

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other independent adviser immediately.

Bursa Malaysia Securities Berhad (“Bursa Malaysia”) has prescribed circulars to shareholders in relation to the renewal of share buy-back authority and amendments to articles of association as Exempt Circular. As such, Bursa Malaysia has not perused the relevant sections of this Circular in relation to the Proposed Renewal of Share Buy-Back Authority and Proposed Amendments to the Articles of Association prior to the issuance of this Circular. Bursa Malaysia takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



DIALOG GROUP BERHAD

(Company Number: 178694-V)
(Incorporated in Malaysia under the Companies Act, 1965)

PART A

SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

PART B

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

PART C

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Notice of the 25th Annual General Meeting of Dialog Group Berhad to be held at The Royale Bintang Damansara Hotel, 2, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 21 November 2013 at 10.00 a.m. together with a Form of Proxy are enclosed in the Annual Report of Dialog Group Berhad for the financial year ended 30 June 2013. The Form of Proxy should be lodged at the registered office of Dialog Group Berhad at 109, Block G, Phileo Damansara 1, No. 9, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting or any adjournment thereof, for it to be valid. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

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PART A:

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

DEFINITIONS

The following definitions shall apply throughout Part A of this document unless the context requires otherwise:-

Act	:	The Companies Act, 1965, as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
Board	:	The Board of Directors of DIALOG
Bursa Malaysia	:	Bursa Malaysia Securities Berhad (<i>Company No. 635998-W</i>)
Circular	:	Circular to Shareholders in relation to the Proposed Renewal of Share Buy-Back Authority; Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature; and Proposed Amendments to the Articles of Association
Code	:	The Malaysian Code on Take-Overs and Mergers, 2010 as amended from time to time and any re-enactment thereof
DIALOG Share(s)/Share(s)	:	Ordinary share(s) of RM0.10 each in DIALOG
DIALOG/the Company	:	Dialog Group Berhad (<i>Company No. 178694-V</i>)
DIALOG Group/the Group	:	DIALOG and its subsidiaries, collectively
Listing Requirements	:	Main Market Listing Requirements of Bursa Malaysia as amended from time to time and any re-enactment thereof
LPD	:	30 September 2013, being the latest practical date before the printing of this Circular
Market Day	:	Means a day on which Bursa Malaysia is open for trading in securities
NA	:	Net Assets
Prevailing Laws	:	Any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase
Proposed Renewal of Share Buy-Back Authority	:	Proposed renewal of authority granted to the Company to purchase up to ten percent (10%) of its own issued and paid-up share capital as detailed in Part A of this Circular
RM and sen	:	Ringgit Malaysia and sen respectively
VWAP	:	Volume weighted average market price
Warrant(s)	:	Warrants 2012 / 2017

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this document to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this document shall be a reference to Malaysian time, unless otherwise stated.

DIALOG

DIALOG GROUP BERHAD

(Company Number: 178694-V)
(Incorporated in Malaysia under the Companies Act, 1965)

PART A: SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

The shareholders of DIALOG had, at the 24th AGM of the Company held on 22 November 2012, approved the renewal of the authority to enable the Company to purchase up to ten percent (10%) of its own issued and paid-up ordinary share capital. The said renewal became effective immediately upon its approval by shareholders at the last AGM of the Company and shall expire at the conclusion of the forthcoming 25th AGM of the Company, unless renewed by shareholders.

On 5 September 2013, the Company announced that it proposes to seek its shareholders' approval for the Proposed Renewal of Share Buy-Back Authority at the 25th AGM to be convened on 21 November 2013.

The purpose of this Share Buy-Back Statement is to provide you with the relevant information on the Proposed Renewal of Share Buy-Back Authority and to seek your approval for the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled as a Special Business at the forthcoming AGM of the Company to be convened on 21 November 2013.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS SHARE BUY-BACK STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

- 2.1 The Company proposes to seek from its shareholders a renewal of the authority to purchase up to ten percent (10%) of its own issued and paid-up ordinary shares on Bursa Malaysia at any point in time during the authorised period, subject to compliance with the provision of the Act, the Listing Requirements and/or any other relevant authorities.

The authority from shareholders for the Proposed Renewal of Share Buy-Back Authority will be effective immediately upon the passing of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority at the forthcoming AGM until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM is required by law to be held, unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting.

- 2.2 Paragraph 12.10(1) of the Listing Requirements stipulates that purchases of own shares must be made wholly out of retained profits and/or share premium account of the listed corporation. The Board proposes to allocate an amount of up to the retained profits and share premium account of the Company for the purchase of its own ordinary shares, subject to compliance with Section 67A of the Act and any Prevailing Laws, including compliance with the twenty-five percent (25%) public shareholding spread as required by the Listing Requirements. The retained profits and share premium account of the Company were RM206,952,000 and RM335,567,000 respectively based on the latest audited financial statements as at 30 June 2013.

- 2.3 Section 67A of the Act allows the Company to cancel the purchased Shares or to hold the purchased Shares as treasury shares or a combination of both. The purchased Shares held as treasury shares may either be distributed to the shareholders of the Company as share dividends, resold on Bursa Malaysia in accordance with the relevant rules of Bursa Malaysia, or subsequently cancelled. The decision whether to retain the purchased Shares and/or to resell the treasury shares and/or to distribute them as share dividends and/or to cancel them will be made by the Board at the appropriate time. The distribution of treasury shares as share dividends may be applied as a reduction of the retained profits and/or share premium account of the Company subject to applicable Prevailing Laws.

In the event that the Company ceases to hold all or part of the purchased Shares as a result of the above, the Company may further purchase such additional number of Shares provided that the total purchased Shares (including Shares held as treasury shares then) does not exceed 10% of its total issued and paid-up share capital at the time of such purchase.

While the purchased Shares are held as treasury shares, the rights attached to them as to voting, dividends and participation in any other distributions or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number of percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

- 2.4 Pursuant to the provisions of Paragraph 12.17 of the Listing Requirements, the Company may only purchase its own Shares at a price which is not more than fifteen percent (15%) above the VWAP of Shares for the past five (5) Market Days immediately preceding the date of the purchase.

Pursuant to the provisions of Paragraph 12.18 of the Listing Requirements, the Company may only resell the purchased Shares held as treasury shares at a price which is:-

- a) not less than the VWAP of Shares for the past five (5) Market Days immediately preceding the date of resale; or
- b) not more than five percent (5%) discount to the VWAP of Shares for the past five (5) Market Days immediately prior to the resale provided that:-
 - (i) the resale takes place not earlier than 30 days from the date of purchase; and
 - (ii) the resale price is not less than the cost of purchase of the Shares being sold.

- 2.5 The Proposed Renewal of Share Buy-Back Authority will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the above-mentioned time period using the internal funds of the Company and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on the availability of funds, actual number of Shares to be purchased and other cost factors. The actual number of Shares to be purchased depends upon the market conditions and sentiments on Bursa Malaysia as well as the retained profits and share premium account and financial resources available to the Company. The treatment of the purchased Shares held as treasury shares, either distributed as share dividends or resold by the Company on Bursa Malaysia, or both, will in turn depend on the availability of, amongst others, retained profits and share premium account of the Company.

In the event the Company purchases its own Shares using external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment would not have any material effect on the cash flow of DIALOG Group.

3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority, if implemented, is expected to benefit the Company and its shareholders as follows:-

- (i) The Group is able to utilise its surplus financial resources which is not immediately required for other uses to purchase its own Shares from the market. This may stabilise the supply and demand of DIALOG Shares traded on Bursa Malaysia and thereby support the fundamental value of DIALOG Shares;
- (ii) Irrespective of whether DIALOG Shares purchased are retained as treasury shares or are subsequently cancelled, the earnings per share of DIALOG may be strengthened, and if so, shareholders of DIALOG may enjoy an increase in the value of their investment in the Company; and
- (iii) The DIALOG Shares purchased can be kept as treasury shares and resold on Bursa Malaysia at a higher price with the intention of realising potential capital gains without affecting the total issued and paid-up ordinary share capital. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

The Company has implemented a share buy-back scheme since 2005. Under the share buy-back scheme, the Company has distributed treasury shares to shareholders as share dividends for the financial years ended 30 June 2006 and 30 June 2009. The Company intends to continue to distribute share dividends to its shareholders in the future.

4. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The financial resources of the Company may increase if the purchased Shares held as treasury shares are resold at prices higher than their purchase price. Other potential advantages of the Proposed Renewal of Share Buy-Back Authority are as outlined in Section 3 above.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority, if implemented, are as follows:-

- (i) The Proposed Renewal of Share Buy-Back Authority may reduce the financial resources of the Company, and thereby may result in the Company foregoing future investment opportunities, or deprive the Company of interest income that can be derived from funds utilised for the Proposed Renewal of Share Buy-Back Authority; and
- (ii) The Proposed Renewal of Share Buy-Back Authority may reduce the amount of resources available for distribution to the shareholders of the Company in the form of cash dividends as funds are utilised to purchase its own Shares.

The Board does not expect the Proposed Renewal of Share Buy-Back Authority to have any material disadvantage to the Group and its shareholders since it will be implemented only after due consideration of the financial resources of the Group and the resultant effects on the Group and its shareholders. The Board will be mindful of the interest of the Company and its shareholders in undertaking the Proposed Renewal of Share Buy-Back Authority.

5. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The effects of the Proposed Renewal of Share Buy Back Authority are based on the following assumptions:-

(i) Scenario 1

Assuming that all of the 74,536,830 Employees' Share Option Scheme ("ESOS") options of the Company, which are exercisable as at the LPD, are exercised into new Shares and all of the 195,487,262 Warrants of the Company as at the LPD are exercised into new Shares, prior to the Company purchasing its own shares representing approximately ten percent (10%) of its issued and paid-up ordinary share capital and such Shares purchased are cancelled or alternatively be retained as treasury shares or both.

(ii) Scenario 2

Assuming that none of the ESOS options of the Company, which are exercisable as at the LPD, are exercised into new Shares and none of the Warrants of the Company as at the LPD are exercised into new Shares, prior to the Company purchasing its own shares representing approximately ten percent (10%) of its issued and paid-up ordinary share capital and such Shares purchased are cancelled or alternatively be retained as treasury shares or both.

5.1 Share Capital

In the event that all the Shares purchased are cancelled, the full implementation of the Proposed Renewal of Share Buy-Back Authority will result in the issued and paid-up ordinary share capital of the Company being reduced as follows:-

	Scenario 1 No. of Shares	Scenario 2 No. of Shares
Issued and paid-up ordinary share capital as at the LPD	2,431,974,799	2,431,974,799
To be issued assuming full exercise of exercisable ESOS options	74,536,830	-
	2,506,511,629	2,431,974,799
To be issued assuming full exercise of Warrants	195,487,262	-
Enlarged issued and paid-up ordinary share capital	2,701,998,891	2,431,974,799
Maximum number of DIALOG Shares that may be purchased pursuant to the Proposed Renewal of Share Buy-Back Authority[^]	270,199,889	243,197,479
Share capital after cancellation of Shares bought back	2,431,799,002	2,188,777,320

However, if the Shares so purchased are retained as treasury shares and subsequently re-sold and/or distributed to DIALOG shareholders, the implementation of the Proposed Renewal of Share Buy-Back Authority will not have any effect on the issued and paid-up ordinary share capital of the Company.

[^] Including a total of 22,834,971 treasury shares held by the Company as at the LPD.

5.2 Directors' and Substantial Shareholders' Shareholdings

The effects of the full implementation of the Proposed Renewal of Share Buy-Back Authority on the directors' and substantial shareholders' shareholdings based on the Registers of Directors' Shareholdings and Substantial Shareholders' Shareholdings, respectively as at the LPD are as follows:-

Scenario 1

Directors' Shareholdings

Directors' Shareholdings	Existing shareholdings as at LPD		(I) Assuming full exercise of the exercisable ESOS options		(II) After (I) and assuming full exercise of the Warrants							
	Direct		Direct		Direct							
	No. of Shares	% ^(e)	No. of Shares	% ^(f)	No. of Shares	% ^(g)						
Dr Ngau Boon Keat	31,099,192 ^(a)	1.3	534,924,627 ^(b)	22.2	40,644,301	1.6	535,753,794	21.6	43,786,717	1.6	586,346,446	21.9
Chan Yew Kai	8,273,315 ^(a)	0.3	-	-	16,030,551	0.6	-	-	16,663,297	0.6	-	-
Datuk Oh Chong Peng	-	-	-	-	-	-	-	-	-	-	-	-
Chew Eng Kar	2,791,618 ^(a)	0.1	3,944,735 ^(c)	0.2	5,403,910	0.2	3,944,735	0.2	5,597,340	0.2	4,111,595	0.2
Kamariyah Binti Hamdan	886,731 ^(a)	Neg	122,663 ^(d)	Neg	886,731	Neg	122,663	Neg	961,615	Neg	133,015	Neg
Ja'afar Bin Rihan	-	-	-	-	-	-	-	-	-	-	-	-
Siti Khairon Binti Shariff	-	-	-	-	-	-	-	-	-	-	-	-
Zainab Binti Mohd Salleh	2,322,422 ^(a)	0.1	-	-	4,178,903	0.2	-	-	4,179,003	0.2	-	-

Scenario 1

Directors' Shareholdings (Cont'd)

Directors' Shareholdings	After (II) and the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect	
	No. of Shares	% ^(b)	No. of Shares	% ^(b)
Dr Ngau Boon Keat	43,786,717	1.8	586,346,446	24.1
Chan Yew Kai	16,663,297	0.7	-	-
Datuk Oh Chong Peng	-	-	-	-
Chew Eng Kar	5,597,340	0.2	4,111,595	0.2
Kamariyah Binti Hamdan	961,615	Neg	133,015	Neg
Ja'afar Bin Rihan	-	-	-	-
Siti Khairon Binti Shariff	-	-	-	-
Zainab Binti Mohd Salleh	4,179,003	0.2	-	-

Scenario 1

Substantial Shareholders' Shareholdings

Substantial Shareholders' Shareholdings	Existing shareholdings as at LPD		(I) Assuming full exercise of the exercisable ESOS options		(II) After (I) and assuming full exercise of the Warrants		
	Direct	Indirect	Direct	Indirect	Direct	Indirect	
	No. of Shares	% ^(e)	No. of Shares	% ^(f)	No. of Shares	% ^(g)	
Employees Provident Fund Board ("EPF")	390,237,335 ^(a)	16.2	-	-	390,237,335	14.6	-
Azam Utama Sdn Bhd	226,842,967 ^(a)	9.4	-	-	249,287,369	9.3	-
Wide Synergy Sdn Bhd	222,815,168 ^(a)	9.2	-	-	244,033,081	9.1	-
Dr Ngau Boon Keat	31,099,192 ^(a)	1.3	534,924,627 ^(b)	22.2	43,786,717	1.6	586,346,446
							21.9

Substantial Shareholders' Shareholdings	After (II) and the Proposed Renewal of Share Buy-Back Authority	
	Direct	Indirect
	No. of Shares	% ^(h)
EPF	390,237,335	16.0
Azam Utama Sdn Bhd	249,287,369	10.3
Wide Synergy Sdn Bhd	244,033,081	10.0
Dr Ngau Boon Keat	43,786,717	1.8
	586,346,446	24.1

Scenario 1

Notes:-

Neg - Negligible.

- (a) - Shares are held in own name and/or nominee account(s).*
- (b) - Deemed interested by virtue of his interests in Azam Utama Sdn Bhd, Wide Synergy Sdn Bhd, GMC Sdn Bhd, WRN Sdn Bhd and interests held by his spouse and children.*
- (c) - Deemed interested by virtue of his interest in CEKinvt Sdn Bhd.*
- (d) - Deemed interested by virtue of her spouse's interest.*
- (e) - Based on the issued and paid-up share capital (less treasury shares of 22,834,971) of 2,409,139,828 Shares as at LPD.*
- (f) - Based on the enlarged issued and paid-up share capital (less treasury shares of 22,834,971) of 2,483,676,658 Shares, under Scenario 1.*
- (g) - Based on the enlarged issued and paid-up share capital (less treasury shares of 22,834,971) of 2,679,163,920 Shares, under Scenario 1.*
- (h) - Based on the enlarged issued and paid-up share capital (less treasury shares of 270,199,889) of 2,431,799,002 Shares, under Scenario 1.*

Scenario 2

Directors' Shareholdings

Directors' Shareholdings	Existing shareholdings as at LPD			After the Proposed Renewal of Share Buy-Back Authority		
	Direct		Indirect	Direct		Indirect
	No. of Shares	% ^(e)	No. of Shares	% ^(e)	No. of Shares	% ^(f)
Dr Ngau Boon Keat	31,099,192 ^(a)	1.3	534,924,627 ^(b)	22.2	31,099,192	1.4
Chan Yew Kai	8,273,315 ^(a)	0.3	-	-	8,273,315	0.4
Datuk Oh Chong Peng	-	-	-	-	-	-
Chew Eng Kar	2,791,618 ^(a)	0.1	3,944,735 ^(c)	0.2	2,791,618	0.1
Kamariyah Binti Hamdan	886,731 ^(a)	Neg	122,663 ^(d)	Neg	886,731	Neg
Ja'afar Bin Riham	-	-	-	-	-	-
Siti Khairon Binti Shariff	-	-	-	-	-	-
Zainab Binti Mohd Salleh	2,322,422 ^(a)	0.1	-	-	2,322,422	0.1

Scenario 2

Substantial Shareholders' Shareholdings

Substantial Shareholders' Shareholdings	Existing shareholdings as at L/PD				After the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ^(e)	No. of Shares	% ^(e)	No. of Shares	% ^(f)	No. of Shares	% ^(f)
EPF	390,237,335 ^(a)	16.2	-	-	390,237,335	17.8	-	-
Azam Utama Sdn Bhd	226,842,967 ^(a)	9.4	-	-	226,842,967	10.4	-	-
Wide Synergy Sdn Bhd	222,815,168 ^(a)	9.2	-	-	222,815,168	10.2	-	-
Dr Ngau Boon Keat	31,099,192 ^(a)	1.3	534,924,627 ^(b)	22.2	31,099,192	1.4	534,924,627	24.4

Notes:-

Neg - Negligible.

^(a) - Shares are held in own name and/or nominee account(s).

^(b) - Deemed interested by virtue of his interests in Azam Utama Sdn Bhd, Wide Synergy Sdn Bhd, GMC Sdn Bhd, WRN Sdn Bhd and interests held by his spouse and children.

^(c) - Deemed interested by virtue of his interest in CEKinyst Sdn Bhd.

^(d) - Deemed interested by virtue of her spouse's interest.

^(e) - Based on the enlarged issued and paid-up share capital (less treasury shares of 22,834,971) of 2,409,139,828 Shares as at LPD.

^(f) - Based on the enlarged issued and paid-up share capital (less treasury shares of 243,197,479) of 2,188,777,320 Shares, under Scenario 2.

5.3 Net Assets

If the Shares purchased are retained as treasury shares, the NA of DIALOG Group would decrease by the purchase cost of the treasury shares because the treasury shares are required to be carried at cost and be deducted from equity. If the treasury shares are subsequently cancelled or distributed as share dividends, there will be no additional effect on the NA of DIALOG Group.

The purchase of DIALOG Shares that are retained as treasury shares and/or cancelled and/or distributed as share dividends will reduce the NA per share of DIALOG Group if the purchase price of such shares exceeds the NA per share of DIALOG Group, and vice versa.

If the treasury shares are resold on Bursa Malaysia, it will increase the NA per share of DIALOG Group if DIALOG realises a capital gain from such resale, and vice versa.

5.4 Working Capital

The implementation of the Proposed Renewal of Share Buy-Back Authority will reduce the working capital of DIALOG Group, the quantum of which depends on, amongst others, the number of Shares eventually purchased and the purchase price of those Shares.

For Shares so purchased which are retained as treasury shares, the working capital of the Company will increase upon its resale. In this respect, the quantum of the increase in working capital depends on the actual selling price of the treasury shares and the number of treasury shares sold.

5.5 Earnings

The effects of the Proposed Renewal of Share Buy-Back Authority on the earnings per share of the DIALOG Group will depend on the purchase price of Shares and the effective funding cost or loss in interest income to the Group, whilst the purchase of Shares will result in a lower number of shares being taken into account for purposes of earnings per share computation.

5.6 Public Shareholding Spread

The existing public shareholding spread of the Company as at the LPD and the resulting public shareholding spread of the Company, assuming the Company purchases ten percent (10%) of its own issued and paid-up ordinary share capital, are as follows:-

	As at the LPD	After the Proposed Renewal of Share Buy- Back Authority	
		Scenario 1	Scenario 2
Public Shareholding Spread	57.4%	53.1%	52.1%

The Board is mindful of the requirement to maintain the public shareholding spread of at least twenty-five percent (25%) and will continue to be mindful of the requirement when making purchases of any Shares pursuant to the Proposed Renewal of Share Buy-Back Authority.

5.7 Dividends

Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full and the dividend quantum is maintained at historical levels, the Proposed Renewal of Share Buy-Back Authority will have the effect of increasing the dividend rate of the Company as a result of the suspension of the rights of treasury shares to dividend entitlement or the reduction in the issued and paid-up ordinary share capital of the Company in the event of the treasury shares being cancelled.

For the financial year ended 30 June 2013, the Company declared the following dividends:-

- Interim single-tier cash dividend of 1.1 sen per Share amounting to RM26,487,741 paid on 27 June 2013.
- Proposed final single-tier cash dividend of 2.2 sen per Share, amounting to approximately RM52,975,000 recommended by the Directors for the shareholders' approval at the forthcoming 25th AGM of the Company.

6. IMPLICATION OF THE CODE

The Proposed Renewal of Share Buy-Back Authority is not expected to trigger any obligation to undertake a mandatory general offer under the Code as a result of its full implementation.

7. APPROVALS REQUIRED

The Proposed Renewal of Share Buy-Back Authority is conditional upon the approval from the shareholders of DIALOG at the forthcoming 25th AGM.

8. PURCHASE, RESALE AND CANCELLATION OF SHARES MADE IN THE FINANCIAL YEAR ENDED 30 JUNE 2013

For the financial year ended 30 June 2013, the Company has not purchased or cancelled its own shares or resold any of its treasury shares. As at 30 June 2013, DIALOG held a total of 22,834,971 treasury shares.

Further information on the purchase of Shares by the Company is set out in the "Schedule of Share Buy-Back" on page 56 of Annual Report 2013.

As at LPD, DIALOG held a total of 22,834,971 treasury shares at an average cost of RM1.087 per Share.

9. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the inadvertent increase in percentage of shareholding and/or voting rights of shareholders of the Company as a result of the Proposed Renewal of Share Buy-Back Authority, none of the directors, substantial shareholders of DIALOG and/or persons connected to them have any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority.

10. DIRECTORS' RECOMMENDATION

After careful consideration, the Board is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the ordinary resolution on the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 25th AGM.

PART B:

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT
RELATED PARTY TRANSACTIONS AND PROPOSED NEW SHAREHOLDERS'
MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE**

DEFINITIONS

The following definitions shall apply throughout Part B of this document unless the context requires otherwise:-

Act	:	The Companies Act, 1965, as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
Ascent Energy	:	Ascent Energy Technology Limited (<i>Company No. 1935608</i>)
AUSB	:	Azam Utama Sdn Bhd (<i>Company No. 190320-M</i>), a Major Shareholder of DIALOG
Board	:	The Board of Directors of DIALOG
Bursa Malaysia	:	Bursa Malaysia Securities Berhad (<i>Company No. 635998-W</i>)
Circular	:	Circular to Shareholders in relation to the Proposed Renewal of Share Buy-Back Authority; Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature; and Proposed Amendments to the Articles of Association
DAESB	:	Dialog Ascent Energy Sdn Bhd (formerly known as Dialog Atlas Global Sdn Bhd) (<i>Company No. 952186-P</i>)
DEPL	:	Dialog Engineering Pte Ltd (<i>Company No. 198801360D</i>), a 88.5% owned subsidiary of DIALOG
DEPL Group	:	DEPL and its subsidiaries, collectively
Director(s)	:	A person within the meaning of Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a director or a chief executive of DIALOG, or any other company which is its subsidiary or holding company.
DIALOG Share(s)/Share(s)	:	Ordinary share(s) of RM0.10 each in DIALOG
DIALOG/the Company	:	Dialog Group Berhad (<i>Company No. 178694-V</i>)
DIALOG Group/the Group	:	DIALOG and its subsidiaries, collectively
Dialog Properties	:	Dialog Properties Sdn Bhd (<i>Company No. 384558X</i>)
DPSP	:	Dialog Plant Services Pte Ltd (<i>Company No. 199105977E</i>)
Dr Ngau Boon Keat and persons connected	:	Dr Ngau Boon Keat, his spouse and children, and AUSB, WSSB, GMC Sdn Bhd (<i>Company No. 71483-V</i>) and WRN Sdn Bhd (<i>Company No. 905189-M</i>)
ePetrol Holding	:	ePetrol Holding Sdn Bhd (<i>Company No. 767312-D</i>)
ePetrol Services	:	ePetrol Services Sdn Bhd (<i>Company No. 682942-A</i>)
ePetrol Silverswitch	:	ePetrol Silverswitch Sdn Bhd (<i>Company No. 777280-H</i>)
ePetrol Systems	:	ePetrol Systems Sdn Bhd (<i>Company No. 807835-W</i>)

Listing Requirements	:	Main Market Listing Requirements of Bursa Malaysia as amended from time to time and any re-enactment thereof
LPD	:	30 September 2013, being the latest practical date before the printing of this Circular
Major Shareholder(s)	:	A person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:- <ul style="list-style-type: none"> a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation. <p style="margin-left: 40px;">and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, such shareholder of the company or any other company which is its subsidiary or holding company.</p> <p style="margin-left: 40px;">For the purpose of this definition, “interest in shares” has the meaning given in Section 6A of the Act.</p>
Proposed New Shareholders’ Mandate	:	Proposed new shareholders’ mandate for additional RRPT
Proposed Renewal of Shareholders’ Mandate	:	Proposed renewal of shareholders’ mandate for RRPT approved at the Company’s 24 th AGM held on 22 November 2012
Proposed Shareholders’ Mandate	:	Collectively, the Proposed Renewal of Shareholders’ Mandate and the Proposed New Shareholders’ Mandate
Persons Connected	:	Persons connected with a Director or Major Shareholder as defined in the Listing Requirements
Related Party(ies)	:	A Director, Major Shareholder and/or a person connected to such Director or Major Shareholder
Related Party Transaction(s)	:	Transactions entered into by DIALOG Group which involves the interest, direct or indirect, of a Related Party
RRPT	:	Recurrent Related Party Transaction(s) of a revenue or trading nature which are necessary for the day-to-day operations and are entered into in the ordinary course of business of DIALOG Group which involves the interest, direct or indirect, of a Related Party
RM and sen	:	Ringgit Malaysia and sen respectively
WSSB	:	Wide Synergy Sdn Bhd (<i>Company No. 366494-T</i>), a Major Shareholder of DIALOG

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this document to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this document shall be a reference to Malaysian time, unless otherwise stated.

DIALOG

DIALOG GROUP BERHAD

(Company Number: 178694-V)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

109, Block G, Phileo Damansara 1
No. 9, Jalan 16/11
46350 Petaling Jaya
Selangor Darul Ehsan
Malaysia

29 October 2013

Board of Directors

Dr Ngau Boon Keat (*Executive Chairman*)
Chan Yew Kai (*President and Chief Operating Officer*)
Datuk Oh Chong Peng (*Senior Independent Non-Executive Director*)
Chew Eng Kar (*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*)
Zainab Binti Mohd Salleh (*Executive Director*)

To : Our Shareholders

Dear Sir/Madam,

PART B: PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

At the Company's 24th AGM held on 22 November 2012, the Company had obtained a shareholders' mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue and trading nature ("Existing Mandate"). The Existing Mandate shall, pursuant to the Listing Requirements, expire at the conclusion of the forthcoming 25th AGM to be held on 21 November 2013, unless it is renewed at the said AGM.

On 5 September 2013, the Board had announced that it proposes to seek its shareholders' approval for the renewal of shareholders' mandate for recurrent related party transactions and new shareholders' mandate for additional recurrent related party transactions of a revenue or trading nature.

The purpose of this Circular is to provide you with the relevant information on the Proposed Shareholders' Mandate, to set out your Board's recommendation and to seek your approval for the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled as a Special Business at the forthcoming 25th AGM of the Company to be convened on 21 November 2013.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE.

2. THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Details of the Proposed Shareholders' Mandate

Under Paragraph 10.09 (2), Part E, Chapter 10 of the Listing Requirements, the Company may seek a shareholders' mandate in respect of related party transactions involving RRPT of a revenue or trading nature which are necessary for its day-to-day operations subject to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where;
 - (i) the consideration, value of assets, capital outlay or cost of the aggregated transactions is equal to or more than RM1 million; or
 - (ii) the percentage ratios of such aggregated transactions is equal to or more than one per cent (1%)

whichever is the higher;

- (c) the Company's circular to shareholders for the shareholders' mandate shall include information set out in the Listing Requirements of Bursa Malaysia;
- (d) interested Directors, interested Major Shareholders and interested persons connected to a Director or Major Shareholder and where it involves the interest of an interested person connected to a Director or Major Shareholder, such Director or Major Shareholder, shall abstain from voting on the resolution relating to such transactions. An interested Director or interested Major Shareholder must also ensure that persons connected to him abstain from voting on the resolution relating to the transactions; and
- (e) the Company immediately announces to Bursa Malaysia when the actual value of RRPT entered into by DIALOG Group, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Malaysia in its announcement.

It is envisaged that in the normal course of DIALOG Group's business, transactions of a revenue or trading nature between DIALOG Group and the Related Parties are likely to occur and are necessary for the Group's day-to-day operations.

The procurement of the Proposed Shareholders' Mandate from shareholders will allow DIALOG Group to enter into RRPT, as set out in Part B Section 2.5, which are necessary for DIALOG Group's day-to-day operations and are in the ordinary course of business and on terms that are not more favourable to the Related Parties than those generally available to the public, and are not to the detriment of the minority shareholders of DIALOG.

2.2 Validity Period for the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if approved by shareholders at the forthcoming 25th AGM, will take effect from the date of the passing of the ordinary resolution proposed at the AGM and the authority conferred under the Proposed Shareholders' Mandate shall only continue to be in force until:-

- (i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Act, (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (iii) revoked or varied by resolution passed by shareholders in a general meeting,

whichever is the earlier.

2.3 Disclosure in the Annual Report

Disclosure will be made in the Company's annual report on the breakdown of the aggregate value of transactions made pursuant to the shareholders' mandate during the financial year, providing amongst others, the following information:-

- (i) the type of transactions made; and
- (ii) the names of the Related Parties involved in each type of transactions and their relationship with DIALOG Group.

2.4 Classes of Related Parties

The Company is principally an investment holding company incorporated to manage various subsidiaries which serve a wide spectrum of the petroleum and petrochemical industry. The principal activities of the subsidiaries are the provision of logistic services in tank terminals and supply base, upstream services, specialist products and services, engineering & construction, fabrication, plant maintenance & catalyst handling services and ePayment technology & solutions.

The Proposed Shareholders' Mandate involves RRPT, which are carried out by DIALOG Group with the Related Parties (as set out below). The Related Parties are joint venture companies which are subsidiaries of DIALOG, except for ePetrol Holding, ePetrol Silverswitch and Ascent Energy.

Related Parties	DIALOG's % Effective Interest In Related Parties	Principal Activities	Interested Directors/Major Shareholders
ePetrol Holding and its subsidiaries	17.4%	Provision of cashless payment systems, licensing and software maintenance	Dr Ngau Boon Keat and persons connected ⁽¹⁾
ePetrol Services	59.5%	Provision of front-end payment system, IT system development, support and other related services	Dr Ngau Boon Keat and persons connected ⁽¹⁾
ePetrol Systems	38.9%	Operator of ePetrol payment system	Dr Ngau Boon Keat and persons connected ⁽¹⁾
ePetrol Silverswitch	11.3 %	Provision of centralized interchange services	Dr Ngau Boon Keat and persons connected ⁽¹⁾

Note:-

- (1) Dr Ngau Boon Keat is a Director and Major Shareholder of DIALOG. Dr Ngau Boon Keat and persons connected to him have direct and indirect substantial interests in DIALOG. Dr Ngau is also a director and has substantial interest in ePetrol Holding and its subsidiaries via his private holding company which has substantial holdings in ePetrol Holding. He is also a director in the aforesaid private holding company. He also has substantial interest in ePetrol Services via ePetrol Holding, which has 49% interest in ePetrol Services. He also has substantial interest in ePetrol Systems via ePetrol Services and ePetrol Holding, which also has a direct interest of 49% in ePetrol Systems. He is also a director of ePetrol Silverswitch. He also has substantial interest in ePetrol Silverswitch via ePetrol Holding which has a direct interest of 65% in ePetrol Silverswitch.

Related Parties	DIALOG's % Effective Interest In Related Parties	Principal Activities	Interested Directors/Major Shareholders
DPSPL	79.7%	Provision of plant maintenance, tank cleaning and other related activities in the petroleum and petrochemical industry	Toh Teck Seng ⁽¹⁾ Tan Chee Wah ⁽¹⁾

Note:-

- (1) Mr Toh Teck Seng and Mr Tan Chee Wah have substantial interests in DEPL Group, whereby DPSPL is a subsidiary in DEPL Group.

Related Parties	DIALOG's % Effective Interest In Related Parties	Principal Activities	Interested Directors/Major Shareholders
Ascent Energy	-	Trading and provision of technical and engineering solutions in the upstream oil and gas industry.	Dr Yin Xudong ⁽¹⁾

Note:-

- (1) Dr Yin Xudong is the Managing Director of DAESB and has substantial interest in DAESB via Ascent Energy. He is also a Director and has substantial interest in Ascent Energy.

2.5 Information on Related Parties and Nature of RRPT

To enhance its competitiveness, competence and leadership position in the oil, gas and petrochemical industry, DIALOG Group taps into its respective joint venture companies' expertise and resources:-

- ePetrol Holding, which is an intellectual property company that owns payment switching technologies and other cutting edge technologies, provides the right of use of its technologies and software maintenance to ePetrol Services and ePetrol Systems, as well as IT system development and support to ePetrol Systems.
- ePetrol Services provides IT services to DIALOG Group, ePetrol Systems and ePetrol Holding and its subsidiaries.
- ePetrol Silverswitch, which is a subsidiary of ePetrol Holding, provides centralised interchange and other related services to ePetrol Services.
- DPSPL provides civil and mechanical skills of plant maintenance, tank cleaning and manpower supply to DEPL Group.

- DEPL provides shared services, which include business development, marketing, accounting, human resources, secretarial, administrative, treasury and finance functions, to DPSPL to achieve efficiency and reduce costs with better utilisation of resources, information systems and standardisation of processes.
- Ascent Energy will provide professionally competent, skilled, experienced and qualified project personnel to a variety of technical service projects of DAESB whose principal business is the marketing, promotion and supply of seismic technology and integrated field development services for upstream oil and gas activities.
- ePetrol Services and ePetrol Silverswitch will rent office space at DIALOG's new corporate office. DIALOG Group is expected to move to its new corporate office in Mutiara Damansara from its existing office in Phileo Damansara in December 2013, upon which the building is completed and ready to be occupied, to better serve its customers and business partners, in line with its business expansion. The new DIALOG corporate office is owned by Dialog Properties, which is a 100% subsidiary of DIALOG. Dialog Properties is principally involved in the letting out and management of properties.
- ePetrol Services will rent rack space from the data centre of DIALOG Group's new corporate office. The data centre is part of DIALOG Group's efforts to use IT technologies to enhance the competitiveness and efficiencies of its businesses.

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Below are Proposed Shareholders' Mandate for the RRPT, which are on an arm's length basis and are not more favourable to the Related Parties than those generally available to the public and not detrimental to the minority shareholders of DIALOG.

(I) Proposed Renewal of Shareholders' Mandate:-

(A) RRPT with ePetrol Holding and its subsidiaries are as follows:-

Nature of RRPT	Provider / Vendor	Recipient / Purchaser	Interested Directors/Major Shareholders/ Persons Connected to Them	Estimated Value As Disclosed In The Preceding Year's Circular To Shareholders Dated 29 October 2012 ("Estimated Value") RM	Actual Value Transacted From 22 November 2012 to LPD ("Actual Value") RM	Estimated Value From 21 November 2013 To The Next AGM in 2014 RM
Provision of licensing fee and software maintenance	ePetrol Holding	ePetrol Services and ePetrol Systems	Dr Ngau Boon Keat and persons connected	480,000	60,000	240,000
Provision of IT system development and support	ePetrol Holding and its subsidiaries	ePetrol Systems	Dr Ngau Boon Keat and persons connected	1,020,000	1,067,677	1,230,000

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(B) RRPT with ePetrol Services are as follows:-

Nature of RRPT	Provider / Vendor	Recipient / Purchaser	Interested Directors/Major Shareholders/ Persons Connected to Them	Estimated Value As Disclosed In The Preceding Year's Circular To Shareholders Dated 29 October 2012 ("Estimated Value") RM	Actual Value Transacted From 22 November 2012 to November 2013 LPD ("Actual Value") RM	Estimated Value From 21 November 2013 To The Next AGM in 2014 RM
Provision of IT system development, maintenance, manpower supply, terminal inventory management system and other related IT services	ePetrol Services	DIALOG Group	Dr Ngau Boon Keat and persons connected	6,000,000	1,545,400	3,400,000
Provision of IT system development and support	ePetrol Services	ePetrol Systems	Dr Ngau Boon Keat and persons connected	2,500,000	2,743,887	3,180,000
Provision of centralized interchange and other related IT services	ePetrol Services	ePetrol Holding and its subsidiaries	Dr Ngau Boon Keat and persons connected	350,000	179,168	270,000

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(C) RRPT with ePetrol Silverswitch are as follows:-

Nature of RRPT	Provider / Vendor	Recipient / Purchaser	Interested Directors/Major Shareholders/ Persons Connected to Them	Estimated Value As Disclosed In The Preceding Year's Circular To Shareholders Dated 29 October 2012 ("Estimated Value")	Actual Value Transacted From 22 November 2012 to November 2013 ("Actual Value")	Estimated Value From 21 November 2013 To The Next AGM in 2014
Provision of centralised interchange and other related services	ePetrol Silverswitch	ePetrol Services	Dr Ngau Boon Keat and persons connected to them	1,500,000 RM	299,337 RM	850,000 RM

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(D) RRPT with DPSPL are as follows:-

Nature of RRPT	Provider / Vendor	Recipient / Purchaser	Interested Directors/Major Shareholders/ Persons Connected to Them	Estimated Value As Disclosed In The Preceding Year's Circular To Shareholders Dated 29 October 2012 ("Estimated Value") RM	Actual Value Transacted From 22 November 2012 to November 2013 LPD ("Actual Value") RM	Estimated Value From 21 November 2013 To The Next AGM in 2014 RM
Provision of civil and mechanical works of plant maintenance, tank cleaning, manpower supply and other related services	DPSPL	DEPL Group	Toh Teck Seng Tan Chee Wah	6,300,000	2,257,958	3,000,000
Provision of shared services on business development, marketing, accounting, human resources, secretarial, administrative, treasury, finance and other related services	DEPL	DPSPL	Toh Teck Seng Tan Chee Wah	2,500,000	2,089,655	1,500,000

None of the Actual Value of RRPT under the existing mandate has exceeded the Estimated Value by 10% or more.

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(II) Proposed New Shareholders' Mandate:-

(A) Additional RRPT with DAESB are as follows:-

Nature of RRPT	Provider / Vendor	Recipient / Purchaser	Interested Directors/Major Shareholders/ Persons Connected to Them	Estimated Value From 21 November 2013 To The Next AGM in 2014 RM
Provision of professionally competent, skilled, experienced and qualified personnel for technical services in upstream oil and gas activities	Ascent Energy	DAESB	Dr Yin Xudong	8,000,000

(B) Additional RRPT with ePetrol Services are as follows:-

Nature of RRPT	Provider / Vendor	Recipient / Purchaser	Interested Directors/Major Shareholders/ Persons Connected to Them	Estimated Value From 21 November 2013 To The Next AGM in 2014 RM
Rent of office, approximately 10,274 square feet at the new DIALOG corporate office ⁽ⁱ⁾	Dialog Properties	ePetrol Services	Dr Ngau Boon Keat and persons connected	630,000 ⁽ⁱⁱ⁾
Rent of rack space, approximately 8 racks at the new DIALOG corporate office's data centre	Dialog Properties	ePetrol Services	Dr Ngau Boon Keat and persons connected	620,000 ⁽ⁱⁱⁱ⁾

(C) Additional RRPT with ePetrol Silverswitch are as follows:-

Nature of RRPT	Provider / Vendor	Recipient / Purchaser	Interested Directors/Major Shareholders/ Persons Connected to Them	Estimated Value From 21 November 2013 To The Next AGM in 2014 RM
Rent of office, approximately 7,000 square feet at the new DIALOG corporate office ⁽ⁱ⁾	Dialog Properties	ePetrol Silverswitch	Dr Ngau Boon Keat and persons connected	423,500 ⁽ⁱⁱ⁾

Notes:-

- (i) The address of the new DIALOG corporate office is No. 15, Jalan PJU 7/5, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.
- (ii) Based on 11 months of rentals as DIALOG Group is expected to move into its new corporate office in December 2013, upon which the building is completed and ready to be occupied. The units are to be rented out on a fully furnished basis at an indicative rate of RM 5.50 per square foot per month. Rentals will be paid monthly. Actual rates and other terms to be entered into with the Related Parties will be in line with market practices and will be competitive and comparable to prevailing market rental rates. Market rental rates within the vicinity area on bare unit basis range from RM 4.30 – RM 5.00 per square foot per month.
- (iii) Based on 11 months of rentals. The racks are to be rented out at an indicative rate of RM 7,000 per rack per month based on, amongst others, forecast electricity and data usage. Rentals will be paid monthly. Actual rates and other terms to be entered into with the Related Party will be in line with market practices and will be competitive and comparable to prevailing market rental rates. Market rental rates for rack space range from RM 4,000 – RM 8,000 per rack per month depending on, amongst others, electricity and data usage.

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2.5.1 Amount Due and Owing by Related Parties

As at 30 June 2013, being the end of the financial year of DIALOG, there was no amount due and owing by the Related Parties arising from RRPT under the Existing Mandate which exceeded the credit term.

2.5.2 Basis of Estimate and Disclosure Requirements

The abovementioned estimated value of transactions are based on best estimates by the management, after taking into account historical trends and projected business volume during the validity of the Proposed Shareholders' Mandate. The actual transacted value may vary from the estimates shown above.

Disclosure will be made in the 2014 Annual Report of the Company on the breakdown of the actual value of the transactions made pursuant to the Proposed Shareholders' Mandate during the financial year.

2.6 Review Procedures and Processes for the RRPT

DIALOG has established guidelines, procedures and processes to ensure RRPT are entered into on an arm's length basis and on normal commercial terms consistent with DIALOG Group's operating policies, which are not more favourable to the Related Parties than those obtained from third party or the public and are not to the detriment of the interests of the minority shareholders.

DIALOG has set up the following procedures and processes for the review and approval of RRPT:-

A) Limits of Authority

The approving authority practiced by DIALOG Group in relation to RRPT is that all RRPT will be reviewed and approved by the Group Management Committee.

B) Monitoring of RRPT

- (i)** A list of Related Parties is established and made available to the finance managers and accountants of each business division and subsidiary of DIALOG Group, who shall monitor and put in place process to record and report on all RRPT for compilation and reporting to group finance.
- (ii)** Process and procedures are in place to ensure that RRPT are entered into after taking into account the pricing and contract rates, terms and conditions, level of services and expertise required, health, safety and environment standard ("HSE"), strength of research and development, quality of products and services provided by/to the Related Parties as compared to prevailing market prices and rates, industry norms and standard as well as general practices by the service providers of similar capacities and capability generally available in the open market.
- (iii)** The tendering process, where applicable, to ensure competitive bidding principle is observed in the procurement of most goods and services. These include the setting up of a tender committee and having at least 2 other contemporaneous transactions with unrelated parties for similar products or services to be used as comparison, where possible, and sufficient number of suppliers to bid to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated parties cannot be obtained (for instance, if there are no unrelated party vendors/customers of similar products or services, or if the product/service is a proprietary item), the transaction price will be determined in accordance with the Group's usual business practices

and policies, consistent with the usual margin of DIALOG Group for the same or substantially similar type of transaction made by the Group with unrelated third party to ensure that the RRPT is not detrimental to DIALOG Group.

- (iv) Related party transactions are subject to review and approval by the Board. Details of the transacting parties, particulars of the Related Parties and the terms of the transactions must be furnished to the Board.
- (v) Proper records will be maintained for all RRPT which are entered pursuant to the proposal and details of the RRPT will be disclosed in the annual report in accordance with the applicable approved accounting standards and relevant regulations.
- (vi) Part of the Terms of Reference of the Audit Committee is to review any related party transaction and conflict of interest situation that may arise within the DIALOG Group, including any transaction, procedure or course of conduct that raises questions of management integrity.
- (vii) DIALOG Group's annual internal audit plan has incorporated a review of the record in respect of the related party transactions entered into during the year and the procedures properly adhered to.
- (viii) All members of the Board, Audit Committee and the Group Management Committee who are directly or indirectly, interested in any transaction shall declare their interest in the transaction and abstain from deliberations and voting in respect of the related party transactions.
- (ix) Any member of the Audit Committee may, as he deems fit, request for additional information pertaining to related party transactions from independent sources or advisers, including the obtaining of valuations from professional valuers.

2.7 Statement from Audit Committee

The Audit Committee has seen and reviewed the procedures and processes mentioned in Section 2.6 above and is satisfied that DIALOG Group has in place adequate procedures to monitor, track, and identify RRPT in a timely and orderly manner, and frequency of review of these procedures and processes are made from time to time at least annually to ensure that the RRPT are:-

- (i) carried out on terms not more favourable to the Related Parties than those generally available to the public, and
- (ii) not to the detriment of the minority shareholders.

3. RATIONALE AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE

The rationale and the benefits of the Proposed Shareholders' Mandate for the RRPT are as follows:-

- (i) The Proposed Shareholders' Mandate will facilitate recurrent transactions with Related Parties in the ordinary course of business of DIALOG Group which are undertaken on an arm's length basis, on terms no more favourable to the Related Parties than those generally available to the public and are not detrimental to minority shareholders;
- (ii) The RRPT will enhance DIALOG Group's competitiveness, competence and leadership position in the oil, gas and petrochemical industry, whereby DIALOG Group taps into the expertise and resources of its respective joint venture companies which are subsidiaries of DIALOG, except for ePetrol Holding, ePetrol Silverswitch and its business partner, Ascent Energy, the details of which are explained in Section 2.5 above;

- (iii) The Proposed Shareholders' Mandate will enhance DIALOG Group's ability to pursue business opportunities, in particular those that are time-sensitive in nature; and
- (iv) The Proposed Shareholders' Mandate, which is to be renewed annually, will eliminate the requirement by the Company to make regular announcements and convene separate general meetings from time to time for the entry of RRPT. This would substantially reduce the time and expenses, and allow resources to be channelled towards achieving corporate objectives.

4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any material effect on the issued and paid-up share capital, Directors' and Substantial shareholders' shareholdings, earnings, net assets and working capital of DIALOG Group.

5. APPROVALS REQUIRED

The Proposed Shareholders' Mandate is subject to the approval being obtained from the shareholders of the Company at the forthcoming 25th AGM.

6. DIRECTORS' AND/OR MAJOR SHAREHOLDERS' INTERESTS AND/OR PERSON(S) CONNECTED

Save for the following Interested Parties and Interested Major Shareholders who are interested in the Proposed Shareholders' Mandate, none of the other Directors or Major Shareholders and persons connected to them are interested in the Proposed Shareholders' Mandate.

Accordingly, the relevant Interested Parties have abstained and will continue to abstain from all deliberations and voting at the Board meetings in respect of the Proposed Shareholders' Mandate and will also abstain from voting on the resolution on the Proposed Shareholders' Mandate to be tabled at the forthcoming 25th AGM in respect of their direct and indirect shareholdings in the Company. In addition, the Interested Parties undertake to ensure that persons connected to them will abstain from voting, deliberating or approving on the Proposed Shareholders' Mandate at the forthcoming 25th AGM.

The Interested Major Shareholders will also abstain from voting on the resolution on the Proposed Shareholders' Mandate to be tabled at the forthcoming 25th AGM in respect of their direct and indirect shareholdings in the Company. In addition, the Interested Major Shareholders undertake to ensure that persons connected to them will abstain from voting, deliberating or approving on the Proposed Shareholders' Mandate at the forthcoming 25th AGM.

The shareholdings of the Interested Parties and Interested Major Shareholders as at the LPD are as follows:-

Interested Parties	Number of Shares held			
	Direct	%	Indirect	%
Dr Ngau Boon Keat and persons connected ⁽¹⁾	31,099,192	1.3	534,924,627	22.2
Toh Teck Seng ⁽²⁾	-	-	-	-
Tan Chee Wah ⁽²⁾	-	-	-	-
Dr Yin Xudong ⁽³⁾	-	-	-	-
Interested Major Shareholders				
AUSB	226,842,967	9.4	-	-
WSSB	222,815,168	9.2	-	-

Notes:-

- (1) Dr Ngau Boon Keat is a Director and Major Shareholder of DIALOG. Dr Ngau Boon Keat and persons connected to him have direct and indirect substantial interests in DIALOG. Dr Ngau is also a director and has substantial interest in ePetrol Holding and its subsidiaries via his private holding

company which has substantial holdings in ePetrol Holding. He is also a director in the aforesaid private holding company. He also has substantial interest in ePetrol Services via ePetrol Holding, which has 49% interest in ePetrol Services. He also has substantial interest in ePetrol Systems via ePetrol Services and ePetrol Holding, which also has a direct interest of 49% in ePetrol Systems. He is also a director of ePetrol Silverswitch. He also has substantial interest in ePetrol Silverswitch via ePetrol Holding which has a direct interest of 65% in ePetrol Silverswitch.

- (2) Mr Toh Teck Seng and Mr Tan Chee Wah have substantial interests in DEPL Group, whereby DPSPL is a subsidiary in DEPL Group.
- (3) Dr Yin Xudong is the Managing Director of DAESB and has substantial interest in DAESB via Ascent Energy. He is also a Director and has substantial interest in Ascent Energy.

The Interested Parties and Interested Major Shareholders have all consented that a general mandate be sought under one resolution for all the RRPT despite several related parties and categories or classes of related parties being involved and they have also undertaken that they will ensure that persons connected to them (as defined in the Listing Requirements) will abstain from voting, deliberating or approving on the Proposed Shareholders' Mandate at the forthcoming 25th AGM.

7. DIRECTORS' RECOMMENDATION

Having considered the rationale for the abovementioned Proposed Shareholders' Mandate, the Board (save for Dr Ngau Boon Keat in relation to the RRPT involving ePetrol Holding, ePetrol Services, ePetrol Systems and ePetrol Silverswitch in which Dr Ngau Boon Keat is interested in) is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company and accordingly, recommends (save for Dr Ngau Boon Keat due to the reasons stated above) that you vote in favour of the ordinary resolution on the Proposed Shareholders' Mandate to be tabled at the forthcoming 25th AGM.

8. FURTHER INFORMATION

Shareholders are requested to refer to the Appendices for further information.

Yours faithfully
for and on behalf of the Board of
DIALOG GROUP BERHAD

Datuk Oh Chong Peng
Senior Independent Non-Executive Director

PART C:
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

DEFINITIONS

The following definitions shall apply throughout Part C of this document unless the context requires otherwise:-

AGM	:	Annual General Meeting
Board	:	The Board of Directors of DIALOG
Bursa Malaysia	:	Bursa Malaysia Securities Berhad (<i>Company No. 635998-W</i>)
Circular	:	Circular to Shareholders in relation to the Proposed Renewal of Share Buy-Back Authority; Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature; and Proposed Amendments to the Articles of Association
Director(s)	:	A person within the meaning of Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a director or a chief executive of DIALOG, or any other company which is its subsidiary or holding company.
DIALOG/the Company	:	Dialog Group Berhad (<i>Company No. 178694-V</i>)
Listing Requirements	:	Main Market Listing Requirements of Bursa Malaysia as amended from time to time and any re-enactment thereof
Major Shareholder(s)	:	A person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:- a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation. and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, such shareholder of the company or any other company which is its subsidiary or holding company. For the purpose of this definition, "interest in shares" has the meaning given in Section 6A of the Act.
Proposed Amendments	:	Proposed amendments to the existing Articles of Association of DIALOG, details of which are set out in Appendix II of this Circular
Persons Connected	:	Persons connected with a Director or Major Shareholder as defined in the Listing Requirements

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference in this document to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this document shall be a reference to Malaysian time, unless otherwise stated.

DIALOG

DIALOG GROUP BERHAD

(Company Number: 178694-V)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

109, Block G, Phileo Damansara 1
No. 9, Jalan 16/11
46350 Petaling Jaya
Selangor Darul Ehsan
Malaysia

29 October 2013

Board of Directors

Dr Ngau Boon Keat (*Executive Chairman*)
Chan Yew Kai (*President and Chief Operating Officer*)
Datuk Oh Chong Peng (*Senior Independent Non-Executive Director*)
Chew Eng Kar (*Executive Director*)
Kamariyah Binti Hamdan (*Independent Non-Executive Director*)
Ja'afar Bin Rihaan (*Non-Independent Non-Executive Director*)
Siti Khairon Binti Shariff (*Independent Non-Executive Director*)
Zainab Binti Mohd Salleh (*Executive Director*)

To : Our Shareholders

Dear Sir/Madam,

PART C: PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

1. INTRODUCTION

The Company wishes to seek the shareholders' approval for the Proposed Amendments in the manner as set out in Appendix II of this Circular.

The announcement on the proposal to seek shareholders' approval for the Proposed Amendments was released on 10 October 2013.

The purpose of this Circular is to provide you with the relevant details of the Proposed Amendments and to seek your approval for the ordinary resolution pertaining to the Proposed Amendments to be tabled as a Special Business at the forthcoming Twenty-Fifth (25th) AGM of the Company to be convened on 21 November 2013.

2. DETAILS OF THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In September 2011 and September 2012, Bursa Malaysia had introduced certain amendments in the Listing Requirements in which listed issuers must seek shareholders' approval for the Proposed Amendments.

Under the amended Listing Requirements, a listed issuer is required to amend its Articles of Association to:

- (i) allow a member who is an exempt authorised nominee to appoint multiple proxies for each omnibus account it holds;
- (ii) expressly disallow any restriction on a proxy's qualification;
- (iii) accord proxies the same rights as members to speak at the general meeting; and
- (iv) extending the requirements of electronic payment to other moneys payable and not just for dividend payments

As such, the Directors propose to amend the existing Articles of Association of DIALOG to facilitate the amendments in the Listing Requirements. The details of the Proposed Amendments are set out in Appendix II of this Circular.

3. RATIONALE FOR THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Proposed Amendments are to streamline the Company's Articles of Association to be aligned with the amendments in the Listing Requirements as well as to update other provisions so as to provide clarity and consistency throughout the Articles of Association.

4. CONDITIONS OF THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Proposed Amendments are conditional upon the approval of the shareholders of DIALOG at the forthcoming 25th AGM.

5. FINANCIAL EFFECTS OF THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Proposed Amendments will have no effect on the share capital, net assets, working capital and earnings per share of the Company.

6. DIRECTORS' AND/OR MAJOR SHAREHOLDERS' INTERESTS AND/OR PERSON(S) CONNECTED

None of the Directors and/or Major Shareholders or persons connected to them have any interest, whether direct or indirect, in the Proposed Amendments.

7. DIRECTORS' RECOMMENDATION

After careful consideration, the Board is of the opinion that the Proposed Amendments are in the best interest of the Company. Accordingly, the Board recommends that you vote in favour of the special resolution on the Proposed Amendments to be tabled at the forthcoming 25th AGM.

8. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendices for further information.

Yours faithfully
for and on behalf of the Board of
DIALOG GROUP BERHAD

Dr Ngau Boon Keat
Executive Chairman

APPENDIX I

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable inquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein false or misleading.

2. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) entered into by DIALOG and its subsidiaries during the two (2) years immediately preceding the date of this Circular:-

- On 15 December 2011, pursuant to the rights issue with free warrants exercise, DIALOG entered into the following agreements,
 - (i) Underwriting Agreement with AmInvestment Bank Berhad and CIMB Investment Bank Berhad; and
 - (ii) Deed Poll constituting the warrants.

The rights issue with free warrants exercise was completed on 15 February 2012.

3. MATERIAL LITIGATION

DIALOG Group is not engaged in any material litigation, arbitration or claims either as plaintiff or defendant, and the Directors of DIALOG do not have any knowledge of any proceedings pending or threatened against DIALOG Group, or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of DIALOG Group.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at 109, Block G, Phileo Damansara 1, No. 9 Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan during normal business hours on Mondays to Fridays (except public holidays) from the date of this Circular until the date of the AGM:-

- (i) Memorandum and Articles of Association of DIALOG;
- (ii) Audited consolidated financial statements of DIALOG Group for the past two (2) financial years ended 30 June 2012 and 2013; and
- (iii) Material contracts referred to in item 2 above.

APPENDIX II

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The details of the proposed amendments to the Articles of Association of the Company are as follows:-

Article No.	Present Articles	Proposed Amendments
2.	(New Definition)	“Authorised Nominee” An authorised nominee as defined under the Central Depositories Act.
2.	(New Definition)	“Exempt Authorised Nominee”... An authorised Nominee which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.
2.	(New Definition)	“General Meeting” ... Any General Meeting of Shareholders, including Annual General Meeting and Extraordinary General Meeting.
58(b).	The Company shall also request the Depository in accordance with the Rules of the Depository, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than 3 market days before the General Meeting (hereinafter referred to as “the General Meeting Record of Depositors”).	The Company shall also request the Depository in accordance with the Rules of the Depository, to issue a Record of Depositors, as at the latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the General Meeting (hereinafter referred to as “the General Meeting Record of Depositors”) <u>for purposes of determining whether a depositor shall be regarded as a member entitled to attend, speak and vote at the General Meeting.</u>
72.	Right to vote. Subject to Article 75 and to any special rights or restrictions as to voting attached to any class of shares hereinafter issued on a show of hands every member who is present in person or by proxy shall have one vote. A member may appoint not more than two proxies to attend at the same meeting. Where a member appoints two proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy but not more than two proxies in respect of each securities account it holds with ordinary shares of the company standing to the credit of the said securities account.	Right to vote. Subject to Article 75 and to any special rights or restrictions as to voting attached to any class of shares hereinafter issued on a show of hands every member who is present in person or by proxy shall have one vote. <u>Other than an Exempt Authorised Nominee,</u> a member may appoint not more than two (2) proxies to attend <u>and vote</u> at the same meeting. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. <u>A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.</u> Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy but not more than two proxies in respect of each securities account it holds with ordinary shares of the company standing to the credit of the said securities account.

Article No.	Present Articles	Proposed Amendments
72(a).	<u>Insertion of a new Article</u>	<u>Appointment of Multiple Proxies</u> <u>Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where an Exempt Authorised Nominee appoints more than one (1) proxy in respect of each Omnibus Account, the appointment shall not be valid unless the Exempt Authorised Nominee specifies the proportion of the shareholding to be represented by each proxy.</u>
79.	Proxy need not be a member. A proxy need not be a member of the Company and a member may appoint any person to be his proxy, and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.	Proxy need not be a member. <u>There shall be no restriction as to the qualification of the proxy.</u> A proxy need not be a member of the Company and a member may appoint any person to be his proxy, and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
136.	<u>Payment by post and discharge.</u> Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and such address as such persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.	<u>Payment by post and discharge.</u> Any dividend or other moneys payable in cash on or in respect of a <u>shares or securities</u> may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and such address as such persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to person or persons entitled to the <u>shares or securities</u> in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.
136A.	<u>Payment by electronic means.</u> Subject to the provisions of the Act, the Central Depositories Act and the Rules, the Stock Exchange Listing Requirements and/or regulatory authorities, payment of dividend may be made by direct transfer or such other mode of electronic means to the bank account of the member or person entitled thereto, or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person as such persons may by writing direct. The payment of any dividend by such electronic means shall constitute a good and full discharge to the Company of the dividend to which it relates regardless of any discrepancy given by the member in the details of bank account(s).	<u>Payment by electronic means.</u> Subject to the provisions of the Act, the Central Depositories Act and the Rules, the Stock Exchange Listing Requirements and/or regulatory authorities, payment of dividend <u>or other moneys payable in respect of shares or securities</u> may be made by direct transfer or such other mode of electronic means to the bank account of the member or person entitled thereto, or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person as such persons may by writing direct. The payment of any dividend <u>or other moneys payable in respect of shares or securities</u> by such electronic means shall constitute a good and full discharge to the Company of the dividend <u>such payment</u> to which it relates regardless of any discrepancy given by the member in the details of bank account(s).

DIALOG

DIALOG GROUP BERHAD

(Company Number: 178694-V)
(Incorporated in Malaysia under the Companies Act, 1965)

EXTRACT OF THE NOTICE OF ANNUAL GENERAL MEETING

Resolution 8

Proposed Renewal of Share Buy-Back Authority

“THAT, subject to the Companies Act, 1965, 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 of RM0.10 each 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 of RM0.10 each 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 and share premium account 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 of RM0.10 each 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

Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions (RRPT) and Proposed New Shareholders’ Mandate for Additional RRPT of a Revenue or Trading Nature

“THAT, subject to the Companies Act, 1965 (Act), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the requirements of any other relevant authorities, approval be and is hereby given to the Company and/or its subsidiaries to enter into the Recurrent Related Party Transactions of a Revenue or Trading Nature (Recurrent Related Party Transactions) as set out in Section 2.5(I) of Part B (for the renewal of existing Recurrent Related Party Transactions) and Section 2.5(II) of Part B (for additional Recurrent Related Party Transactions) of the Circular to Shareholders dated 29 October 2013 subject further to the following:-

- (i) the Recurrent Related Party Transactions are in the ordinary course of business which are necessary for day-to-day operations and are on terms not more favourable to the related

parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

- (ii) disclosure is made in the annual report of the breakdown of the aggregate value of transactions conducted during a financial year and that such approval shall commence immediately upon the passing of this ordinary resolution and continue to be in force until:-
 - (a) the conclusion of the next Annual General Meeting (AGM) of the Company following the forthcoming AGM at which the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is approved, at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed;
 - (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Act (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
 - (c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,whichever is the earlier.
- (iii) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

Resolution 10

Proposed Amendments to the Articles of Association of the Company

"THAT the deletions, alterations, modifications, variations and additions to the Articles of Association as set out in Part C of the Circular to Shareholders dated 29 October 2013 be and are hereby approved and that the Directors and Company Secretaries be and are hereby authorised to carry out all necessary formalities in effecting the aforesaid amendments."