

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant, or other professional advisers immediately.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has not perused this Circular as it is prescribed as an exempt document pursuant to Paragraph 2.1 of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



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

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

Further to the Notice of Ninth Annual General Meeting (“**9<sup>th</sup> AGM**”) of Dolphin International Berhad (“**DIB**” or “**the Company**”) issued on 29 October 2021, the above proposal will be tabled as an additional Ordinary Resolution under Special Business at the 9<sup>th</sup> AGM of the Company to be conducted on a fully virtual basis through live streaming and online Remote Participation and Electronic Voting (“**RPEV**”) facilities via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657), provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia on Friday, 17 December 2021 at 11.00 a.m. or at any adjournment thereof. The revised Notice of 9<sup>th</sup> AGM and Form of Proxy, are despatched together with this Circular.

A member entitled to attend, speak and vote (collectively, “participate”) remotely at the 9<sup>th</sup> AGM via the RPEV facilities provided is entitled to appoint a proxy or proxies to participate on his/her behalf. The completed and signed Form of Proxy must be lodged at the office of the Share Registrar of the Company situated at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. In the case of an appointment of a proxy made in electronic form, the Form of Proxy must be deposited through the Share Registrar’s website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please refer to the procedures as set out in the Administrative Guide for the Fully Virtual 9<sup>th</sup> AGM for the electronic lodgement of Form of Proxy. The lodgement of the Form of Proxy will not preclude you from participating and voting in person at the 9<sup>th</sup> AGM should you subsequently wish to do so.

The Administrative Guide for the Fully Virtual 9<sup>th</sup> AGM is enclosed in DIB’s Annual Report 2021.

The last day and time for lodgement of the Form of Proxy is Wednesday, 15 December 2021 at 11.00 a.m.

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## DEFINITIONS

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In this Circular, the following terms and abbreviations shall have the following meanings unless otherwise stated:

Act	:	The Companies Act, 2016 as amended from time to time and includes every statutory modification or any re-enactment thereof for the time being in force
AGM	:	Annual general meeting
AP F&B	:	Asia Poly Food and Beverage Sdn. Bhd. [Registration No. 201601000614 (1171539-W)], a wholly-owned subsidiary of DIB
APHB	:	Asia Poly Holdings Berhad [Registration No. 200301016756 (619176-A)]
Audit Committee	:	Audit and Risk Management Committee of DIB
Board	:	Board of Directors of DIB
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
Circular	:	This circular to shareholders of DIB dated 12 November 2021
DASB	:	Dolphin Applications Sdn. Bhd. [Registration No. 200701033516 (791544-V)], a wholly-owned subsidiary of DIB
DESB	:	Dolphin Engineering (M) Sdn. Bhd. [Registration No. 199201019115 (250619-K)], a wholly-owned subsidiary of DIB
DIB or Company	:	Dolphin International Berhad [Registration No. 201201016010 (1001521-X)]
DIB Group	:	DIB and its subsidiary companies, collectively
DIB Share(s) or Share(s)	:	Ordinary share(s) in DIB
Director(s)	:	Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of DIB or DIB Group
DRSSB	:	Dolphin Robotic Systems Sdn. Bhd. [Registration No. 201401016023 (1092109-T)], an indirect wholly-owned subsidiary of DIB
EGM	:	Extraordinary general meeting of DIB

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**DEFINITIONS (CONT'D)**

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Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time
LPD	:	8 November 2021, being the latest practicable date prior to the printing of this Circular
Major Shareholder(s)	:	<p>A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:</p> <p>(a) 10% or more of the total number of voting shares in the Company; or</p> <p>(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company,</p> <p>and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company or any other company which is its subsidiary or holding company</p> <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” has the meaning given in Section 8 of the Act</p>
Proposed Shareholders’Mandate	:	Proposed Renewal of shareholders’ mandate for DIB Group to enter into RRPTs of a revenue or trading nature
Related Party or Related Parties	:	Director(s), Major Shareholder(s) or person(s) connected with such director(s) or Major Shareholder(s) of DIB
RRPT	:	Recurrent related party transaction(s) entered into by DIB Group which involves the interest, direct or indirect, of the Related Parties, which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of DIB Group
RM and Sen	:	Ringgit Malaysia and sen, respectively
Shareholder(s)	:	Shareholders of DIB
Substantial Shareholder(s)	:	A person who has interest or interests in one or more voting shares in DIB and the number or aggregate number of those shares, is not less than 5% of the total number of voting shares in DIB
UD Express Outlets	:	Food & Beverage convenience concept stores under the trademark “UD Express”
UDHSB	:	Uncle Don’s Holdings Sdn. Bhd. [Registration No. 201801039364 (1301395-T)]
UDMSB	:	Uncle Don’s Manufacturing Sdn. Bhd. [Registration No. 201501040414 (1165734-P)]
UDRSB	:	Uncle Don’s Restaurants Sdn. Bhd. [Registration No. 201501039890 (1165208-K)]
Uncle Don’s Outlets	:	AP F&B’s restaurant outlets with the license to operate under the trade name of “Uncle Don’s”

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**DEFINITIONS (CONT'D)**

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United Delight : United Delight Sdn. Bhd. [Registration No. 202101004255 (1404554-P)], a wholly-owned subsidiary of DIB

United Distribution : United Distribution Sdn. Bhd. [Registration No. 202001043738 (1400060-W)], a wholly-owned subsidiary of DIB

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

All references to “you” in this Circular are to the Shareholders.

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

**Registered Office**  
308, Block A (3<sup>rd</sup> Floor)  
Kelana Business Centre  
97, Jalan SS 7/2  
Kelana Jaya  
47301 Petaling Jaya  
Selangor

12 November 2021

**Board of Directors**

YM Tengku Ahmad Badli Shah Bin Raja Hussin (*Independent Non-Executive Chairman*)  
Serena Goh Fhen Fhen (*Executive Director/Chief Executive Officer*)  
Tan Ban Tatt (*Independent Non-Executive Director*)  
Lim Seng Hock (*Independent Non-Executive Director*)  
Hoh Yeong Cherng (*Non-Independent Non-Executive Director*)  
Yeo Boon Ho (*Non-Independent Non-Executive Director*)

**To: The Shareholders**

Dear Sir/Madam,

**PROPOSED SHAREHOLDERS' MANDATE**

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**1. INTRODUCTION**

At the EGM held on 1 November 2021, the Company has sought and obtained its Shareholders' approval for a general mandate to enter into RRPTs in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are necessary for DIB Group's day-to-day operations. The aforesaid mandate will lapse at the conclusion of the forthcoming Ninth ("9<sup>th</sup>") AGM of the Company unless authority for its renewal is obtained from the Shareholders.

On 10 November 2021, the Company announced its intention to seek the Shareholders' approval for the Proposed Shareholders' Mandate pursuant to Paragraph 10.09 of the Listing Requirements.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED SHAREHOLDERS' MANDATE AND TO SET OUT THE VIEWS AND RECOMMENDATION OF THE BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING 9<sup>TH</sup> AGM.**

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR INCLUDING THE APPENDICES CONTAINED HEREIN BEFORE VOTING BY WAY OF POLL ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING 9<sup>TH</sup> AGM.**

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## 2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a general mandate from its shareholders in respect of RRPTs subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of the transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with a total issued share capital of RM60.0 million and above:
  - (i) the consideration, value of the assets, capital outlay or costs of the RRPTs is RM1.0 million or more; or
  - (ii) the percentage ratio of such RRPTs is 1% or more,whichever is the higher.
- (c) in a meeting to obtain shareholders' mandate, the interested directors, interested major shareholders or interested persons connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution to approve the RRPTs. An interested director or interested major shareholder must ensure that persons connected with him shall abstain from voting on the resolution approving the RRPTs; and
- (d) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

The RRPTs that are contemplated under the Proposed Shareholders' Mandate are complied with Paragraph 10.09(2) and the relevant provisions under Sections 3.1 and 3.2 of Practice Note 12 of the Listing Requirements.

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## 2.1 Principal activities of DIB Group

The principal activity of the Company is investment holding. The details of the principal activities of the subsidiaries company of DIB Group are set out in the table below:

No.	Name of subsidiaries company	Principal activities	Effective equity interest (%)
1.	DASB	Involved in the sale, design, engineering, development and integration of electro-automation and related proprietary systems and products for the palm oil milling sector.	100.00
2.	DESB	Involved in the sale, design, engineering, development and integration of pneumatic, hydraulic and related proprietary systems and products for the palm oil milling sector.	100.00
3.	AP F&B	Operating of restaurants and trading of all kinds of food products.	100.00
4.	United Delight	Operator of restaurants, operator of convenient stores, food manufacturing & trading and investment holding.	100.00
5.	United Distribution	Trading of food related products and beverages.	100.00
6.	DRSSB (held by DASB)	Design, engineering and development of palm Fresh Fruit Branches sterilisation and related system, components and parts.	100.00
7.	PT Dolphin Indonesia (held by DASB)	Trading and maintenance services of palm oil industry products.	90.00

Due to the diversity of DIB Group into the food and beverage services industry, it is anticipated that DIB Group would, in the normal course of business, continue to enter into transactions with the Related Parties, details of which are set out in Section 2.4 of this Circular. The said transactions will occur with some degree of frequency and could arise at any time.

These RRPTs which are necessary for the day-to-day operations of DIB Group, have been/will be based on normal commercial terms, at arms' length, and have been/will be transacted on terms that are not more favourable to the Related Parties than those generally available to the public.

The Board proposes to seek its shareholders' approval for the Proposed Shareholders' Mandate of DIB Group to enter into transactions in the normal course of business within the classes of Related Parties set out in Section 2.4 of this Circular, provided such transactions are entered into at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority Shareholders.

The Proposed Shareholders' Mandate will enable the Group to enter into the RRPTs without the necessity, in most instances, to convene meetings in order to procure specific prior approval of the Shareholders. The RRPTs is subject to the review methods or procedures set out in Section 2.6 in this Circular.

## 2.2 Categories of RRPTs

The types of RRPTs to be covered under the Proposed Shareholders' Mandate include the following transactions with Related Parties:

- (i) Purchases of raw food materials, pre-cooked food, cooking ingredients, drinks, alcoholic and non-alcoholic beverages, packaging materials, cleaning supplies, thermal paper, staff uniform, aprons, gloves and accessories, face masks and sanitizers for Uncle Don's outlets;
- (ii) Purchases of bar and kitchen equipment and utensils, tableware, glassware, cutlery, logo embossed tissues, toiletries, beer tokens, order slips, and other items required for the daily operation of Uncle Don's outlets;
- (iii) Purchases of Uncle Don's brand bottled chili sauce and tomato sauce for distribution;
- (iv) Payment of Royalty Fee, Branding Fee and promotional and advertising materials, purchases of equipment and utensils, tableware, glassware logo embossed tissues, and other items required for take-aways or consuming ready-made meals, freshly cooked meals, on-the-go snacks, dessert and drinks at the seating areas of UD Express outlets; and
- (v) Purchases of raw food materials, pre-cooked food, cooking ingredients, drinks, packaging materials and cleaning supplies, thermal paper, staff uniform, aprons, gloves and accessories, face masks and sanitizers for UD Express outlets.

### **2.3 Validity Period of the Proposed Shareholders' Mandate**

In accordance with Paragraph 3.1.4 of Practice Note 12 of the Listing Requirements, the Proposed Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred for the Proposed Shareholders' Mandate, if approved by the Shareholders, shall take effect from the passing of the resolution in respect of the Proposed Shareholders' Mandate to be tabled at the forthcoming 9<sup>th</sup> AGM and shall continue to be in force until:

- a. the conclusion of the next AGM of DIB following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the general meeting, the mandate is renewed;
- b. the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- c. revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

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## 2.4 Classes of Related Parties and nature of RRPTs

The details of the RRPTs and their estimated values for which approval is sought at the forthcoming 9<sup>th</sup> AGM of the Company pursuant to the Proposed Shareholders' Mandate are set out below:

Transacting companies within DIB Group	Transacting Party	Nature of transaction(s)	Interest Parties <sup>(b)</sup>	Actual value of the transaction(s) from the date of EGM on 1 November 2021 up to the LPD <sup>(RM)</sup>	Estimated aggregate value of transaction(s) for the period from the LPD up to the forthcoming 9 <sup>th</sup> AGM <sup>(RM)</sup>	Estimated aggregate value of transaction(s) for the period from the forthcoming 9 <sup>th</sup> AGM to the next AGM <sup>(RM)</sup>
AP F&B	UDMSB <sup>(4)</sup>	Purchases of raw food materials, pre-cooked food, cooking ingredients, drinks, alcoholic and non-alcoholic beverages, packaging materials, cleaning supplies, thermal paper, staff uniform, aprons, gloves and accessories, face masks and sanitizers for Uncle Don's outlets <sup>(1)</sup>	Ian Ong Ming Hock Dato' Yeo Boon Leong Yeo Boon Ho	54,000	311,600	3,000,000
AP F&B	UDRSB <sup>(4)</sup>	Purchases of bar and kitchen equipment and utensils, tableware, glassware, cutlery, logo embossed tissues, toiletries, beer tokens, order slips, and other items required for the daily operation of Uncle Don's outlets <sup>(1)</sup>	Ian Ong Ming Hock Dato' Yeo Boon Leong Yeo Boon Ho	NIL	74,600	160,000
United Distribution	UDMSB <sup>(4)</sup>	Purchases of Uncle Don's brand bottled chili sauce and tomato sauce for distribution <sup>(2)</sup>	Ian Ong Ming Hock Dato' Yeo Boon Leong Yeo Boon Ho	NIL	10,000	200,000

Transacting companies within DIB Group	Transacting Party	Nature of transaction(s)	Interest Parties <sup>(5)</sup>	Actual value of the transaction(s) from the date of EGM on 1 November 2021 up to the LDP (RM)	Estimated aggregate value of transaction(s) for the period from the LPD up to the forthcoming 9 <sup>th</sup> AGM <sup>(6)</sup> (RM)	Estimated aggregate value of transaction(s) for the period from the forthcoming 9 <sup>th</sup> AGM to the next AGM <sup>(6)</sup> (RM)
United Delight	UDRSB <sup>(4)</sup>	Payment of Royalty Fee, Branding Fee and promotional and advertising materials, purchases of equipment and utensils, tableware, glassware logo embossed tissues, and other items required for take-aways or consuming ready-made meals, freshly cooked meals, on-the-go snacks, dessert and drinks at the seating areas of UD Express outlets <sup>(3)</sup>	Ian Ong Ming Hock Dato' Yeo Boon Leong Yeo Boon Ho	NIL	40,000	350,000
United Delight	UDMSB <sup>(4)</sup>	Purchases of raw food materials, pre-cooked food, cooking ingredients, drinks, packaging materials and cleaning supplies, thermal paper, staff uniform, aprons, gloves and accessories, face masks and sanitizers for UD Express outlets <sup>(3)</sup>	Ian Ong Ming Hock Dato' Yeo Boon Leong Yeo Boon Ho	NIL	200,000	2,000,000

**Notes:**

- (1) Pursuant to the terms of the Licensing Agreements entered into between AP F&B and UDRSB which grant AP F&B exclusive rights to operate and manage the restaurants under the style and brand known as "Uncle Don's". This shall include transactions to be carried out for any new Uncle Don's outlets of AP F&B.
- (2) Pursuant to UDMSB's letter of award granted to United Distribution for the exclusive distributorship rights in relation to the distribution of Uncle Don's brand bottled of chili sauce and tomato sauce to retailers and restaurants and in accordance to the terms of the Distribution Agreement entered into between UDMSB and United Distribution.

(3) Pursuant to the terms of the Master Licensing Agreement entered into between United Delight and UDRSB which grants United Delight an exclusive master license for the use and/or sub-license of the operating system developed by UDRSB for developing, opening and operating of Food and Beverage convenience concept stores under the trademark "UD Express".

(4) UDMSB is principally engaged in business of producing, sourcing, processing and manufacturing food products, beverages, products, distinctive food products and is the proprietor of the intellectual property for the preparation of, know how, ingredients and recipes of Uncle's Don's Homemade Chili Sauce and Tomato Sauce.

Whereas, UDRSB is principally engaged in food and beverage business and operating restaurant business outlets under the trade name of "Uncle Don's" and the trademark logo associated with the same ("proprietary marks") in accordance with a distinctive system and plan utilising and comprising certain proprietary marks, intellectual property, confidential information, standards, specifications, techniques, designs, identifying schemes and materials, insignia, management methods and standard operational procedures and has expanded substantial time, effort and expense in the development and implementation of the same, including its recipes, preparation methods and presentation styles.

Both UDMSB and UDRSB are the wholly-owned subsidiaries of UDHSB. As at the LPD, the total share capital of UDHSB is RM1,200,100 comprising of 1,200,100 ordinary shares and the shareholders of UDHSB are as follows:-

Shareholders	No. of shares	% of issued shares
Ian Ong Ming Hock	788,466	65.70
Don Daniel Theseira	86,407	7.20
Jahnel Tortogo Aguaron	108,009	9.00
Atkins Risha Abraham	97,208	8.10
Robustus Capital Sdn. Bhd.	120,010	10.00

(5) Ian Ong Ming Hock being an indirect major shareholder and director of UDMSB and UDRSB and a director of AP F&B;

Dato' Yeo Boon Leong by virtue of his 10% indirect shareholding interests in the UDMSB and UDRSB and being a person connected to Mr. Yeo Boon Ho, a non-independent non-executive Director of DIB. Dato' Yeo is also a major shareholder and Executive Chairman of APHB, a major shareholder of DIB; and

Yeo Boon Ho, a non-independent non-executive Director of DIB and brother of Dato' Yeo Boon Leong.

(6) The estimated values are calculated based on the historical data and/or best estimates by the management. Accordingly, the actual value of the transactions may vary from the estimated value disclosed above and subject to changes.

## **2.5 Amount owing by related parties pursuant to RRPTs**

As at the LPD, there was no amount due and owing to DIB Group by the Related Parties pursuant to the RRPTs. As such, the disclosures required under Paragraphs 16A and 16B in Annexure Practice Note 12-A of the Listing Requirements are not applicable.

## **2.6 Review Methods or Procedures for the RRPTs**

DIB Group has established various methods and procedures to ensure the RRPTs are undertaken at arms' length and on normal commercial terms, which are consistent with DIB Group's usual business practices and policies, on transaction prices and terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority Shareholders.

The review and disclosure procedures are as follows:

- (i) The definition of related party, list of related parties and the review procedures will be circulated and/or updated within the Group;
- (ii) Records will be maintained to record all RRPTs which are/will be entered into, which will be available for review by, among others, the auditors and Audit Committee. Any member of the Audit Committee may as he/she deems fit, request for additional information pertaining to RRPTs from independent sources or advisers;
- (iii) The RRPTs will only be entered into after taking into account of the pricing, the availability of stocks, order size, useful life, delivery time and level of service;
- (iv) The pricing, terms and conditions of the RRPTs shall be consistent with the Group's usual business practice and determined with due consideration to, amongst others, the demand and supply of the products, quality, level of service, credit terms and reliability of supply, where relevant, practical and feasible. At least two other contemporaneous transactions with unrelated third parties for similar products and/or services and/or quantities will be used as comparison, wherever available or possible, to determine whether the price and terms offered to and/or by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products and/or services and/or quantities.

In the event that quotations or comparative pricing from unrelated third parties cannot be obtained for the proposed RRPTs, the management will rely on their usual business practices and their market knowledge of prevailing industry norms bearing in mind the urgency and efficiency of services to be provided or required to ensure that the RRPTs are not detrimental to the Company and/or the Group;

- (v) Some transactions may be on a cost recovery basis, being recovery of part of the costs for sharing or provision of some services or on a negotiated basis where both parties would contract on terms which are mutually acceptable and beneficial;
- (vi) The Audit Committee shall review procedures, and shall continue to review the established guidelines and procedures, as and when required, on an annual basis with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate;
- (vii) Where any Director or person connected to him/her or the Audit Committee has an interest (direct or indirect) in any RRPTs, he/she will abstain from voting on any matter relating to any decision making by the Board or the Audit Committee in respect of such transactions;
- (viii) The said interested Director shall undertake that he/she will ensure that persons connected with him/her abstain from voting on the resolution deliberating or approving the RRPTs at a general meeting;
- (ix) The RRPT which is below RM1.0 million in value for each transaction is subject to the approval of the Executive Director or Chief Executive Officer of the Company. Where the RRPT which is RM1.0 million and above shall be reviewed and approved by the Audit

Committee and the Board before the transaction is entered into;

- (x) The annual internal audit plan shall incorporate a review of all RRPTs entered into pursuant to the shareholders' mandate to ensure that relevant approvals are obtained and the procedures in respect of such transactions are adhered to; and
- (xi) The Board and Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures to monitor RRPTs have been complied with.

## **2.7 Statement by Audit Committee**

The Audit Committee has seen and reviewed the guidelines and procedures set out in section 2.6 above and is of the view that they are sufficient to ensure that the RRPTs will be carried out at arm's length and on normal commercial terms which are not more favourable to the Related Parties involved than those generally available to the public and not detrimental to the interest of the Company and its minority shareholders.

The Audit Committee is of the view that the Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner. The Audit Committee shall review these procedures and processes once a year. This is to ensure that the RRPTs are not detrimental or prejudicial to the minority shareholders of the Company.

## **2.8 Disclosure of RRPTs**

Disclosure will be made in the annual report of the Company in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs entered into during the financial year based on the following information:

- (a) the types of the RRPTs made; and
- (b) the names of the Related Parties involved in each type of the RRPTs made and their relationships with DIB Group.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed Shareholders' Mandate had been obtained.

## **3. RATIONALE AND BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE**

The RRPTs entered into or to be entered into by the DIB Group are all in the ordinary course of business and intended to meet the business needs of the Group at the best possible terms so as to achieve the synergistic benefits within the DIB Group. As such, it is anticipated that the RRPTs would occur on a frequent and recurrent basis.

The Proposed Shareholders' Mandate will eliminate the need to make announcements to the Exchange and/or to convene separate EGMs from time to time to seek shareholders' prior approvals for the Group to enter into such RRPTs. This will serve to reduce substantial administrative time and expenses in convening such EGMs without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group.

The RRPTs provide the DIB Group the support for its operational and business needs and further enhance its ability to explore beneficial business opportunities within the DIB Group and the Related Parties.

## **4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE**

The Proposed Shareholders' Mandate will not have any material effect on the share capital of the Company as well as the consolidated net assets, gearing, earnings per share and the shareholdings of the Substantial Shareholders.

## 5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save as disclosed below, none of the other Directors, Major Shareholders and/or Persons Connected, have any interest, direct or indirect, in the Proposed Shareholders' Mandate :-

	<i>Shareholdings as at the LPD</i>			
	Direct No. of Shares	%	Indirect No. of Shares	%
<b><u>Interested Director of AP F&amp;B</u></b>				
Ian Ong Ming Hock	10,644,740	1.14%	-	-
<b><u>Interested Director of DIB</u></b>				
Yeo Boon Ho	100,000	0.01%	-	-
<b><u>Person Connected to Interested Director</u></b>				
Dato' Yeo Boon Leong	-	-	-	-

Ian Ong Ming Hock is deemed interested in the Proposed Shareholders' Mandate by virtue of his common directorship in AP F&B, UDMSB and UDRSB as well as being an indirect major shareholder of UDMSB and UMRSB. He has abstained and/or will continue to abstain from deliberation and voting at the board meeting.

Dato' Yeo Boon Leong is deemed interested in the Proposed Shareholders' Mandate by virtue of his 10% indirect shareholding interests in the UDMSB and UDRSB and being a person connected to Mr. Yeo Boon Ho, a non-independent non-executive director of DIB. Dato' Yeo is also a major shareholder and Executive Chairman of APHB, a major shareholder of DIB.

Yeo Boon Ho, a non-independent non-executive director of DIB and brother of Dato' Yeo Boon Leong, is deemed interested in the Proposed Shareholders Mandate. He has abstained and/or will continue to abstain from deliberation and voting at the Board meeting.

Ian Ong Ming Hock, Dato' Yeo Boon Leong and Yeo Boon Ho will abstain from voting on the resolution pertaining to their direct and indirect shareholdings (if any) in the Company on the ordinary resolution in relation to the Proposed Shareholders' Mandate at the forthcoming 9<sup>th</sup> AGM. In view of Dato' Yeo Boon Leong is the major shareholder and Executive Chairman of APHB, APHB will also abstain from voting on the resolution pertaining to its direct and indirect shareholdings (if any) in the Company on the ordinary resolution in relation to the Proposed Shareholders' Mandate at the forthcoming 9<sup>th</sup> AGM.

In addition, Ian Ong Ming Hock, Dato' Yeo Boon Leong and Yeo Boon Ho have also given the undertakings that they will ensure that persons connected to them, where relevant, shall abstain from voting in respect of their direct and indirect shareholdings (if any) in the Company on the resolutions in relation to the Proposed Shareholders' Mandate at the forthcoming 9<sup>th</sup> AGM.

## 6. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is conditional upon the approval of the Shareholders being obtained at the forthcoming 9<sup>th</sup> AGM to be convened.

## 7. DIRECTORS' RECOMMENDATION

The Board (with the exception of Mr. Yeo Boon Ho who has abstained from making any opinions in respect of the Proposed Shareholders' Mandate), having considered all aspects of the Proposed Shareholders' Mandate and after careful deliberation, is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company and accordingly, the Board (with the exception of Mr. Yeo Boon Ho) recommends that the Shareholders to consider vote in favour of the



resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming 9<sup>th</sup> AGM.

## **8. 9TH AGM**

The ordinary resolution to vote on the Proposed Shareholders' Mandate is set out in the revised Notice of 9<sup>th</sup> AGM contained therein. The 9<sup>th</sup> AGM will be conducted on a fully virtual basis through live streaming and online RPEV facilities via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657), provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia on Friday, 17 December 2021 at 11.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution with or without modification, the ordinary resolution so as to give effect to the Proposed Shareholders' Mandate.

If you are unable to participate remotely at the 9<sup>th</sup> AGM via RPEV, you may complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Share Registrar of the Company at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, or by electronic lodgement via the Share Registrar's website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>, not less than 48 hours before the time set for holding the 9<sup>th</sup> AGM or at any adjournment thereof. The Form of Proxy should be completed strictly in accordance with the instructions contained therein.

The completion and return of Form of Proxy will not preclude you from attending and voting in person at the 9<sup>th</sup> AGM should you subsequently wish to do so.

Please refer to Administrative Guide for the Fully Virtual 9<sup>th</sup> AGM contained in DIB's Annual Report 2021.

## **9. FURTHER INFORMATION**

You are advised to refer to Appendix I contained in this Circular for further information.

Yours faithfully

For and on behalf of the Board of

**DOLPHIN INTERNATIONAL BERHAD**

**SERENA GOH FHEN FHEN**

Executive Director / Chief Executive Officer

## APPENDIX I – FURTHER INFORMATION

### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board who individually and collectively accept full responsibility for the accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein false and misleading.

### 2. MATERIAL CONTRACTS

Save as disclosed below, the Group has not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the two (2) years immediately preceding the date of this Circular:

- (i) On 31 January 2020, the Company entered into a sale of shares agreement with Asia Poly Green Energy Sdn. Bhd. (“**APGE**”) for the disposal of the Company’s 80% equity interest in Dolphin Biogas Sdn. Bhd. to APGE for a cash consideration of RM2,123,675.50 (“**Disposal**”). The Disposal was completed on 1 July 2020;
- (ii) On 27 February 2020, the Company entered into a sale of shares agreement with UDHB and APHB for the acquisition of 6,000,000 ordinary shares in AP F&B, representing the entire equity interest in AP F&B for a consideration of RM22.0 million satisfied via the issuance of 131,578,947 new DIB Shares at an issue price of RM0.076 each and RM12.0 million cash (“**Acquisition**”). The Acquisition was completed on 1 October 2020;
- (iii) On 27 February 2020, the Company had entered into settlement agreements with the following parties for the capitalisation of an aggregate amount owing to them of approximately RM7.2 million, fully settled via the issuance of 94,690,341 Settlement Shares at an issue price of RM0.076 each (“**Capitalisation**”):

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

The Capitalisation was completed on 1 October 2020; and

- (iv) On 9 July 2020, the Company entered into an underwriting agreement with Mercury Securities Sdn. Bhd. and Kenanga Investment Bank Berhad (collectively referred to as the “**Joint Underwriters**”) where the Joint Underwriters had underwritten 180,000,000 Rights Shares, representing approximately 43.7% of the total Rights Shares issued under the Rights Issue at the issue price per Rights Share of RM0.06 as follows:

Joint Underwriters	Underwriting		
	No. of Rights Shares	%	Amount (RM)
Mercury Securities Sdn. Bhd.	96,666,667	23.6	5,800,000
Kenanga Investment Bank Berhad	83,333,333	20.1	5,000,000
<b>Total</b>	<b>180,000,000</b>	<b>43.7</b>	<b>10,800,000</b>

### 3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at the LPD, neither DIB nor any of its subsidiary companies are engaged in any litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position of the Group and the Board has no knowledge of any proceedings, pending or threatened, against the Group or of any fact which is likely to give rise to any proceeding which may materially and adversely affect the business or financial position of the Group:

**(i) Claim by Lee Yow Fui (“LYF”) against DIB and Low Teck Yin (“LTY”) (Kuala Lumpur Sessions Court Suit No.: WA-A52NCvC-935-11/2020)**

LYF initiated a claim for a sum of RM283,400.00 together with interests, being the outstanding directors’ and meeting fees from June 2015 to December 2019 against DIB and LTY.

On 24 December 2020, DIB filed its defence and a notice for contribution and/or indemnity against LTY. On 1 February 2021, LYF filed an application for summary judgment against DIB for the sum of RM283,400.00. On 3 August 2021, the Kuala Lumpur Sessions Court dismissed the summary judgment application by LYF with costs of RM4,000.00 to be paid by LYF. The trial for the matter has been fixed by the Kuala Lumpur Sessions Court on 13 December 2021 to 15 December 2021.

DIB intends to resist the claim. The solicitors are of the view that DIB has a reasonably good chance in defending the claim and in the event if a judgment is entered against DIB, DIB has a good chance to claim indemnity or contribution from LTY.

**(ii) Claim between DESB and Tori Construction (Originating Summon No.: KCH-24C-1/1-2020) (“OS1”)**

Tori Construction initiated an adjudication proceeding in the High Court of Kuching under the Construction Industry Payment and Adjudication Act 2012 (“CIPAA”) by way of a notice of adjudication dated 10 September 2019 against DESB for monies due and owing and for release of retention sums of RM3,118,329.85 with costs and interests.

An adjudication decision was delivered in favour of Tori Construction (“**Adjudication Decision**”). On 24 January 2020, the OS1 was filed by DESB to set aside and stay the execution of the Adjudication Decision. On 15 July 2021, the High Court of Kuching dismissed the OS1 with costs in favour of Tori Construction.

The solicitors have filed a notice of appeal against the order made by the High Court of Kuching on 13 August 2021. The solicitors are of the view that although there is an arguable case, the appeal may not have a good prospect of success.

**(iii) Claim between Tori Construction and DESB (Originating Summon No.: KCH-24C-2/2-2020) (“OS2”)**

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 High Court of Kuching had on 20 August 2021 allowed the Enforcement Application and the Adjudication Decision shall be enforceable as if it was a judgment at Court under the CIPAA. Tori Construction had on 6 September 2021 issued a statutory notice under Section 466 of the Act to demand for payment of the total sum of RM3,777,467.84 within 21 days. To prevent Tori

Construction from taking any further execution action, DESB filed a stay application and a Fortuna Injunction application. The hearing for such applications has been fixed on 13 October 2021 which has been further postponed to 19 November 2021.

Given the decision of the High Court of Kuching in the Enforcement Application, the solicitors are of the view that it is unlikely for DESB to succeed in the Fortuna Injunction application. The solicitors further opine that DESB may not have a strong ground in succeeding the stay application if DESB is unable to produce any evidence to prove that Tori Construction will not be able to compensate if DESB succeeds in its claim under Suit No. 7.

**(iv) Claim between DESB and Tori Construction (Kuching High Court Suit No.: KCH-22NCvC-7/3-2020) (“Suit No. 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 (“**the said Defects**”).

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.

Pursuant to the directions of the High Court on 26 October 2020, all parties are to file and exchange Bundle of Documents in preparation for the trial before 11 January 2021 and trial is fixed on 8 March 2021 to 12 March 2021.

The trial was rescheduled to 24 January 2022 to 27 January 2022.

The solicitors are of the view that it is highly probable that the High Court of Kuching would not find Tori Construction liable for the said Defects as DESB has insufficient evidences to prove total failure of consideration and breach of obligations by Tori Construction.

**(v) Claim by Nor Anita binti Abu Talib and 19 others (collectively, the “Plaintiffs”) against 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 Defendants for breach of contract and trust, misrepresentation, fraud, deceit and conspiracy to defraud in respect of a purported investment scheme.

DASB and DRSSB 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 the hearing of the Striking Out Applications has been fixed by the Shah Alam High Court on 21 January 2022.

DASB and DRSSB intend to resist the claim. The solicitors are of the view that DASB and DRSSB have a reasonably good chance in defending the claim and/or to succeed in the Striking Out Applications.

**(vi) Claims between PTDI and PT Himalaya Transmeka (“PTHT”)**

**(Case Register No.: 93/Pdt.G/2018/PN.TNG (“Suit No. 1”) and Case Register Number: 700/Pdt.G/2020/PN.JKT.UTR (“Suit No. 2”))**

PTDI filed Suit No. 1 against PTHT at the Tangerang District Court of Republic of Indonesia on 1 February 2018 for claims arising from the mechanical works undertaken by PTHT for the project known as the Bumiharjo Bulking Station Project.

The Supreme Court of the Republic of Indonesia (being the highest court in the Indonesian judicial system) had ruled in favour of PTDI at the level of cassation and directed PTHT to pay PTDI a sum amounting to Rp. 352,417,462. The solicitors will proceed with an execution

application to enforce the payment by PTHT upon issuance of the court order.

PTHT filed Suit No. 2 against PTDI on 3 December 2020 at the North Jakarta District Court of Republic of Indonesia. The trial process is currently ongoing.

In view of the decision of the Supreme Court of the Republic of Indonesia in Suit No. 1, the solicitors are of the view that PTDI has a reasonably good chance in defending Suit No. 2.

#### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at 308, Block A (3rd Floor), Kelana Business Centre, 97, Jalan SS 7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan during normal business hours (except public holidays) from the date of this Circular up to the time set for holding the 9<sup>th</sup> AGM or at any adjournment thereof:

- (i) Constitution of DIB;
- (ii) audited consolidated financial statements of DIB for the past two (2) financial years up to the financial year ended 30 June 2021 and the latest unaudited quarterly report for the three (3)-month financial period ended 30 September 2021;
- (iii) the material contracts as referred to in Section 2 above; and
- (iv) the relevant cause papers in respect of material litigations referred to in Section 3 above.

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