

**DIALOG GROUP BERHAD**  
(Registration No. 198901001388 (178694-V))  
(Incorporated in Malaysia)

Minutes of the Thirty-Second Annual General Meeting of Dialog Group Berhad (“Dialog” or “the Company”) held entirely through live streaming from the broadcast venue at Training Room, Level 5, DIALOG Tower, No. 15, Jalan PJU 7/5, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 18 November 2020 at 10.00 a.m.

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**Present : Directors**

Present at broadcast venue

Tan Sri Dr Ngau Boon Keat (“Chairman”)  
Mr Chan Yew Kai  
Datuk Oh Chong Peng  
Puan Kamariyah Binti Hamdan  
Encik Mohamad Hafiz Bin Kassim  
Puan Juniwati Rahmat Hussin  
Cik Siti Khairon Binti Shariff  
Puan Zainab Mohd Salleh (“Puan Zainab”)

Joined via video-conferencing

Dato’ Ismail Bin Karim

**: In Attendance**

Present at broadcast venue

Ms Lim Hooi Mooi (Joint Company Secretary)  
Ms Koo Swee Lin (BDO PLT)

**: Shareholders**

As per Shareholders Attendance List

**: Proxies**

As per Proxy Attendance List

**1. OPENING REMARKS**

The Chairman of the Board of Directors, Tan Sri Dr Ngau Boon Keat (“Tan Sri Dr Ngau” or “Chairman”), welcomed everyone to the Thirty-Second Annual General Meeting (“AGM”) of the Company.

Chairman informed that in view of the current COVID-19 pandemic and in compliance with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, the Board of Directors (“Board”) has decided that the AGM be held via live streaming webcast and online remote voting using the remote participation and voting facilities without the physical attendance by shareholders and proxies.

Chairman proceeded to introduce the Board, the Group Chief Financial Officer and the Joint Company Secretaries, the Auditor and a director, Dato’ Ismail Bin Karim who was attending the meeting via video conferencing.

He then enlightened that the shareholders and proxies could exercise their rights to participate in the meeting including raising questions to the Chairman and the Board. The Chairman also informed that he would vote in his capacity as proxy to those who appointed him as the Chairman of the meeting, in accordance with the instruction of the shareholders.

The Chairman also invited the shareholders and proxies to raise questions and explained how questions could be raised during the meeting.

## **2. QUORUM**

The Company Secretary confirmed that the quorum was present. As the requisite quorum was present, Chairman called the meeting to order.

## **3. NOTICE**

The Notice convening the meeting, having been circulated to all members, was taken as read.

Chairman advised that in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice shall be voted by poll. The remote voting will be conducted via Remote Participation and Voting ("RPV"), the facility provided by Tricor Investor & Issuing House Services Sdn. Bhd., the appointed poll administrators, and would be verified by Deloitte Risk Advisory Sdn. Bhd., who had been appointed as the independent scrutineers.

Shareholders were informed that voting on the resolutions could be done at any time throughout the meeting until the closure of the voting session.

Tricor Investor & Issuing House Services Sdn. Bhd. was invited to explain the remote voting procedure to be done through the RPV facility.

Chairman then presented the agenda of the AGM as follows:

### **AS ORDINARY BUSINESS**

## **4. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS**

The Audited Financial Statements of the Company for the financial year ended 30 June 2020 and the Reports of Directors and Auditors, having been circulated to all the shareholders of the Company within the statutory period, were tabled to the meeting for discussion.

It was noted that the Agenda item was meant for discussion only as it did not require shareholders' approval under the provision of Section 340(1)(a) of the Companies Act 2016.

Chairman declared that the Audited Financial Statements for the financial year ended 30 June 2020, together with the Reports of the Directors and Auditors thereon, had been properly laid and received.

**5. ORDINARY RESOLUTION 1:  
FINAL SINGLE TIER CASH DIVIDEND**

Chairman informed that the final cash dividend of 1.9 sen per ordinary share, if approved, would be paid and distributed on 17 December 2020 to the shareholders whose names appeared in the Record of Depositors at the close of business on 2 December 2020.

**6. ORDINARY RESOLUTION 2:  
RE-ELECTION OF MR CHAN YEW KAI**

Chairman informed that Mr Chan Yew Kai was subjected to retirement under Clause 91 of the Company's Constitution. Being eligible, Mr Chan Yew Kai had offered himself for re-election.

**7. ORDINARY RESOLUTION 3:  
RE-ELECTION OF ENCIK MOHAMAD HAFIZ BIN KASSIM**

Chairman tabled the resolution for the re-election of Encik Mohamad Hafiz Bin Kassim, who was retiring in accordance with Clause 96 of the Constitution of the Company. Chairman informed that Encik Mohamad Hafiz Bin Kassim had confirmed his willingness to be re-elected.

**8. ORDINARY RESOLUTION 4:  
RE-ELECTION OF PUAN JUNIWATI RAHMAT HUSSIN**

Chairman informed that Puan Juniwati Rahmat Hussin was subjected to retirement under Clause 96 of the Company's Constitution. Being eligible, Puan Juniwati Rahmat Hussin had offered herself for re-election.

**9. ORDINARY RESOLUTION 5:  
PAYMENT OF DIRECTORS' FEES AND BOARD COMMITTEES' FEES**

Chairman informed that a sum of RM735,000.00 was recommended for payment as Directors' Fees and Board Committees' Fees for the financial year ended 30 June 2020. In line with the Management's proactive steps in managing the Group's finances in the current economic climate, the proposed fees had been maintained similar to previous year's amount.

**10. ORDINARY RESOLUTION 6:  
PAYMENT OF DIRECTORS' BENEFITS (OTHER THAN DIRECTORS' FEES AND BOARD COMMITTEES' FEES)**

Chairman informed that a sum up to an amount of RM600,000.00 was recommended for payment as Directors' Benefits from 19 November 2020 to the next Annual General Meeting of the Company, which was the same as last year.

**11. ORDINARY RESOLUTION 7:  
RE-APPOINTMENT OF AUDITORS**

The meeting then proceeded with the motion on the re-appointment of Messrs BDO PLT as auditors of the Company for the next financial year and to authorise the Directors to fix their remuneration.

It was noted that Messrs BDO PLT had indicated their willingness to continue in office. Chairman informed that the Audit Committee and Board of Directors had reviewed the External Auditor's performance and were satisfied with their effectiveness and services.

### **AS SPECIAL BUSINESS**

#### **12. ORDINARY RESOLUTION 8: CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

The Meeting then proceeded with the motion to seek approval for Puan Kamariyah Binti Hamdan, who had served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue in office as an Independent Non-Executive Director of the Company.

#### **13. ORDINARY RESOLUTION 9: PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

Chairman informed that the passing of the proposed resolution would empower the Company to purchase its own shares provided that the aggregate number of ordinary shares bought back does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company at any time.

#### **14. ANY OTHER BUSINESS**

It was noted that there was no notice received for any other business to be transacted at the AGM.

#### **15. QUESTIONS AND ANSWERS ("Q&A")**

The meeting then proceeded to respond the questions received prior to and during the AGM. The shareholders were earlier notified that questions received would be moderated to avoid repetition and might also be summarised.

Chairman informed that the Company had received questions from the Minority Shareholders Watch Group ("MSWG"). Chairman invited the Company Secretary, Ms Lim Hooi Mooi, to read out the questions received during the meeting.

The key matters discussed are listed in the annexure attached and marked as Appendix 1.

#### **16. POLL PROCESS**

There being no other business, Chairman informed the meeting to proceed with the poll voting session. He added that the voting session would close after 5 minutes and submission of any general questions would be ended in approximately 5 minutes.

The meeting was declared adjourned after the voting session closed in order to allow the scrutineers to verify the results of the votes casted.

## 17. ANNOUNCEMENT OF POLL RESULTS

At 11.10 a.m., Chairman reconvened the meeting for the declaration of poll results that had been verified and handed to him, as follows:

| Ordinary Resolution | Vote For      |          | Vote Against  |        | Total Votes   |          |
|---------------------|---------------|----------|---------------|--------|---------------|----------|
|                     | No. of Shares | %        | No. of Shares | %      | No. of Shares | %        |
| 1                   | 4,126,117,491 | 100.0000 | 1,115         | 0.0000 | 4,126,118,606 | 100.0000 |
| 2                   | 4,098,737,776 | 99.3364  | 27,380,830    | 0.6636 | 4,126,118,606 | 100.0000 |
| 3                   | 4,098,604,885 | 99.3363  | 27,382,167    | 0.6637 | 4,125,987,052 | 100.0000 |
| 4                   | 4,115,693,055 | 99.7507  | 10,285,652    | 0.2493 | 4,125,978,707 | 100.0000 |
| 5                   | 4,124,396,926 | 99.9991  | 37,235        | 0.0009 | 4,124,434,161 | 100.0000 |
| 6                   | 3,837,623,514 | 99.9971  | 111,435       | 0.0029 | 3,837,734,949 | 100.0000 |
| 7                   | 4,120,299,919 | 99.9570  | 1,770,537     | 0.0430 | 4,122,070,456 | 100.0000 |
| 8                   | 3,481,603,967 | 90.7223  | 356,047,573   | 9.2777 | 3,837,651,540 | 100.0000 |
| 9                   | 4,118,247,675 | 99.9163  | 3,450,309     | 0.0837 | 4,121,697,984 | 100.0000 |

Based on the results of the poll, Chairman declared Ordinary Resolutions 1 to 9 as carried. It was RESOLVED as follows:-

### **ORDINARY RESOLUTION 1: FINAL SINGLE TIER CASH DIVIDEND**

THAT the payment of a Final Single Tier Cash Dividend of 1.9 sen per ordinary share in respect of the financial year ended 30 June 2020 be and is hereby approved.

### **ORDINARY RESOLUTION 2: RE-ELECTION OF MR CHAN YEW KAI**

THAT Mr Chan Yew Kai, the Director retiring pursuant to Clause 91 of the Company's Constitution and being eligible, be hereby re-elected as Director of the Company.

### **ORDINARY RESOLUTION 3: RE-ELECTION OF ENCIK MOHAMAD HAFIZ BIN KASSIM**

THAT Encik Mohamad Hafiz Bin Kassim, the Director retiring in accordance to Clause 96 of the Company's Constitution and being eligible, be hereby re-elected as Director of the Company.

### **ORDINARY RESOLUTION 4: RE-ELECTION OF PUAN JUNIWATI RAHMAT HUSSIN**

THAT Puan Juniwati Rahmat Hussin, the Director retiring pursuant to Clause 96 of the Company's Constitution and being eligible, be hereby re-elected as Director of the Company.

### **ORDINARY RESOLUTION 5: PAYMENT OF DIRECTORS' FEES AND BOARD COMMITTEES' FEES**

THAT the payment of Directors' Fees and Board Committees' Fees of RM735,000.00 in respect of the financial year ended 30 June 2020 be and is hereby approved.

**ORDINARY RESOLUTION 6:  
PAYMENT OF DIRECTORS' BENEFITS (OTHER THAN DIRECTORS' FEES AND BOARD COMMITTEES' FEES)**

THAT the payment of Directors' Benefits (other than Directors' Fees and Board Committees' Fees) up to an amount of RM600,000.00 from 19 November 2020 to the next Annual General Meeting of the Company be and is hereby approved.

**ORDINARY RESOLUTION 7:  
RE-APPOINTMENT OF AUDITORS**

THAT Messrs BDO PLT, having indicated their willingness to continue in office, be hereby re-appointed as Auditors of the Company for the ensuing year at a remuneration to be determined by the Director.

**SPECIAL RESOLUTION 8:  
CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

THAT approval be and is hereby given for Puan Kamariyah Binti Hamdan, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue in office as an Independent Non-Executive Director of the Company.

**SPECIAL RESOLUTION 9:  
PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

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

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

THAT the Directors of the Company be and are hereby authorised to take all steps necessary to implement, finalise and to give full effect to the Proposed Renewal of Share Buy-Back Authority and THAT the Directors be and are authorised to deal with DIALOG Shares so purchased, at their discretion, in the following manner:

- i. Cancel the DIALOG Shares so purchased; or
- ii. Retain the DIALOG Shares so purchased as treasury shares which may be dealt with in accordance with Section 127(7) of the Act; or
- iii. Retain part of the DIALOG Shares so purchased as treasury shares and cancel the remainder of the DIALOG Shares,

or in any other manner as may be prescribed by the Act, all applicable laws, regulations and guidelines applied from time to time by Bursa Malaysia and/ or other relevant authority for the time being in force and THAT the authority to deal with purchased DIALOG Shares shall continue to be valid until all the purchased DIALOG Shares have been dealt with by the Directors of the Company.

#### **18. CLOSURE OF MEETING**

Before the conclusion of the meeting, Chairman informed that Datuk Oh Chong Peng (“Datuk Oh”) had retired from the Board. He extended the Board’s appreciation to Datuk Oh for his contributions during his tenure as an Independent Director of the Company, and Chairman of the Audit, Risk Management and Nomination Committees, and member of the Remuneration Committee.

The meeting was concluded at 11.15 a.m.

Signed as a correct record,

CHAIRMAN

Date:

**DIALOG GROUP BERHAD**  
(Registration No. 198901001388 (178694-V))  
(Incorporated in Malaysia)

**Thirty-Second Annual General Meeting**  
**Wednesday, 18 November 2020 at 10.00 a.m.**

**Key Matters Discussed**  
**(Appendix 1)**

- Q1. The COVID-19 pandemic had impacted the demand for oil due to slowing down in economic activities around the world as well as in Malaysia.
- a) What is the impact of COVID-19 to the Group's upstream, midstream and downstream business segments in the oil, gas and petrochemical industries in the immediate term?
  - b) What are the Group's strategies to mitigate the impact of the COVID-19 pandemic?

**Answered by Tan Sri Dr Ngau Boon Keat, Executive Chairman**

*The upstream business was impacted due to less consumption of fuel (demand disruptions) and lower oil price. The slower economic activities, lower demand for petrochemicals and movement controls imposed by the various governments had affected the downstream business. The downstream business is expected to recover quickly once activities improve from the lifting of movement controls and lower cost of raw materials.*

*However, the slower activities in upstream and downstream had been mitigated by the increase in demand for storage (midstream business).*

*As the Group is diversified across the upstream, midstream and downstream sectors in the oil, gas and petrochemical industry, DIALOG remains confident that its business model is well structured to manage and sustain itself through periods of oil price volatility and currency movements. The Company will continue to focus on strengthening upstream, midstream and downstream operations.*

*In terms of the strategies to mitigate the impact of COVID-19 pandemic, the Company had taken measures to protect the health and safety of the staff and communities where the Company operates. The Company had also maintained a very prudent approach and taken proactive steps in managing the Group's finances. Capital expenditure and operating expenses had been reviewed and cost reduction measures were ongoing without jeopardizing operations and service delivery to customers.*

- Q2. The Group intends to diversify across the upstream, midstream and downstream sectors of oil, gas and petrochemical industries to ride through the challenging environment. Please identify the new sectors the Group would diversify into and why?

**Answered by Tan Sri Dr Ngau Boon Keat, Executive Chairman**

*The Company had already diversified across upstream, midstream and downstream of the oil, gas and petrochemical industries. The Company will continue to diversify and remain focused on delivering its long term goals.*

- Q3. Dialog Fitzroy Limited (“DFL”) is exploring opportunities and continuing to look for business outside oil and gas with emphasis on dairy and pharmaceutical businesses.
- a) What are the competitive advantages DFL has over the other competitors in the dairy and pharmaceutical businesses that it intends to venture into?
  - b) Has DFL secured any contracts from the dairy and pharmaceutical businesses? If yes, what is the contract value and duration?

**Answered by Tan Sri Dr Ngau Boon Keat, Executive Chairman**

*DFL operates in New Zealand and was focused in providing its technical expertise in the oil and gas industry when the Company invested in DFL. As DFL grew, the Company believed that with DFL’s expertise, DFL can provide its technical expertise in the food and pharmaceutical industries, and the financial strength and stability of the group gives added assurance to the customers.*

*In relation to DFL’s contract values and duration in dairy and pharmaceutical, the contracts had been signed and secured by DFL but the contract information is commercially sensitive and confidential.*

- Q4. The Group continues to actively pursue potential customers for Phase 3, which will consist of dedicated petroleum and petrochemical storage terminals for medium to long term clients, including refinery and petrochemical plants within the PIPC.

Has the Group been successful in securing new customers for Phase 3 apart from the Long-Term Storage Agreement with BP Singapore Pte. Limited that has been concluded? If yes, please name the customers.

**Answered by Tan Sri Dr Ngau Boon Keat, Executive Chairman**

*The Company has been continuously talking to potential investors and further updates will be announced when a contract is signed.*

- Q5. Midstream Business:

- a) What are the factors affecting tank storage rates?
- b) Who are the competitors in Pengerang?
- c) What will be the storage capacity of Phase 3 upon completion?
- d) Does DIALOG plan to develop smart terminals in the future?

**Answered by Tan Sri Dr Ngau Boon Keat, Executive Chairman**

*The factors that affected tank storage rates were mainly from supply and demand, as well as the oil price movement, and whether in contango or backwardation.*

*There are high barriers to enter into large oil storage business and therefore not many competitors in Malaysia. DIALOG had identified the location in Pengerang with deepwater depths of up to 24 metres and large storage business requires huge investments.*

*The storage capacity of Phase 3 will be able to support approximately 3-4 million cubic metres of storage and the Company will continue to develop more storage including for petrochemical products.*

*In terms of the Company's plans to develop smart terminals, technology is a key pillar to the Company's long-term strategy. The Company's terminals have adopted the latest available technology and will continue to leverage on technology to be more competitive in the market.*

- Q6. The acquisition of additional equity interest in Halliburton Bayan Petroleum ("HBP") has resulted in an increase of intangible asset amounting to RM306.9 million. Please provide details on the nature of intangible asset.

DIALOG had acquired another 20% after financial year end. What was the amount of intangible asset for the additional stakes?

**Answered by Puan Zainab Binti Mohd Salleh, Group Chief Financial Officer**

*The Group had acquired 25% additional stake and an additional 20% stake in HBP during the financial year ended 2020. The intangible assets as disclosed in pages 34 to 37 of the Financial Statements represented costs incurred in re-development and enhancement of oil recovery of Bayan field. As the additional intangible assets were acquired by the subsidiary (HBP), whatever additional development incurred by HBP would become additional intangible assets for the Group.*

- Q7. On page 47 of the Annual Report, the Capital Commitment to Field Development Plan ("FDP") activities is RM408 Million.
- a) Can you please elaborate on the details of this commitment?
  - b) Is DIALOG considering acquiring new PSC or OSC going forward?
  - c) As shareholders, can we take assumption that acquisition of the additional 45% of HBP as a sign of more interest for upstream business venture for DIALOG?
  - d) What is the additional production rate for Bayan and D35/J4/D21 after the oil production enhancement activities?

**Answered by Tan Sri Dr Ngau Boon Keat, Executive Chairman**

*DIALOG has equity in D35 under a PSC and therefore can account its stake in the oil reserves. For the OSC, the Company does not own any oil and fees are obtained by providing services in Bayan field. The Company cannot disclose any information in regards to the PSC and OSC contracts due to confidentiality reasons.*

- Q8. What is the current status of lawsuit from property investment firm claiming RM1.35 Billion from DIALOG and its joint venture partners?

**Answered by Mr Chan Yew Kai, Executive Deputy Chairman**

*The case had been dismissed in High Court. However, the property investment firm had filed an appeal to the Court of Appeal.*

- Q9. The amount of amortization of intangible assets increased from RM46.4 million in FY 2019 to RM96.4 million in FY 2020 (pages 25 and 26 of the Financial Statements). With the amount of intangible assets increased by more than 100% in FY 2020 to RM777.2 million, will the amortization for FY 2021 increase by 100% from FY 2020?

**Answered by Puan Zainab Binti Mohd Salleh, Group Chief Financial Officer**

*The amortization policy of the Group is based on the unit of production produced. The amortization amount will increase in line with the production activities.*