



DOLPHIN INTERNATIONAL BERHAD
(1001521-X)

**Unaudited Condensed Consolidated
Interim Financial Statements
for the 3 Months Ended 30 September 2022**



DOLPHIN INTERNATIONAL BERHAD

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

	<u>Note</u>	CUMULATIVE QUARTER	
		<u>30 SEPTEMBER 2022</u>	<u>30 SEPTEMBER 2021</u>
		RM'000	RM'000
Revenue		4,275	892
Cost of sales		(2,785)	(448)
Gross profit		1,490	444
Other income		206	74
Administrative expenses		(2,503)	(1,162)
Results from operations		(807)	(644)
Finance costs		(124)	(324)
Share of result of associate company		-	5
Loss before taxation	B12	(931)	(963)
Taxation	B5	(16)	-
Net loss for the period		(947)	(963)
Exchange difference arising on translation of foreign operations		(55)	8
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,002)	(955)
Loss attributable to:			
Owners of the Company		(971)	(950)
Non-controlling interests		24	(13)
		(947)	(963)
Loss per share attributable to owners of the Company (sen)			
- Basic	B10	(0.07)	(0.10)
- Diluted	B10	(0.07)	(0.10)

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 2022 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 PERIOD ENDED 30 SEPTEMBER 2022**

	<u>Note</u>	(Unaudited) 30 SEPTEMBER 2022 <i>RM'000</i>	(Audited) 30 JUNE 2022 <i>RM'000</i>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		5,536	3,570
Investment property		20,437	20,435
Right-of-use assets		928	896
Intangible assets		40,585	8,427
		<u>67,486</u>	<u>33,328</u>
CURRENT ASSETS			
Inventories		2,662	2,499
Trade and other receivables		7,503	6,652
Contract assets		187	187
Tax recoverable		218	131
Fixed deposit with a licensed bank		3,013	3,013
Cash and cash equivalents		2,657	4,360
		<u>16,240</u>	<u>16,842</u>
TOTAL ASSETS		<u>83,726</u>	<u>50,170</u>
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		66,427	47,927
Foreign currency translation reserve		667	722
Warrant reserve		3,846	3,846
Accumulated losses		(30,469)	(29,498)
		<u>40,471</u>	<u>22,997</u>
Non-controlling interests		226	202
TOTAL EQUITY		<u>40,697</u>	<u>23,199</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities		560	474
Bank borrowings	<i>B7</i>	7,168	7,358
Deferred tax liabilities		181	120
		<u>7,909</u>	<u>7,952</u>
CURRENT LIABILITIES			
Lease liabilities		342	469
Preference shares		10,110	10,110
Trade and other payables		23,598	7,693
Taxation		46	46
Bank borrowings	<i>B7</i>	1,024	701
		<u>35,120</u>	<u>19,019</u>
TOTAL LIABILITIES		<u>43,029</u>	<u>26,971</u>
TOTAL EQUITY AND LIABILITIES		<u>83,726</u>	<u>50,170</u>
Net Assets per share attributable to ordinary owners of the Company (sen)		<u>3.0</u>	<u>2.2</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 2022 and the accompanying explanatory notes to the unaudited condensed consolidated interim financial statements.



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	← <i>Attributable to Owners of the Company</i> →						
	<u>Non-Distributable</u>			<u>Distributable</u>			
	Share Capital	Foreign Currency Translation Reserve	Warrant Reserve	Accumulated Losses	Sub-total	Non- Controlling Interests	Total Equity
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
At 1 July 2022	47,927	722	3,846	(29,498)	22,997	202	23,199
Transaction with owners							
- Issuance of share for part settlement of purchase consideration on acquisition of subsidiary companies	18,500	-	-	-	18,500	-	18,500
Total transaction with owners	18,500	-	-	-	18,500	-	18,500
Loss for the period	-	-	-	(971)	(971)	-	(971)
<i>Other comprehensive loss:</i>							
Foreign currency translation	-	(55)	-	-	(55)	24	(31)
Total comprehensive loss for the period	-	(55)	-	(971)	(1,026)	24	(1,002)
At 30 September 2022	66,427	667	3,846	(30,469)	40,471	226	40,697
At 1 July 2021	38,780	770	3,846	(14,169)	29,227	(137)	29,090
Loss for the period	-	-	-	(942)	(942)	(13)	(955)
<i>Other comprehensive Loss:</i>							
Foreign currency translation	-	8	-	-	8	-	8
Total comprehensive loss for the period	-	8	-	(942)	(934)	(13)	(947)
At 30 September 2021	38,780	778	3,846	(15,111)	28,293	(150)	28,143

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 2022 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 CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	CURRENT QUARTER 30 SEPTEMBER 2022	CURRENT QUARTER 30 SEPTEMBER 2021
	<i>RM'000</i>	<i>RM'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(931)	(963)
Adjustments for:		
Amortisation of intangible assets	56	138
Bad debts written off	4	-
Depreciation of property, plant & equipment	224	-
Profit retained in associated company	-	(5)
Interest expenses	124	162
Interest expenses - fair value	-	162
Unrealised gain on foreign exchange	(20)	8
Loss before working capital changes	<u>(543)</u>	<u>(498)</u>
Working Capital Changes		
Inventories	(163)	(2)
Trade and other receivables	(2,452)	(887)
Trade and other payables	3,258	311
Contract asset	-	(85)
Cash used in operations	<u>100</u>	<u>(1,161)</u>
Interest paid	(124)	(162)
Tax (payment) / refund	(103)	-
Net cash used in operating activities	<u>(127)</u>	<u>(1,323)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(78)
Acquisition of subsidiaries	(1,400)	-
Net cash used in investing activities	<u>(1,400)</u>	<u>(78)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(41)	(8)
Repayment of term loans	(190)	(129)
Net cash used in financing activities	<u>(231)</u>	<u>(137)</u>
Net decrease in cash and cash equivalents	(1,758)	(1,538)
Effects of exchange rate changes on cash and cash equivalents	55	4
Cash and cash equivalents at beginning of the financial period	4,360	13,820
Cash and cash equivalents at end of the financial period	<u>2,657</u>	<u>12,286</u>
Cash and cash equivalent at end of financial period comprise the following:		
Fixed deposit	3,013	5,093
Cash and bank balances	2,657	7,193
	<u>5,670</u>	<u>12,286</u>
Less: Pledged deposit with licensed bank	(3,013)	-
	<u>2,657</u>	<u>12,286</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 2022 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

A1 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 2022.

A2 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 2022, 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.

A3 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 2022 was not qualified.

A4 Seasonal or Cyclical Factors

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

A5 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.

A6 Changes in estimates

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

A7 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.

A8 Dividend Paid

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

A9 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:

- á) 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) Trading of wines and other liquor products ("Trading"); and
- é) Investment holding and management services segment ("Investment holding").



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

A9 Segment Information (Cont'd)

(a) Analysis of revenue and results by segment

	Current Quarter 3 months ended	
	30.09.2022 RM'000	30.09.2021 RM'000
Segment Revenue		
- Milling systems and solutions	-	114
- Supply of parts and maintenance services	-	19
- Food and beverage	4,091	759
- Trading	957	-
- Inter-co elimination	(773)	-
Total Revenue	4,275	892
Segment Results		
- Milling systems and solutions	(275)	(598)
- Supply of parts and maintenance services	(5)	(161)
- Food and beverage	(273)	(11)
- Trading	(2)	-
- Investment holding	(376)	(193)
Total Loss before Tax	(931)	(963)

(b) Analysis of revenue by geographic markets

Revenue	Current Quarter 3 months ended	
	30.09.2022 RM'000	30.09.2021 RM'000
Malaysia	4,275	873
Overseas	-	19
	4,275	892

A10 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.

A11 Changes in the Composition of the Group

On 24 February 2022, a subsidiary company has entered into a Sale and Purchase Agreement to acquire 100% of the share capital of High Reserve F & B Sdn Bhd and its wholly-owned subsidiaries for a total consideration of RM36.0 million and the acquisition was completed on 20 July 2022 in accordance with the term of the Sales and Purchase Agreement.

And as such, the 2 months' results of the High Reserve F & B Sdn Bhd and its wholly-owned subsidiaries have been included in the report for the quarter under review.

A12 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 indemnify 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.

A13 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

B1 Review of Performance

The summarised results of the Group:-

	Current quarter	
	30.09.2022	30.09.2021
	RM'000	RM'000
Revenue	4,275	892
Loss before taxation	(931)	(963)

Current quarter against previous year corresponding quarter

The Group recorded revenue of RM 4.3 million in the current quarter as compared to the previous year's corresponding quarter revenue of RM 0.9 million. The increase of RM 3.4 million was due to contribution from the Italian restaurant and wine of RM 1.3 million, higher revenue from existing Uncle Don's outlets of RM 0.7 million and newly acquired Uncle Don's outlets of RM1.5 million.

The Group's loss before tax remains at RM 0.9 million as compared to the previous year's corresponding quarter in spite of the increase in revenue. This is mainly due to the fixed expenses yet to be incurred for the non revenue generating segments and also due to expenses incurred for corporate exercise and Subsidiary Companies acquisition.

B2 Comparison with Preceding Quarter's Results

	Current quarter	Preceding quarter	Change
	30.09.2022	30.06.2022	
	RM'000	RM'000	%
Revenue	4,275	3,634	17.6
Loss before taxation	(931)	(11,668)	92.0
Loss after taxation	(947)	(11,700)	91.9

Revenue for the current quarter is higher by 17.6% than the preceding quarter mainly due to the inclusion of sales from newly acquired Uncle Don's restaurants of RM1.5 million.

The loss before taxation for the current quarter is lower by 92% as the preceding quarter recognised impairment of goodwill of RM9.8 million.

B3 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 and worldwide economy downturn, the Board of Directors are in the view that the Group's performance for the financial year ending 30 June 2023 will remain challenging.

B4 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.

B5 Taxation

	Current Quarter	Last Year Quarter
	30.09.2022	30.09.2021
	RM'000	RM'000
Current Malaysian tax - current year	16	-
	<u>16</u>	<u>-</u>



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

**B6 (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 was deemed completed as at to date.

Purpose	Approved utilisation of proceeds (RM '000)	Partial proceeds raised as at 23 November 2022 (RM '000)	Actual utilisation as at 23 November 2022 (RM '000)	Balance unutilised as at 23 November 2022 (RM '000)	Variation (RM '000)	Balance utilisation after variation (RM '000)	Revised timeframe for utilisation of proceeds
Working capital for UD Express	5,000	-	-	-	-	-	Within 42 months
General working capital for DIB	4,466	-	-	-	-	-	Within 24 months
Set up costs for UD Express outlet	9,982	5,775	579	5,196	(2,000)	3,196	Within 42 months
Repayment of borrowings	3,000	-	-	-	-	-	Within 6 months
Future expansion and acquisition for	3,000	2,772	2,772	-	-	-	Within 24 months
Estimated expenses	600	600	384	216	(216)	-	Within 1 month
Total	26,048	9,147	3,735	5,412	(2,216)	3,196	

(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) 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 23 November 2022 (RM'000)	Balance unutilised as at 23 November 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	2,376	-	-	-	Within 21 months
Estimated expenses	139	139	-	-	-	Not Applicable
Total	9,765	4,636	5,129	(1,979)	3,150	

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

B7 Loans and Borrowings

	<u>30.09.2022</u> RM '000	<u>30.06.2022</u> RM '000
Short term borrowings		
Secured :-		
Term loans	1,024	701
Long term borrowings		
Secured :-		
Term loans	7,168	7,358
Total	<u><u>8,192</u></u>	<u><u>8,059</u></u>



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

B8 Off Balance Sheet Financial Instruments

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

B9 Material Litigation

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

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 ("PTHHT"), being the defendant.

Based on the decision of Tangerang District Court dated 10 October 2018, PTHHT 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 PTHHT.

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

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

PTHHT 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 PTHHT 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. PTHHT subsequently filed an appeal to the Jakarta High Court on 17 February 2022. On 22 June 2022, the Jakarta High Court dismissed the appeal with costs of Rp 150,000 awarded to PTDI.

On 8 August 2022, PTHHT filed Cassation Order to the Supreme Court. On 21 September 2022, the lawyers of PTDI wrote to the Chief Justice of Supreme Court of Indonesia to strike off all outstanding lawsuits, which currently pending outcome.

Originating Summon No.: KCH-24C-1/1-2020 between Dolphin Engineering (M) 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 ("CIPAA") 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 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 DESB and Tori Construction.

On 15 July 2021, the High Court has dismissed both Company's applications for setting aside and stay of the Adjudication Decision. On 13 August 2021, the Company filed an appeal to the decision of the High Court which currently pending outcome of the appeal.

On 28 June 2022, the acting lawyers of DESB has filed a Notice of Application and Notice of Motion to cease to be the advocates acting for DESB. As at to-date, DESB has not appointed new lawyers to act on this legal litigation.

Originating Summon No.: KCH-24C-2/2-2020 between Tori Construction and Dolphin Engineering (M) 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 with costs of RM 3,000,000 to Tori Construction.

On the hearing date of 20 August 2021, the High Court allowed the Enforcement Application and the Adjudication Decision enforceable as if it was a judgment at Court under the CIPAA. 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 has disallowed the application with costs of RM 2,500 to be paid by DESB to Tori Construction.

On 16 February 2022 and 7 July 2022, Tori Construction files a Garnishee Order to show cause to demand for payment of RM3,839,637.33 and RM3,841,818.56

On 28 June 2022, the acting lawyers of DESB has filed a Notice of Application and Notice of Motion to cease to be the advocates acting for DESB. As at to-date, DESB has not appointed new lawyers to act on this legal litigation.

Originating Summon No.: KCH-22NCvC-7/3-2020 between Dolphin Engineering (M) 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.

On 28 June 2022, the acting lawyers of DESB has filed a Notice of Application and Notice of Motion to cease to be the advocates acting for them.

On 6 July 2022, a court order from the High Court of Sabah and Sarawak declared with cost of RM1,000 to be paid by DESB to Tori Construction. In addition, the High Court of Sabah and Sarawak declared that DESB's lawyer has ceased to be advocates acting for DESB and ordered that this case be withdrawn with cost of RM10,000 to be paid by DESB to Tori Construction.

As at to-date, DESB has not appointed new lawyers to act on this legal litigation.



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

B9 Material Litigation (cont'd)

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 26 July 2022, the Central Jakarta District Court was of the view that it does not have the authority to inspect the case and ordered PTJAM to pay court fee of Rp. 810,000.

On 9 August 2022, PTAJM filed Cassation Order to the Supreme Court. On 21 September 2022, the lawyers of PTDI wrote to the Chief Justice of Supreme Court of Indonesia to strike off all outstanding lawsuits, which currently pending outcome.

Unified Wanderers Sdn Bhd Vs Dolphin Engineering (M) 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. On 10 March 2022, the Court has issued a court order to DESB to pay RM375,708.94 together with court fee of RM3,000.00 to UWSB as at to date.

DESB was instructed to file an Order for Sale in respect of Lot No. 54, PN 11813, M1-A/8/425 held under HS(D) 63219, Mukim Bandar Sunway, Daerah Petaling, Selangor Darul Ehsan ("the Property"). And a new hearing date has been fixed on 21 November 2022.

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)

On 12 March 2021, Nor Anita Binti Abu Talib & 19 others ("Plaintiffs") filed an originating summons against DRSSB and DASB on breach of contract and trust, misrepresentation, fraud, deceit and conspiracy to defraud in respect of a purported investment scheme relating to preference shares. The Plaintiffs are claiming for various declaratory relief and damages. On 4 June 2021, the Companies also filed a striking out application to strike out the Plaintiffs' claims against the Companies.

On 1 April 2022, the High Court has allowed the striking out application by both the Companies and the plaintiffs are ordered to pay RM3,500 to the Companies.

On 28 April 2022, the plaintiffs filed an appeal against the High Court's decision made on 1 April 2022 on DRSSB. The hearing date for the appeal has been fixed on 20 March 2023. As for DASB, the plaintiffs did not file an appeal.

B10 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	
	30.09.2022	30.09.2021
Loss attributable to equity holders (RM'000)	(947)	(963)
Weighted average number of ordinary shares in issue ('000)	1,337,883	935,748
Basic loss per share (sen)	(0.07)	(0.10)

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

B11 Dividends

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

B12 Loss before taxation

	Current quarter	
	30.09.2022 RM'000	30.09.2021 RM'000
Loss before taxation is arrived at after charging/(crediting):-		
Bad debts written off	4	-
Finance costs	124	324
Amortisation of intangible assets	56	-
Depreciation of property, plant and equipment and Investment property	223	138
Interest income	-	(23)
Gain on foreign exchange		
- Unrealised	(20)	(3)

B13 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 23 November 2022.