



DOLPHIN INTERNATIONAL BERHAD
(1001521-X)

**Unaudited Condensed Consolidated
Interim Financial Statements
for the Year Ended 30 June 2023**



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 2023

	<u>Note</u>	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30 JUNE 2023 RM'000	30 JUNE 2022 RM'000	30 JUNE 2023 RM'000	30 JUNE 2022 RM'000
Revenue		3,299	2,725	16,845	9,522
Cost of sales		(2,253)	(1,787)	(10,839)	(6,051)
Gross profit		1,046	938	6,006	3,471
Other income		11,534	2,721	20,053	3,218
Administrative expenses		(24,700)	(14,740)	(33,769)	(20,398)
Results from operations		(12,120)	(11,081)	(7,710)	(13,709)
Finance costs		(134)	(98)	(482)	(849)
Share of result of associate company		-	-	-	-
Loss before taxation	B12	(12,254)	(11,179)	(8,192)	(14,558)
Taxation	B5	(42)	(231)	(103)	(491)
Net loss for the year		(12,296)	(11,410)	(8,295)	(15,049)
Exchange difference arising on translation of foreign operations		(177)	(61)	(167)	(53)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(12,473)	(11,471)	(8,462)	(15,102)
Loss attributable to:					
Owners of the Company		(12,442)	(11,746)	(8,543)	(15,376)
Non-controlling interests		(31)	270	81	274
		(12,473)	(11,476)	(8,462)	(15,102)
Loss per share attributable to owners of the Company (sen)					
- Basic	B10	(0.92)	(1.08)	(0.62)	(1.43)
- Diluted	B10	(0.92)	(1.08)	(0.62)	(1.43)

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 YEAR ENDED 30 JUNE 2023

<u>Note</u>	(Unaudited) 30 JUNE 2023	(Audited) 30 JUNE 2022
	<i>RM'000</i>	<i>RM'000</i>
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4,074	3,570
Investment property	20,047	20,435
Right-of-use assets	2,222	896
Intangible assets	20,623	8,427
	<u>46,966</u>	<u>33,328</u>
CURRENT ASSETS		
Inventories	2,381	2,499
Trade and other receivables	4,878	6,652
Contract assets	110	187
Tax recoverable	129	131
Fixed deposit with a licensed bank	501	3,013
Cash and cash equivalents	1,670	4,360
	<u>9,669</u>	<u>16,842</u>
TOTAL ASSETS	<u>56,635</u>	<u>50,170</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	23,427	47,927
Foreign currency translation reserve	554	722
Warrant reserve	3,846	3,846
Retained Profit/(Accumulated losses)	5,144	(29,498)
	<u>32,971</u>	<u>22,997</u>
Non-controlling interests	266	202
TOTAL EQUITY	<u>33,237</u>	<u>23,199</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Lease liabilities	1,404	474
Bank borrowings	B7 6,643	7,358
Deferred tax liabilities	61	120
	<u>8,108</u>	<u>7,952</u>
CURRENT LIABILITIES		
Lease liabilities	891	469
Preference shares	-	10,110
Trade and other payables	13,466	7,693
Taxation	21	46
Bank borrowings	B7 912	701
	<u>15,290</u>	<u>19,019</u>
TOTAL LIABILITIES	<u>23,398</u>	<u>26,971</u>
TOTAL EQUITY AND LIABILITIES	<u>56,635</u>	<u>50,170</u>
Net Assets per share attributable to ordinary owners of the Company (sen)	<u>2.5</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 YEAR ENDED 30 JUNE 2023

	← Attributable to Owners of the Company →						Total Equity
	<u>Non-Distributable</u>			<u>Distributable</u>		Non- Controlling Interests	
	Share Capital	Foreign Currency Translation Reserve	Warrant Reserve	Retained Profit/ (Accumulated Losses)	Sub-total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
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
Capital reduction	(43,000)	-	-	43,000	-	-	-
Total transaction with owners	(24,500)	-	-	43,000	18,500	-	18,500
Loss for the year	-	-	-	(8,360)	(8,360)	64	(8,296)
<i>Other comprehensive loss:</i>							
Foreign currency translation	-	(167)	-	-	(167)	-	(167)
Total comprehensive loss for the year	-	(167)	-	(8,360)	(8,527)	64	(8,463)
At 30 June 2023	23,427	555	3,846	5,142	32,970	266	33,237
At 1 July 2021	38,780	770	3,846	(14,169)	29,227	(137)	29,090
Arising from the acquisition of subsidiary companies	-	-	-	-	-	65	65
Issuance of shares pursuant to Private Placement	9,147	-	-	-	9,147	-	9,147
Total transactions with owners	9,147	-	-	-	9,147	-	9,147
Loss for the year	-	-	-	(15,329)	(15,329)	279	(15,050)
<i>Other comprehensive Loss:</i>							
Foreign currency translation	-	(48)	-	-	(48)	(5)	(53)
Total comprehensive loss for the year	-	(48)	-	(15,329)	(15,377)	274	(15,103)
At 30 June 2022	47,927	722	3,846	(29,498)	22,997	202	23,199

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



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	YEAR ENDED 30 JUNE 2023	YEAR ENDED 30 JUNE 2022
	<i>RM'000</i>	<i>RM'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(8,192)	(14,558)
<i>Adjustments for:</i>		
Amortisation of intangible assets	496	-
Intangible assets written off	275	-
Bad debts written off	28	51
Deposit written off	-	1
Depreciation of property, plant & equipment and investment properties	1,112	513
Depreciation of right-of-use assets	1,115	583
Property, plant and equipment written off	1,155	6
Provision for foreseeable losses on contract assets	-	73
Reversal of intrinsic loss on amount due from associated company	-	(207)
Reversal of contingent consideration not payable	-	(988)
Reversal of lease interest for lease termination	-	(5)
Gain on disposal of property, plant and equipment	(544)	(7)
Impairment loss on property, plant and equipment	-	477
Interest income	(34)	(78)
Interest expenses	482	849
Short term leases	-	112
Low value leases	-	12
Impairment of goodwill	19,639	9,400
Gain on deemed disposal of a subsidiary	(6,491)	-
Gain on disposal of a subsidiary	(10,245)	-
Loss allowance for receivables	-	211
Reversal of loss allowance of receivable	(3,243)	(254)
Unrealised gain on foreign exchange	-	(14)
Loss before working capital changes	<u>(4,447)</u>	<u>(3,823)</u>
Working Capital Changes		
Inventories	118	(1,029)
Contract assets	77	91
Trade and other receivables	802	962
Trade and other payables	950	763
Cash generated/(used) in operations	<u>(2,500)</u>	<u>(3,036)</u>
Interest received	34	78
Interest paid	(482)	(582)
Tax (payment) / refund	(90)	(527)
Short term leases paid	-	(112)
Low value leases paid	-	(12)
Net cash used in operating activities	<u>(3,038)</u>	<u>(4,191)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposit paid for acquisition of subsidiary companies	-	(5,400)
Purchase of property, plant and equipment	-	(1,269)
Purchase of investment properties	-	(85)
Proceeds from disposal of property, plant and equipment	-	37
Uplift/(Placement) of fixed deposits	2,500	(3,013)
Net cash outflows from acquisition of subsidiary companies	<u>(1,400)</u>	<u>(2,667)</u>
Net cash used in investing activities	<u>1,100</u>	<u>(12,397)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	9,147
Repayment of lease liabilities	(71)	(1,321)
Drawdown of Bankers Acceptance	192	-
Repayment of term loan	(873)	(658)
Net cash (used in)/generated from financing activities	<u>(752)</u>	<u>7,168</u>
Net decrease in cash and cash equivalents	(2,690)	(9,420)
Effects of exchange rate changes on cash and cash equivalents	-	(40)
Cash and cash equivalents at beginning of the financial year	4,360	13,820
Cash and cash equivalents at end of the financial year	<u>1,670</u>	<u>4,360</u>
Cash and cash equivalent at end of financial year comprise the following:		
Fixed deposit	501	3,013
Cash and bank balances	1,670	4,360
	<u>2,171</u>	<u>7,373</u>
Less: Pledged deposit with licensed bank	(501)	(3,013)
	<u>1,670</u>	<u>4,360</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		Cumulative Quarter 12 months ended	
	30.06.2023 RM'000	30.06.2022 RM'000	30.06.2023 RM'000	30.06.2022 RM'000
Segment Revenue				
- Milling systems and solutions	-	(20)	-	145
- Supply of parts and maintenance services	-	14	-	73
- Food and beverage	3,920	1,265	16,374	7,838
- Trading	969	2,355	3,849	2,355
- Inter-co elimination	(1,590)	(889)	(3,378)	(889)
Total Revenue	3,299	2,725	16,845	9,522
Segment Results				
- Milling systems and solutions	5,241	(1,976)	5,666	(3,373)
- Supply of parts and maintenance services	6	(150)	(98)	(515)
- Food and beverage	10,126	(75)	9,224	(125)
- Trading	(45)	845	(49)	845
- Investment holding	(18,655)	(8,569)	(20,477)	(10,114)
- Consolidation adjustments	(8,927)	(1,254)	(2,458)	(1,276)
Total Loss before Tax	(12,254)	(11,179)	(8,192)	(14,558)

(b) Analysis of revenue by geographic markets

Revenue	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	30.06.2023 RM'000	30.06.2022 RM'000	30.06.2023 RM'000	30.06.2022 RM'000
Malaysia	3,299	2,711	16,845	9,449
Overseas	-	14	-	73
	3,299	2,725	16,845	9,522

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 11 months' results of the High Reserve F & B Sdn Bhd and its wholly-owned subsidiaries have been included in the report for the year under review.

On 10 February 2023, RSM Corporate Restructuring (Malaysia) Sdn Bhd has been appointed as the Interim Liquidator to commence the Creditors' Voluntary Liquidation of a Subsidiary, Dolphin Engineering Sdn Bhd (DESB).

The Creditor's Voluntary Winding-Up will not have any effect on the issued share capital and shareholding structure of the Company.

However, the Creditor's Voluntary Winding-Up had resulted a gain on deconsolidation of DESB of RM6.4 million.

The wholly-owned subsidiary, Dolphin Applications Sdn. Bhd. had on 24 May 2023 entered into a Share Sale and Purchase Agreement with its director, Hoh Yeong Chering for the disposal of 2 ordinary shares of Dolphin Robotic Systems Sdn. Bhd. which representing 100% equity interest in DRSSB to him for a total disposal consideration of RM1.00.

As a result, the Group had attained a gain on disposed investment of RM10.2 million.

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.

RM'000

Unsecured:

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

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		Cumulative quarter	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	3,299	2,725	16,845	9,522
Loss before Tax	(12,254)	(11,179)	(8,192)	(14,558)

Current quarter against previous year corresponding quarter

The Group recorded revenue of RM 3.2million in the current quarter as compared to the previous year's corresponding quarter revenue of RM 2.8 million. The slight increase of RM 0.4 million was mainly due to sales contribution from the newly acquired Uncle Don's outlets.

The Group generated slightly higher loss for this quarter compared to the previous year's corresponding quarter's loss mainly due to the higher impairment of goodwill.

B2 Comparison with Preceding Quarter's Results

	Current quarter	Preceding quarter	Change
	30.06.2023	31.03.2023	
	RM'000	RM'000	%
Revenue	3,299	4,549	(27.5)
(Loss)/Profit before taxation	(12,254)	6,112	300.5
(Loss)/Profit after taxation	(12,296)	6,101	301.5

Revenue for the current quarter is lower by 27.5% than the preceding quarter mainly due to the lower sales from food & beverage outlets.

The Group incurred loss before taxation for the current quarter is high mainly due to impairment of goodwill.

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 2024 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		Cumulative	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Current Malaysian tax				
- current year	74	224	135	235
- prior year	(23)	7	(23)	256
Deferred tax	(9)	-	(9)	-
	42	231	103	491



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 22 February 2023 (RM '000)	Actual utilisation as at 22 February 2023 (RM '000)	Balance unutilised as at 22 February 2023 (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.

(iii) Multiple Proposal

Mercury Securities Sdn Bhd had on 11 January 2023 announced that the Company proposed to undertake the following:

- > proposed reduction of Dolphin's issued share capital pursuant to Section 117 of the Company Act 2016;
- > proposed consolidation of every 10 existing Dolphin shares into 1 Consolidated Share; and
- > proposed renounceable rights issue of up to 253,505,508 Rights Shares together with up to 152,103,304 free detachable Warrants-C on the basis of 5 Rights Share together with 3 Warrants-C for every 3 Consolidated Shares held on an Entitlement Date to be determined later.

Mercury Securities had on 10 April 2023 announced that the Company submitted application to Bursa Securities for the withdrawal of the Proposed Share Consolidation and Proposed Right Issue; reason being the need to revise the structure of the Proposed Rights Issue.

At Extraordinary General Meeting held on 8 May 2023, the Shareholders passed an ordinary resolution to approve the capital reduction of Dolphin's issued share capital of RM43 million which to be set-off against accumulated losses.

(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 22 February 2023 (RM'000)	Balance unutilised as at 22 February 2023 (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	-	-	-	Within 12 months
Set up costs for new distribution company	1,150	-	1,150	-	1,150	Within 33 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	6,636	3,129	(1,979)	1,150	



Pursuant to announcement to Bursa on 23 August 2023 on the EGM voting results, the status of utilisation of proceeds raised from the Private Placement 1 has been varied and is as follows:

Purpose	Approved utilisation (RM '000)	Actual utilisation as at 31 July 2023 (RM'000)	Balance unutilised as at 31 July 2023 (RM'000)	Variation (RM '000)	Balance utilisation after variation (RM'000)
Set up costs for new distribution company	1,150	-	1,150	(1,150)	-
Cash consideration in respect of Acquisition of High Reserve	-	-	-	1,150	1,150
Total	1,150	-	1,150	-	1,150

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

B7 Loans and Borrowings

	<u>30.06.2023</u> <i>RM '000</i>	<u>30.06.2022</u> <i>RM '000</i>
Short term borrowings		
Secured :-		
Term loans	912	701
Long term borrowings		
Secured :-		
Term loans	6,643	7,358
Total	<u><u>7,555</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 ("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 22 June 2022, the Jakarta High Court dismissed the appeal with costs of Rp 150,000 awarded to PTDI.

PTHT had subsequently on 8 August 2022 filed an appeal to the Supreme Court of Indonesia and the parties are awaiting the decision of the Supreme Court of Indonesia on the appeal.

The solicitors of PTDI has vide letter dated 21 September 2022 applied to the Supreme Court of Indonesia to restraint any future legal proceedings that might be initiated by PTHT in any court in Indonesia.

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 solicitors acting for DESB has filed a Notice of Motion to the Court of Appeal to withdraw themselves as advocates for DESB for the appeals. The Court of Appeal on 22 August 2022 has given judgement on the motion to declare that the solicitors have ceased to be the advocates of DESB.

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 from DESB.

On 28 June 2022, the solicitors acting for DESB has filed a Notice of Motion to the Court of Appeal to withdraw themselves as advocates for DESB for the appeals. The Court of Appeal on 22 August 2022 has given judgement on the motion to declare that the solicitors have ceased to be the advocates of DESB.

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.



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.

PTAJM had subsequently on 9 August 2022 filed an appeal to the Supreme Court of Indonesia and the parties are awaiting the decision of the Supreme Court of Indonesia on the appeal.

The solicitors of PTDI has vide letter dated 21 September 2022 applied to the Supreme Court of Indonesia to restraint any future legal proceedings that might be initiated by PTAJM in any court in Indonesia.

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 for 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 ("Companies") for 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 filed striking out applications to strike out the Plaintiffs' claims against the Companies ("Striking Out Applications").

On 1 April 2022, the High Court allowed the Striking Out Applications with cost of RM3,500 to be paid by the Plaintiffs to DRSSB and DASB respectively.

On 28 April 2022, the Plaintiffs filed an appeal against the High Court's decision made on 1 April 2022, where the High Court struck out the Plaintiffs' claim against DRSSB ("Appeal"). The Appeal was heard on 20 March 2023. The Court of Appeal allowed the Appeal with cost of RM5,000. The matter is remitted back to the High Court for trial. This matter is currently fixed for case management before the High Court Judge on 19 June 2023 for parties to prepare the pre-trial documents. As for DASB, the Plaintiffs did not file an appeal against the High Court's decision made on 1 April 2022.

Sarawak Land Consolidation and Rehabilitation Authority Vs Dolphin Engineering (Kuching High Court Suit No. KCH-22NCvC-56/12-2022)

Sarawak Land Consolidation and Rehabilitation Authority ("SLCRA") had on 23 December 2022 initiated a suit against Dolphin Engineering claiming for *inter alia*, a sum of RM3,994,400 being the damages suffered due to Dolphin Engineering's breach of an agreement no. 05/2014 Engineering, Procurement, Construction and Commissioning of the Proposed 60/120MT per Hour New Lubok Antu Palm Oil Mill entered into by SLCRA and Dolphin Engineering ("**Agreement**"). Under the Agreement, Dolphin Engineering was appointed by SLCRA to construct a crude palm oil tank ("**CPO Tank**") at SLCRA's premises. It was alleged that Dolphin Engineering has failed, refused and/or neglected to do the necessary rectification works on the defects of the CPO Tank. As a result, SLCRA had suffered loss and damages and had to engage in a third-party contractor and/or consultant to rectify the defects of the CPO Tank.

DESB had on 17 February 2023, received from Reddi & Co., the Advocates acting on behalf of Plaintiff, a sealed copy of judgement dated 27 January 2023 granted by The High Court in Sabah & Sarawak.

The Court ruled DESB to pay SLCRA the sum of RM3,994,400.00 and costs.



Genesis Corp Pte. Ltd. & 2 others against DRSSB, Dolphin Applications Sdn. Bhd. (“DASB”), DIB and Low Teck Yin (“LTY”) (Shah Alam High Court Civil Suit No.: BA-22NCvC-148-04/2023 (“Suit”))

The Company's indirect subsidiary, DRSSB had on 5 April 2023 made a Statutory Declaration pursuant to Section 440(1) of the Companies Act 2016 which was lodged with Companies Commission of Malaysia on the same day. On 5 April 2023, RSM Corporate Restructuring (Malaysia) Sdn. Bhd. was appointed as the Interim Liquidator to commence the creditors' voluntary liquidation of DRSSB (Creditors' Voluntary Winding-Up).

DRSSB, DASB and DIB had, on 27 April 2023, received a copy of a draft ex-parte Order dated 27 April 2023 granted by the High Court in the Suit (“Ex-parte Order”). DRSSB, DASB, DIB and LTY were named as defendants in the Suit.

The Ex-parte Order has the effect of, among others, preventing the voluntary winding up of DRSSB, DASB and DIB.

On 3 May 2023, the solicitors for DRSSB, DASB and DIB received the sealed Ex-parte Order. On 9 May 2023, the solicitors for DRSSB, DASB and DIB received the Writ, Statement of Claim and the cause papers for the Plaintiff's injunction application dated 20 April 2023 in enclosure 4 (“Encl. 4”). DRSSB, DASB and DIB entered appearance on 10 May 2023.

On 31 May 2023, the solicitors for DRSSB, DASB and DIB filed an application in enclosure 11 and 12 (“Setting Aside Applications”) to among others, set aside the Ex-parte Order and claim for an assessment to be conducted on the damages suffered by DRSSB, DASB and DIB as a result of the Ex-parte Order.

Encl. 4 and Encl. 12 were heard together on 1 August 2023. The Court dismissed Encl. 4 with costs of RM10,000-00. The Court also allowed the Setting Aside Applications.

On 25 August 2023, the solicitors for DASB and DIB filed an application to seek directions for assessment of damages to be given pursuant to Order 37 rule 1 of the Rules of Court 2012.

The Suit is fixed for trial on 8 – 10 April 2024.

The case management is fixed before the Judge on 25 March 2024. All pre-trial documents including bundle of pleadings, common bundle of documents, chronology, case summary, agreed facts, issues to be tried, list of witnesses and witness statements need to be filed before the case management.

B10 Loss Per Share

Basic and diluted loss per share

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

	Current quarter		Cumulative quarter	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Loss attributable to equity holders (RM'000)	(12,296)	(11,410)	(8,295)	(15,049)
Weighted average number of ordinary shares in issue ('000)	1,337,883	1,055,008	1,337,883	1,055,008
Basic loss per share (sen)	(0.92)	(1.08)	(0.62)	(1.43)

The diluted loss per share is equal to the basic loss 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		Cumulative quarter	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Loss before taxation is arrived at after charging/(crediting):-				
Amortisation of intangible assets	278	-	496	-
Intangible assets written off	275	-	275	-
Bad debts written off	24	51	28	51
Loss allowance of receivables	-	211	-	211
Reversal of loss allowance for receivable	(3,243)	(29)	(3,243)	(254)
Depreciation of property, plant and equipment and Investment property	360	60	1,112	513
Depreciation of right-of-use assets	1,115	583	1,115	583
Property, plant and equipment written off	1,155	6	1,155	6
Finance costs	134	98	482	849
Interest income	(10)	(17)	(34)	(78)
Gain on disposal of property, plant and equipment	(43)	(3)	(544)	(7)
Gain on deemed disposal of a subsidiary	-	-	(6,491)	-
Gain on disposal of a subsidiary	(10,245)	-	(10,245)	-
Loss/ (Gain) on foreign exchange				
- Realised	-	(4)	4	(4)
- Unrealised	-	(10)	(24)	(14)

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 30 August 2023.