



DOLPHIN INTERNATIONAL BERHAD
(1001521-X)

**Unaudited Condensed Consolidated
Interim Financial Statements
for the Year Ended 30 June 2022**



DOLPHIN INTERNATIONAL BERHAD (1001521-X)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	<i>Note</i>	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30 JUNE 2022	30 JUNE 2021	30 JUNE 2022	30 JUNE 2021
		RM'000	RM'000	RM'000	RM'000
Revenue		3,634	1,849	10,431	8,937
Cost of sales		(2,496)	(738)	(6,760)	(5,069)
Gross profit		1,138	1,111	3,671	3,868
Other income		1,293	739	1,790	993
Administrative expenses		(13,924)	(35,327)	(19,582)	(43,657)
Results from operations		(11,493)	(33,477)	(14,121)	(38,796)
Finance costs		(177)	(521)	(928)	(1,922)
Share of result of associate company		-	(13)	5	(5)
Loss before taxation	12	(11,670)	(34,011)	(15,044)	(40,723)
Taxation	5	(32)	(214)	(292)	(214)
Net loss for the year		(11,702)	(34,225)	(15,336)	(40,937)
Exchange difference arising on translation of foreign operations		(26)	45	(18)	31
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(11,728)	(34,180)	(15,354)	(40,906)
Loss attributable to:					
Owners of the Company		(11,745)	(34,173)	(15,375)	(40,871)
Non-controlling interests		17	(7)	21	(35)
		(11,728)	(34,180)	(15,354)	(40,906)
Loss per share attributable to owners of the Company (sen)					
- Basic	10	(1.11)	(3.66)	(1.45)	(4.37)
- Diluted	10	(1.11)	(3.66)	(1.45)	(4.37)

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021 and the accompanying explanatory notes to the unaudited condensed consolidated interim financial statements.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2022**

<i>Note</i>	(Unaudited) 30 JUNE 2022 RM'000	(Audited) 30 JUNE 2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
	23,801	23,358
Property, plant and equipment	177	179
Investment property	544	797
Right-of-use assets	7,984	14,077
Intangible assets	-	1,129
Investment in associate company	293	293
Other receivable	48	48
Deferred tax asset	<u>32,847</u>	<u>39,881</u>
CURRENT ASSETS		
	2,499	242
Inventories	6,802	1,576
Trade and other receivables	233	350
Contract assets	119	48
Tax recoverable	7,381	13,820
Cash and cash equivalents	<u>17,034</u>	<u>16,036</u>
TOTAL ASSETS	<u>49,881</u>	<u>55,917</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
	47,927	38,780
Share capital	747	770
Foreign currency translation reserve	3,846	3,846
Warrant reserve	(29,521)	(14,169)
Accumulated losses	<u>22,999</u>	<u>29,227</u>
Non-controlling interests	(116)	(137)
TOTAL EQUITY	<u>22,883</u>	<u>29,090</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
	256	630
Lease liabilities	7,354	7,874
Bank borrowings 7	86	41
Provision for retirement benefits	14	-
Deferred tax liabilities	<u>7,710</u>	<u>8,545</u>
CURRENT LIABILITIES		
	303	955
Lease liabilities	10,110	9,843
Preference shares	8,033	5,498
Trade and other payables	-	156
Taxation	842	842
Bank borrowings 7	-	988
Contingent consideration	<u>19,288</u>	<u>18,282</u>
TOTAL LIABILITIES	<u>26,998</u>	<u>26,827</u>
TOTAL EQUITY AND LIABILITIES	<u>49,881</u>	<u>55,917</u>
Net Assets per share attributable to ordinary owners of the Company (sen)	<u>2.2</u>	<u>3.1</u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021 and the accompanying explanatory notes to the unaudited condensed consolidated interim financial statements.



DOLPHIN INTERNATIONAL BERHAD (1001521-X)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	<i>Attributable to Owners of the Company</i>						Total Equity RM'000
	<i>Non-Distributable</i>			<i>Distributable</i>			
	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Warrant Reserve RM'000	Accumulated Losses RM'000	Sub-total RM'000	Non- Controlling Interests RM'000	
At 1 July 2021	38,780	770	3,846	(14,169)	29,227	(137)	29,090
Transaction with owners							
Issuance of shares	9,147	-	-	-	9,147	-	9,147
(Loss)/profit for the year	-	-	-	(15,352)	(15,352)	16	(15,336)
Other comprehensive (loss)/profit for the year	-	(23)	-	-	(23)	5	(18)
Total comprehensive (loss)/profit for the year	-	(23)	-	(15,352)	(15,375)	21	(15,354)
At 30 June 2022	47,927	747	3,846	(29,521)	22,999	(116)	22,883
At 1 July 2020	58,415	745	-	(36,173)	22,987	953	23,940
Transaction with owners							
Issuance of shares	43,265	-	3,846	-	47,111	-	47,111
Capital reduction	(62,900)	-	-	62,900	-	-	-
Effects of changes in stake in subsidiary company	-	-	-	-	-	(1,055)	(1,055)
Loss for the year	-	-	-	(40,896)	(40,896)	(41)	(40,937)
Other comprehensive profit for the year	-	25	-	-	25	6	31
Total comprehensive profit/(loss) for the year	-	25	-	(40,896)	(40,871)	(35)	(40,906)
At 30 June 2021	38,780	770	3,846	(14,169)	29,227	(137)	29,090

The Unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021 and the accompanying explanatory notes to the unaudited condensed consolidated interim financial statements


CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	CUMULATIVE QUARTER 30 JUNE 2022 RM'000	CUMULATIVE QUARTER 30 JUNE 2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(15,044)	(40,723)
Adjustments for:		
Depreciation of property, plant & equipment	931	998
Impairment of property, plant & equipment	474	29,921
Goodwill on consolidation	(3,707)	(16,578)
Profit retained in associated company	(5)	5
FRS intrinsic adjustment	-	207
Gain on disposal of property, plant and equipment	(4)	(186)
Interest income	(64)	(44)
Interest expenses	661	727
Interest expenses - fair value	267	1,300
Impairment of goodwill	9,800	2,500
Retirement benefits	45	14
Unrealised gain on foreign exchange	(23)	25
Loss before working capital changes	(6,669)	(21,834)
Working Capital Changes		
Inventories	(1,028)	751
Trade and other receivables	(3,479)	3,355
Trade and other payables	709	(11,849)
Contract asset	117	394
Contract liabilities	-	(1,323)
Cash used in operations	(10,350)	(30,506)
Interest received	64	44
Interest paid	(661)	(727)
Tax (payment) / refund	(507)	140
Net cash used in operating activities	(11,454)	(31,049)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	23	186
Acquisition of subsidiaries	(1,125)	(4,972)
Acquisition of associated company	-	(1,134)
Purchase of property, plant and equipment	(1,362)	(1,463)
Proceeds from disposal of asset held for sale	-	2,123
Net cash used in investing activities	(2,464)	(5,260)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	9,147	47,111
Repayment of lease liabilities	(1,152)	(203)
Repayment of term loans	(520)	(562)
Placement of pledged fixed deposit	(3,000)	-
Net cash from financing activities	4,475	46,346
Net (decrease) / increase in cash and cash equivalents	(9,443)	10,037
Cash and cash equivalents at beginning of the financial year	13,820	3,764
Effects of exchange rate changes on cash and cash equivalents	4	19
Cash and cash equivalents at end of the financial year	4,381	13,820
Cash and cash equivalent at end of financial year comprise the following:		
Fixed deposit	3,000	5,078
Cash and bank balances	4,381	8,742
	7,381	13,820
Less: Pledged deposit with licensed bank	(3,000)	-
	4,381	13,820

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021 and the accompanying explanatory notes to the unaudited condensed consolidated interim financial statements.



PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRSs") 134

1 Basis of Preparation

The interim financial report of Dolphin International Berhad ("DIB" or the "Company") and its subsidiaries (the "Group") are unaudited and has been prepared in accordance with MFRS 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2021.

2 Significant Accounting Policies

The significant accounting policies and presentations adopted by the Group for this interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30 June 2021, except for the adoption of the following MFRSs and Amendments to MFRSs that are effective for the Group beginning on or after 1 July 2021 as follows:

Amendments to MFRS 16: COVID-19 Related Rent Concessions
Amendments to MFRS 9, MFRS 139, 7, 4 & 16: Interest Rate Benchmark Reform - Phase 2

The adoption of the above MFRSs and Amendments to MFRSs does not have significant impact on the financial statements of the Group.

3 Auditor's report of preceding annual financial statements

The auditor's report on the latest audited annual financial statements for the financial year ended 30 June 2021 was not qualified.

4 Seasonal or Cyclical Factors

The Group does not experience significant fluctuations in operations due to seasonal factors.

5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter under review.

6 Changes in estimates

There were no changes in estimates that have had a material effect in the current financial quarter under review.

7 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial quarter under review.

8 Dividend Paid

There were no dividend declared/recommend and paid to the shareholders of the Company during the current financial quarter under review.



PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRSs") 134

9 Segment Information

The Group prepared the following segment information based on the internal reports of the Group's strategic business units which are regularly reviewed by the Board of Directors for the purpose of making decisions about resource allocation and performance assessment. The reportable operating segments are as follows:

- a) Provision of sales, service and contract work relating to palm oil milling ("Milling systems and solutions");
- b) Supply of parts and maintenance services (Supply of parts and maintenance services);
- c) Operator of restaurant and trading of food products ("Food and beverage");
- d) Operator of convenience store ("Convenience store"); and
- e) Investment holding and management services segment ("Investment holding").

(a) Analysis of revenue and results by segment

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
- Milling systems and solutions	-	883	165	3,678
- Supply of parts and maintenance services	14	176	73	826
- Food and beverage	3,563	790	10,069	4,433
- Convenience store	57	-	124	-
Total Revenue	3,634	1,849	10,431	8,937
Segment Results				
- Milling systems and solutions	(1,696)	(29,654)	(3,342)	(32,737)
- Supply of parts and maintenance services	(78)	(110)	(443)	(326)
- Food and beverage	496	(541)	708	(19)
- Convenience store	(611)	-	(901)	-
- Investment holding	(9,813)	(3,920)	(11,358)	(7,855)
Total Loss after Tax	(11,702)	(34,225)	(15,336)	(40,937)

(b) Analysis of revenue by geographic markets

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
Revenue				
Malaysia	3,620	1,544	10,358	7,273
Overseas	14	305	73	1,664
Consolidated	3,634	1,849	10,431	8,937

10 Material Events Subsequent to the end of the current financial quarter

There were no material events subsequent to the end of the quarter under review up to the date of this report which is likely to substantially affect the results of the operations of the Company.

11 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review.

12 Contingent Liabilities or Contingent Assets

Save as disclosed below, there were no material contingent liabilities or contingent assets up to the date of this report.

Unsecured:

Corporate guarantee granted to a licensed bank for credit facilities granted to a subsidiary

RM'000

8,110

There is a corporate guarantee given to a third party where the Company irrevocably guarantee the due and punctual payment by Dolphin Biogas Sdn. Bhd. ("DBSB") and its subsidiary company, Biogas Sulpom Sdn. Bhd. ("BSSB") of all sums pursuant to the terms and conditions of agreements. DBSB and BSSB are subsidiaries disposed in the previous financial year. The Company agreed to pay eighty percent of all sums due and payable and hold the third party indemnity against all losses, costs, damages, expenses, liabilities, actions, claims and demands whatsoever which may be made against the third party. However, no estimate can be made.

Nevertheless, there is also a letter of indemnity from DBSB which is now a subsidiary of a major corporate shareholder of the Company on the corporate guarantee given to the third party mentioned.

13 Capital Commitments

There were no material capital commitments up to the date of this report.



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

1 Review of Performance

The summarised results of the Group:-

	Current quarter		Cumulative quarter	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	3,634	1,849	10,431	8,937
Loss before taxation	(11,670)	(34,011)	(15,044)	(40,723)

Current quarter against previous year corresponding quarter

The Group recorded revenue of RM 3.63 million in the current quarter as compared to the previous year's corresponding quarter revenue of RM 1.85 million. The increase of RM 1.78 million was due to contribution from newly acquired businesses of Italian restaurant and wine of RM 1.8 million, higher revenue from Uncle Don of RM 0.98 million and alleviated by absence of revenue from milling solution sector of RM 1.0 million.

The Group recorded an improved loss before tax of RM 11.7 million as compared to the previous year's corresponding quarter loss of RM 34.0 million. Previous year's quarter higher loss was mainly due to one-off expenses which are impairment of subsidiaries' property, plant and equipment and write off intangible asset.

The Group recorded revenue of RM 10.43 million as compared to the previous year's cumulative quarter revenue of RM 8.94 million. The increase of RM 1.49 million was due to contribution from newly acquired businesses of Italian restaurant and wine of RM 4.13 million, higher revenue from Uncle Don of RM 1.52 million and alleviated by absence of revenue from milling solution sector of RM 4.16 million.

The Group recorded loss before tax of RM 15.04 million as compared to previous year's cumulative quarter of RM 40.72 million. Previous year's higher loss was mainly due to one-off expenses which are subsidiaries impairment of property, plant and equipment and write off intangible asset.

2 Comparison with Preceding Quarter's Results

	Current quarter	Preceding quarter	Change
	30.6.2022	31.3.2022	
	RM'000	RM'000	%
Revenue	3,634	2,792	30.2
Loss before taxation	(11,670)	(1,202)	870.9
Loss after taxation	(11,702)	(1,458)	702.6

Revenue for the current quarter is higher by 30.2% than the preceding quarter mainly due to higher sales from newly acquired businesses of Italian restaurant and wine.

The loss before taxation for the current quarter is higher by 870.9% than the preceding quarter due to impairment of goodwill and additional provision for compensation to trade suppliers arising from legal suit.

The loss after taxation for the current quarter is higher by 702.6% than the preceding quarter due to additional payment of tax by a subsidiary company arising from prior year's additional assessment, impairment of goodwill and additional provision for compensation to trade suppliers arising from legal suit.

3 Prospects

The Group has diversified and ventured into the food and beverage business which are more lucrative and have potential growth. Notwithstanding the aforesaid and the aftermath of the economic lockdown resulting from the pandemic, the Board of Directors are in the view that the Group's performance for the financial year ending 30 June 2023 will remain challenging.

4 Variance of actual profit from Profit Forecast and Profit Guarantee

The Group did not provide any profit forecast or profit guarantee in any form of public documentation or announcement.

5 Taxation

	Current Quarter	Cumulative Quarter
	30.6.2022	30.6.2022
	RM'000	RM'000
Current Malaysian tax		
- current year	25	36
- prior year	7	256
	32	292



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

6 (a) Status of corporate proposal
(i) Proposed Private Placement

Malacca Securities announced that Bursa Securities had, vide its letter dated 29 September 2021, resolved to approve listing and quotation of up to 335,669,500 Placement Shares to be issued pursuant to the Private Placement on the Main Market of Bursa Securities.

On 1 November 2021, an Extraordinary General Meeting was held and approval is given to the Board of Directors of the Company to allot and issue up to 335,669,500 new ordinary shares in the Company by way of private placement to independent third party investor(s) to be identified later in one or more tranches at an issue price for each tranche to be determined and fixed by the Board at a later date(s).

119,260,000 shares were issued at RM0.0767 per share and listed on the Main Market of Bursa Securities Malaysia Berhad on 18 November 2021. The corporate exercise of the proposed private placement yet to be completed as at date.

Purpose	Approved utilisation of proceeds (RM '000)	Partial proceeds raised as at 29 August 2022 (RM '000)	Actual utilisation as at 29 August 2022 (RM '000)	Balance unutilised as at 29 August 2022 (RM '000)	Variation (RM '000)	Balance utilisation after variation (RM '000)	Revised timeframe for utilisation of proceeds
Working capital for UD Express outlets	5,000	-	-	-	-	-	Within 42 months
General working capital for DIB group	4,466	-	-	-	-	-	Within 24 months
Set up costs for UD Express outlet	9,982	5,750	474	5,276	(2,000)	3,276	Within 42 months
Repayment of borrowings	3,000	-	-	-	-	-	Within 6 months
Future expansion and acquisition for F&B business	3,000	2,797	2,797	-	-	-	Within 24 months
Estimated expenses	600	600	384	216	-	216	Within 1 month
Total	26,048	9,147	3,655	5,492	(2,000)	3,492	

(ii) Proposed Acquisition

Mercury Securities Sdn Bhd had on 24 February 2022 announced that Asia Poly Food and Beverage Sdn Bhd, a wholly-owned subsidiary of Dolphin, entered into a conditional sale of shares agreement with Dato' Yeo Boon Leong, Yeo Boon Thai, Yeo Boon Ho and Yeo Soon Bee for the proposed acquisition of the entire equity interest in High Reserve F&B Sdn Bhd for the purchase consideration of RM 36 million to be satisfied via the issuance of 282,874,617 ordinary shares in Dolphin at an issue price of RM0.0654 each and RM 17.5 million in cash.

At Extraordinary General Meeting held on 27 June 2022, the shareholders passed an ordinary resolution to approve the Proposed Acquisition. On 20 July 2022, on behalf of the Board of Directors, Mercury Securities announced that the Proposed Acquisition has been completed in accordance to the terms of the share sale agreement. As such, High Reserve F&B Sdn Bhd is now an indirect wholly owned subsidiary of Dolphin Group.

(b) Utilisation of proceeds from previous corporate proposals

(i) Rights issue

Pursuant to announcement to Bursa on 26 October 2021 and 23 February 2022, the status of the utilisation of proceeds raised from the Renounceable Rights Issue of 305,250,005 new ordinary shares ("Rights Shares") together with 183,150,003 Warrants-B ("Rights Issue") which was completed on 1 October 2020 is as follows:

Purpose	Approved utilisation (RM '000)	Actual utilisation as at 29 August 2022 (RM'000)	Balance unutilised as at 29 August 2022 (RM'000)	Variation (RM '000)	Balance utilisation after variation (RM'000)	Revised timeframe for utilisation of proceeds
Proposed Acquisition	9,800	9,800	-	-	-	Not Applicable
SLPOM Project	2,744	-	2,744	(2,744)	-	Not Applicable
Operational expenditures and working capital requirements of secured contracts	1,229	986	243	(243)	-	Not Applicable
Repayment of borrowings	819	819	-	-	-	Not Applicable
Working capital	2,223	2,223	-	-	-	Not Applicable
Estimated expenses	1,500	1,500	-	-	-	Not Applicable
Total	18,315	15,328	2,987	(2,987)	-	



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

6 Status of corporate proposal (continued)

(b) Utilisation of proceeds from previous corporate proposals (continued)

(ii) Private placement 1

On 26 January 2021, the Company had proposed to undertake the Private Placement 1. The Private Placement 1 was undertaken in accordance with the approval obtained from the Shareholders at the Eighth Annual General Meeting of the Company held on 7 December 2020.

135,607,860 shares were issued at RM0.0719 per share and listed on the Main Market of Bursa Malaysia Securities Berhad on 25 February 2021. The Private Placement 2 was completed on the same date.

Pursuant to announcement to Bursa on 26 October 2021 and 23 February 2022, the status of utilisation of proceeds raised from the Private Placement 1 is as follows:

Purpose	Approved utilisation (RM '000)	Actual utilisation as at 29 August 2022 (RM'000)	Balance unutilised as at 29 August 2022 (RM'000)	Variation (RM '000)	Balance utilisation after variation (RM'000)	Revised timeframe for utilisation of proceeds
Working capital for the Uncle Don's outlets	2,000	-	2,000	-	2,000	Within 12 months
Set up costs for new distribution company	1,150	-	1,150	-	1,150	Within 21 months
Set up costs for a new Uncle Don's outlet	1,500	-	1,500	(1,500)	-	Not Applicable
Building renovation works	900	421	479	(479)	-	Not Applicable
Repayment of bank borrowings	1,700	1,700	-	-	-	Not Applicable
Group working capital	2,376	1,743	633	-	633	Within 21 months
Estimated expenses	139	139	-	-	-	Not Applicable
Total	9,765	4,003	5,762	(1,979)	3,783	

Save as disclosed above, there were no other material corporate proposals announced.

7 Loans and Borrowings

	30.6.2022 RM '000	30.6.2021 RM '000
Short term borrowings		
Secured :-		
Term loans	842	842
Long term borrowings		
Secured :-		
Term loans	7,354	7,874
Total	8,196	8,716

8 Off Balance Sheet Financial Instruments

There is no off balance sheet financial instruments as at the date of this report.



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

9 Material Litigation

PT Dolphin Indonesia ("PTDI") Vs PT Himalaya Transmeka ("PTHT")

On 7 March 2018, PTDI attended the court hearing for the Writ of Summons filed on 29 January 2018 at the Tangerang District Court of Indonesia against PT Himalaya Transmeka ("PTHT"), being the defendant.

Based on the decision of Tangerang District Court dated 10 October 2018, PTHT has committed a default action by not completing the work project on time and also defaulted not adhering to PTDI's time limit of the work project given to the PTHT.

On 24 October 2018, the defendant filed an appeal against decision of Tangerang District Court. On 20 August 2019, the Banten District Court upheld the decision of Tangerang District Court and instructed PTHT to pay the court fees.

On 19 November 2019, PTDI submitted the Cassation Memory Counter to the Supreme Court in response to Cassation Memory filed by PTHT on 23 October 2019. Based on the Cassation Decision on 9 September 2020, it has rejected the appeal from PTHT and sentenced PTHT to pay the court fees at Rp 500,000. In 2021, the Court has summoned PTHT to pay Rp 3,562,417,462 to PTDI and advised PTDI to file execution order to seize the assets of PTHT. PTDI is in the process of identifying the assets of PTHT for seizure.

PT Himalaya Transmeka ("PTHT") Vs PT Dolphin Indonesia ("PTDI")

PTHT filed Suit No. 2 against PTDI on 3 December 2020 at the North Jakarta District Court of Republic of Indonesia claiming for a sum amounting to Rp. 5,745,021,436.11. being outstanding fees for work and services performed by PTHT on the "Bumiharjo Bulking Station Project". The North Jakarta District Court of Republic of Indonesia have on 4 November 2021 pass its judgement in favour of PTDI. PTHT subsequently filed an appeal to the Jakarta High Court on 17 February 2022. On 20 July 2022, the Jakarta High Court dismissed the appeal with costs of Rp 150,000 awarded to PTDI. On 9 August 2022, PTHT filed Cassation Order to the Supreme Court.

Originating Summon No.: KCH-24C-1/1-2020 between Dolphin Engineering Sdn Bhd ("the subsidiary") and Tori Construction sealed on 24 January 2020 ("OS 1")

Tori Construction initiated an adjudication proceeding in the Kuching High Court under the Construction Industry Payment and Adjudication Act 2012 by way of a notice of adjudication dated 10 September 2019 against Dolphin Engineering Sdn. Bhd. ("DESB"), a subsidiary company, for monies due and owing and for release of retention sums of RM 3,118,329.85 with costs and interests.

An adjudication decision was delivered on 13 January 2020 in favour of Tori Construction. On 24 January 2020, an originating summons ("OS 1") was filed by DESB to set aside the Adjudication Decision. On 15 July 2021, the High Court of Kuching dismissed the OS1 with costs in favour of Tori Construction.

Dolphin Engineering has subsequently filed an appeal to set aside and stay the execution of the Adjudication Decision. The appeals are fixed for hearing on 22 August 2022.

Originating Summon No.: KCH-24C-2/2-2020 between Tori Construction and Dolphin Engineering Sdn Bhd sealed on 5 February 2020 ("OS 2")

Tori Construction had on 5 February 2020 filed the OS2 for the registration and enforcement of the Adjudication Decision ("Enforcement Application"). In opposing Tori Construction's application, DESB filed a notice of application for striking out of OS2. The striking out application filed by DESB has been dismissed by the High Court of Kuching.

The parties have exchanged the submission in reply for the Enforcement Application and the Court on 20 August 2021 issued a summary judgement pursuant to Order 14 Rules of Court 2012 against DESB to pay RM3,777,467.84 together with cost of RM5,000.00 to Tori Construction.

On 6 September 2021, Tori Construction issued a statutory notice under Section 466 of the Companies Act 2016 to demand for payment of RM 3,777,467.84 within 21 days.

On 15 September 2021, DESB filed Fortuna Injunction Application and Stay Application to refrain Tori Construction from taking any further execution action. On 26 November 2021, the High Court of Kuching dismissed the application with costs of RM 5,000.00 in favour of Tori Construction.

On 1 July 2002, the High Court of Kuching issued a Garnishee Order to Show Cause ordering payment by DESB to Tori Construction for the sum of RM 3,841,818.56 together with costs of the garnishee proceeding.

Originating Summon No.: KCH-22NCvC-7/3-2020 between Dolphin Engineering Sdn Bhd and Tori Construction sealed on 6 March 2020 ("Suit 7")

DESB had on 6 March 2020 initiated a suit against Tori Construction for claim of special damages amounting to RM3,265,437.45, being the costs and expenses incurred by DESB to rectify the defective works done by Tori Construction.

On 24 June 2020, DESB filed the notice of application ("Order 4 Application") to transfer and consolidate the Suit 7 with OS 1 to be heard before the learned High Court Judge with respect to OS 1. On 19 August 2020, the Order 4 Application was heard and dismissed with cost in the cause. The parties have exchanged and exhausted pleadings in respect of the main action of Suit 7 filed by DESB, as well as the counterclaim filed by Tori Construction.

DESB's advocate has ceased to act for DESB on 28 June 2022 upon application to the High Court of Kuching. On 6 July 2002, the High Court of Kuching issued Order to DESB to pay Tori Construction sum of RM 11,000.00 and the case has discontinued.

PT Arka Jaya Mandiri ("PTAJM") Vs PT Dolphin Indonesia (PTDI)

PTAJM filed a suit against PTDI at the Central Jakarta District Court of Republic of Indonesia on 18 March 2022 claiming for Rp. 3,314,076,851 from PTDI for works performed on the project known as the "Bulking Station Bumiharjo Project". On 11 April 2022, PTDI attended the first court hearing. Central Jakarta District Court on 26 July 2022 has dismissed the case. PTAJM on 9 August 2022 filed an appeal to the High Court of Jakarta.



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

9 Material Litigation (continued)

Unified Wanderers Sdn Bhd Vs Dolphin Engineering Sdn Bhd (DESB) and Dolphin Applications Sdn Bhd (DASB)

On 5 August 2020, a writ of summons was filed by Unified Wanderer Engineering Sdn Bhd (UWSB) against DESB and DASB claiming RM396,708.94 together with interest against DESB and against DASB of RM55,132.20 together with interest respectively. The Court has fixed case management on 10 November 2020. On 13 November 2020, UWSB had reached an amicable settlement with DASB and withdraw the suit against DASB. Meanwhile, UWSB has filed a Notice of Application of Summary Judgment and the Court on 23 March 2021 issued a summary judgement pursuant to Order 14 Rules of Court 2012 against DESB to pay RM375,708.94 together with cost of RM3,000.00 to UWSB. DESB has yet to pay UWSB.

Claim by Nor Anita binti Abu Talib and 19 others (collectively, the “Plaintiffs”) against Dolphin Applications Sdn. Bhd. (“DASB”), DRSSB and 5 others (collectively, the “Defendants”) (Shah Alam High Court Civil Suit No.: BA-22NCvC-104-03/2021)

The Plaintiffs filed their claim for various declaratory relief and damages against the Defendant for breach of contract and trust, misrepresentation, fraud, deceit and conspiracy to defraud in respect of a purported investment scheme.

DASB, a wholly-owned subsidiary of DIB and DRSSB, a wholly-owned subsidiary of DASB filed their respective defence on 17 May 2021 and the Plaintiffs filed their reply to defence on 9 August 2021. DASB and DRSSB filed the Striking Out Applications to strike out the Plaintiffs’ claim against DASB and DRSSB (“Striking Out Applications”) and written submission in respect of the Striking Out Applications will be exchanged by 15 January 2022. On 1 April 2022, the Court has allowed the Striking Out Applications by the Defendants with the plaintiffs paying RM 3,500.00 to each of the Defendants. On 29 April 2022, the Plaintiffs filed to Court of Appeal to appeal against the Court decision on 1 April 2022. The case management is fixed on 30 August 2022 for the parties to update the Court on the status of the Supplemental Record of Appeal.

10 Loss Per Share

Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss after taxation for the period by the weighted average number of ordinary shares in issue during the period.

	Current quarter		Cumulative quarter	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
Loss attributable to equity holders (RM'000)	(11,702)	(34,225)	(15,336)	(40,937)
Weighted average number of ordinary shares in issue ('000)	1,055,008	935,748	1,055,008	935,748
Basic loss per share (sen)	(1.11)	(3.66)	(1.45)	(4.37)

The diluted loss per share is equal to the basic earnings per share as the outstanding warrants are anti-dilutive.

11 Dividends

No dividends has been declared or proposed for the current financial quarter under review.

12 Loss before taxation

	Current quarter		Cumulative quarter	
	30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
Loss before taxation is arrived at after charging/(crediting):-				
Finance costs	177	521	928	1,922
Depreciation of property, plant and equipment and Investment property	478	967	931	1,666
Interest income	(3)	(22)	(64)	(44)
Impairment of receivables	123	240	(102)	219
Writeoff property, plant & equipment	7	30,031	7	30,031
Impairment of goodwill	9,800	2,500	9,800	2,500
Gain on disposal of property, plant & equipment	-	(19)	(4)	(163)
(Gain)/loss on foreign exchange				
- Unrealised	(16)	(31)	(20)	19

13 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 August 2022.