

Unless otherwise stated, all defined terms and abbreviations shall carry the same meaning as those defined in the "Definitions" section of this Abridged Prospectus.

No securities will be allotted or issued based on this Abridged Prospectus after 6 months from the date of this Abridged Prospectus.

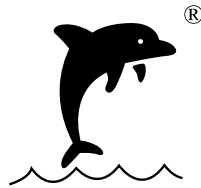
THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. All enquiries concerning the Rights Issue, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan (Tel: +603 7890 4700).

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of the Rights Issue. The SC is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus. A copy of this Abridged Prospectus, together with the NPA and RSF, has also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

Approval for the Rights Issue has been obtained from our shareholders at our EGM convened on 5 June 2020. Approval has been obtained from Bursa Securities vide its letter dated 1 April 2020 for the admission of the Warrants-B to the Official List as well as the listing of and quotation for the Rights Shares, Warrants-B and the new Shares to be issued arising from the exercise of Warrants-B on the Main Market of Bursa Securities. The listing of and quotation for the Rights Shares, Warrants-B and new Shares to be issued arising from the exercise of Warrants-B will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/or their renounees/transferees, if applicable, have been duly credited with the Rights Shares and Warrants-B allotted to them and notices of allotment have been despatched to them. However, such admission, listing and quotation are not an indication that Bursa Securities recommends the Rights Issue and are in no way reflective of the merits of the Rights Issue.

The Documents will only be despatched to our Entitled Shareholders whose names appear in our Record of Depositors at 5:00 p.m. on Friday, 24 July 2020 at their registered address in Malaysia or who have provided our Share Registrar with a registered address in Malaysia in writing by 5:00 p.m. on Friday, 24 July 2020. The Documents are not intended to (and will not be made to) comply with the laws of any countries or jurisdictions other than Malaysia and are not intended to be (and will not be) issued, circulated or distributed in any countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renounees/transferees, if applicable, who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal adviser and/or other professional adviser as to whether the acceptance and/or renunciation (as the case may be) of their entitlements to the Rights Issue, application for Excess Rights Shares with Warrants-B, or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue would result in the contravention of any law of such countries or jurisdictions. We, Mercury Securities and/or the advisers named herein shall not accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of entitlements, application for Excess Rights Shares with Warrants-B or the subscription, offer, sale, resale, pledge or other transfer of the new securities arising from the Rights Issue made by any Entitled Shareholders and/or their renounees/transferees, if applicable, is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the said Entitled Shareholders and/or their renounees/transferees, if applicable, are residents.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO THE "RISK FACTORS" AS SET OUT IN SECTION 7 OF THIS ABRIDGED PROSPECTUS.



DOLPHIN INTERNATIONAL BERHAD
(Registration No. 201201016010 (1001521-X))
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 412,087,515 NEW ORDINARY SHARES IN DOLPHIN ("DOLPHIN SHARES") ("RIGHTS SHARES") TOGETHER WITH UP TO 247,252,509 FREE DETACHABLE WARRANTS ("WARRANTS-B") AT AN ISSUE PRICE OF RM0.06 PER RIGHTS SHARE ON THE BASIS OF 5 RIGHTS SHARES FOR EVERY 4 EXISTING DOLPHIN SHARES HELD BY THE ENTITLED SHAREHOLDERS AT 5:00 P.M. ON 24 JULY 2020 TOGETHER WITH 3 WARRANTS-B FOR EVERY 5 RIGHTS SHARES SUBSCRIBED

Principal Adviser, Managing Underwriter and Joint Underwriter

Joint Underwriter



MERCURY SECURITIES SDN BHD
(Registration No. 198401000672 (113193-W))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

kenanga

KENANGA INVESTMENT BANK BERHAD
(Registration No. 197301002193 (15678-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date	: Friday, 24 July 2020 at 5:00 p.m.
Last day, date and time for:	
Sale of Provisional Allotments	: Monday, 3 August 2020 at 5:00 p.m.
Transfer of Provisional Allotments	: Wednesday, 5 August 2020 at 5:00 p.m.
Acceptance and Payment	: Tuesday, 11 August 2020 at 5:00 p.m.
Excess Rights Shares with Warrants-B Application and Payment	: Tuesday, 11 August 2020 at 5:00 p.m.

This Abridged Prospectus is dated 24 July 2020

UNLESS OTHERWISE STATED, ALL DEFINED TERMS AND ABBREVIATIONS SHALL CARRY THE SAME MEANING AS THOSE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS.

OUR BOARD HAS SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUE. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THE SAID DOCUMENTATION. HAVING MADE ALL REASONABLE ENQUIRIES AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THAT THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS, WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

MERCURY SECURITIES, BEING THE PRINCIPAL ADVISER FOR THE RIGHTS ISSUE, ACKNOWLEDGES THAT BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE AND ANY INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS, INCLUDING ANY STATEMENT IN THIS ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO THE LAWS OF MALAYSIA. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

DEFINITIONS

The following definitions shall apply throughout this Abridged Prospectus unless otherwise indicated:

Abridged Prospectus	:	This abridged prospectus dated 24 July 2020 in relation to the Rights Issue
Acquisition	:	Acquisition of 6,000,000 ordinary shares in AP F&B, representing the entire equity interest in AP F&B, by our Company from the Vendors for a purchase consideration of RM22.0 million to be satisfied via the issuance of 131,578,947 Consideration Shares and RM12.0 million cash
Acquisition SSA	:	Conditional sale of shares agreement dated 27 February 2020 entered into between our Company and the Vendors, as further supplemented by a supplemental agreement dated 8 July 2020, in relation to the Acquisition
Act	:	Companies Act 2016
AP F&B	:	Asia Poly Food and Beverage Sdn Bhd (201601000614 (1171539-W))
Asia Equity Research	:	Asia Equity Research Sdn Bhd (201401027762 (1103848-M))
Asia Poly	:	Asia Poly Holdings Berhad (200301016756 (619176-A))
Bloomberg	:	Bloomberg Finance Singapore L.P. and its affiliates
Board	:	Board of Directors of our Company
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
Capitalisation	:	Capitalisation of an aggregate amount of RM7,196,466 owing by our Group to our Group's identified creditors and a shareholder of our Company to be fully settled via the issuance of 94,690,342 Settlement Shares
CDS	:	Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account	:	A securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits and dealing in securities by the depositor
Closing Date	:	11 August 2020 at 5:00 p.m., being the last date and time for the acceptance of and payment for the Provisional Allotments and the Excess Rights Shares with Warrants-B Application
CMSA	:	Capital Markets and Services Act 2007
Consideration Shares	:	131,578,947 new Shares to be issued at an issue price of RM0.076 each pursuant to the Acquisition

DEFINITIONS *(Cont'd)*

Corporate Exercises	:	Collectively, the Rights Issue, Capitalisation, Acquisition and Diversification
COVID-19	:	Coronavirus disease 2019 (n-Cov19), an acute respiratory illness caused by a novel coronavirus
D&D F&B or Licensor	:	D&D Food & Beverage Sdn Bhd (201501039890 (1165208-K)), the author, creator and registered owner and holder of the trade name of "Uncle Don's" and the associated trademark logo
Deed Poll B	:	Deed poll dated 2 July 2020 constituting Warrants-B and governing the rights of Warrant-B holders
Directors	:	Members of our Board and shall have the same meaning given in Section 2(1) of the CMSA
Disposal	:	Disposal of our Company's 80% equity interest in Dolphin Biogas Sdn Bhd to AP Green Energy Sdn Bhd for a cash consideration of RM2,123,675.50, which was completed on 1 July 2020
Diversification	:	Diversification of our Group's principal activities to include the undertaking and provision of food and beverage services and related activities
Documents	:	Collectively, this Abridged Prospectus together with the NPA and RSF
Dolphin or Company	:	Dolphin International Berhad (201201016010 (1001521-X))
Dolphin Applications	:	Dolphin Applications Sdn Bhd (200701033516 (791544-V)), a wholly-owned subsidiary of our Company
Dolphin Biogas Group	:	Collectively, Dolphin Biogas Sdn Bhd and its wholly-owned subsidiary, Biogas Sulpom Sdn Bhd
Dolphin Group or Group	:	Collectively, Dolphin and its subsidiaries
Dolphin Robotic	:	Dolphin Robotic Systems Sdn Bhd (201401016023 (1092109-T)), an indirect wholly-owned subsidiary of our Company
Dolphin Shares or Shares	:	Ordinary shares in Dolphin
EGM	:	Extraordinary general meeting
Entitled Shareholders	:	Our shareholders whose names appear in our Company's Record of Depositors on the Entitlement Date
Entitlement Date	:	24 July 2020 at 5:00 p.m., being the date and time on which our Entitled Shareholders' names must appear in our Record of Depositors in order to be entitled to participate in the Rights Issue
EPS	:	Earnings per share
Excess Rights Shares with Warrants-B	:	Rights Shares with Warrants-B which are not taken up or not validly taken up by our Entitled Shareholders and/or their renounees/transferees, if applicable, by the Closing Date
Excess Rights Shares with Warrants-B Applications	:	Applications for Excess Rights Shares with Warrants-B as set out in Section 11.7 of this Abridged Prospectus

DEFINITIONS *(Cont'd)*

First Profit Guarantee Period	:	Financial period of AP F&B from 1 July 2020 to 30 June 2021
FPE	:	Financial period ended
FYE	:	Financial year ended
IMR Report	:	Independent market research report on the full-service restaurant segment of the food and beverage service market in Malaysia dated 30 June 2020 prepared by PROVIDENCE
Interested Directors	:	Collectively, Thoo Soon Huat and Tan Ban Tatt who are deemed interested in the Corporate Exercises and they have abstained and will continue to abstain from deliberations and voting on the Corporate Exercises at the relevant board meetings of our Company
Joint Underwriters	:	Collectively, Mercury Securities and Kenanga IB
Kenanga IB	:	Kenanga Investment Bank Berhad (197301002193 (15678-H))
LAT	:	Loss after tax
LBT	:	Loss before tax
Licensing Agreements	:	Licensing agreements entered into between AP F&B and the Licensor, which governs the operating procedures, system and reporting formats of the 3 restaurant outlets of AP F&B
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	30 June 2020, being the latest practicable date prior to the date of this Abridged Prospectus
LPS	:	Loss per Share
LTD	:	26 February 2020, being the last trading day prior to the date of announcement of the Corporate Exercises on 27 February 2020
Market Day	:	A day between Monday and Friday (inclusive) which is not a public holiday and on which Bursa Securities is open for trading
Maximum Scenario	:	Scenario which assumes that: <ul style="list-style-type: none"> (i) all the outstanding Warrants-A are exercised prior to the Entitlement Date; (ii) the maximum placement of 29,970,000 Shares under the Placement has been completed prior to the Entitlement Date; and (iii) all the Entitled Shareholders and/or their renounees/transferees, if applicable, fully subscribe for their respective entitlements under the Rights Issue

DEFINITIONS (Cont'd)

MCO	:	Movement Control Order
Mercury Securities or Principal Adviser or Managing Underwriter	:	Mercury Securities Sdn Bhd (198401000672 (113193-W))
Minimum Scenario	:	Scenario which assumes that: <ul style="list-style-type: none"> (i) none of the outstanding Warrants-A are exercised prior to the Entitlement Date; (ii) no Shares are placed out under the Placement prior to the Entitlement Date; and (iii) the Rights Issue is implemented on a Minimum Subscription Level basis
Minimum Subscription Level	:	Minimum subscription of 213,557,500 Rights Shares by Asia Poly and the Joint Underwriters to raise minimum gross proceeds of approximately RM12.8 million
NA	:	Net assets
NPA	:	Notice of provisional allotment in relation to the Rights Issue
Official List	:	A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities and not removed
PAT	:	Profit after tax
Placement	:	Placement of up to 29,970,000 Shares, representing approximately 10% of our Company's total number of issued Shares, which has been approved by Bursa Securities but pending implementation
Profit Guarantee	:	A guarantee by the Vendors that AP F&B shall achieve a minimum PAT of RM1.1 million in each of the First Profit Guarantee Period and Second Profit Guarantee Period
Proposed Capital Reduction	:	Proposed reduction of our Company's issued share capital pursuant to Section 116 of the Act
PROVIDENCE	:	Providence Strategic Partners Sdn Bhd (201701024744 (1238910-A))
Provisional Allotments	:	Rights Shares provisionally allotted to our Entitled Shareholders
Record of Depositors	:	Record of securities holders established by Bursa Depository pursuant to the Rules of Bursa Depository
Rights Issue	:	Renounceable rights issue of up to 412,087,515 Rights Shares together with up to 247,252,509 Warrants-B at an issue price of RM0.06 per Rights Share on the basis of 5 Rights Shares for every 4 existing Shares held by the Entitled Shareholders on the Entitlement Date together with 3 Warrants-B for every 5 Rights Shares subscribed

DEFINITIONS *(Cont'd)*

Rights Shares	:	Up to 412,087,515 new Shares to be issued at an issue price of RM0.06 each pursuant to the Rights Issue
RM and sen	:	Ringgit Malaysia and sen, respectively
Rp	:	Indonesian Rupiah
RSF	:	Rights subscription form in relation to the Rights Issue
Rules of Bursa Depository	:	Rules of Bursa Depository issued pursuant to SICDA
SC	:	Securities Commission Malaysia
Second Profit Guarantee Period	:	Financial year of AP F&B from 1 July 2021 to 30 June 2022
Settlement Agreements	:	Collectively, settlement agreements dated 27 February 2020 entered into between our Company, and Palma Banjaran Sdn Bhd, Hydra-Line Hydraulics Sdn Bhd, Kejuruteraan Trisuria Sdn Bhd, CLH Construction Sdn Bhd, Global Genesis (M) Sdn Bhd, Sakti Suria (Malaysia) Sdn Bhd, Innofin Consultancy and Chua Seong Seng respectively, pursuant to the Capitalisation
Settlement Shares	:	94,690,342 new Shares to be issued at the issue price of RM0.076 each pursuant to the Capitalisation
Share Registrar	:	Boardroom Share Registrars Sdn Bhd (199601006647 (378993-D))
SICDA	:	Securities Industry (Central Depositories) Act 1991
SLPOM Project	:	A collaboration between Dolphin Robotic and Seri Langat Palm Oil Mill Sdn Bhd for the enhancement and optimisation of a palm oil mill
TERP	:	Theoretical ex-rights price
Uncle Don's Holdings	:	Uncle Don's Holdings Sdn Bhd (201801039364 (1301395-T))
Undertaking	:	Irrevocable written undertaking dated 27 February 2020 from Asia Poly to subscribe in full for its entitlement to the Right Shares together with the Warrants-B
Underwriting Agreement	:	Conditional underwriting agreement dated 9 July 2020 entered into between our Company, the Managing Underwriter and the Joint Underwriters
Vendors	:	Collectively, Uncle Don's Holdings and Asia Poly
VWAMP	:	Volume weighted average market price
Warrants-A	:	Warrants 2016/2021 as constituted by the deed poll dated 10 March 2016 constituting Warrants-A and governing the rights of Warrant-A holders
Warrants-B	:	Up to 247,252,509 free detachable warrants of our Company to be issued pursuant to the Rights Issue and constituted by the Deed Poll B

DEFINITIONS *(Cont'd)*

In this Abridged Prospectus, all references to “our Company” are to Dolphin and references to “our Group” are to our Company and our subsidiaries. All references to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company and where the context requires otherwise, shall include our subsidiaries. All references to “**you**” and “**your**” in this Abridged Prospectus are to our Entitled Shareholders and/or where the context otherwise requires, their renounees/transferees.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any legislation, statute, guidelines, rules or regulations is a reference to that legislation, statute, guidelines, rules or regulations as for the time being amended or re-enacted.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts stated and the total thereof are due to rounding.

Any reference to a time of day or date in this Abridged Prospectus shall be a reference to Malaysian time and date respectively, unless otherwise stated.

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ADVISERS' DIRECTORY

- PRINCIPAL ADVISER,
MANAGING UNDERWRITER
AND JOINT UNDERWRITER** : Mercury Securities Sdn Bhd
L-7-2, No. 2, Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur
Wilayah Persekutuan
Tel: +603 6203 7227
Fax: +603 6203 7117
- JOINT UNDERWRITER** : Kenanga Investment Bank Berhad
Level 17, Kenanga Tower
No. 237, Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan
Tel: +603 2172 2888
Fax: +603 2172 2999
- SOLICITORS FOR THE RIGHTS
ISSUE** : Kadir Andri & Partners
Suite A-38-8, Level 38, Menara UOA Bangsar
No.5, Jalan Bangsar Utama 1
59000 Kuala Lumpur
Wilayah Persekutuan
Tel: +603 2780 2888
Fax: +603 2780 2833
- SHARE REGISTRAR** : Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel: +603 7890 4700
Fax: +603 7890 4670
- INDEPENDENT VALUER** : Asia Equity Research Sdn Bhd
Suite 507 Block E
Phileo Damansara 1
46350 Petaling Jaya
Selangor Darul Ehsan
Tel: +603 7956 4895
Fax: +603 7931 5457
- Person-in-charge : Ong Tee Chin, Director
- Qualifications : (i) Chartered Financial Analyst
Charterholder; and
(ii) Financial Risk Managers by
the Global Association of
Risk Professionals

ADVISERS' DIRECTORY *(Cont'd)*

**INDEPENDENT MARKET
RESEARCHER**

: Providence Strategic Partners Sdn Bhd
67-1, Block D, The Suites, Jaya One
No. 72A, Jalan Universiti
46200 Petaling Jaya
Selangor Darul Ehsan
Tel: +603 7625 1770

Person-in-charge : Melissa Lim Li Hua, Executive
Director

Qualification : Bachelor of Commerce (Double
major in Marketing and
Management) from Murdoch
University, Australia

STOCK EXCHANGE

: Main Market of Bursa Securities

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SUMMARY OF RIGHTS ISSUE

This summary of the Rights Issue only highlights the key information from other parts of this Abridged Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Abridged Prospectus.

(i) Basis of Allotment and Number of Rights Shares together with Warrants-B to be issued

Basis of Allotment

5 Rights Shares for every 4 existing Shares held by the Entitled Shareholders together with 3 Warrants-B for every 5 Rights Shares subscribed.

Number of Rights Shares together with Warrants-B to be issued

	<u>Minimum Scenario</u>	<u>Maximum Scenario</u>
Number of Rights Shares to be issued	213,577,500	412,087,515
Number of Warrants-B to be issued	128,146,500	247,252,509

Any unsubscribed Rights Shares will be made available for subscription by other Entitled Shareholders and/or their renounees/transferees, if applicable, via Excess Rights Shares with Warrants-B Applications. It is our Board's intention to allot the Excess Rights Shares with Warrants-B, if any, in a fair and equitable manner. Please refer to Section 11.7 of this Abridged Prospectus for further information.

(ii) Price of the Rights Shares and Warrants-B

The issue price of the Rights Shares and the exercise price of Warrants-B has been fixed at RM0.06 and RM0.08 respectively. Please refer to Sections 2.2 and 2.3 of this Abridged Prospectus for further information.

(iii) Shareholder's Undertaking and Underwriting Arrangement

The Rights Issue will be undertaken on a Minimum Subscription Level basis. Our Company had procured the Undertaking and has entered into the Underwriting Agreement as follows:

	Direct Shareholding as at the LPD		Entitlement Undertaking/ Underwriting		
	No. of Shares	%	No. of Rights Shares	(%)	Amount (RM)
<u>Undertaking Shareholder</u>					
Asia Poly	26,862,000	(iii)11.0	33,577,500	8.1	2,014,650
<u>Joint Underwriters</u>					
Mercury Securities	-	-	96,666,667	23.6	5,800,000
Kenanga IB	-	-	83,333,333	20.1	5,000,000
Total	26,862,000	11.0	213,577,500	51.8	12,814,650

Notes:

- (i) Computed based on 412,087,515 Rights Shares available for subscription under the Maximum Scenario.
- (ii) Upon completion of the Corporate Exercises, Asia Poly's shareholding in our Company will increase to 18.3% or 12.9% under the Minimum Scenario and Maximum Scenario respectively.

Please refer to Section 3 of this Abridged Prospectus for further information.

(iv) Rationale

The Rights Issue is undertaken with the objective to raise the required funds for utilisation as set out in Section (v) below. Please refer to Section 5 of this Abridged Prospectus for further information.

SUMMARY OF RIGHTS ISSUE (Cont'd)**(v) Utilisation of Proceeds**

Total proceeds to be raised from the Rights Issue of up to approximately RM24.7 million will be utilised in the following manner:

Purpose	Minimum Scenario		Maximum Scenario		Estimated time frame for utilisation of proceeds from the date of listing of the Rights Shares
	RM'000	%	RM'000	%	
Acquisition	9,800	76.5	9,800	39.6	Within 1 month
Enhancement and optimisation programme of SLPOM Project	1,515	11.8	3,000	12.1	Within 12 months
Operational expenditures and working capital requirements of secured contracts	-	-	3,000	12.1	Within 12 months
Repayment of borrowings	-	-	2,000	8.1	Within 3 months
Working capital	-	-	5,425	22.0	Within 12 months
Estimated expenses	1,500	11.7	1,500	6.1	Within 1 month
Total	12,815	100.0	24,725	100.0	

Please refer to Section 6 of this Abridged Prospectus for further information.

(vi) Risk Factors

There are a number of risks you should consider before subscribing for or investing in the Rights Issue, in particular the following:

- (i) our Group has been incurring losses since FYE 31 December 2016 and there is no certainty that we would be able to turnaround in the future; and
- (ii) our Group has no prior experiences in the food and beverage industry and our maiden venture into the industry will expose our Group to the industry risks and competition risks.

Please refer to Section 7 of this Abridged Prospectus for further information.

(vii) Procedures for Acceptance and Payment

Acceptance of and payment for the Provisional Allotments allotted to you must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein. If you wish to accept all or part of your entitlement to the Provisional Allotments, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be despatched by ORDINARY POST, COURIER or DELIVERED BY HAND (at your own risk) to our Share Registrar so as to arrive not later than 5:00 p.m. on Tuesday, 11 August 2020. If you wish to apply for additional Rights Shares in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it with a separate remittance made in RM for the full amount payable for the Excess Rights Shares with Warrants-B applied for to our Share Registrar so as to arrive not later than 5:00 p.m. on Tuesday, 11 August 2020. Please refer to Section 11 of this Abridged Prospectus for further information.

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DOLPHIN INTERNATIONAL BERHAD
(Registration No. 201201016010 (1001521-X))
(Incorporated in Malaysia)

Registered Office:
308, Block A (3rd Floor)
Kelana Business Centre
97, Jalan SS 7/2, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

24 July 2020

Board of Directors

YM Tengku Ahmad Badli Shah Raja Hussin (Independent Non-Executive Chairman)
Low Teck Yin (Group Managing Director)
Thoo Soon Huat (Executive Director)
Hoh Yeong Cherng (Non-Independent Non-Executive Director)
Tan Ban Tatt (Independent Non-Executive Director)
Lim Seng Hock (Independent Non-Executive Director)

To: Our Entitled Shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 412,087,515 RIGHTS SHARES TOGETHER WITH UP TO 247,252,509 WARRANTS-B AT AN ISSUE PRICE OF RM0.06 PER RIGHTS SHARE ON THE BASIS OF 5 RIGHTS SHARES FOR EVERY 4 EXISTING SHARES HELD BY THE ENTITLED SHAREHOLDERS AT 5:00 P.M. ON 24 JULY 2020 TOGETHER WITH 3 WARRANTS-B FOR EVERY 5 RIGHTS SHARES SUBSCRIBED

1. INTRODUCTION

On 27 February 2020, Mercury Securities had, on behalf of our Board, announced that our Company proposes to undertake, amongst others, the Corporate Exercises.

Bursa Securities had vide its letter dated 1 April 2020 approved the following:

- (i) admission of Warrants-B to the Official List; and
- (ii) listing of and quotation for the following:
 - (a) up to 412,087,515 Rights Shares and up to 247,252,509 Warrants-B to be issued pursuant to the Rights Issue;
 - (b) 94,690,342 Settlement Shares to be issued pursuant to the Capitalisation;
 - (c) 131,578,947 Consideration Shares to be issued pursuant to the Acquisition;
 - (d) up to 247,252,509 new Shares to be issued arising from the exercise of Warrants-B; and

- (e) up to 14,923,692 additional Warrants-A to be issued arising from the adjustment to the number of Warrants-A pursuant to the Rights Issue and up to 14,923,692 new Shares to be issued arising from the exercise of additional Warrants-A,

on the Main Market of Bursa Securities, subject to the following conditions:

Condition	Status of Compliance
(1) Our Company and Mercury Securities must fully comply with the relevant provisions under the Listing Requirements	To be complied
(2) Mercury Securities to furnish written confirmation to Bursa Securities that our Company will be in full compliance of the public shareholdings spread requirements pursuant to Paragraph 8.02 of the Listing Requirements prior to the listing of and quotation for the new Shares to be issued pursuant to the Corporate Exercises	To be complied
(3) Our Company and Mercury Securities to inform Bursa Securities upon the completion of the Corporate Exercises	To be complied
(4) Our Company and Mercury Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Corporate Exercises are completed	To be complied
(5) Our Company to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the conversion of the Warrants-A and/or Warrants-B as at the end of each quarter together with a detailed computation of listing fees payable	To be complied

On 5 June 2020, our shareholders have approved, amongst others, the Corporate Exercises at our Company's EGM held on even date.

On 9 July 2020, our Company had entered into the Underwriting Agreement with the Joint Underwriters in connection with the Rights Issue.

On 10 July 2020, Mercury Securities had, on behalf of our Board, announced the Entitlement Date together with the other relevant dates pertaining to the Rights Issue.

No person is authorised to give any information or make any representation not contained in this Abridged Prospectus in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us or Mercury Securities.

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

2. PARTICULARS OF THE RIGHTS ISSUE

2.1 Details of the Rights Issue

The Rights Issue entails provisional allotment of up to 412,087,515 Rights Shares together with up to 247,252,509 Warrants-B at an issue price of RM0.06 per Rights Share, on the basis of 5 Rights Shares for every 4 existing Shares held by our Entitled Shareholders on the Entitlement Date together with 3 Warrants-B for every 5 Rights Shares subscribed.

The Rights Issue will be undertaken on a Minimum Subscription Level basis. Please refer to Section 3 of this Abridged Prospectus for the details.

The actual number of Rights Shares and Warrants-B to be issued would depend on the total number of issued Shares as at the Entitlement Date and the eventual subscription rate of the Rights Issue.

The Rights Issue is renounceable in full or in part. Accordingly, our Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part.

The renunciation of the Rights Shares by our Entitled Shareholders will also entail the renunciation of the Warrants-B to be issued together with the Rights Shares. However, if the Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they shall be entitled to the Warrants-B in proportion to their acceptance of their Rights Shares entitlements. For the avoidance of doubt, the Rights Shares and the Warrants-B are not separately renounceable.

Any unsubscribed Rights Shares will be made available for excess subscription by other Entitled Shareholders and/or their renounees/transferees, if applicable, via Excess Rights Shares with Warrants-B Applications. It is our Board's intention to allocate the Excess Rights Shares with Warrants-B, if any, in a fair and equitable manner in accordance with the procedures set out in Section 11.7 of this Abridged Prospectus.

We will allot the Rights Shares and despatch the notices of allotment to the successful applicants within 8 Market Days from the Closing Date or such other period as may be prescribed by Bursa Securities.

The Warrants-B will be immediately detached from the Rights Shares upon issuance and will be traded separately on the Main Market of Bursa Securities. The Warrants-B will be issued in registered form and constituted by the Deed Poll B. Please refer to Section 2.4 of this Abridged Prospectus for the salient terms of Warrants-B.

The Warrants-B will be admitted to the Official List and the listing of and quotation for the Rights Shares and Warrants-B will commence 2 Market Days upon the receipt by Bursa Securities of an application for quotation for these securities as specified under the Listing Requirements, which will include amongst others, confirmation that all notices of allotment have been despatched to the successful applicants and receipt of confirmation from Bursa Depository that all CDS Accounts of the successful applicants have been duly credited with the Rights Shares and Warrants-B.

Fractional entitlements under the Rights Issue, if any, will be disregarded and dealt with by our Board in such manner as our Board shall in its absolute discretion deem fit or expedient and in the best interest of our Company.

As the Rights Shares and Warrants-B are prescribed securities, your CDS Accounts will be duly credited with the number of Provisional Allotments that you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed in this Abridged Prospectus, the NPA notifying you the crediting of such Provisional Allotment into your CDS Accounts and the RSF to enable you to subscribe for the Provisional Allotment as well as to apply for Excess Rights Shares with Warrants-B if you so choose to. However, only Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus, together with the NPA and RSF.

Any dealings in our securities will be subject to, amongst others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares, Warrants-B and new Shares to be issued arising from the exercise of Warrants-B will be credited directly into the respective CDS Accounts of successful applicants and holders of Warrants-B who exercise their Warrants-B. No physical certificates will be issued to the successful applicants and holders of Warrants-B who exercise their Warrants-B.

2.2 Basis and Justification for the Issue Price of the Rights Shares

The issue price of the Rights Shares of RM0.06 represents a discount of approximately 21.1% to the TERP of our Shares of RM0.076, based on the 5-day VWAMP of our Shares up to and including the LTD of RM0.097.

The issue price was determined after taking into consideration, amongst others, the following:

- (i) our Group's funding requirements as set out in Section 6 of this Abridged Prospectus;
- (ii) the historical trading prices of our Shares for the past 12 months up to and including the LTD; and
- (iii) the TERP of our Shares of RM0.076.

2.3 Basis and Justification for the Exercise Price of Warrants-B

The exercise price of Warrants-B of RM0.08 represents a premium of approximately 5.3% over the TERP of our Shares of RM0.076.

The exercise price was determined after taking into consideration the following:

- (i) the Warrants-B will be issued at no cost to our Entitled Shareholders and/or their renounees/transferees, if applicable, who successfully subscribe for the Rights Shares;
- (ii) the TERP of our Shares of RM0.076; and
- (iii) the tenure of Warrants-B of 3 years, which was determined by our Board after taking into account, amongst others, the opportunity for Warrant-B holders to exercise the Warrants-B over a reasonable time period and the prospects of our enlarged Group following the completion of, amongst others, the Corporate Exercises.

2.4 Salient Terms of Warrants-B

The salient terms of Warrants-B are as follows:

- | | | |
|--|---|---|
| Issue size | : | Up to 247,252,509 Warrants-B. |
| Form | : | The Warrants-B will be issued in registered form and constituted by the Deed Poll B. |
| Exercise Period | : | The Warrants-B may be exercised at any time within 3 years commencing on and including the date of issuance of the Warrants-B and ending at 5:00 p.m. on a date preceding the 3 rd anniversary of the date of issuance, and if such a day is not a market day, on the immediate preceding market day (" Exercise Period "). Any Warrants-B which are not exercised during the Exercise Period will thereafter lapse and cease to be valid for any purpose. |
| Mode of Exercise | : | The registered holder of the Warrants-B is required to lodge an exercise form, as set out in the Deed Poll B, with our Company's registrar, duly completed, signed and stamped together with a remittance by way of cashier's order or banker's draft or money order or postal order, drawn on a bank or a post office in Malaysia in accordance with the provisions of the Deed Poll B. |
| Exercise Price | : | The exercise price of the Warrants-B shall be RM0.08 for 1 new Share, subject to adjustments in accordance with the provisions of the Deed Poll B. |
| Exercise Rights | : | Each Warrant-B carries the entitlement, at any time during the Exercise Period, to subscribe for 1 new Share at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll B. |
| Board lot | : | For the purpose of trading on Bursa Securities, 1 board lot of Warrants-B shall comprise 100 Warrants-B carrying the right to subscribe for 100 new Shares at any time during the Exercise Period, or in such other denomination as determined by Bursa Securities. |
| Ranking of new Shares to be issued arising from the exercise of Warrants-B | : | The new Shares to issued arising from the exercise of Warrants-B shall, upon allotment and issue, rank pari passu in all respects with the then existing Shares, save and except that such new Shares will not be entitled to any dividends, rights, allotments and/or any other form of distributions where the entitlement date of such dividends, rights, allotments and/or any other form of distributions precedes the relevant date of allotment and issuance of such new Shares. |
| Participating rights of the holders of Warrants-B in any distribution and/or offer of further securities | : | The Warrant-B holders are not entitled to vote in any general meeting of our Company and/or to participate in any distribution other than on winding-up, liquidation, compromise or arrangement of our Company and/or offer of further securities in our Company unless and until the holder of Warrants-B becomes a shareholder of our Company by exercising his/her Warrants-B into new Shares or unless otherwise resolved by our Company in a general meeting. |

Adjustments in the Exercise Price and/or number of unexercised Warrants-B in the event of alteration to the share capital : The Exercise Price and/or number of unexercised Warrants-B held by each registered holder may from time to time be adjusted, calculated or determined by our Board in consultation with an approved principal adviser and certified by an auditor in Malaysia appointed by our Company for the purposes of the Deed Poll B in the event of alteration to the share capital of our Company in accordance with the provisions as set out in the Deed Poll B.

Rights in the event of winding-up, liquidation, compromise and/or arrangement : Where a resolution has been passed for a members' voluntary winding-up of our Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then every holder of Warrants-B shall be entitled upon and subject to the provisions of the Deed Poll B at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of our Company or within 6 weeks after the granting of the court order approving the compromise or arrangement (whichever is later), by irrevocable surrender of his/her Warrants-B to our Company, elect to be treated as if he/she had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the exercise rights represented by his/her Warrants-B to the extent specified in the relevant subscription forms and be entitled to receive out of the assets of our Company which would be available in liquidation as if he/she had on such date been the holder of the new Shares to which he/she would have been entitled to pursuant to such exercise.

All Exercise Rights which has not been exercised within the above 6 weeks of either the passing of such resolution for the members' voluntary winding up or the granting of the court order for the approval of such winding-up, compromise or arrangement, as the case may be, will lapse and all the unexercised Warrants-B will cease to be valid for any purpose.

Listing status : The Warrants-B shall be listed and quoted on the Main Market of Bursa Securities.

Modifications : Save as expressly provided in the Deed Poll B, no modification, amendment, deletion or addition may be made without the consent or sanction of the Warrant-B holders unless such modification, amendment, deletion or addition are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of our Company, such modifications will not materially prejudice the interests of the Warrant-B holders.

Subject to the above and the approval by the relevant authorities (where required), any modification, amendment, deletion or addition to the Deed Poll B may be effected only by a supplemental deed poll, executed by the Company and expressed to be supplemental to the Deed Poll B and approved or sanctioned by the Warrant-B Holders by a special resolution.

- Transferability : The Warrants-B may be transferable in the manner provided under the SICDA and the Rules of Bursa Depository.
- Governing law : Laws and regulations of Malaysia.

2.5 Ranking of the Rights Shares, Warrants-B and New Shares to be Issued Arising from the Exercise of Warrants-B

The Rights Shares and new Shares to be issued arising from the exercise of Warrants-B shall, upon allotment and issuance, rank pari passu in all respects with the then existing Dolphin Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions in respect of which the entitlement date is prior to the date of allotment and issuance of the Rights Shares and the new Shares to be issued arising from the exercise of Warrants-B.

The holders of Warrant-B will not be entitled to any voting rights or participation in any form of distribution and/or offer of further securities in our Company until and unless such holders of Warrants-B exercise their Warrants-B for new Shares.

3. SHAREHOLDER'S UNDERTAKING AND UNDERWRITING ARRANGEMENT

The Rights Issue will be undertaken on a Minimum Subscription Level basis after taking into consideration our Group's funding requirements as set out in Section 6 of this Abridged Prospectus. To achieve the Minimum Subscription Level, our Company had procured the Undertaking and had entered into the Underwriting Agreement as detailed below.

3.1 Shareholder's Undertaking

Our Company had procured an undertaking from Asia Poly, our Company's major shareholder, to subscribe in full for its entitlement to the Rights Shares as follows:

Undertaking Shareholder	Direct Shareholding as at the LPD		Entitlement Undertaking		
	No. of Shares	%	No. of Rights Shares	⁽ⁱ⁾ %	Amount
Asia Poly	26,862,000	11.0	33,577,500	8.1	2,014,650
Total	26,862,000	11.0	33,577,500	8.1	2,014,650

Note:

- (i) Computed based on 412,087,515 Rights Shares available for subscription under the Maximum Scenario.

Pursuant to the Undertaking, Asia Poly has:

- (i) irrevocably and unconditionally warranted that it will not dispose of its existing shareholding in our Company or any part thereof during the period commencing from the date of the Undertaking up to the Entitlement Date; and
- (ii) confirmed that it has sufficient financial means and resources to subscribe in full for its entitlement to the Rights Shares as set out above and Mercury Securities, as the Principal Adviser for the Corporate Exercises, had verified the same.

For information purpose, upon completion of the Corporate Exercises, the resultant shareholding of Asia Poly in our Company will not give rise to any mandatory take-over offer obligation under the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC.

3.2 Underwriting Agreement

Our Company had on 9 July 2020 entered into the Underwriting Agreement with the Joint Underwriters where the Joint Underwriters will underwrite 180,000,000 Rights Shares ("**Underwritten Shares**"), representing approximately 43.7% of the total Rights Shares to be issued under the Rights Issue at the issue price per Rights Share of RM0.06 as follows:

Joint Underwriters	Direct Shareholding as at the LPD		Underwriting		
	No. of Shares	%	No. of Rights Shares	(i) %	Amount
					RM
Mercury Securities	-	-	96,666,667	23.6	5,800,000
Kenanga IB	-	-	83,333,333	20.1	5,000,000
Total	-	-	180,000,000	43.7	10,800,000

Note:

- (i) Computed based on 412,087,515 Rights Shares available for subscription under the Maximum Scenario.

The managing underwriting fee is 0.25% of the total value of the Underwritten Shares and the underwriting commission is 3.0% of the total value of the Underwritten Shares. The managing underwriting fee, underwriting commission and all related costs in relation to the Underwriting Agreement will be fully borne by our Company, which shall be defrayed from the proceeds of the Rights Issue.

For avoidance of doubt, any Rights Shares validly taken up by our Entitled Shareholders and/or their renounees and/or transferees, if applicable, will be deducted from the obligation of the Joint Underwriters under the Underwriting Agreement, subject to the Undertaking Shareholder subscribing for its entitlement under the Rights Issue.

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4. PARTICULARS OF THE OTHER CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Rights Issue and the following corporate exercises, there are no other corporate exercises announced by our Company but pending completion as at the LPD.

4.1 Acquisition

4.1.1 Details of the Acquisition

On 27 February 2020, our Company entered into the Acquisition SSA with the Vendors for the acquisition by our Company of the entire equity interest in AP F&B for a purchase consideration of RM22.0 million to be satisfied via the issuance of 131,578,947 Consideration Shares at an issue price of RM0.076 each and RM12.0 million cash.

As at the LPD, AP F&B owns and operates the following restaurant outlets under the brand name of "Uncle Don's":

<u>No.</u>	<u>Location</u>	<u>Commencement Date</u>
(i)	No. B-G-11, Tingkat Bawah, Sunsuria Forum @ 7 th Avenue, No.1, Jalan Setia Dagang AL U13/AL, Setia Alam, 40170 Shah Alam, Selangor Darul Ehsan	August 2019
(ii)	No. 21 & 23, Plaza Danau Desa 2, Jalan 4/109F, Taman Danau Desa, 58100 Kuala Lumpur	December 2019
(iii)	No. 41, Jalan Dato Seri Ahmad Said, 30450, Ipoh, Perak Darul Ridzuan	July 2020

The purchase consideration will be settled with the Vendors in proportion to their respective shareholding in AP F&B, as follows:

<u>Vendors</u>	<u>Cash Consideration</u>	<u>Consideration Shares</u>	
		<u>No. of Consideration Shares issued</u>	<u>Value of Consideration Shares issued</u>
	<u>RM'000</u>	<u>'000</u>	<u>RM'000</u>
Uncle Don's Holdings	6,120	67,105	5,100
Asia Poly	5,880	64,474	4,900
Total	12,000	131,579	10,000

4.1.2 Profit guarantee and timing of payment

The Vendors had undertaken to guarantee that AP F&B shall achieve a minimum PAT of RM1.1 million in each of the First Profit Guarantee Period and Second Profit Guarantee Period.

In consideration of the above, our Company shall satisfy RM19.8 million of the purchase consideration on the completion date of the Acquisition SSA whilst the balance of the purchase consideration of RM2.2 million shall be satisfied over 2 tranches of deferred payments, as follows:

No.	Timing of Settlement	Mode of Settlement		
		Cash Consideration RM'000	Consideration Shares RM'000	Total RM'000
(i)	On the completion date of the Acquisition SSA	9,800	⑩10,000	19,800
(ii)	Within 14 Market Days from the date of determination of the PAT for the First Profit Guarantee Period by an independent auditor and subject to meeting the Profit Guarantee for the First Profit Guarantee Period	1,100	-	1,100
(iii)	Within 14 Market Days from the date of the audited financial statements of AP F&B for the Second Profit Guarantee Period made available and subject to meeting the Profit Guarantee for the Second Profit Guarantee Period	1,100	-	1,100
		12,000	⑩10,000	22,000

Note:

- (i) To be satisfied via the issuance of 131,578,947 Consideration Shares at an issue price of RM0.076 each.

In the event AP F&B is unable to meet the profit guarantee for the respective profit guarantee period, our Company shall be entitled to deduct such shortfall from the deferred payment before payment of the deferred payment to the Vendors.

4.1.3 Basis and justification for the purchase consideration

The purchase consideration of RM22.0 million was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the following key factors:

- (i) the range of market value of the entire equity interest in AP F&B of between RM20.9 million and RM22.8 million as at 27 February 2020, being the date of valuation, as appraised by Asia Equity Research, the independent valuer appointed by our Board (save for the Interested Directors), which was derived based on the following:
- the discounted cash flow methodology, which was used as the primary valuation approach after taking into consideration that the business of AP F&B is cash-based and AP F&B has less than a full year financial result.
 - the relative valuation methodology, which was used as the secondary approach to cross-check the results of the primary valuation approach;
- (ii) the Profit Guarantee as set out in Section 4.1.2 above; and
- (iii) the prospects of AP F&B.

4.1.4 Rationale for the Acquisition

The Acquisition was undertaken with the objective for our Group to venture into the food and beverage service industry, particularly operating of restaurant outlets. The Acquisition will enable our Group to consolidate AP F&B's revenue and earnings and is in line with our Group's plans to reduce dependency on our existing businesses.

Our Board (save for the Interested Directors) believes that the Acquisition is an attractive business proposition due largely to the positive prospects of the food and beverage service industry in Malaysia. Thus, the Acquisition is expected to provide our Group with a good long-term viable business with growth opportunity.

Save for the liabilities as stated in the financial statements of AP F&B, our Company will not assume any other liabilities, including contingent liabilities or guarantees pursuant to the Acquisition.

As at the LPD, the Acquisition is pending completion.

4.1.5 Basis and justification for the issue price of the Consideration Shares and Settlement Shares

The issue price of the Consideration Shares and Settlement Shares (to be issued pursuant to the Capitalisation as set out in Section 4.2 below) of RM0.076 each was determined after taking into consideration the TERP of Dolphin Shares of RM0.076 as the Consideration Shares and Settlement Shares will be issued simultaneously with the Rights Shares.

4.1.6 Ranking of the Consideration Shares and Settlement Shares

The Consideration Shares and Settlement Shares shall, upon allotment and issuance, rank pari passu in all respects with the then existing Dolphin Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions in respect of which the entitlement date is prior to the date of allotment and issuance of the Consideration Shares and Settlement Shares.

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4.2 Capitalisation

Our Company had on 27 February 2020 entered into the Settlement Agreements with the following parties for the capitalisation of an aggregate amount owing to them of approximately RM7.2 million to be fully settled via the issuance of 94,690,342 Settlement Shares at an issue price of RM0.076 each:

Name	Amount to be Capitalised	No. of Settlement Shares to be Issued
	RM'000	'000
<u>Our Group's Identified Creditors</u>		
Palma Banjaran Sdn Bhd	2,500	32,894
Hydra-Line Hydraulics Sdn Bhd	1,174	15,449
Kejuruteraan Trisuria Sdn Bhd	1,029	13,536
CLH Construction Sdn Bhd	843	11,100
Global Genesis (M) Sdn Bhd	404	5,321
Sakti Suria (Malaysia) Sdn Bhd	310	4,079
Innofin Consultancy	75	987
<u>Our Company's Shareholder</u>		
Chua Seong Seng	861	11,324
Total	7,196	94,690

As at the LPD, the Capitalisation is pending completion.

4.2.1 Basis and justification for the Issue Price of the Settlement Shares

Please refer to Section 4.1.5 of this Abridged Prospectus for the details.

4.2.2 Ranking of the Settlement Shares

Please refer to Section 4.1.6 of this Abridged Prospectus for the details.

4.3 Proposed Capital Reduction

On 27 February 2020, our Company announced the proposed reduction of our Company's issued share capital pursuant to Section 116 of the Act. The Proposed Capital Reduction is not conditional upon any proposals undertaken or to be undertaken by our Company. Our Company's shareholders had approved the Proposed Capital Reduction at our Company's EGM convened on 5 June 2020.

On 16 June 2020, our Company filed a Petition with the High Court of Malaya at Shah Alam ("**High Court**") to obtain the High Court's order confirming the Proposed Capital Reduction and the hearing for the Petition has been fixed on 18 August 2020.

4.4 Diversification

On 27 February 2020, our Company proposed to diversify our Group's principal activities to include the undertaking and provision of food and beverage services and related activities as our Board (save for the Interested Directors) has identified the provision of food and beverage service as a new business segment to diversify our Group's revenue and income after taking into account the prospects of the food and beverage service industry in Malaysia as well as the prospects of AP F&B as set out in Sections 8.3 and 8.4 of this Abridged Prospectus respectively.

As such, the Diversification was undertaken pursuant to Paragraph 10.13(1) of the Listing Requirements as our Board (save for the Interested Directors) believes that, barring any unforeseen circumstances, our Group's food and beverage business segment is reasonably expected to contribute more than 25% of our Group's net profits in the future. Our Company's shareholders had approved the diversification exercise at our Company's EGM convened on 5 June 2020.

4.5 Placement

On 29 November 2019, our Company announced the proposed private placement of up to 29,970,000 new Shares, representing approximately 10% of our Company's total number of issued Shares, pursuant to our shareholders' mandate for issuance of new Shares under Sections 75 and 76 of the Act which was obtained at our Company's 7th Annual General Meeting. The Placement is not conditional upon any proposals undertaken or to be undertaken by our Company.

As at the LPD, our Company is in the midst of identifying potential places to subscribe for the placement shares.

5. RATIONALE FOR THE RIGHTS ISSUE

The Rights Issue will enable our Company to raise the required funds and channel them towards the utilisation as set out in Section 6 of this Abridged Prospectus.

After due consideration of the various fund-raising options available, our Board (save for the interested Directors) is of the opinion that the Rights Issue is the most suitable means of raising the required funds for our Company for the following reasons:

- (i) it provides an avenue for our Company to raise the required funds without having to incur interest costs as compared to bank borrowings and/or other interest-bearing debt instruments, thereby minimising any potential cash outflows in respect of interest servicing cost;
- (ii) it will enhance our Company's capital base, lower our Group's gearing level and thereby create headroom for our Group to consider further debt financing for future business expansions, if required;
- (iii) the Warrants-B provide an added incentive to our Entitled Shareholders to subscribe for the Rights Shares. In addition, the Warrants-B will potentially allow our Entitled Shareholders who subscribe for the Rights Shares to benefit from the potential capital appreciation of the Shares and increase their equity participation in our Company at predetermined exercise price over the tenure of the Warrants-B of 3 years; and
- (iv) it enables our Company to raise additional funds as and when the Warrants-B are exercised.

6. UTILISATION OF PROCEEDS

Based on the issue price of RM0.06 per Rights Share, our Company expects to raise gross proceeds of up to approximately RM24.7 million from the Rights Issue, which will be utilised in the following manner:

Purpose	Note	Minimum Scenario		Maximum Scenario		Estimated time frame for utilisation of proceeds from the date of listing of the Rights Shares
		RM'000	%	RM'000	%	
Acquisition	6.1	9,800	76.5	9,800	39.6	Within 1 month
Enhancement and optimisation programme of SLPOM Project	6.2	1,515	11.8	3,000	12.1	Within 12 months
Operational expenditures and working capital requirements of secured contracts	6.3	-	-	3,000	12.1	Within 12 months
Repayment of borrowings	6.4	-	-	2,000	8.1	Within 3 months
Working capital	6.5	-	-	5,425	22.0	Within 12 months
Estimated expenses	6.6	1,500	11.7	1,500	6.1	Within 1 month
Total		12,815	100.0	24,725	100.0	

Prior to utilisation for the above purposes, the proceeds from the Rights Issue will be placed in interest-bearing deposits and/or short-term money market instruments with licensed financial institutions as our Board shall in its absolute discretion deem fit and in the best interest of our Group. Any interest-income earned from such deposits and/or instruments will be used, when available, as working capital for our Group.

Any additional proceeds raised in excess of RM12.8 million under the Minimum Scenario will be allocated to the following utilisation up to their respective maximum allocation under the Maximum Scenario in the following order of priority:

- (i) our Group's working capital;
- (ii) enhancement and optimisation programme of SLPOM Project;
- (iii) operational expenditures and working capital requirements of secured contracts; and
- (iv) repayment of borrowings.

In the event that the funds raised from the Rights Issue is insufficient to fund the purposes mentioned in (i) to (iv) above, our Company would utilise our Group's internally-generated funds, proceeds to be raised from the Placement and/or bank borrowings to meet the funding requirements.

The actual proceeds that may be raised from the exercise of Warrants-B are dependent on the actual number of Warrants-B issued and exercised over the tenure of Warrants-B of 3 years. Our Company may raise up to RM19.8 million if all the Warrants-B issued under the Maximum Scenario are fully exercised and such proceeds shall be utilised, when available, within 24 months from the date of listing of the new Shares, as follows:

Purpose	%
Operational and capital expenditures of our Group	70.0
General working capital	30.0
Total	100.0

6.1 Acquisition

To be utilised to fund the initial cash purchase consideration of the Acquisition amounting to RM9.8 million. Further details of the Acquisition are set out in Section 4.1 of this Abridged Prospectus.

For information purposes, as at the date of this Abridged Prospectus, all conditions precedent for the Acquisition have been fulfilled save for the completion and satisfactory result of a financial, legal and tax due diligence inquiry on AP F&B. In the event the Acquisition cannot be completed, the proceeds earmarked for the Acquisition shall be utilised for other suitable business opportunities that we deem fit for the purpose of the Diversification. We shall make the necessary announcements and/or seek the necessary approvals, including shareholders' approval, if required, for such business opportunities.

6.2 Enhancement and Optimisation Programme of SLPOM Project

On 24 May 2017, our Group vide Dolphin Robotic had secured a project involving the provision of an enhancement and optimisation programme to a palm oil mill owned by Seri Langat Palm Oil Mill Sdn Bhd ("**SLPOM**").

Under the SLPOM Project, Dolphin Robotic shall, amongst others, upgrade, refurbish, replace and/or modify the palm oil mill's existing machineries, systems and/or components in order to enhance and optimise the operating efficiency of the palm oil mill in terms of its oil extraction rate ("**OER**") and kernel extraction rate ("**KER**") under a build-own-operate model fully financed by Dolphin Robotic.

Upon completion of the enhancement and optimisation programme ("**SLPOM Completion Date**"), Dolphin Robotic shall guarantee that the palm oil mill shall achieve a minimum increase in the OER measured against the agreed base OER of 18.15% ("**OER Throughput**") of 0.75% (failing which SLPOM may terminate the collaboration by giving notice in writing to Dolphin Robotic) and Dolphin Robotic shall be entitled to a share of the monthly revenue generated by the palm oil mill in the following proportion:

- (i) from the SLPOM Completion Date until the 3rd anniversary of the SLPOM Completion Date, Dolphin Robotic shall be entitled to 80% share of the revenue generated from the sale of the OER Throughput and increase in the KER measured against the base KER of 5.32%, of which shall be based on the quantity of the crude palm oil and palm kernel recovered multiplied by the average traded price published by the Malaysia Palm Oil Board for the preceding month ("**Revenue**"); and
- (ii) after the 3rd anniversary of the SLPOM Completion Date (until such time the SLPOM Project is terminated) or in the event the palm oil mill achieves more than 450,000 metric tonnes of processing inputs of palm oil fresh fruit bunches at any point in time regardless of subsection (i) above, Dolphin Robotic shall be entitled to 60% share of the Revenue.

As at the LPD, Dolphin Robotic is in the midst of completing the enhancement and optimisation programme. Barring any unforeseen circumstances, the enhancement and optimisation programme is expected to be completed by the 1st quarter of 2021.

Our Group intends to allocate between RM1.5 million (under the Minimum Scenario) and up to RM3.0 million (under the Maximum Scenario) to fund the abovementioned development costs. The funds shall be utilised for, amongst others, payment to subcontractors and purchases of proprietary systems related to the palm oil mill, as follows:

Utilisation	Note	Minimum Scenario RM'000	Maximum Scenario RM'000
Payments to sub-contractors	(i)	1,515	2,200
Purchases of proprietary systems related to the palm oil mill	(ii)	-	800
Total		1,515	3,000

Notes:

- (i) Mainly for the purchase and installation of steriliser liners, piping, valves, control systems and high-pressure steamers by our sub-contractors.
- (ii) Mainly for the purchase of water dilution system, tank and descending system.

6.3 Operational Expenditures and Working Capital Requirements of Secured Contracts

As at the LPD, our Group has an order book of approximately RM6.0 million comprising 9 secured contracts (excluding the SLPOM Project) mainly involving the supply, delivery, installation, testing and commissioning of automation systems for palm oil mill. The orderbook is expected to be realised over a period of 1 year.

Our Group intends to allocate up to RM3.0 million from the proceeds under the Maximum Scenario to partly fund the secured contracts' operational expenditures and working capital requirements, such as payments to subcontractors and/or purchases of electrical and mechanical parts relating to the systems for installation.

The detailed breakdown of the abovementioned utilisation of proceeds cannot be determined at this juncture as the actual utilisation is subject to, amongst others, the timing and progress of delivery of secured projects and the quantum of available financing and our Group's internally-generated funds as at the respective timeframe.

6.4 Repayment of Borrowings

As at the LPD, our Group's total borrowings stood at RM28.8 million of which RM18.1 million are in relation to the Dolphin Biogas Group, which was deconsolidated on 1 July 2020 following completion of the Disposal. The remaining borrowings comprises 1 term loan which are repayable in monthly instalments with the final payment scheduled in 2031. For information purposes, the term loan was raised to partly fund the purchase of our Group's office building together with a factory and we will not incur any penalty costs for the early repayment of these bank borrowings.

Our Company intends to allocate up to RM2.0 million (under the Maximum Scenario) from the proceeds of the Rights Issue for part repayment of our Group's borrowings. Through the repayment of these term loans, our Group expects to generate annual interest savings of up to RM0.1 million based on the average interest rate of 6.1% per annum.

6.5 Working Capital

The proceeds allocated for working capital purposes shall be utilised for our Group's day-to-day operating expenses to support our Group's existing on-going operations which shall include the following:

	Note	RM'000
Payment of trade and other creditors	(i)	4,000
Administrative and other operating expenses	(ii)	1,425
Total		5,425

Notes:

- (i) Comprises payment to trade and other creditors for existing and future credit purchases. Payment to trade creditors comprises purchases of inventories, mechanical parts and electrical components as well as payments owing to suppliers, the breakdown of which has yet to be determined at by our management at this juncture.
- (ii) Comprises payment to our Group's day-to-day administrative and other operating expenses which shall include, but not limited to, overheads, upkeep of restaurant outlets, factory expenses and maintenance of machineries, the breakdown of which has yet to be determined by our management at this juncture.

6.6 Estimated Expenses

The estimated expenses in relation to the Corporate Exercises include the following:

	Note	RM'000
Professional fees		960
Managing underwriting fee and underwriting commission		351
Estimated fees payable to relevant authorities	(i)	105
Other miscellaneous expenses	(ii)	84
Total		1,500

Notes:

- (i) Includes fees payable to Bursa Securities, the SC and the Registrar of Companies in respect of the Corporate Exercises.
- (ii) Comprises expenses to convene the EGM, printing costs, advertisement costs and other miscellaneous expenses in relation to the Corporate Exercises. Any surplus or shortfall of the estimated expenses will be reallocated to/from proceeds earmarked for funding our Group's working capital.

7. RISK FACTORS

In addition to other information contained in this Abridged Prospectus, you and/or your renounees/transferees, if applicable, should consider carefully the following risk factors which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Issue.

7.1 Our Group Has Been Incurring Losses

Our Group's financial performance since the FYE 31 December 2016 has been adversely affected by the stagnant production of palm oil in Malaysia which has resulted in the reduction in capital expenditure by palm oil mills. As such, our Group has experienced decreasing revenue from approximately RM69.4 million for the audited FYE 31 December 2015 to RM10.7 million for the unaudited 15-month FPE 31 March 2020.

The decreasing revenue has caused our Group to incur losses since the FYE 31 December 2016 and reduced our Group's overall cash flows, which in-turn, resulted in our Group having to raise funds from bank borrowings and issuance of preference shares by Dolphin Robotic to fund our Group's business. The additional bank borrowings and issuance of preference shares has resulted in additional interest expenses and dividend to be paid to subscribers of the preference shares. Consequently, our Group had to undertake cost-cutting measures as well as scale down our operations in order to turn around the business.

In addition, the SLPOM Project, which is a main part of our secured projects, has yet to be completed as at the LPD due to unfavourable market condition and lack of funding. In relation thereto, our Auditors had expressed a qualified opinion in our latest audited consolidated financial statements for the FYE 31 December 2018 whereby a qualified opinion was made in relation to the recoverability of the carrying amount of the capitalised costs incurred for the SLPOM Project. In this regard, these capitalised costs amounting to RM12.6 million as at 31 March 2020 could potentially be written-off and/or impaired by our Group in the future in the event the SLPOM Project is not viewed to be able to complete. This may lead to our Group registering losses of the equivalent amounts as written-off/impaired. Nevertheless, through proceeds from the Rights Issue as well as our Group's internally-generated funds, our Board opined that the SLPOM Project is expected to be sufficiently funded and would be able to be completed by the 1st quarter of 2021.

Taking the above into consideration, in the event our Group incur further losses resulting in our Group's shareholders' equity to be 25% or less of our issued share capital, we may potentially be listed as an affected listed issuer pursuant to Paragraph 8.04 and Practice Note 17 of the Listing Requirements ("**Practice Note 17**").

However, on 16 April 2020, Bursa Securities had provided some relief measures to allow for listed issuers to focus on sustaining their businesses and operations whereby certain criteria under Practice Note 17 would be suspended for listed issuers which triggers these criteria up to 30 June 2021.

Under these relief measures, if our Group triggers these Practice Note 17 criteria, we would not need to comply with the obligation for a period of 12 months from the date of triggering. Upon expiry of the 12-month period, our Group would need to reassess its condition and announce whether we continue to trigger the Practice Note 17 criteria.

In the event we continue to trigger these Practice Note 17 criteria, we would be classified as an affected listed issuer and will be required to regularise our Company's financial condition within 12 months from the date of our Company being classified as an affected listed issuer in compliance with Paragraph 8.04 of the Listing Requirements and Practice Note 17.

Our Board envisages that the utilisation of proceeds raised from the Rights Issue as set out in Section 6 of this Abridged Prospectus will assist in our Group's turn around as it will strengthen our financial position and raise sufficient funds to complete the Acquisition which would introduce a new source of revenue for our Group as well as channelling the required funding for the SLPOM Project.

Notwithstanding the above, there is no assurance that the abovementioned steps undertaken by our Group will be able to successfully lead to a turnaround in the profitability of our Group and to enable our Group to achieve profits on a sustainable basis.

7.2 Diversifying into the Food and Beverage Business

We are in the midst of diversifying our Group's principal activities to include the undertaking and provision of food and beverage services and related activities with the Acquisition being our maiden venture. The diversification into the food and beverage business will expose our Group to risks inherent in the food and beverage services industry such as changes in demographic factors, changes in consumers' tastes, preferences and spending propensity, increases in prices of food ingredients, instability of supply and quality of food ingredients, rental increases as well as scarcity of experienced personnel, skilled chefs and operating locations.

As our Group does not have prior experience in the food and beverage business, we might be at a disadvantage due to the industry's low entry barriers and stiff competitions from new and existing market players and our lack of industry know-how.

As such, there is no certainty that our Group would be able to manage the aforementioned risks efficiently and on a timely manner. This would lead to us having difficulties in competing successfully and effectively with new entrants and existing players in the food and beverage service industry on a sustainable basis.

7.3 Acquisition Risk

We are undertaking the Acquisition as our maiden venture into the food and beverage industry. The Acquisition entails the acquisition of the entire equity interests in AP F&B which owns and operates 3 restaurant outlets under the brand name of "Uncle Don's" located at Setia Alam, Taman Danau Desa and Ipoh (which is a new outlet that has just opened in July 2020). Upon completion, the Acquisition will expose our Group to the existing business risks of AP F&B such as the following:

(i) Risks Inherent in the Food and Beverage Services Industry

As one of the industry player in the food and beverage services industry, AP F&B is exposed to risks inherent in the industry. Please refer to Section 7.2 above for details of the risks inherent in the food and beverage services industry.

(ii) Risks of Termination or Non-renewal of the Licensing Agreements

The 3 restaurant outlets of AP F&B relied on the Licensing Agreements to operate, which amongst others, set out the use of the "Uncle Don's" trade name and the know-how for the operational procedures (including the menu for food and beverages, recipes, preparation methods and presentation styles). The respective Licensing Agreement has a tenure of 5 years with an option to extend for another 5 years upon expiry.

There is no assurance that the Licensing Agreement will be renewed upon expiry. In the event that any of the Licensing Agreements are not renewed upon expiry for whatsoever reason, the affected restaurant is required to cease using the "Uncle Don's" trade name and operational procedures of Uncle Don's, which is envisaged to adversely affect the future financial performance of AP F&B.

In addition, the Licensing Agreements sets out, amongst others, the standard operational procedures to be complied with by the respective restaurant outlets of Uncle Don's, failing which may lead to termination. In such event, if the affected licensee is unable to remedy or rectify any non-compliance for whatsoever reason, the Licensor could terminate the Licensing Agreement prior to expiry.

7.4 Risks of Impairment of Goodwill Arising from the Acquisition

Our Company will recognise goodwill arising from the Acquisition, the amount of which will depend on the fair value of the assets and liabilities acquired as at the acquisition date. Subsequent to initial recognition, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired. Any fair value adjustments allocated to the identifiable asset and liabilities and impairment of goodwill, if any, from the Acquisition may materially and adversely affect our Group's financial position, earnings and EPS.

7.5 Dependence on Key Personnel for the Food and Beverage Industry

Our Board recognises and believes that our Group's success of venturing into the food and beverage industry depends, to a significant extent, on the competence, efforts and contributions of the prospective key personnel that our Group shall appoint in the future.

As part of the conditions subsequent to the Acquisition SSA, upon completion of the Acquisition, our Company will be appointing Ian Ong Ming Hock as a Non-Independent Non-Executive Director of our Company in order to assist our Board in overseeing the management and operations of AP F&B. Further, our Group shall also tap into his expertise, experience and networking in the food and business industry especially to advise our Group on key matters relating to the industry. Currently, he is a key Director of AP F&B and has more than 10 years of experience in the food and beverage service industry mainly in the field of business development and management.

In the event of a loss of the key personnel such as Ian Ong Ming Hock without suitable and timely replacement, our Group's venture into the food and beverage related business activities may be adversely affected.

7.6 Dependence on the Prospects of the Palm Oil Industry

Our Group's future business and financial performance is dependent on the outlook of the palm oil plantation industry. Our Group's business and financial performance may be adversely affected in the event the palm oil industry experiences a significant downturn which could result in amongst others, lower palm oil production activities, fewer palm oil mills being built, lack of growth in new plantation acreage and lower spending on palm oil mill's maintenance and repairing. In the event of such adverse situation, propensity of capital spending on palm oil mills is expected to be low which may adversely affect our Group's business in the provision of automation and control processes for palm oil mill.

Although prospects of the palm oil industry appears to be positive as set out in Section 8.2 of this Abridged Prospectus, no assurance can be given that adverse events such as adverse weather condition, trade tensions and/or fluctuation of palm oil prices will not incur in the future. In the event of such adverse event, our Group's business may be negatively impacted.

7.7 Risks from the Global Outbreak of COVID-19 Pandemic

COVID-19, a contagious disease, was first detected in late 2019 and has since spread around the world with the World Health Organization declaring the disease a pandemic on 11 March 2020.

To contain the spread of COVID-19 within Malaysia, the Malaysian Government implemented the MCO between 18 March 2020 to 3 May 2020 which led to the closure of all government operations and private businesses except for essential goods and services and restrictions on travels. The MCO was subsequently replaced with the conditional MCO effective from 4 May 2020 which allowed gradual reopening of most economic sectors subject to adherence to specified guidelines and standard operating procedures. On 9 June 2020 the conditional MCO was replaced with the recovery MCO effective from 10 June 2020 up till 31 August 2020 which provides further relaxation of economic, social and travel restrictions.

As a result of the containment measures undertaken by the Malaysian Government, our business was adversely affected as our Group's operations were temporarily halted, i.e. we temporarily ceased on-site activities and closed our office whilst our administrative staff worked from home, during the period when the MCO was in effect. Nonetheless, our Group had re-commenced operations in May 2020 after putting in place standard operating procedures based on the guideline issued by the Malaysian Government, which includes practicing social distancing, frequent sanitization of common area within our office, and mandatory body temperature screening for visitors and employees. Due to the above, the profitability of our Group for the current financial year is adversely affected as there were no revenue generated during the MCO period.

In order to minimise the impact of the MCO to our business, our management has rescheduled delivery dates for our secured contracts as well as the SLPOM Project so as to complete these contracts/project within our clients' expectations without incurring any penalties. There were no material disruptions to our Group's supply chain when our Group re-commenced operations in May 2020 as the majority of our Group's production inputs are sourced from the local market and most local businesses were allowed to resume operations beginning from 4 May 2020 as mentioned above.

AP F&B's business was also adversely affected whereby, in compliance with the MCO, its restaurant outlets were only opened for take-aways and deliveries during the second half of March 2020 and were temporarily closed in April 2020. Nevertheless, its restaurant outlets had re-commenced operations in May 2020 after putting in place standard operating procedures based on the guideline issued by the Malaysian Government, which includes practicing social distancing, frequent sanitization of common area within AP F&B's office and restaurant outlets, and mandatory body temperature screening for customers and employees. There have been no material disruptions to AP F&B's supply chain when AP F&B re-commenced operations in May 2020 as the majority of AP F&B's supplies are sourced from the local market and most local businesses are allowed to resume operations beginning from 4 May 2020 as mentioned above.

In the event that COVID-19 pandemic prolongs and new movement control orders are implemented by the Malaysian Government, our Board expects our Group's and AP F&B's business activities would be adversely affected.

7.8 Insurance Risks

At present, our Group maintains insurance at levels that are in accordance with standard industry practice to protect against various losses and liabilities. However, there can be no assurance that potential liabilities and losses can be adequately insured at all times or that any insured sum will be paid. In the event of damage or losses in excess of our insurance coverage, our Group may be required to make material compensation payments which may materially and adversely affect our financial condition.

7.9 Risks Relating to the Rights Issue

(i) Investment risk

The market price of the new securities arising from the Rights Issue, like all other listed securities traded on Bursa Securities, are subject to fluctuation and will be influenced by, amongst others, prevailing market sentiment, volatility of the stock market, volatility of our Shares, movements in interest rate, outlook of the industries in which we operate in and our future financial performance. In view of this, there can be no assurance that our Shares will trade at or above the TERP disclosed in Sections 2.2 of this Abridged Prospectus.

The Warrants-B are new instruments issued by our Company. Therefore, there can be no assurance that an active market for Warrants-B will develop upon listing on Bursa Securities, or if developed, will be sustainable. In addition, there is no assurance that the Warrants-B will be “in-the-money” during the exercise period.

(ii) Failure or delay in the completion of the Rights Issue

The Rights Issue may be aborted or delayed on the occurrence of any force majeure events or events/circumstances that is beyond the control of our Company, Principal Adviser, Managing Underwriter and/or the Joint Underwriters, arising prior to the completion of the Rights Issue.

In particular, the Rights Issue is dependent on the underwriting arrangement for the Rights Issue whereby, there are certain circumstances where the Managing Underwriter or Joint Underwriters may terminate the Underwriting Agreement on the occurrence of any of the events which could lead to termination, amongst others, as follows:

- (a) the Managing Underwriter and Joint Underwriters are of the opinion that since the date of the Underwriting Agreement, there has been a change, or any development involving a prospective change in the national or international monetary, financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market or commodities market), political, legal, regulatory, industrial or economic conditions or currency exchange rates or foreign exchange controls;
- (b) Bursa Securities, the SC, the Companies Commission Malaysia or any other regulatory or governmental body in Malaysia makes any stop order or ruling (or revoke any ruling previously made) which in effect prevents the issuance and the listing of and quotation for the Rights Shares and Warrants-B on the Main Market of Bursa Securities; or
- (c) the Undertaking becomes void or unenforceable or the performance of Asia Poly's obligations pursuant to the Undertaking becomes unlawful, impossible or unenforceable for whatever reason.

In the event the Rights Shares and Warrants-B have been allotted to successful Entitled Shareholders and/or their renounees/transferees, if applicable, and the Rights Issue is subsequently cancelled or terminated other than pursuant to Section 245 of the CMSA, a return of monies to the successful applicants can only be achieved by way of cancellation of share capital under the Act. Such cancellation may require the approval of our shareholders by way of a special resolution in a general meeting, consent of our Company's creditors, where applicable and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be returned within a short period of time under such circumstances.

In the event the Rights Issue cannot be implemented or completed due to a stop order issued by the SC pursuant to Section 245 of the CMSA, our Company will undertake the necessary procedures to ensure the refund of monies is made in full without interest in respect of any application for the subscription of the Rights Shares and Warrants-B including the Excess Rights Shares with Warrants-B within 14 days after our Company becomes liable to do so, in accordance with the provisions of the CMSA. If such monies are not repaid within 14 days after our Company becomes liable to do so, our Company will repay such monies in accordance with Section 245(7) of the CMSA.

(iii) Potential dilution

Entitled Shareholders who do not or are not able to accept their Provisional Allotment will have their proportionate ownership and voting interests in our Company reduced in the enlarged issued share capital of our Company. Consequently, their proportionate entitlements to any future distribution, rights and/or allotment that our Company may declare, make or pay after completion of the Rights Issue will correspondingly be diluted.

8. INDUSTRY OVERVIEW AND PROSPECTS

8.1 Overview and Outlook of the Malaysian Economy

The Malaysian economy registered a quarterly Gross Domestic Product (“GDP”) growth of 0.7% during the 1st quarter of 2020, which was the lowest quarterly GDP growth since the 3rd quarter of 2009, mainly as a result of the containment measures undertaken both globally and domestically to contain the global outbreak of COVID-19 pandemic.

During the 1st quarter of 2020, the Malaysian economy saw its domestic demand registering a modest growth of 3.7% (4th quarter 2019: 4.8%). The slower growth in domestic demand was mainly due to weaker capital spending as well as weaker consumer sentiments and business confidence. Nonetheless, during the said quarter, private consumption grew by 6.7% (4th quarter 2019: 8.1%) which had positively contributed to the growth in domestic demand.

(Source: Quarterly bulletin for the 1st Quarter of 2020, Bank Negara Malaysia)

For the year 2020, the Malaysian economy projected growth to be between -2.0% and 0.5% (2019: 4.3%) due largely to, amongst others, the adverse economic impact arising from the COVID-19 pandemic. In particular, the Malaysian economy will be impacted by the necessary global and domestic actions taken to contain the global outbreak of COVID-19. Of significance, the Malaysian tourism-related sectors are expected to be affected by broad-based travel restrictions and travel risk aversion, while production disruptions in the global supply chain will weigh on the manufacturing sector and exports. In addition, the implementation and subsequent extension of the MCO, while critical, will dampen economic activity following the suspension of operations by non-essential service providers and lower operating capacity of manufacturing firms. Beyond the MCO period, reduced social and recreational activities until the COVID-19 pandemic is fully controlled globally and domestically will continue to dampen consumption and investment activity. Apart from the pandemic, the Malaysian economy will also be affected by the sharp decline and volatile shifts in crude oil prices and continued supply disruption in the commodities sector. Unfavorable weather conditions and maintenance works will weigh on the production of oil palm, crude oil and natural gas.

(Source: Economic & Monetary Review 2019, Bank Negara Malaysia)

Notwithstanding the above, the Malaysian Government and Bank Negara Malaysia had introduced various economic plans to mitigate the adverse economic impact of the COVID-19 pandemic. Amongst others, the Malaysian Government had on 27 March 2020, 6 April 2020 and 5 June 2020 announced stimulus packages amounting to a total of approximately RM250.0 billion, RM10.0 billion and RM35.0 billion respectively to cushion the headwinds arising from the COVID-19 pandemic. In addition, Bank Negara Malaysia had, amongst others, reduced the overnight policy rate to 2.0% in order to provide a more accommodative monetary environment to support economic growth amid price stability.

With the abovementioned economic measures, Malaysian household’s disposable income and cash flow as well as private consumption is expected to improve, and the labour market conditions is envisaged to gradually stabilise following the gradual improvement in Malaysian and global economic activities.

8.2 Overview and Outlook of the Palm Oil Industry in Malaysia

The Malaysian palm oil industry performed better in 2019 compared to that of the previous year. Palm oil exports and imports, fresh fruit bunches (“FFB”) yield as well as crude palm oil (“CPO”) production increased, whilst palm oil stocks, CPO prices and total export earnings of palm oil products declined.

The FFB yield increased by 0.1% to 17.2 tonnes per hectare as compared to 17.16 tonnes per hectare in 2018 due to better yield performance for the first 8 months in 2019. In addition, the national oil extraction rate (“OER”) increased by 1.3% to 20.2% as compared to 19.9% recorded in 2018, mainly attributable to better quality FFB processed by the palm oil mills. However, by the end of 2019, the OER recorded lower performance due to lower quality FFB processed arising from unfavourable weather conditions in all CPO producing states. For 2019 as a whole, CPO production increased marginally by 1.8% from 19.5 million tonnes in 2018 to 19.9 million tonnes, primarily driven by overall higher FFB yield and better OER performance. The performance of CPO production in the first 8 months of 2019 was higher as compared to the corresponding period in 2018. However, from September 2019, the performance was lower vis-à-vis that in 2018 with December 2019 recording the lowest CPO production of the year. Meanwhile, the palm oil planted area increased by 0.9% to 5.9 million hectares as compared to the preceding year, primarily driven by the expansion of new planted areas in Peninsular Malaysia and Sarawak.

In 2019, the CPO price traded lower by 6.9% to RM2,079.00/tonne compared to RM2,232.50/tonne in 2018. Although the CPO price traded lower in 2019, it was trading on an upward trend especially towards the last quarter of the year. Palm oil closing stocks were lower by 37.2% to 2.01 million tonnes in December 2019 as compared with 3.2 million tonnes recorded in December 2018, mainly due to higher palm oil exports. The total exports of palm oil products for the year increased by 12.0%, amounting to 27.9 million tonnes as compared to 24.9 million tonnes exported in 2018. Export revenue of total palm oil products however, declined by 4.0% to RM64.8 billion compared with RM67.5 billion in 2018 due to lower export prices.

For the year 2020, the CPO price is projected to be relatively sustained, as weaker external demand is offset by the decline in CPO production. The low CPO production since the end of 2019 is expected to extend to the early months of 2020, mainly due to the lagged impact of severe dry weather conditions experienced in 2019 as well as output constraints arising from the MCO implemented by the Malaysian Government to contain the outbreak of COVID-19. These disruptions are however, anticipated to dissipate gradually as weather conditions normalise and palm oil production benefits from higher fertiliser application in early 2020.

(Source: Malaysia's Palm Oil Supply and Demand Outlook for 2020, Malaysian Palm Oil Board & Outlook and Policy in 2020, and Economic and Monetary Review 2019, Bank Negara Malaysia)

8.3 Overview and Outlook of the Full-service Restaurants Segment of the Food and Beverage Service Market in Malaysia

Food and beverage services refer to the provision of services related to the preparation and serving of food and beverages to customers. Full-service restaurants refer to sit-down food and beverage service establishments where patrons are seated and attended to by waiters, with food served directly to their table. Some of these establishments may serve alcoholic beverages alongside meals and snacks.

The overall food and beverage service market size in Malaysia, depicted by food service value, grew from RM33.1 billion in 2014 to an estimated RM41.6 billion in 2019, registering a compound annual growth rate (“CAGR”) of 4.7%. As a subset of the overall food and beverage service market, the full-service restaurant segment is estimated to have accounted for 58.2% of the total market size in 2019. The full-service restaurant segment was estimated to grow at a CAGR of 3.5% during the period of 2014 to 2019, from RM20.4 billion to an estimated RM24.2 billion. Moving forward, the full-service restaurant segment is forecast to reach RM25.4 billion in 2022, growing from an estimated RM24.4 billion in 2020 at a CAGR of 2.0%.

(Source: Euromonitor International's Passport database and PROVIDENCE analysis)

The segment is expected to be adversely impacted by the global outbreak of COVID-19 in 2020. The implementation of the national lockdown policy to curb the spread of the virus in the country has restricted dining out at full-service restaurants. Nevertheless, the segment is expected to recover in the following years as it will continue to be driven by the following key factors:

(i) Rising urbanisation and income levels will lead to greater spending power for dining out

Malaysia continues to experience a rise in urbanisation, resulting in more women joining the workforce and people working longer hours. Consequently, this has increased demand for convenience. Compared to rural dwellers, urban residents have greater spending power and lead busier lives and thus, have greater propensity for dining out. As a result, the full-service restaurant segment in Malaysia is expected to continue experiencing growth in demand.

In addition, as the country's urbanisation rate continues to rise, the living standards and disposable income of the population will continue to improve in the long-term, especially for urban households. Malaysia's gross national income per capita grew from RM36,710 in 2015 to RM45,131 in 2019. The long-term growth of disposable income will support the urban population's growing demand for dining out in restaurants, including full-service restaurants.

(Source: Department of Statistics Malaysia and PROVIDENCE analysis)

While the economy in Malaysia is expected to be impacted by the recent global outbreak of COVID-19, the economy is anticipated to progressively recover in the following years, with the support of economic stimulus packages announced by the Government of Malaysia. In particular, the Government of Malaysia had announced stimulus packages to stimulate the growth of the local economy.

(ii) The on-going lifestyle trend to dine at full-service restaurants in Malaysia will continue to support the growth of the full-service restaurant segment

In Malaysia, dining at full-service restaurants has become a common lifestyle habit amongst both single adults and families. Besides being able to provide food and drink, these establishments are also a venue for them to socialise.

It is also common for single adults and families to celebrate personal and corporate events as well as festivities in full-service restaurants. As Malaysia is a multi-racial country, there are many festivities that occur throughout the year including Chinese New Year, Hari Raya Aidilfitri, Deepavali and Christmas. This provides full-service restaurants the opportunity to generate higher revenues during these festive seasons. It is expected that the trend of dining out in Malaysia will continue after the outbreak of COVID-19 has been kept under control in the country.

(iii) The availability of a diverse range of cuisines in Malaysia will continue to support the growth of the full-service restaurant segment

Malaysia's full-service restaurant segment offers customers a diverse range of cuisines, ranging from local cuisines such as Malay, Chinese and Indian to foreign cuisines such as Thai, Vietnamese and Italian. As such, it is common for locals and foreigners to dine out to try a variety of cuisines in Malaysia.

The growing number of full-service restaurants offering different dining options and a variety of cuisines has been instrumental in the growth of the full-service restaurant segment of the food and beverage service market in Malaysia.

(iv) Applications and electronic wallets serve as a new marketing avenue for the food and beverage service industry, and will thus contribute to the growth of the full-service restaurant segment

There is an increasing number of applications in Malaysia which enable delivery and takeaway services, introduce restaurants in a particular location and provide discount vouchers.

Delivery and takeaway service applications such as “DeliverEat”, “Foodpanda” and “GrabFood” enable full-service restaurants to not only serve the customers patronising their outlet, but also customers ordering through these applications. These delivery and takeaway service applications have also been essential in allowing full-service restaurants to operate during the national lockdown period, and it is anticipated that these applications will continue supporting the growth of the full-service restaurant segment after the national lockdown policy has been lifted in the country.

Meanwhile, applications which introduce new restaurants such as “Zomato” and “Jalan-Jalan Cari Makan” allow potential customers to search for restaurants in a particular area and view the ratings from past customers. In addition, there are also applications that provide discount vouchers such as “Entertainer” and “Fave” which allow customers to purchase vouchers to dine at food and beverage service outlets at a discounted rate.

Further, going cashless is also becoming popular through electronic wallet service providers such as Boost, GrabPay and Touch 'n Go eWallet. These electronic wallet service providers have been actively offering marketing promotions, which include discounts and vouchers in full-service restaurants. In addition, the Government of Malaysia launched the e-Tunai Rakyat initiative on 15 January 2020 to spur the adoption and use of electronic wallets. Eligible applicants will receive a RM30 incentive in their electronic wallet to promote digital payments among Malaysians. Also, as part of the stimulus package to cushion the headwinds arising from COVID-19, the Government of Malaysia announced that RM50 worth of electronic wallet credits and additional RM50 in vouchers, cashback and discounts will be given between July to September 2020 to drive electronic wallet usage. These incentives to drive electronic wallet adoption also serve as an indirect marketing tool for full-service restaurants, thus contributing to the growth of the full-service segment of the food and beverage service market in Malaysia.

(Source: IMR Report)

8.4 Prospects of AP F&B

AP F&B is part of the larger restaurant chain under the branding of “Uncle Don's” which currently has 16 outlets (including those operated by AP F&B), whereby majority of these outlets are located in the Klang Valley. As part of the larger group, AP F&B stands to benefit from, amongst others, brand recognition of Uncle Don's, bulk purchases from central kitchen at competitive prices and start-up support from the Licensor, which would enable AP F&B to better compete in the market vis-à-vis smaller restaurant chains and/or independent restaurant owners.

AP F&B currently owns and operates 2 restaurant outlets located in the Klang Valley and 1 new restaurant outlet in Ipoh. These restaurant outlets are located in urban areas with high population density and urban residents tend to have greater spending power and propensity for dining out. Besides, growing proliferation of food delivery options as well as on-line sales and marketing gateways and e-wallet payments are expected to contribute positively to restaurant sales. In addition, the restaurant outlets of AP F&B are also large enough to host individual or corporate events and functions which will further contribute positively to restaurant sales.

Nevertheless, the short-term prospects of AP F&B appear to be challenging largely due to the global outbreak of COVID-19 pandemic, which has adversely impacted the prospects of global economies as many countries around the world, including Malaysia, implemented national lockdown policy to curb the spread of COVID-19. This has resulted in, amongst others, lower business activities, contraction in GDP and higher unemployment rate.

Notwithstanding, as set out in Section 8.1 above, the Malaysian Government and Bank Negara Malaysia has undertaken several economic measures to cushion the headwinds arising from the COVID-19 pandemic. With the economic stimulus packages in place as well as other economic easing measures that may be undertaken by other countries to stimulate the growth of their respective economies, it is envisaged that the domestic and/or global economies may progressively recover in the foreseeable future, which in turn, would enable AP F&B to alleviate the adverse impacts arising from the global outbreak of COVID-19.

Thus, on an overall basis, our Board (save for the Interested Directors) is optimistic of the long-term prospects and outlook of AP F&B, after taking into account, the positive economic benefits arising from the Malaysian economic stimulus packages as well as the overall positive outlook of the Malaysian food and beverage industry.

8.5 Prospects of Our Group

As at the LPD, our Group has an order book of approximately RM6.0 million comprising 9 secured contracts. In addition to the secured contracts, our Group has secured the SLPOM Project whereby our Group will have a share in the revenue from the palm oil mill enhanced by our Group as set out in Section 6.2 of this Abridged Prospectus. The delivery of the secured contracts and the SLPOM Project is expected to contribute positively to our Group's future financial performance. In addition, our Board views that the favourable prospects of the palm oil industry in Malaysia as set out in Section 8.2 of this Abridged Prospectus is envisaged to contribute positively to the propensity of capital spending by palm oil millers which in turn is expected to bolster well for our Group's business. Nevertheless, the short-term prospects of our Group appear to be challenging largely due to the adverse impact arising from the COVID-19 pandemic.

As part of the plan to bolster the cash available to fund our Group's working capital, our Group is implementing the Disposal to unlock a non-core asset to alleviate our Group's cash flow constraints. In addition, our Group is implementing the Capitalisation which would further conserve cash resources for our Group's operations.

Our Group is also implementing the following steps to improve our Group's financial condition:

(i) Reduce finance costs

Having considered our Group's competitive business environment, our Group is striving to pare down borrowings and reduce finance cost. Our Company plans to allocate up to RM2.0 million from the proceeds to be raised under the Maximum Scenario for the repayment of term loans, which would result in annual interest savings of approximately RM0.1 million and a proportionate reduction in our Group's gearing.

(ii) Capitalisation of debts under the Capitalisation

Concurrently, our Group is implementing the Capitalisation with the aim of reducing the amount of cash outflows required to repay the parties under the Capitalisation. The reduction in cash outflows would allow our Group to conserve cash resources for our Group's operations.

(iii) Improving cost effectiveness

Our Company is striving to take all reasonable actions to improve our Group's cost effectiveness. These include regular review of human resources and manpower requirements vis-à-vis our Group's prevailing scale of operations, reduce dispensable, closely monitor ageing schedule of receivables to ensure timely collection of receivables and/or optimising usage of utilities and limiting spending on non-operating expenses.

Having considered the above as a whole, our Board is optimistic of the long-term prospects of our Group, after taking into account the positive economic benefits arising from the Malaysian economic stimulus packages, our Group's available secured contracts and the SLPOM Project, our Group's enlarged financial position and available financial resources after completion of the Corporate Exercises as well as the long-term prospects of AP F&B.

9. EFFECTS OF THE RIGHTS ISSUE

In addition to the Rights Issue, our Company is also undertaking the corporate exercises as set out in Section 4 of this Abridged Prospectus and had completed the Disposal on 1 July 2020. For your information, the Diversification will not have any effect on our Group.

As the abovementioned corporate exercises would have a material financial effect to our Company and our Group, the effects of these corporate exercises are illustrated together.

9.1 Share Capital

The pro forma effects on the issued share capital of our Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	244,200,010	81,559,823	244,200,010	81,559,823
Assuming full exercise of Warrants-A	-	-	55,500,002	44,400,002
	<u>244,200,010</u>	<u>81,559,823</u>	<u>299,700,012</u>	<u>125,959,825</u>
To be issued pursuant to the Placement	-	-	29,970,000	⁽ⁱⁱ⁾ 2,907,090
	<u>244,200,010</u>	<u>81,559,823</u>	<u>329,670,012</u>	<u>128,866,915</u>
Reduction of share capital pursuant to the Proposed Capital Reduction	-	(62,900,000)	-	(62,900,000)
	<u>244,200,010</u>	<u>18,659,823</u>	<u>329,670,012</u>	<u>65,966,915</u>
To be issued pursuant to the Rights Issue	213,577,500	12,814,650	412,087,515	24,725,251
Less: Warrant reserve	-	⁽ⁱⁱⁱ⁾ (7,688,790)	-	⁽ⁱⁱⁱ⁾ (14,835,151)
	<u>457,777,510</u>	<u>23,785,683</u>	<u>741,757,527</u>	<u>75,857,015</u>
To be issued pursuant to the Capitalisation	94,690,342	7,196,466	94,690,342	7,196,466
	<u>552,467,852</u>	<u>30,982,149</u>	<u>836,447,869</u>	<u>83,053,481</u>
To be issued pursuant to the Acquisition	131,578,947	10,000,000	131,578,947	10,000,000
	<u>684,046,799</u>	<u>40,982,149</u>	<u>968,026,816</u>	<u>93,053,481</u>
To be issued assuming full exercise of Warrants-B	128,146,500	10,251,720	247,252,509	19,780,201
Reversal of warrants reserve	-	7,688,790	-	14,835,151
Enlarged issued share capital	<u>812,193,299</u>	<u>58,922,659</u>	<u>1,215,279,325</u>	<u>127,668,833</u>

Notes:

- (i) Assuming the Shares are issued at the 5-day VWAMP of Shares up to and including the LTD of RM0.097.
- (ii) Computed based on the theoretical fair value of each Warrant-B as at the LTD of RM0.06, derived from the Trinomial Option Pricing Model as extracted from Bloomberg.

9.2 NA and Gearing

The pro forma effects of the Corporate Exercises, Disposal and Proposed Capital Reduction on our Group's NA and gearing are as follows:

(i) Minimum Scenario

		(I)	(II)	(III)	(IV)	(V)	(VI)
	Unaudited as at 31 March 2020	After the Disposal	After (I) and the Proposed Capital Reduction	After (II) and the Rights Issue	After (III) and the Capitalisation	After (IV) and the Acquisition	After (V) and assuming full exercise of Warrants-B
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	81,560	81,560	⁽ⁱⁱⁱ⁾ 18,660	23,786	30,982	40,982	58,923
Other reserve	(23,145)	(23,145)	(23,145)	(23,145)	(23,145)	(23,145)	(23,145)
Revaluation reserve	1,801	1,801	1,801	1,801	1,801	1,801	1,801
Warrant reserve	-	-	-	^(iv) 7,689	7,689	7,689	-
Foreign currency translation reserve	701	701	701	701	701	701	701
(Accumulated losses)/Retained earnings	(37,913)	^{(i),(ii)} (39,589)	⁽ⁱⁱⁱ⁾ 23,311	23,311	23,311	23,311	23,311
Shareholders' funds/NA	23,004	21,328	21,328	34,143	41,339	51,339	61,591
No. of Shares in issue ('000)	244,200	244,200	244,200	457,778	552,468	684,047	812,193
NA per Share (RM)	0.09	0.09	0.09	0.07	0.07	0.08	0.08
Total borrowings	29,686	⁽ⁱⁱ⁾ 10,534	10,534	10,534	10,534	10,534	10,534
Gearing (times)	1.29	0.49	0.49	0.31	0.25	0.21	0.17

Notes:

- (i) After taking into account the pro forma gain on Disposal of approximately RM0.02 million and the total estimated expenses of RM1.7 million in relation to the Disposal, Proposed Capital Reduction and the Corporate Exercises.
- (ii) After taking into account the deconsolidation effects of the Dolphin Biogas Group arising from the Disposal.
- (iii) Credit arising from the Proposed Capital Reduction shall be used to off-set the accumulated losses of our Company.
- (iv) Being the theoretical fair value of Warrants-B as at the LTD of RM7.7 million, which was computed based on the theoretical fair value of each Warrant-B as at the LTD of RM0.06, derived from the Trinomial Option Pricing Model as extracted from Bloomberg.

(ii) Maximum Scenario

	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	
	Unaudited as at 31 March 2020 RM'000	After full exercise of Warrants-A and the Placement RM'000	After (I) and the Disposal RM'000	After (II) and the Proposed Capital Reduction RM'000	After (III) and the Rights Issue RM'000	After (IV) and the Capitalisation RM'000	After (V) and the Acquisition RM'000	After (VI) and assuming full exercise of Warrants-B RM'000
Share capital	81,560	128,867	128,867	^(iv) 65,967	75,857	83,053	93,053	127,669
Other reserve	(23,145)	(23,145)	(23,145)	(23,145)	(23,145)	(23,145)	(23,145)	(23,145)
Revaluation reserve	1,801	1,801	1,801	1,801	1,801	1,801	1,801	1,801
Warrant reserve	-	-	-	-	^(v) 14,835	14,835	14,835	-
Foreign currency translation reserve	701	701	701	701	701	701	701	701
(Accumulated losses)/retained earnings	(37,913)	⁽ⁱ⁾ (38,013)	^{(ii),(iii)} (39,689)	^(iv) 23,211	23,211	23,211	23,211	23,211
Shareholders' funds/NA	23,004	70,211	68,535	68,535	93,260	100,456	110,456	130,237
No. of Shares in issue ('000)	244,200	329,670	329,670	329,670	741,758	836,448	968,027	1,215,279
NA per Share (RM)	0.09	0.21	0.21	0.21	0.13	0.12	0.11	0.11
Total borrowings	29,686	29,686	⁽ⁱⁱⁱ⁾ 10,534	10,534	^(vi) 8,534	8,534	8,534	8,534
Gearing (times)	1.29	0.42	0.15	0.15	0.09	0.08	0.08	0.07

Notes:

- (i) After taking into account the estimated expenses of RM0.1 million in relation to the Placement.
- (ii) After taking into account the pro forma gain on Disposal of RM0.02 million and the total estimated expenses of RM1.7 million in relation to the Disposal, Proposed Capital Reduction and the Corporate Exercises.
- (iii) After taking into account the deconsolidation effects of the Dolphin Biogas Group arising from the Disposal.
- (iv) Credit arising from the Proposed Capital Reduction shall be used to off-set the accumulated losses of our Company.
- (v) Being the theoretical fair value of Warrants-B as at the LTD of RM14.8 million, which was computed based on the theoretical fair value of each Warrant-B as at the LTD of RM0.06, derived from the Trinomial Option Pricing Model as extracted from Bloomberg.
- (vi) After taking into consideration the repayment of bank borrowings amounting to RM2.0 million.

9.3 Earnings and EPS

For illustrative purposes, the pro forma effects of the Corporate Exercises and Disposal on the earnings and EPS of our Group for the FYE 31 December 2018 are set out below:

	Minimum Scenario	Maximum Scenario
	RM'000	RM'000
Audited LAT attributable to our Company's shareholders for the FYE 31 December 2018	(4,230)	(4,230)
Add : Audited LAT of the Dolphin Biogas Group for the FYE 31 December 2018 which is attributable to our Company	⁽ⁱ⁾ 582	⁽ⁱ⁾ 582
Add : Pro forma gain from the Disposal	24	24
Add : Interest savings from repayment of bank borrowings	-	122
Less : Estimated expenses in relation to the Placement	-	(100)
Less : Estimated expenses in relation to the Corporate Exercises, Disposal and Proposed Capital Reduction	(1,700)	(1,700)
Add : Profit Guarantee	1,100	1,100
Pro forma LAT attributable to our Company's shareholders	<u>(4,224)</u>	<u>(4,202)</u>
Weighted average no. of Shares in issue ('000)	244,200	244,200
Pro forma no. of Shares in issue ('000)	⁽ⁱⁱ⁾ 684,047	⁽ⁱⁱ⁾ 968,027
LPS for the FYE 31 December 2018 (sen)	(1.73)	(1.73)
Pro forma LPS (sen)	⁽ⁱⁱⁱ⁾(0.62)	⁽ⁱⁱⁱ⁾(0.43)

Notes:

- (i) For illustrative purposes, on the assumption that the Dolphin Biogas Group was deconsolidated on 1 January 2018, that is the beginning of the FYE 31 December 2018, our Group's LAT will reduce by approximately RM0.6 million due to the deconsolidation of the Dolphin Biogas Group's financial results from our Group.
- (ii) After taking into account the issuance of the Rights Shares, Settlement Shares and Consideration Shares.

10. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

10.1 Working Capital

Our Group's working capital is funded through a combination of internal and external sources of funds such as cash generated from operating activities, credit extended by suppliers, credit facilities from financial institutions as well as our Group's existing cash and bank balances.

As at the LPD, our Group recorded cash and bank balances of approximately RM3.4 million (excluding the Dolphin Biogas Group which was disposed on 1 July 2020).

Our Board is of the opinion that after taking into account the proceeds to be raised from the Rights Issue, completion of the Corporate Exercises as well as our existing cash and bank balances and available banking facilities, our Group will have sufficient working capital to meet our operational requirements for a period of 12 months from the date of this Abridged Prospectus.

10.2 Borrowings

As at the LPD, our Group's total outstanding borrowings⁽ⁱ⁾ (all of which are interest bearing) are set out as follows:

Borrowings	RM'000
<u>Current</u>	
Term loan	(i)740
<u>Non-Current</u>	
Term loan	(i)8,587
Total	<u>(i)9,327</u>

Note:

- (i) Excluding the Dolphin Biogas Group which was disposed on 1 July 2020.

Our Group has not defaulted on payments of either interest and/or principal sums on any of our Group's borrowings for the FYE 31 December 2018 and the subsequent financial periods up to the LPD.

10.3 Contingent Liabilities

Save for the contingent liabilities in connection with our Group's material litigations as set out in Section 8 of Appendix I of this Abridged Prospectus, as at the LPD, our Board confirmed that there are no contingent liabilities incurred or known to be incurred by our Group, which upon becoming due or enforceable, may have a material impact of the financial position or business of our Group.

10.4 Material Commitments

Save as disclosed below, as at the LPD, our Board is not aware of any material capital commitments incurred or known to be incurred by our Group, which upon becoming due or enforceable, may have a material impact on the financial position or business of our Group:

	RM'000
Capital expenditure contracted for:	
• Purchase of machinery and equipment	2,800

11. INSTRUCTION FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER, EXCESS RIGHTS SHARES WITH WARRANTS-B APPLICATIONS AND PAYMENT

11.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Allotments which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Allotment into your CDS Account and the RSF to enable you to subscribe for such Rights Shares with Warrants-B provisionally allotted to you, as well as to apply for Excess Rights Shares with Warrants-B if you choose to do so. This Abridged Prospectus and RSF are also available on Bursa Securities' website (<http://www.bursamalaysia.com>).

We shall make an announcement to Bursa Securities on the outcome of the Rights Issue after the Closing Date.

11.2 NPA

The Provisional Allotments are prescribed securities pursuant to Section 14(5) of the SICDA. Therefore, all dealings in such Provisional Allotments will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You and/or your renounees/transferees, if applicable, are required to have valid and subsisting CDS Accounts when making your applications.

11.3 Procedures for Full Acceptance and Payment

Acceptance of and payment for the Provisional Allotments must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained therein. Acceptances which do not strictly conform to the terms and conditions of this Abridged Prospectus, the NPA or the RSF or the notes and instructions contained in the Documents or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEES/TRANSFEREE, IF APPLICABLE, WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR PROVISIONAL ALLOTMENTS ARE SET OUT IN THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

YOU AND/OR YOUR RENOUNCEES/TRANSFEREES, IF APPLICABLE, ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY. IN ACCORDANCE WITH SECTION 232(2) OF THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS ABRIDGED PROSPECTUS.

You and/or your renounees/transferees, if applicable, who wish to accept the Provisional Allotments either in full or in part, must complete Parts I(A) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be despatched by ORDINARY POST, COURIER or DELIVERED BY HAND (at your own risk) to our Share Registrar at the following address:

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

Tel: +603 7890 4700
Fax: +603 7890 4670

so as to arrive no later than **5:00 p.m. on Tuesday, 11 August 2020**, being the last time and date for acceptance of and payment for the Provisional Allotments.

If you lose, misplace or for any other reason require another copy of the RSF, you may obtain additional copies from your stockbroker, our registered office, our Share Registrar or Bursa Securities' website (<https://www.bursamalaysia.com>).

1 RSF can only be used for acceptance of Provisional Allotments standing to the credit of 1 CDS Account. Separate RSFs must be used for the acceptance of Provisional Allotments standing to the credit of more than 1 CDS Account. If successful, the Rights Shares with Warrants-B subscribed for will be credited into your respective CDS Accounts as stated in the completed RSFs.

A reply envelope is enclosed with this Abridged Prospectus. In order to facilitate the processing of the RSFs by our Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

If acceptance of and payment for the Provisional Allotments (whether in full or in part, as the case may be) are not received by our Share Registrar by **5:00 p.m. on Tuesday, 11 August 2020**, being the last time and date for acceptance and payment for the Provisional Allotments, you and/or your renounees/transferees, if applicable, will be deemed to have declined the Provisional Allotments and it will be cancelled. Proof of time of postage will not constitute proof of time of receipt by our Share Registrar.

Our Board will then have the right to allot such Rights Shares with Warrants-B not taken up or not validly taken up to applicants who have applied for the Excess Rights Shares with Warrants-B in the manner as set out in Section 11.7 of this Abridged Prospectus. Our Board reserves the right not to accept any application or to accept any application in part only without assigning any reason thereof.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS-B ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA AND MADE PAYABLE TO "DOLPHIN RIGHTS ISSUE ACCOUNT", CROSSED "A/C PAYEE ONLY" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, CONTACT NUMBER, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE CLOSING DATE.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WITH WARRANTS-B WILL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT AT ITS ABSOLUTE DISCRETION TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

YOU SHOULD NOTE THAT ALL RSF(S) AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST AND WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

11.4 Procedures for Part Acceptance

You are entitled to accept part of your Provisional Allotments that can be subscribed/applied for provided always that the minimum number of Rights Shares with Warrants-B that can be subscribed for or accepted is 5 Rights Shares with 3 Warrants-B. Fractions of a Rights Share and/or Warrant-B arising from the Rights Issue shall be disregarded and be dealt with as our Board in its absolute discretion deems fit and expedient and in the best interest of our Company. You and/or your renounees/transferees, if applicable, should take note that a trading board lot comprises 100 Shares and 100 Warrants-B respectively.

You must complete both Parts I(A) and II of the RSF by specifying the number of Rights Shares with Warrants-B which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the same manner as set out in Section 11.3 of this Abridged Prospectus.

The portion of the Provisional Allotments that has not been accepted or renounced will be made available to the applicants for Excess Rights Shares with Warrants-B Applications.

11.5 Procedures for Sale or Transfer of Provisional Allotments

As the Provisional Allotments are prescribed securities, should you wish to sell or transfer all or part of your entitlement to the Provisional Allotments to 1 or more persons, you may do so through your stockbroker during the period up to the last date and time for sale or transfer of the Provisional Allotments without first having to request for a split of the Provisional Allotments standing to the credit of your CDS Account(s). You may sell such entitlement on Bursa Securities or transfer to such person(s) as may be allowed under the Rules of Bursa Depository, both for the period up to the last date and time for transfer of the Provisional Allotments.

If you have sold or transferred only part of your Provisional Allotments, you may still accept the balance of your Provisional Allotments by completing Parts I(A) and II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar. Please refer to Section 11.3 of this Abridged Prospectus for the procedures for acceptance and payment.

YOU ARE ADVISED TO READ, UNDERSTAND AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING OR TRANSFERRING ALL OR PART OF YOUR PROVISIONAL ALLOTMENTS, YOU ARE NOT REQUIRED TO DELIVER ANY DOCUMENT TO YOUR STOCKBROKER. HOWEVER, YOU ARE ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL ALLOTMENTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT(S) THAT ARE AVAILABLE FOR SETTLEMENT OF THE SALE OR TRANSFER.

11.6 Procedures for Acceptance by Renounees/Transferees

As a renounee/transferee, the procedures for acceptance, selling or transferring of Provisional Allotments, applying for Excess Rights Shares with Warrants-B and/or payment is the same as that which is applicable to our Entitled Shareholders as described in Sections 11.3, 11.4, 11.5 and 11.7 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

If you wish to obtain a copy of this Abridged Prospectus and/or the RSF, you can request the same from your stockbroker, our Registered Office, our Share Registrar or Bursa Securities' website (<https://www.bursamalaysia.com>).

RENOUNCEES/TRANSFEREES ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

11.7 Procedures for Excess Rights Shares with Warrants-B Applications

If you wish to apply for additional Rights Shares with Warrants-B in excess of your entitlement, you may do so by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forwarding it together with a separate remittance in RM for the full and exact amount payable in respect of the Excess Rights Shares with Warrants-B applied for, to our Share Registrar so as to arrive no later than **5:00 p.m. on Tuesday, 11 August 2020**, being the last time, day and date for Excess Rights Shares with Warrants-B Applications.

Payment for the Excess Rights Shares with Warrants-B Applications should be made in the same manner as set out in Section 11.3 of this Abridged Prospectus except that the Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia must be made payable to "**DOLPHIN EXCESS RIGHTS ISSUE ACCOUNT**", crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name, contact number, address and your CDS Account number in block letters, so as to be received by our Share Registrar by the Closing Date. The payment must be made in full and exact amount payable for the Excess Rights Shares with Warrants-B Applications. Any excess or insufficient payment may be rejected at the absolute discretion of our Board.

It is our Board's intention to allot the Excess Rights Shares with Warrants-B, if any, in a fair and equitable manner and in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, on a pro-rata basis and in board lots, to our Entitled Shareholders who have applied for Excess Rights Shares with Warrants-B, calculated based on their respective shareholdings in our Company as per their CDS Account as at the Entitlement Date;
- (iii) thirdly, on a pro-rata basis and in board lots, to our Entitled Shareholders who have applied for Excess Rights Shares with Warrants-B, calculated based on the quantum of their respective Excess Rights Shares with Warrants-B Applications; and
- (iv) finally, on a pro-rata basis and in board lots, to the renouncees/transferees, if applicable, who have applied for Excess Rights Shares with Warrants-B, calculated based on the quantum of their respective Excess Rights Shares with Warrants-B Applications.

In the event of any balance Excess Rights Shares with Warrants-B after the above allocations are completed, the balance will be allocated again through the same sequence of allocations as set out in (ii) to (iv) above until all Excess Rights Shares with Warrants-B are allocated.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants-B applied for under Part I(B) of the RSF in such manner as our Board deems fit and expedient, and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in (i) to (iv) above is achieved.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS-B APPLICATIONS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WITH WARRANTS-B WILL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

EXCESS RIGHTS SHARES WITH WARRANTS-B APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

WHERE AN EXCESS RIGHTS SHARES WITH WARRANTS-B APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY, WILL BE REFUNDED WITHOUT INTEREST AND WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

11.8 CDS Account

Bursa Securities has already prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the new securities arising from the Rights Issue are prescribed securities and as such, all dealings in such said securities will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with Warrants-B. Failure to comply with these specific instructions or inaccuracy of the CDS Account number may result in your application being rejected.

Your subscription for the Rights Shares with Warrants-B shall signify your consent to receive such Rights Shares with Warrants-B as deposited securities which will be credited directly into your CDS Account. No physical certificates will be issued.

All Excess Rights Shares with Warrants-B shall be credited directly into the CDS Account of the successful applicants. If you have multiple CDS Accounts into which the Provisional Allotments have been credited, you cannot use a single RSF to accept all these Provisional Allotments. Separate RSFs must be used for acceptance of Provisional Allotments credited into separate CDS Accounts. If successful, the Rights Shares with Warrants-B that you subscribed for will be credited into the CDS Accounts where the Provisional Allotments are standing to the credit.

11.9 Laws of Foreign Jurisdictions

The Documents have not been (and will not be) made to comply with the laws of any foreign jurisdictions and have not been (and will not be) lodged, registered or approved pursuant to or under any legislations (or with or by any regulatory authority or other relevant bodies) of any jurisdictions other than Malaysia.

The Documents are not intended to be (and will not be) issued, circulated or distributed in any countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the law of Malaysia.

Accordingly, the Documents have not been (and will not be) sent to foreign Entitled Shareholders and/or their renounees/transferees, if applicable, who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders and/or their renounees/transferees, if applicable, may collect the Documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the Documents.

The foreign Entitled Shareholders and/or their renounees/transferees, if applicable, may only accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue only to the extent that it would be lawful to do so. Our Company, our Board and officers, our Share Registrar, Mercury Securities and/or other experts ("**Parties**") would not, in connection with the Rights Issue, be in breach of the law of any jurisdictions to which the foreign Entitled Shareholders and/or their renounees/transferees, if applicable, are or may be subject to.

The foreign Entitled Shareholders and/or their renounees/transferees, if applicable, shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. The Parties shall not accept any responsibility or liability in the event that any acceptance or renunciation or sale or transfer made by any foreign Entitled Shareholders and/or their renounees/transferees, if applicable, is or shall become unlawful, unenforceable, voidable or void in any such countries or jurisdictions.

The foreign Entitled Shareholders and/or their renounees/transferees, if applicable, will be responsible for payment of any issue, transfer or any other taxed or other requisite payments due in such jurisdictions and our Company shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/or their renounees/transferees, if applicable, for any such issue, transfer, or other taxes or other requisite payments. They will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue. Such foreign Entitled Shareholders and/or their renounees/transferees, if applicable, should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue.

By signing the RSF, the foreign Entitled Shareholders and/or their renounees/transferees, if applicable, are deemed to have represented, warranted, acknowledged and declared in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:

- (i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any countries or jurisdictions to which the foreign Entitled Shareholders and/or their renounees/transferees, if applicable, are or may be subject to;
- (ii) the foreign Entitled Shareholders and/or their renounees/transferees, if applicable, have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Allotments;
- (iii) the foreign Entitled Shareholders and/or their renounees/transferees, if applicable, are not nominees or agents of any person in respect of whom the Parties would, by acting on the acceptance or renunciation of the Provisional Allotments, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) the foreign Entitled Shareholders and/or their renounees/transferees, if applicable, are aware that the Rights Shares with Warrants-B can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the foreign Entitled Shareholders and/or their renounees/transferees, if applicable, have obtained a copy of this Abridged Prospectus and have had access to such financial and other information and have been provided the opportunity to ask such questions to the Parties and to receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares with Warrants-B; and
- (vi) the foreign Entitled Shareholders and/or their renounees/transferees, if applicable, have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants-B, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants-B.

Persons receiving the Documents (including without limitation, custodians, nominees and trustees) must not, in connection with the offer, distribute or send the Documents into any foreign jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If the Documents are received by any persons in such jurisdictions, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection therewith.

Any person who does forward the Documents to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares with Warrants-B from any such application by foreign Entitled Shareholders and/or their renounees/transferees, if applicable, in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance of the Rights Shares with Warrants-B as invalid if we believe that such acceptance may violate applicable legal or regulatory requirements.

NOTWITHSTANDING ANYTHING HEREIN, THE FOREIGN ENTITLED SHAREHOLDERS AND ANY OTHER PERSON HAVING POSSESSION OF THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS ARE ADVISED TO INFORM THEMSELVES OF AND TO OBSERVE ANY LEGAL REQUIREMENTS APPLICABLE TO THEM. NO PERSON IN ANY TERRITORY OUTSIDE OF MALAYSIA RECEIVING THIS ABRIDGED PROSPECTUS AND/OR ITS ACCOMPANYING DOCUMENTS MAY TREAT THE SAME AS AN OFFER, INVITATION OR SOLICITATION TO SUBSCRIBE FOR OR ACQUIRE ANY RIGHTS SHARES WITH WARRANTS-B UNLESS SUCH OFFER, INVITATION OR SOLICITATION COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER REGULATORY OR LEGAL REQUIREMENTS OF SUCH TERRITORY.

12. TERMS AND CONDITIONS

The issuance of the Rights Shares and Warrants-B pursuant to the Rights Issue is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll B and the accompanying NPA and RSF enclosed herein.

13. FURTHER INFORMATION

Please refer to the attached appendix for further information.

Yours faithfully
For and on behalf of the Board of
DOLPHIN INTERNATIONAL BERHAD



LOW TECK YIN
Group Managing Director

INFORMATION ON OUR COMPANY

1. SHARE CAPITAL

As at the LPD, our Company's issued share capital is RM81,559,823 comprising 244,200,010 Shares.

2. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The pro forma effects of the Corporate Exercises on the shareholdings of our Company's substantial shareholders as at the LPD are as follows:

(i) Minimum Scenario

Substantial shareholder	As at the LPD				(I) After the Rights Issue				(II) After (I) and the Capitalisation			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	'000		'000			'000		'000		'000		'000
Asia Poly	26,862	11.0	-	-	60,440	14.8	-	-	60,440	10.9	-	-
Uncle Don's Holdings	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Yeo Boon Leong	-	-	⁽ⁱ⁾ 26,862	⁽ⁱ⁾ 11.0	-	-	⁽ⁱ⁾ 60,440	⁽ⁱ⁾ 14.8	-	-	⁽ⁱ⁾ 60,440	⁽ⁱ⁾ 10.9
Ian Ong Ming Hock	-	-	-	-	-	-	-	-	-	-	-	-

Substantial shareholder	(III) After (II) and the Acquisition				(IV) After (III) and assuming full exercise of Warrants-B			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	'000		'000			'000		'000
Asia Poly	124,913	18.3	-	-	145,060	17.9	-	-
Uncle Don's Holdings	67,105	9.8	-	-	67,105	8.3	-	-
Dato' Yeo Boon Leong	-	-	⁽ⁱ⁾ 124,913	⁽ⁱ⁾ 18.3	-	-	⁽ⁱ⁾ 145,060	⁽ⁱ⁾ 17.9
Ian Ong Ming Hock	-	-	⁽ⁱⁱ⁾ 67,105	⁽ⁱⁱ⁾ 9.8	-	-	⁽ⁱⁱ⁾ 67,105	⁽ⁱⁱ⁾ 8.3

INFORMATION ON OUR COMPANY (Cont'd)

(ii) Maximum Scenario

Substantial shareholder	As at the LPD				(I) After full exercise of Warrants-A and the Placement				(II) After (I) and the Rights Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	'000		'000		'000		'000		'000		'000	
Asia Poly	26,862	11.0	-	-	26,862	8.1	-	-	60,440	8.1	-	-
Uncle Don's Holdings	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Yeo Boon Leong	-	-	⁽ⁱ⁾ 26,862	⁽ⁱ⁾ 11.0	-	-	⁽ⁱ⁾ 26,862	⁽ⁱ⁾ 8.1	-	-	⁽ⁱ⁾ 60,440	⁽ⁱ⁾ 8.1
Ian Ong Ming Hock	-	-	-	-	-	-	-	-	-	-	-	-

Substantial shareholder	(III) After (II) and the Capitalisation				(IV) After (III) and the Acquisition				(V) After (IV) and assuming full exercise of Warrants-B			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	'000		'000		'000		'000		'000		'000	
Asia Poly	60,440	7.2	-	-	124,913	12.9	-	-	145,060	11.9	-	-
Uncle Don's Holdings	-	-	-	-	67,105	6.9	-	-	67,105	5.5	-	-
Dato' Yeo Boon Leong	-	-	⁽ⁱ⁾ 60,440	⁽ⁱ⁾ 7.2	-	-	⁽ⁱ⁾ 124,913	⁽ⁱ⁾ 12.9	-	-	⁽ⁱ⁾ 145,060	⁽ⁱ⁾ 11.9
Ian Ong Ming Hock	-	-	-	-	-	-	⁽ⁱⁱ⁾ 67,105	⁽ⁱⁱ⁾ 6.9	-	-	⁽ⁱⁱ⁾ 67,105	⁽ⁱⁱ⁾ 5.5

Notes:

- (i) Deemed interested by virtue of his interests in Asia Poly pursuant to Section 8 of the Act.
(ii) Deemed interested by virtue of his interests in Uncle Don's Holdings pursuant to Section 8 of the Act.

INFORMATION ON OUR COMPANY (Cont'd)**3. DIRECTORS**

The details of our Board as at the LPD are set out in the table below:

Name	Designation	Age	Address	Nationality
YM Tengku Ahmad Badli Shah Raja Hussin	Independent Non-Executive Chairman	51	No. 1, Jalan Mewah 1 Kemensah Heights 68000 Ampang Selangor Darul Ehsan	Malaysian
Low Teck Yin	Group Managing Director	53	No. 6, Jalan Hujan Emas 6 Taman Overseas Union 58200 Kuala Lumpur Wilayah Persekutuan	Malaysian
Thoo Soon Huat	Executive Director	58	BLK152-4-2, Villa Flora Apartment Jalan Burhanudin Helmi Taman Tun Dr Ismail 60000 Kuala Lumpur Wilayah Persekutuan	Malaysian
Hoh Yeong Cherng	Non-Independent Non-Executive Director	54	No. 22, Jalan Merak 8 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan	Malaysian
Tan Ban Tatt	Independent Non-Executive Director	43	33, Jalan Kenyalang 11/13 Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan	Malaysian
Lim Seng Hock	Independent Non-Executive Director	63	36, The Villa @ Serai Saujana Persiaran Golf Seksyen U2 Saujana Resort 40150 Shah Alam Selangor Darul Ehsan	Malaysian

INFORMATION ON OUR COMPANY (Cont'd)

The pro forma effects of the Corporate Exercises on the shareholdings of our Directors of our Company as at the LPD are as follows:

(i) Minimum Scenario

Director	As at the LPD				(I) After the Rights Issue				(II) After (I) and the Capitalisation			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	'000		'000		'000		'000		'000		'000	
YM Tengku Ahmad Badli Shah Raja Hussin	-	-	-	-	-	-	-	-	-	-	-	-
Low Teck Yin	257	0.1	-	-	257	0.1	-	-	257	0.1	-	-
Thoo Soon Huat	-	-	-	-	-	-	-	-	-	-	-	-
Hoh Yeong Cherng	19	(i)	(ii)435	(ii)0.2	19	(i)	(ii)435	(ii)0.2	19	(i)	(ii)435	(ii)0.2
Tan Ban Tatt	-	-	-	-	-	-	-	-	-	-	-	-
Lim Seng Hock	-	-	-	-	-	-	-	-	-	-	-	-
Director	(III) After (II) and the Acquisition				(IV) After (III) and assuming full exercise of Warrants-B							
	Direct		Indirect		Direct		Indirect					
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%				
	'000		'000		'000		'000					
YM Tengku Ahmad Badli Shah Raja Hussin	-	-	-	-	-	-	-	-				
Low Teck Yin	257	0.1	-	-	257	0.1	-	-				
Thoo Soon Huat	-	-	-	-	-	-	-	-				
Hoh Yeong Cherng	19	(i)	(ii)435	(ii)0.2	19	(i)	(ii)435	(ii)0.2				
Tan Ban Tatt	-	-	-	-	-	-	-	-				
Lim Seng Hock	-	-	-	-	-	-	-	-				

INFORMATION ON OUR COMPANY (Cont'd)

(ii) Maximum Scenario

Director	As at the LPD				(I) After full exercise of Warrants-A and the Placement				(II) After (I) and the Rights Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	'000		'000		'000		'000		'000		'000	
YM Tengku Ahmad Badli Shah Raja Hussin	-	-	-	-	-	-	-	-	-	-	-	-
Low Teck Yin	257	0.1	-	-	257	0.1	-	-	577	0.1	-	-
Thoo Soon Huat	-	-	-	-	-	-	-	-	-	-	-	-
Hoh Yeong Cherng	19	(i)	(ii)435	(iii)0.2	19	(i)	(ii)435	(iii)0.2	42	(i)	(ii)978	(iii)0.1
Tan Ban Tatt	-	-	-	-	-	-	-	-	-	-	-	-
Lim Seng Hock	-	-	-	-	-	-	-	-	-	-	-	-
Director	(III) After (II) and the Capitalisation				(IV) After (III) and the Acquisition				(V) After (IV) and assuming full exercise of Warrants-B			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	'000		'000		'000		'000		'000		'000	
YM Tengku Ahmad Badli Shah Raja Hussin	-	-	-	-	-	-	-	-	-	-	-	-
Low Teck Yin	577	0.1	-	-	577	0.1	-	-	770	0.1	-	-
Thoo Soon Huat	-	-	-	-	-	-	-	-	-	-	-	-
Hoh Yeong Cherng	42	(i)	(ii)978	(iii)0.1	41	(i)	(ii)978	(iii)0.1	56	(i)	(ii)1,304	(iii)0.1
Tan Ban Tatt	-	-	-	-	-	-	-	-	-	-	-	-
Lim Seng Hock	-	-	-	-	-	-	-	-	-	-	-	-

INFORMATION ON OUR COMPANY (Cont'd)

Notes:

- (i) Less than 0.1%.
(ii) Deemed interested in the direct shareholdings in Dolphin held by his sibling namely Hoh Yeong Jian and father namely Hoh Kok Wah.

4. HISTORICAL FINANCIAL INFORMATION

Our Group's historical financial performance for the FYE 31 December 2016 to FYE 31 December 2018 as well as the 15-month FPE 31 March 2020 are summarised below:

4.1 Historical Financial Performance

	Audited			Unaudited
	FYE 31 Dec 2016	FYE 31 Dec 2017	FYE 31 Dec 2018	15-Month FPE 31 Mar 2020
	RM'000	RM'000	RM'000	RM'000
Revenue	44,136	10,641	13,354	10,710
Cost of sales	(36,593)	(12,856)	(8,191)	(5,218)
Gross profit/(loss)	7,543	(2,215)	5,163	5,492
Other income	634	564	890	3,346
Administrative expenses	(8,325)	(12,704)	(5,893)	(5,403)
Sales and marketing expenses	(860)	(316)	(272)	(133)
Net impairment losses of financial assets	-	(1,573)	(40)	-
Other expenses	-	(39,209)	(1,619)	(1,433)
Operating profit/(loss)	(1,008)	(55,453)	(1,771)	1,869
Finance cost	(3,496)	(2,525)	(2,619)	(3,280)
Share of results of associates, net of tax	(15)	37	-	-
LBT	(4,519)	(57,941)	(4,390)	(1,411)
Income tax expense	(103)	650	143	403
LAT for the financial year/period	(4,622)	(57,291)	(4,247)	(1,008)
Exchange differences on translation of foreign operations	(136)	(79)	147	53
Revaluation surplus on property, plant and equipment	-	-	1,801	-
Total comprehensive loss	(4,758)	(57,370)	(2,299)	(955)
Non-controlling interest	(6)	155	13	11
Total comprehensive loss attributable to owners of the Company	(4,764)	(57,215)	(2,286)	(944)
LAT margin (%)	(10.5)	(538.4)	(31.8)	(9.4)

INFORMATION ON OUR COMPANY (Cont'd)

	Audited			Unaudited
	FYE 31 Dec 2016	FYE 31 Dec 2017	FYE 31 Dec 2018	15-Month FPE 31 Mar 2020
	RM'000	RM'000	RM'000	RM'000
Weighted average no. of Dolphin Shares ('000)	222,000	227,860	244,200	244,200
Basic LPS (sen)	(2.08)	(25.08)	(1.73)	(0.41)

4.2 Historical Financial Position

	Audited			Unaudited
	As at 31 Dec 2016	As at 31 Dec 2017	As at 31 Dec 2018	As at 31 Mar 2020
	RM'000	RM'000	RM'000	RM'000
Non-current assets	41,344	61,080	72,098	77,141
Current assets	101,841	26,214	24,855	12,179
Total assets	143,185	87,294	96,953	89,320
Share capital	44,400	81,560	81,560	81,560
Share premium	32,775	-	-	-
Other reserve	(23,145)	(23,145)	(23,145)	(23,145)
Revaluation reserve	-	-	1,801	1,801
Foreign currency translation reserve	583	505	648	701
Accumulated losses	24,454	(32,686)	(36,916)	(37,913)
Equity attributable to owners of the Company	79,067	26,234	23,948	23,004
Non-controlling interests	68	(84)	(48)	963
Total equity	79,135	26,150	23,900	23,967
Non-current liabilities	14,464	14,885	39,667	39,882
Current liabilities	49,586	46,259	33,386	25,471
Total liabilities	64,050	61,144	73,053	65,353
Total equity and liabilities	143,185	87,294	96,953	89,320

INFORMATION ON OUR COMPANY (Cont'd)

4.3 Historical Cash Flows

	Audited			Unaudited
	FYE 31 Dec 2016	FYE 31 Dec 2017	FYE 31 Dec 2018	15-Month FPE 31 Mar 2019
	RM'000	RM'000	RM'000	RM'000
Net cash from/(used in):				
Operating activities	3,609	12,117	(597)	12,588
Investing activities	(12,194)	(13,471)	(10,200)	(8,657)
Financing activities	(1,315)	(8,388)	19,891	87
Net increase/(decrease) in cash and cash equivalents	(9,900)	(9,742)	9,094	4,018
Cash and cash equivalents at beginning of the financial year/period	8,118	(1,964)	(11,736)	(2,654)
Foreign exchange difference on opening balance	(182)	(30)	(12)	(1)
Cash and cash equivalents at end of the financial year/period	(1,964)	(11,736)	(2,654)	1,363

4.4 Financial Commentaries

(i) Financial commentary for the FYE 31 December 2016

Our Group's revenue decreased by RM25.3 million or 36.4% as compared to the previous financial year mainly due to lower sales as a result of decrease in the order book of our Group as a consequence of the spill over effect from the El-Nino weather phenomenon which took place in 2016, adversely affecting the palm oil milling market and as a result, capital expenditures for new or increased capacities and refurbishments were not forthcoming. Consequentially, many palm oil millers opted to defer spending on increasing their palm oil mill capacities or refurbishing their palm oil mills.

Our Group's gross profit decreased by RM11.1 million or 59.6% due to the lower revenue. During the financial year, our Group's gross profit margin decreased from 26.9% in the FYE 31 December 2015 to 17.1% in the current financial year as a result of higher cost of sales arising from increase in material costs and more intense competition.

Our Group recorded a LBT of RM4.5 million as compared to a profit before tax of RM5.1 million in the previous financial year mainly due to lower gross profit during the financial year as well as absence of a gain on bargain purchase arising from business combinations of RM2.5 million.

INFORMATION ON OUR COMPANY (Cont'd)

(ii) Financial commentary for the FYE 31 December 2017

Our Group's revenue decreased by RM33.5 million or 75.9% as compared to the previous financial year mainly due to the spill over effect from the El-Nino weather phenomenon as it continued its course into 2017. Consequentially, many palm oil millers continued to further defer spending on increasing their palm oil mill's capacities or refurbishing their palm oil mills. As a result, we were unable to replenish our order book in the FYE 31 December 2017, resulting in lower revenue during the financial year.

Our Group recorded a gross loss of RM2.2 million in the FYE 31 December 2017 due to the additional variation orders of projects secured in prior financial year which led to higher costs incurred in delivering the projects.

Our Group recorded a higher LBT by RM57.9 million mainly due to the lower revenue and gross losses incurred during the financial year, as well as the provision for foreseeable losses on amount due from customers for contract works of RM35.6 million, provision for liquidated and ascertained damages of RM3.3 million and impairment losses on trade receivables of RM1.6 million.

(iii) Financial commentary for the FYE 31 December 2018

Our Group's revenue increased by RM2.7 million or 25.5% as compared to the previous financial year mainly due to a new contract secured in the FYE 31 December 2018 for the supply of construction materials for the upgrading of facilities at the train cargo terminal at Padang Besar.

Our Group recorded a gross profit of RM5.2 million as compared to a gross loss of RM2.2 million mainly due to higher revenue achieved during the financial year as well as the absence of variation orders costs incurred in the prior financial year.

Our Group recorded a lower LBT of RM4.4 million mainly due to the gross profit achieved during the financial year as well as the absence of one-off expenses incurred in the prior financial year such as provision for foreseeable losses on amount due from customers for contract works and provision for liquidated and ascertained damages amounting to RM35.6 million and RM3.3 million respectively.

(iv) Financial commentary for the 15-month FPE 31 March 2020

On 7 January 2020, our financial year end was changed from 31 December to 30 June. Thus, our latest financial results for the period subsequent to the FYE 31 December 2018 comprises 15 months from 1 January 2019 to 31 March 2020.

For the 15 months FPE 31 March 2020, our Group recorded a revenue of RM10.7 million. For illustrative purposes, our Group's revenue on annualised basis for the FPE 31 March 2020 was RM8.6 million, representing a decrease of RM4.8 million or 35.8% as compared to the FYE 31 December 2018. The decrease in revenue (on annualised basis) was mainly due to a change in revenue mix of our Group whereby, our Group's revenue during the financial period was mainly derived from trading of machinery parts and smaller scale projects.

During the financial period, the gross profit margins for trading of machinery parts were comparatively higher than project-based. In addition, the projects undertaken in the 15-month FPE 31 March 2020 has lesser project cost overrun which contributed to higher gross profit margins. As such, despite achieving lower gross profit of RM4.4 million (on annualised basis), our Group's gross profit margins of 51.3% was comparatively higher than FYE 31 December 2018.

INFORMATION ON OUR COMPANY (Cont'd)

Our Group recorded lower LBT of RM1.1 million (on annualised basis) mainly due to the recognition of gains on disposals of properties of approximately RM3.2 million.

5. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of our Shares as traded on Bursa Securities for the past 12 months up to and including June 2020 (being the last full trading month prior to the date of this Abridged Prospectus) are as follows:

	<u>High</u>	<u>Low</u>
	RM	RM
<u>2019</u>		
June	0.130	0.115
July	0.130	0.115
August	0.120	0.095
September	0.110	0.075
October	0.105	0.085
November	0.140	0.095
December	0.155	0.105
<u>2020</u>		
January	0.180	0.125
February	0.165	0.070
March	0.075	0.025
April	0.075	0.045
May	0.085	0.060
June	0.110	0.065
Last transacted market price on the LTD		0.090
Last transacted market price on the LPD		0.085
Last transacted market price on 22 July 2020, being the last Market Day prior to the ex-date for the Rights Issue		0.125

(Source: Bloomberg)

INFORMATION ON OUR COMPANY (Cont'd)**6. OPTION TO SUBSCRIBE FOR SHARES**

As at the LPD, save for the:

- (i) Provisional Allotments and Excess Rights Shares with Warrants-B; and
- (ii) 55,500,002 Outstanding Warrants-A, each carrying the right to subscribe for 1 new Share at the exercise price of RM0.80 per Warrant-A and expiring by 29 March 2021,

no option to subscribe for our Shares has been granted or is entitled to be granted to any person.

7. MATERIAL CONTRACTS

Save as disclosed below, as at the LPD, our Board confirmed there are no other contracts which are material to the Group (not being contracts entered into in the ordinary course of business) which have been entered into by the Company during the two (2) years preceding the date of this Abridged Prospectus:

- (i) On 4 September 2018, Dolphin Engineering (M) Sdn Bhd ("**Dolphin Engineering**"), a wholly-owned subsidiary of our Company, entered into a sale and purchase agreement with LYL Engineering Sdn Bhd to dispose of 2 parcels of land held under Individual Title GM 998, Lot No. 2656 & GM 987, Lot No. 2639, both in Pekan Kinrara, Daerah Petaling, Negeri Selangor measuring approximately 934 square metres and 267 square metres respectively in area together with a 1 1/2 storey semi-detached factory (corner unit) erected thereon and bearing postal address No. 32, Jalan Serindit 2, Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan for a total consideration of RM5.0 million. The said disposal has been completed on 9 October 2019.
- (ii) On 31 December 2018, Dolphin Applications entered into a sale and purchase agreement with STI Fasteners Sdn Bhd to dispose of 1 parcel of land held under Individual Title H.S.(M) 30484, Lot PT5988 in Mukim Petaling, Tempat Pekan Kinrara, Daerah Petaling, Negeri Selangor Darul Ehsan measuring approximately 996 square metres in area together with a 1 1/2 storey semi-detached factory (corner unit) erected thereon and bearing postal address No. 16, Jalan Serindit 2, Bandar Puchong Jaya, 47170 Puchong, Selangor Darul Ehsan for a total consideration of approximately RM4.7 million. The said disposal has been completed on 20 March 2020.
- (iii) On 5 August 2019, Dolphin Engineering entered into a sale and purchase agreement with Hydra-Line Hydraulics Sdn Bhd ("**Purchaser**") to dispose of 2 parcels of land held under Individual Title H.S.(D) 312690 PT 72939 & H.S.(D) 312691 PT72940, both in Mukim Petaling, Daerah Petaling, Negeri Selangor Darul Ehsan measuring approximately 153 square metres each in area together with 2 units of 3 storey shop-office erected thereon and bearing postal address No. 17 & 19, Jalan Puteri 5/20, Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan for a total consideration of RM3.5 million. The said disposal has been completed on 12 March 2020.
- (iv) On 21 January 2020, our Company entered into a supplemental agreement with Seri Ulu Langat Palm Oil Mill Sdn Bhd ("**SULPOM**") and Dolphin Biogas Sdn Bhd ("**Dolphin Biogas**") to vary certain terms and conditions of the subscription and shareholders agreement dated 9 December 2016, including amongst others, capitalisation of project advancement by SULPOM via the issuance of 625,000 new ordinary shares in Dolphin Biogas and removal of the SULPOM's call option to purchase up to 10% of the ordinary shares of Dolphin Biogas.

INFORMATION ON OUR COMPANY (Cont'd)

- (v) On 31 January 2020, our Company entered into a sale of shares agreement with AP Green Energy Sdn Bhd for the Disposal for a cash consideration of approximately RM2.1 million ("**Disposal SSA**"). On 26 June 2020, our Company entered into a supplemental letter with AP Green Energy Sdn Bhd to vary certain terms and conditions of the Disposal SSA, including amongst others, the undertaking provided by our Company to fulfil the agreed matters within the agreed fulfilment period. For avoidance of doubt, save as disclosed above, the other terms and conditions of the Disposal SSA remain unchanged. The Disposal has been completed on 1 July 2020.
- (vi) On 27 February 2020, our Company entered into the Acquisition SSA for the Acquisition. On 8 July 2020, our Company entered into a supplemental agreement to the Acquisition SSA with the Vendors to vary relevant terms and conditions of the Acquisition SSA, including amongst others, the first profit guarantee period from 1 January 2020 to 30 June 2021 (both dates inclusive) to 1 July 2020 to 30 June 2021 (both dates inclusive). For avoidance of doubt, save as disclosed above, the other terms and conditions of the Acquisition SSA remain unchanged. Please refer to Section 4.1 of this Abridged Prospectus for further details.
- (vii) On 27 February 2020, our Company entered into the Settlement Agreements for the Capitalisation. Please refer to Section 4.2 of this Abridged Prospectus for further details.
- (viii) On 9 July 2020, our Company entered into the Underwriting Agreement with the Managing Underwriter and the Joint Underwriters for the Rights Issue. Please refer to Section 3.2 of this Abridged Prospectus for further details.

8. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, our Group is not engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant which may have a material effect on the financial position or business of our Group and our Board is not aware of any proceedings, pending or threatened, or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group:

(i) Claims by Tori Construction against Dolphin Engineering (M) Sdn Bhd ("Dolphin Engineering")

Tori Construction initiated an adjudication proceeding in the Kuching High Court under the Construction Industry Payment and Adjudication Act 2012 ("**CIPAA**") by way of a notice of adjudication dated 10 September 2019 against DESB, a wholly-owned subsidiary of Dolphin, for monies due and owing and for release of retention sums to Tori Construction amounting to RM3,118,329.85 with costs and interests ("**CIPAA Claim**").

An adjudication decision was delivered on 13 January 2020 in favour of Tori Construction ("**Adjudication Decision**").

On 24 January 2020, an originating summons ("**OS 1**") was filed by DESB to set aside the Adjudication Decision. On 21 February 2020, an application was served to stay the execution or enforcement of the Adjudication Decision pending the full disposal of all cause or matter as between Dolphin Engineering and Tori Construction. The Parties have exhausted the exchange of affidavits for the OS 1 and the stay application and the hearing date has been fixed for on 18 August 2020 to hear both matters collectively.

Tori Construction had on 5 February 2020 filed an originating summons ("**OS 2**") for the registration and enforcement of the Adjudication Decision. The Parties have exhausted the exchange of affidavits for the OS 2. However, no hearing date is fixed for OS 2. On 3 June 2020, DESB filed a notice of application for striking out of OS 2 and alternatively for a stay of proceedings in OS 2 pending disposal of all proceedings in and/or related to OS 1 and the writ action filed by DESB against Tori Construction.

INFORMATION ON OUR COMPANY (Cont'd)

On 6 March 2020, a writ action was filed by Dolphin Engineering against Tori Construction for claim of damages for breach of contract amounting to RM3,265,437.45 with costs and interests.

Tori Construction had on 27 March 2020 filed its Memorandum of Appearance in the Kuching High Court.

Tori Construction failed to file its Statement of Defence within the permitted timeframe and it had indicated to the High Court of Kuching through the e-Review on 13 April 2020 that it reserves its right to seek an extension of time for filing of the Statement of Defence in light of the MCO. The Kuching High Court stated its view that such request and reason for the extension of time is reasonable in light of the MCO but the procedures of the Rules of Court shall be complied if the parties could not reach an agreement on the extension. Dolphin Engineering has informed the Kuching High Court that it reserves all its rights towards obtaining a Judgement in Default of Defence.

Tori Construction had subsequently failed to file its Statement of Defence and Counterclaim within the permitted timeframe. On 8 May 2020, Tori Construction filed a notice of application for extension of time following the direction of the Kuching High Court. The hearing date for the notice of application for extension of time has been fixed on 10 August 2020.

On 21 May 2020, Tori Construction had proceeded to file its Statement of Defence without direction nor ruling from the Kuching High Court, which as far as the Kuching High Court is concerned, Tori Construction's Statement of Defence is not before the court. As at the LPD, no hearing date is fixed for the writ action.

On 24 June 2020, DESB filed the notice of application to transfer and consolidate the writ action with OS1. As at the LPD, the parties are in the midst of exchanging affidavits and no hearing date is fixed for such application.

As the sum of RM3,118,329.85 claimed by Tori Construction has already been provided for in the financial statements of our Group, the contingent liability is approximately RM0.3 million comprising cost that would be incurred if Dolphin Engineering is unable to set aside the Adjudication Decision (i.e. cost of adjudication, fees claimed by the plaintiff and interest on late payment of 5%).

(ii) Claim by PT Dolphin Indonesia ("PTDI") against PT Himalaya Transmeka ("PTHT")

On 1 February 2018, a writ of summons was filed by PTDI, our Company's wholly-owned subsidiary, at the District Court of Indonesia against PTHT, claiming up to Rp. 14,499,597,854 (equivalent to approximately ⁰RM4.3 million) together with interest ("**PTDI Claims**") under the Mechanical & Electrical Supply Contract dated 3 January 2013 ("**Agreement**"). The PTDI Claims is calculated based on 6% on the total expenses incurred to complete the unfinished and rectification work as well as additional expenses incurred due to the delay in completion of Mechanical and Electrical work awarded to PTHT on 23 August 2017.

On 10 October 2018, the District Court of Indonesia awarded the decision in favour of PTDI and adjudicated the following:

- (a) PTDI has no obligation to pay the sum of Rp.10,490,000 (equivalent to approximately ⁰RM3,147) to PTHT and PTHT has no right over the 5% retention sum due to non-completion of the works; and

INFORMATION ON OUR COMPANY (Cont'd)

- (b) PTDI has paid PTHT Rp.10,317,917,463 (equivalent to approximately ⁽ⁱ⁾RM3.1 million) and such amount paid by PTDI exceeds the value of work done by PTHT. Accordingly, PTHT has been ordered to refund PTDI the excess payment of Rp.352,417,462 (equivalent to approximately ⁽ⁱ⁾RM0.1 million) in lumpsum and in cash and in addition, PTHT shall pay for the costs of Rp.1,183,000 (equivalent to approximately ⁽ⁱ⁾RM355).

As at the LPD, PTHT filed an appeal to the Supreme Court of Indonesia and the appeal is currently being examined by the Supreme Court of Indonesia.

Note:

- (i) Translated based on the exchange rate of Rp1:RM0.0003, being the middle rate at 5:00 p.m. as at the LPD as extracted from Bank Negara Malaysia.

9. CONSENTS

- (i) The written consents of our Principal Adviser, Managing Underwriter, Joint Underwriters, Solicitors, Independent Valuer and Share Registrar for the Rights Issue for the inclusion in this Abridged Prospectus of their name and all references thereto in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not been subsequently withdrawn.
- (ii) The written consent of our Independent Market Researcher for the Rights Issue for the inclusion in this Abridged Prospectus of its name, extract of the IMR Report and all references thereto in the form and context in which it appears has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.
- (iii) The written consent of Bloomberg for the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at 308, Block A (3rd Floor), Kelana Business Centre, 97, Jalan SS 7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Mondays to Fridays (except public holidays) for a period of 6 months from the date of this Abridged Prospectus:

- (i) our Constitution;
- (ii) letter of Undertaking as referred to in Section 3.1 of this Abridged Prospectus;
- (iii) Underwriting Agreement as referred to in Section 3.2 of this Abridged Prospectus;
- (iv) IMR Report;
- (v) material contracts as referred to in Section 7 of this Appendix I;
- (vi) the relevant cause papers in respect of the material litigation as referred to in Section 8 of this Appendix I;
- (vii) letters of consent as referred to in Section 9 of this Appendix I; and
- (viii) Deed Poll B.

INFORMATION ON OUR COMPANY (Cont'd)

11. RESPONSIBILITY STATEMENT

Our Board has seen and approved this Abridged Prospectus, together with the NPA and RSF in the Documents. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries and to the best of their knowledge and belief, they confirmed that there is no false or misleading statement or other facts, which if omitted, would make any statement in the Documents false or misleading.

Mercury Securities, being the Principal Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of their knowledge and belief, this Abridged Prospectus constitutes full and true disclosure of all material facts concerning the Rights Issue.

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