

Media Release: Second Quarter Financial Year Ending 30 June 2019 Results

FOR IMMEDIATE RELEASE

DIALOG reports 16.7% increase in Profit After Tax for 2nd Quarter

Petaling Jaya, 14 February 2019 – Dialog Group Berhad (DIALOG-7277), a leading integrated technical services provider for the oil, gas & petrochemical industry, announced its second quarter financial results today.

For the 2nd quarter ended 31st December 2018, the Group recorded another commendable financial performance with net profit after tax of RM140.3 million, higher by 16.7% against RM120.2 million registered in the corresponding quarter last year. This better result was achieved despite a 28.9% decrease in revenue to RM609.6 million for the current quarter from RM857.4 million recorded in the corresponding quarter last year.

The revenue from our Malaysian operations for the current quarter was lower primarily due to near completion of the Engineering, Procurement, Construction and Commissioning ("EPCC") works in Pengerang Deepwater Terminals Phase 2 projects. However, the net profit after tax for the current quarter was higher mainly due to cost savings realised on completed projects and increased share of profit in joint ventures and associates.

For the current financial year to date ended 31st December 2018, the Group's net operating profit after tax including joint ventures and associates of RM258.3 million was higher by 18.0% against RM218.8 million in the corresponding period last year. In the corresponding period last year, the Group acquired and converted a jointly controlled entity into a wholly owned subsidiary and recorded a fair value gain of RM65.6 million. This resulted in a total net profit after tax of RM284.4 million reported in the corresponding period last year.

The ongoing operations of Pengerang Deepwater Terminals ("PDT") Phase 1 is currently being expanded by 430,000 m³. Phase 2A, the dedicated petroleum and petrochemicals terminal for Refinery and Petrochemical Integrated Development ("RAPID") commenced its initial stages of commercial operations in November 2018. In addition to Langsat Terminal (One) Sdn. Bhd. and Langsat Terminal (Two) Sdn. Bhd.'s capacity of 647,000 m³, Langsat Terminal (Three) Sdn. Bhd. is also being expanded into a 300,000 m³ storage facility. Meanwhile, in the upstream sector, the Group continues to actively develop new reserves from existing contracts.

“We are pleased to report that the Group has continued to deliver on its commitment to grow sustainable, recurring income and enhance shareholders’ value. With the completion of the PDT Phase 2A and 2B, and the refinery projects at RAPID, we are now actively involved in the plant maintenance services for these projects. The Group has continued to make progress for Phase 3 as well - land reclamation activities are in progress and is scheduled for completion at end of 2019, and we are in active discussions with potential customers for Phase 3. Barring any unforeseen circumstances, the Group is confident that its performance will remain strong for the financial year ending 30 June 2019,” said Tan Sri Dr. Ngau Boon Keat, Executive Chairman of Dialog Group Berhad.

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About Dialog Group Berhad

Established in 1984, DIALOG is a leading integrated technical service provider to the upstream, midstream and downstream sectors of the oil, gas and petrochemical industry. Headquartered in Kuala Lumpur, DIALOG has a strong and growing presence across nine countries; Malaysia, Singapore, Thailand, Indonesia, China, Australia, New Zealand, Saudi Arabia and United Arab Emirates with a staff strength of over 2,500, positioning us to serve customers that include multinational oil majors, national oil companies as well as multinational engineering and services providers the world over. DIALOG is listed on the Main Market of Bursa Malaysia Securities Berhad with a market capitalisation of about RM17 billion as at December 2018.

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