PERIOD	CUMULATIVE PERIOD
	3 MONTHS ENDED 30/06/2025 RM'000	12 MONTHS ENDED 30/06/2025 RM'000
Current tax	16,669	53,089
Deferred tax	12,351	15,886
Under/(Over) provision in prior years	486	(2,816)
Total tax expense	<u>29,506</u>	<u>66,159</u>
Effective tax rate on profit before tax excluding share of profit of joint ventures and associates	<u>33.4%</u>	<u>80.0%</u>

The effective tax rate for the financial year is higher than the applicable tax rates of the Group due to the unrecognised tax losses from certain subsidiaries. Income tax for profitable subsidiaries in Malaysia are calculated at statutory rates and adjusted for items such as non-deductible expenses and non-taxable income. Taxation for other jurisdictions are calculated at the rates prevailing in the respective 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 ("MOU") with Petroliaam Nasional Berhad ("PETRONAS")

On 13 June 2025, Dialog Resources Sdn. Bhd. ("DRSB"), a wholly owned subsidiary of the Company was awarded the Mutiara Cluster Small Field Asset Production Sharing Contract ("Mutiara Cluster") under the Malaysia Bid Round 2025 through Malaysia Petroleum Management, PETRONAS. Following the award, DRSB had on 3 July 2025 entered into a MOU with PETRONAS to form a strategic collaboration aimed at accelerating and enabling the Mutiara Cluster development, with targeted First Gas Date earlier than the first quarter of 2029 to support the growing market demand in Sabah, particularly for power generation. The MOU shall remain in force for one year from the date of signing.

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 2025, the Group's bank borrowings were denominated in the following currencies:

	FC'000	RM'000
Short term borrowings:		
Secured:		
New Zealand Dollar	511	1,315
Ringgit Malaysia	-	10,000
Singapore Dollar	201,279	664,221
Unsecured:		
Ringgit Malaysia	-	37,588
United States Dollar	2,597	10,935
		<u>724,059</u>
Long term borrowings:		
Secured:		
New Zealand Dollar	1,273	3,276
Ringgit Malaysia	-	217,542
Singapore Dollar	41,000	135,300
Unsecured:		
Ringgit Malaysia	-	<u>5,000</u>
		<u>361,118</u>
		<u><u>1,085,177</u></u>

Included in the bank borrowings of the Group is RM820.4 million (30.06.2024: RM868.3 million) obtained under Islamic financing facilities.

INTERIM FINANCIAL REPORT

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 1.80 sen (previous corresponding year: 2.80 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 3.10 sen per ordinary share is amounting to approximately RM175,354,904, comprises the following:
 - i) Interim cash dividend of 1.30 sen per ordinary share amounting to RM73,354,904; and
 - ii) Proposed final cash dividend of 1.80 sen per ordinary share amounting to approximately RM102,000,000.

The dividend payout ratio for the current financial year is 58%. This is higher than the Company's dividend payout policy of at least 40% of profit attributable to shareholders of RM303.8 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 2025, the Group has the following outstanding derivatives:

	Contract/Notional Value		Net fair value (losses)/gain
	FC'000	RM'000	RM'000
<u>Forward foreign exchange contracts</u>			
With maturity less than 1 year:			
Australian Dollar	11,286	31,026	(11)
Euro	1,052	5,082	114
New Zealand Dollar	3,819	9,756	(21)
Singapore Dollar	483	1,599	5
Japanese Yen	46,288	1,391	(40)
United States Dollar	7,288	31,046	(269)
<u>Interest rate swap contracts</u>			
With maturity less than 1 year:			
Singapore Dollar	131,000	432,300	(1,553)

There has been no significant changes to the financial derivatives in respect of the following since the last financial year ended 30 June 2024:

- the credit risk, market risk, and liquidity risk associated with these financial derivatives;
- the cash requirement of the financial derivatives; and
- 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.

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 MONTHS ENDED		12 MONTHS ENDED	
	30/06/2025	30/06/2024	30/06/2025	30/06/2024
Profit for the financial year attributable to owners of the Company (RM'000)	147,384	138,415	303,825	575,032
Weighted average number of ordinary shares in issue ('000)	5,642,685	5,642,588	5,642,675	5,642,580

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.

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	3 MONTHS ENDED		12 MONTHS ENDED	
	30/06/2025	30/06/2024	30/06/2025	30/06/2024
Profit for the financial year attributable to owners of the Company (RM'000)	147,384	138,415	303,825	575,032
Weighted average number of ordinary shares in issue ('000)	5,642,685	5,642,588	5,642,675	5,642,580
Effect of dilution due to:				
- ESOS ('000)	-	84	-	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000)	5,642,685	5,642,672	5,642,675	5,642,580

INTERIM FINANCIAL REPORT

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

B14 Profit for the year

	INDIVIDUAL PERIOD	CUMULATIVE PERIOD
	3 MONTHS ENDED	12 MONTHS ENDED
	30/06/2025	30/06/2025
	RM'000	RM'000
This is arrived at after crediting / (charging):		
Depreciation and amortisation	(79,407)	(329,343)
Dividend income	-	4,342
Fair value gain/(loss) of other investment	26	(1,249)
Foreign exchange gain	184	8,357
Gain on disposal of property, plant and equipment	2,424	4,771
Gain on disposal of a subsidiary	1,049	1,049
Impairment of assets	5,683	(38,317)
Interest expense	(12,487)	(48,400)
Interest income	11,001	42,006
Loss on disposal of other investments	-	(3,132)
Property, plant and equipment written off	(33)	(90,790)
Rental income	1,203	5,059
Other miscellaneous income	817	7,439

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

Date: 20 August 2025