Dolphin International Berhad
201201016010 (1001521-X)

ANNUAL REPORT
2022

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CORPORATE PROFILE

The Dolphin group of companies ("Group"), founded in 1992, was operating in the palm oil milling machineries sector. The product offerings of the Group include milling systems and software as well as the supply of parts and maintenance services.

On 1 October 2020, Dolphin made its maiden foray into the food and beverages industry vide its acquisition of the entire equity interest in Asia Poly Food And Beverage Sdn Bhd (AP F&B), which owns and operates 3 restaurants under the brand name of "Uncle Don's".

On 15 March 2021, United Delight Sdn Bhd, a wholly owned subsidiary acquired a 42% equity interest in Caritas Et Veritas Sdn Bhd that owns "Verona Trattoria", an Italian restaurant in Petaling Jaya, Selangor. On 3 November 2021, United Delight Sdn Bhd increased its investment in Caritas Et Veritas Sdn Bhd by acquiring additional 28% equity interest in Caritas Et Veritas Sdn Bhd.

Caritas Et Veritas Sdn Bhd has a wholly owned subsidiary, Verona Wines Sdn Bhd that embarked on trading of wines.

On 20 July 2022, AP F&B acquired the entire equity interest in High Reserve F&B Sdn Bhd (HRFBSB) for the purchase consideration of RM 36 million. HRFBSB and its subsidiaries owns and operates 4 restaurants under the brand name of "Uncle Don's".

CORPORATE INFORMATION

Board of Directors

Serena Goh Fhen Fhen
Chief Executive Officer
Non-Independent Executive Director

Tan Ban Tatt
Independent Non-Executive Director

Lim Seng Hock
Independent Non-Executive Director

Yeo Boon Ho
Non-Independent Non-Executive Director

Audit and Risk Management Committee

Tan Ban Tatt *(Chairman)*
Lim Seng Hock
Yeo Boon Ho

Nomination Committee

Tan Ban Tatt *(Chairman)*
Lim Seng Hock
Yeo Boon Ho

Remuneration Committee

Yeo Boon Ho (*Chairman)*
Tan Ban Tatt
Serena Goh Fhen Fhen

Company Secretary

Ho Meng Chan (MACS 00574)
SSM PC No. 202008003175
Wu Siew Hong (MAICSA 7039647)
SSM PC No. 202008002457

Registered Office

308, Block A (3rd Floor)
Kelana Business Centre
97, Jalan SS 7/2, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan
Tel: + 603 -7492 1818
Email: secretarial@projectventures.com.my

Head Office/Principal Place of Business

E-G-2, Block E, Oasis Square
No. 2, Jalan PJU 1A/7A, Ara Damansara
47301 Petaling Jaya
Selangor Darul Ehsan
Tel: +603 -78327563
Fax: +603 -78327635
Website: www.dolphinbhd.com
Email: office@dolphinint.com.my

Auditors

PCCO PLT [(LLP0000506-LCA)(AF1056)]
17, Jalan Ipoh Kecil, Chow Kit
50350 Kuala Lumpur
Tel: +603-4042 1177
Fax: +603-4041 9216

Principal Banker

CIMB Bank Berhad
Alliance Bank Malaysia Berhad

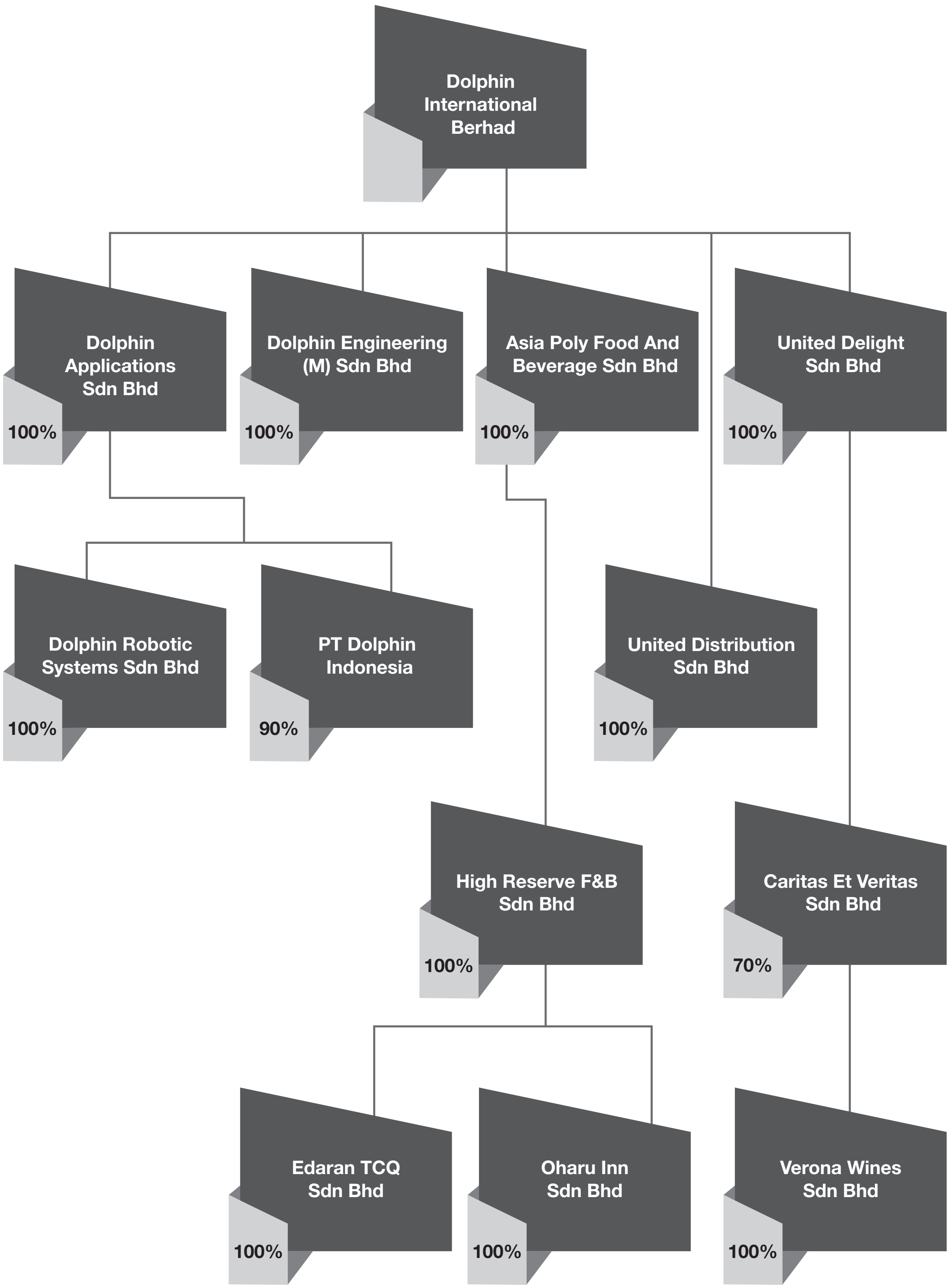
Share Registrar

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel: +603-7890 4700
Fax: +603-7890 4670

Stock Exchange Listing

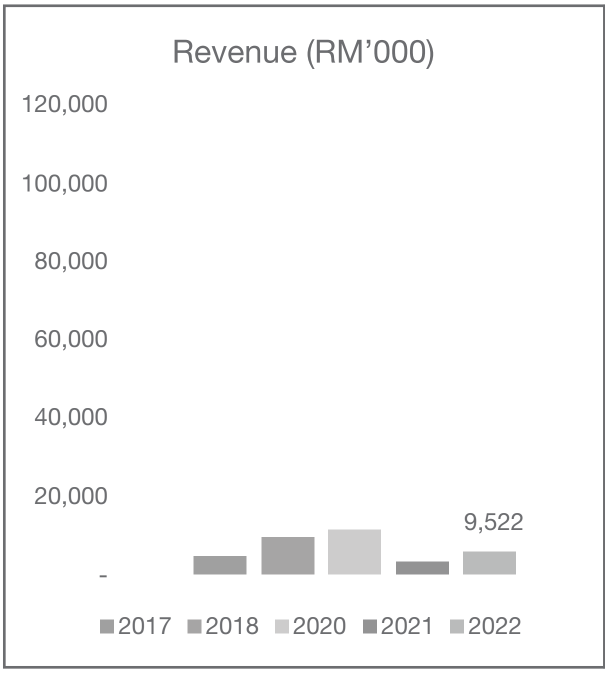
Main Market of Bursa Malaysia Securities Berhad
Stock name: DOLPHIN
Stock Code: 5265

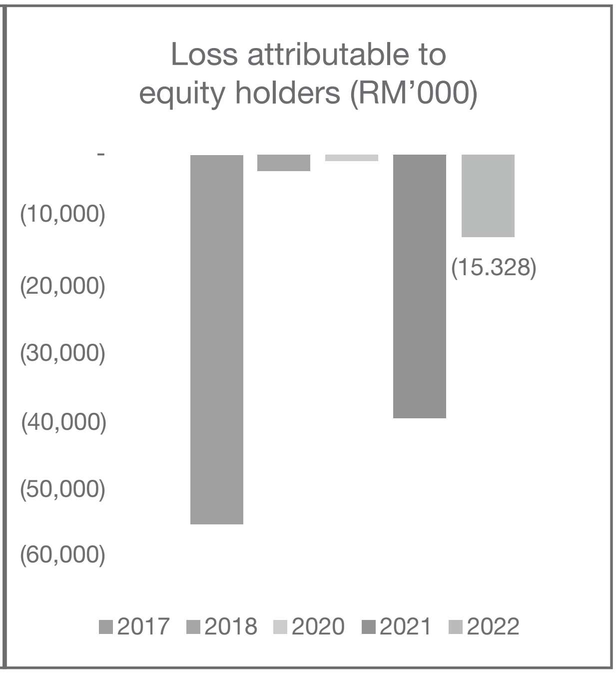
CORPORATE STRUCTURE
As at 27 October 2022



GROUP FINANCIAL HIGHLIGHTS

Financial Highlights





Five Years Group Financial Summary

	31.12.2017 RM'000	31.12.2018 RM'000	30.6.2020 * RM'000	30.6.2021 RM'000	30.6.2022 RM'000
Revenue	10,641	13,353	15,898	8,937	9,522
Loss before taxation	(57,941)	(4,389)	(1,294)	(40,724)	(14,558)
Loss attributable to equity holders	(57,139)	(4,230)	(1,058)	(40,896)	(15.328)

*18 months period

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF GROUP'S BUSINESS OPERATIONS

Dolphin International Berhad ("DIB" or "the Company") is a public listed Company listed on the Main Market of Bursa Malaysia Securities Berhad. The principal activity of the Company is investment holding while its subsidiaries are involved in the sale, design, engineering, development and integration of electro-automation, pneumatic, hydraulic, hardware and software systems and related proprietary products for the palm oil milling sector.

It also has a wholly owned subsidiary that operates three (3) outlets which carries out the business of a restaurant and other related services. The Group also owns a 70% equity interest in an Italian restaurant that has a wine trading subsidiary.

The operational activities of DIB and its subsidiaries are in turn broadly segmented into palm oil milling, trading and services, investment holdings and food and beverage.

The Group's existing operations of the palm oil solutions business were mainly maintenance in nature and the on-going projects had been carried forward from year 2020.

On 1 October 2020, DIB made its maiden foray into the food and beverages industry vide its acquisition of the entire equity interest in Asia Poly Food And Beverage Sdn Bhd (AP F&B), which owns and operates 3 restaurants under the brand name of "Uncle Don's".

On 15 March 2021, United Delight Sdn Bhd, a wholly owned subsidiary acquired a 42% equity interest in Caritas Et Veritas Sdn Bhd that owns "Verona Trattoria", an Italian restaurant in Petaling Jaya, Selangor. On 3 November 2021, United Delight Sdn Bhd increased its investment in Caritas Et Veritas Sdn Bhd by acquiring additional 28% equity interest in Caritas Et Veritas Sdn Bhd.

Caritas Et Veritas Sdn Bhd has a wholly owned subsidiary, Verona Wines Sdn Bhd that embarked on trading of wines.

REVIEW OF FINANCIAL RESULTS (RM'000)

REVENUE

PERIOD	1.7.2021 to 30.6.2022	1.7.2020 to 30.6.2021	1.1.2019 to 30.6.2020
Palm oil mill solutions	145	3,712	13,747
Trading and supply of parts & services	73	826	7,017
Investment holdings	240	240	360
Food and beverage	7,838	4,433	–
Trading	2,355	–	–
Eliminations	(1,129)	(274)	(8,612)
Consolidated revenue	9,522	8,937	12,512

REVIEW OF FINANCIAL RESULTS (RM'000) (CONT'D)

LOSS AFTER TAX

PERIOD	1.7.2021 to 30.6.2022	1.7.2020 to 30.6.2021	1.1.2019 to 30.6.2020
Palm oil mill solutions	(3,373)	(36,917)	(1,324)
Trading and supply of parts & services	(515)	(326)	(342)
Investment holdings	(10.114)	(24,765)	(6,509)
Food and beverages	(125)	83	–
Trading	845	–	–
Eliminations	(1,276)	21,662	5,863
Loss before tax	(14,558)	(40,263)	(2,312)
Tax	(491)	(214)	408
Consolidated loss after tax	(15,049)	(40,477)	(1,904)

Revenue

At the consolidated level, the Group revenue was RM 9.52 million in FYE 30 June 2022 as compared to FYE 30 June 2021 of RM 8.94 million.

The increase in revenue was contributed by newly acquired trading business of Italian restaurant and wine, higher revenue from food and beverage. Absence of revenue from palm oil mill solutions had mitigated the increase in revenue.

Finance cost

The Group incurred finance cost of RM 0.85 million for the FYE 30 June 2022 as compared to 1.92 million for FYE 30 June 2021.

Loss Before Tax

The Group recorded a reduced loss before tax ("LBT") of RM 14.56 million in FYE 30 June 2022 as compared to FYE 30 June 2021 of RM 40.26 million. The LBT for FYE 30 June 2022 was mainly due to impairment of goodwill and expenses arising from corporate exercise. The LBT for FYE 30 June 2021 was mainly due to the impairment of capital work-in-progress, write-off intangible asset, impairment of goodwill, one-off recognition payment for ex-key management employees and directors, and expenses arising from the Group's corporate restructuring exercise.

Statement of Financial Position

As at 30 June 2022, total equity attributed to owners of the Company stood at RM 23.0 million as compared to RM 29.23 million as at 30 June 2021.

The net cash position has decreased from RM 13.82 million as at 30 June 2021 to RM 4.36 million as at 30 June 2022 due to deposit paid for investment, working capital requirement and absence of revenue from the palm oil mill solution.

MANAGEMENT DISCUSSION & ANALYSIS
(cont'd)

PROSPECTS

Applications and electronic wallets which serve as a new marketing avenue for the F&B service industry allowing easier access of its applications. Delivery and takeaway service applications enable full-service restaurants to not only serve the customers patronising their outlets, but also customers ordering through these applications. It is anticipated that these applications will continue supporting the growth of the full-service restaurant segment.

On 20 July 2022, AP F&B acquired the entire equity interest in High Reserve F&B Sdn Bhd (HRFBSB). HRFBSB and its subsidiaries owns and operates 4 restaurants under the brand name of "Uncle Don's" and is expected to contribute positively to the group cash flow.

CONCLUSION

The Group will proceed to exercise due care of existing core businesses and explore other opportunities. In addition, we shall endeavour to keep abreast with industry trends and cater to customers evolving needs.

We shall strive to seek growth and manage our resources effectively.

PROFILE OF DIRECTORS

SERENA GOH FHEN FHEN
Chief Executive Officer
Non-Independent Executive Director
44 years of age, Female, Malaysian

Serena Goh Fhen Fhen, appointed on 15 October 2020 and re-designated as Chief Executive Officer on 9 November 2020. She is also a member of the Remuneration Committee.

Ms. Serena holds a Bachelor of Business and Finance degree from University of Bolton, Manchester, England. She has an excellent track record in developing and leading corporate strategies for local and multinational organisations.

Ms. Serena Goh has established her career in various industry for more than 15 years with vast strategic planning and implementation, process improvement as well as project management. She has served in several position which includes Chief Operations Officer for a local furniture manufacturer as well as a Finance Manager for several multinational corporations.

TAN BAN TATT
Independent Non-Executive Director
45 years of age, Male, Malaysian

Tan Ban Tatt, appointed on 9 January 2020. He is Chairman of the Audit and Risk Management Committee, Chairman of the Nomination Committee and a member of the Remuneration Committee.

Mr. Tan holds a bachelor of accountancy degree from University Putra Malaysia, Malaysia. He is a member of Malaysia Institute Accountants (MIA) and a fellow member of the Association of Chartered Certified Accountants (ACCA).

Mr. Tan began his career in one of the big four accounting firm in year 2001 to 2004. Thereafter, he enhanced his working experience in finance and business as Group Finance Manager in a public listed company in Malaysia. He joined a mid-size audit firm in 2006 and promoted to partner since year 2014 until his departure in May 2016. He was Chief Financial Officer of a public listed company until June 2019. Currently, he is a Practitioner of a Chartered Accounting firm, BT & Associates.

Mr. Tan is presently an Independent Non-Executive Director of Asia Poly Holdings Berhad and U-Li Corporation Berhad, both public listed companies.

PROFILE OF DIRECTORS
(cont'd)

LIM SENG HOCK
Independent Non-Executive Director
65 years of age, Male, Malaysian

Lim Seng Hock, appointed on 14 February 2020. He is also a member of the Audit and Risk Management Committee and Nomination Committee.

Mr. Lim Seng Hock is the founder of Stuttgart Parts Centre Sdn. Bhd. ("Stuttgart") which was incorporated in 1993. The business expanded and the Company diversified over to the international arena and Stuttgart currently acted as the stockists with markets in Europe, USA, Middle East and ASEAN region.

With over 45 years of commercial experience both locally and abroad, Stuttgart had made its mark as a leading importer and exporter in the automotive industries.

Due to his extensive travelling in the course of conducting business, Mr Lim had often been entertained and consulted for his culinary aptitudes over time. His enriched passion for the global gourmet served, lead him into much research and development over the food and beverage sector.

He used to be consulted upon by new and seasons restauranteurs on the concepts, designs, varieties in menu on food and beverages before he ventured into the sources while doing business in Australia at the turn of the millennium and subsequently became the importer and exporter for wholesalers and retailers alike for certain delectable items for the dining tables in preferred restaurants, pubs, private caterings and group supermarkets.

YEO BOON HO
Non-Independent Non-Executive Director
51 years of age, Male, Malaysian

Yeo Boon Ho, appointed on 15 April 202. He is Chairman of Remuneration Committee and a member of the Audit and Risk Management Committee and Nomination Committee.

After obtaining his diploma in mechanical engineering from the Federal Institute of Technology in 1990, he started his career as marketing executive in an industry-renowned company, Prestar Industries Berhad ("Prestar") which deals with steel fabrication and hardware distribution. He then left Prestar and ventured into the security hardware business by establishing his own brand Gere, a brand specialised in ironmongery and architectural products is now a household name for both the consumer market and developers as well.

Mr. Yeo Boon Ho is also the managing director for Dian Be hardware Co. Sdn. Bhd., a hardware retail outlet established in 1979 and in 2003 converted into modern trade DIY outlet that caters to customers seeking quality goods. He has garnered 20 years of experience in marketing and management.

Notes:-
- *Mr. Tan Ban Tatt is the Director of Asia Poly Holdings Berhad, a major shareholder of the Company. Whereas Mr. Yeo Boon Ho is the brother of Dato' Yeo Boon Leong, a major shareholder of the Company. Dato' Yeo Boon Leong is an Executive Chairman and major shareholder of Asia Poly Holdings Berhad. Save as disclosed herein, none of the Directors have any relationships with any Directors and/or major shareholder of the Company nor conflict of interest involving the Company.*
- *None of the Directors have been convicted for any offences within the past five (5) years other than traffic offences (if any).*
- *The details of the interest of Directors are set out on pages 180 and 182 of this Annual Report.*
- *Details of Board meeting attendance of each Director are disclosed in the Corporate Governance Overview Statement in the Annual Report.*

PROFILE OF KEY MANAGEMENT

HOH YEONG CHERNG
Director of subsidiaries (Dolphin Applications Sdn Bhd,
Dolphin Engineering (M) Sdn Bhd
and Dolphin Robotic Systems Sdn Bhd)
56 years of age, Male, Malaysian

Hoh Yeong Cherng, co-founder of Dolphin Engineering (M) Sdn. Bhd. in 1992. Mr. Hoh was appointed as director of Dolphin International Bhd on 14 May 2012 and resigned on 13 September 2022. Mr. Hoh has over 30 years of experience in sales, marketing and customer relationship management. He began his career in 1988 as a sales executive with EPA Sdn. Bhd., a company trading in pneumatic products, where he accumulated the technical knowledge in relation to the pneumatic products. He left EPA in 1990 and joined Gentrade Company as a sales executive.

He has since played an instrumental role in the development of the various operations within the Group. With his extensive experience, expertise and knowledge in the technical nature of pneumatic products and industrial automation field, he has managed to constantly introduce new initiatives for the Group to conduct Research & Development in order to keep abreast with the current trends of the palm oil milling machineries sector.

He does not have any family relationship with any directors and/or major shareholders of the Group and has no conflict of interest with the Group.

He does not have any directorship in any public company and listed issuer.

He has no convictions of any offences within the past 5 years other than traffic offences (if any).

IAN ONG MING HOCK
Director of Asia Poly Food & Beverage Sdn. Bhd.
52 years of age, Male, Malaysian

Ian Ong, a Director of Asia Poly Food And Beverage Sdn. Bhd. since 3 July 2019. He is the CEO and founder of Uncle Don's, graduated in 1992 with an award-winning External University of London Second Class (Upper) Honours and went on to complete his Certificate in Legal Practice in University of Malaya in 1993.

In 2001, after lecturing law for over 8 years, Ian embarked his career in the food & beverage industry. Through the years and armed with a wealth experience, he launched Uncle Don's in 2015 with a perfected business model and under his leadership, guided the brand to be recognized as a distinguished food & beverage group.

Ian is regularly approached by Universities, Colleges and the media for industry comment, advice, direction, quotes and motivation speeches. He was conferred the prestigious BrandLaureate Master Brand Builder of the Decade Award 2019-2020 and the BrandLaureate Brand Leadership Award 2020 and is appointed as Industry Advisory Panel for Taylor's University's School of Food Studies and Gastronomy and Taylor's Culinary Institute. He was conferred Leadership Excellence Award by Desprix Infinitus Malaysia.

He does not have any family relationship with any directors and/or major shareholders of the Group and has no conflict of interest with the Group.

He does not have any directorship in any public company and listed issuer.

He has no convictions of any offences within the past 5 years other than traffic offences (if any).

PROFILE OF KEY MANAGEMENT
(cont'd)

ENZO DENTE
Director of Caritas Et Veritas Sdn Bhd and Verona Wines Sdn Bhd
61 years of age, Male, Australian

Enzo Dente, a Director of both Caritas Et Veritas Sdn Bhd and Verona Wines Sdn Bhd. He is the Chef and founder of Restaurant Verona Trattoria, an Italian restaurant in Sec 17 Petaling Jaya. He is originally from Naples, Italy who then domiciles in Australia subsequently, and now in Malaysia. From early apprenticeship at 16-year-old, Enzo refined his art at the Academie d'art Culinaire de Paris where he studied for four years.

His later culinary career took him to Upper Manhattan in New York, London, Darwin, Canberra, Melbourne, Kuala Lumpur and now in Petaling Jaya, where he has been operating Restaurant Verona Trattoria in Sec 17 for the last eleven years.

He does not have any family relationship with any directors and/or major shareholders of the Group and has no conflict of interest with the Group.

He does not have any directorship in any public company and listed issuer.

He has no convictions of any offences within the past 5 years other than traffic offences (if any).

WONG LAI PENG (EMILY)
Head of Finance and Account
52 years of age, Female, Malaysian

Ms. Emily Wong joined Dolphin International Group on 8 December 2021. She holds a Bachelor of Business in Accountancy from RMIT University, Melbourne of Australia and is a member of Malaysian Institute of Accountants (MIA).

She began her career as an audit assistant in a chartered accountant firm in 1993 and worked as assistant manager in George Kent (Malaysia) Berhad for 11 years and also Finance Manager in other companies for numerous years. She has overall 30 years of working experience in financial accounting, statutory reporting and corporate taxation with companies involved in investment holding and manufacturing.

She does not have any family relationship with any directors and/or major shareholders of the Group and has no conflict of interest with the Group.

She does not have any directorship in any public company and listed issuer.

She has no convictions of any offences within the past 5 years other than traffic offences (if any).

PROFILE OF KEY MANAGEMENT
(cont'd)

CHAN YENG LOCK
Finance Manager
51 Years of age, Male, Malaysian

Mr Chan Yeng Lock joined Dolphin International Group on 1 June 2020. He is a member of Malaysian Institute of Accountants (MIA) and a fellow member of the Association of Chartered Certified Accountants (ACCA).

He began his career as an audit assistant in a chartered accountant firm in 1993 and was employed as Group Accountant in Digistar Corporation Berhad before joining Dolphin International Berhad. He has overall 27 years of working experience in financial accounting, statutory reporting and corporate taxation with companies involved in life insurance, investment holding and consumer retail.

He does not have any family relationship with any directors and/or major shareholders of the Group and has no conflict of interest with the Group.

He does not have any directorship in any public company and listed issuer.

He has no convictions of any offences within the past 5 years other than traffic offences (if any).

FUNG BEE FOONG
Human Resource Manager
55 years of age, Female, Malaysian

Ms. Fung Bee Foong joined the Group on 9 June 2020. She holds a Private Secretary certificate from Bintang College, Klang. Ms. Fung began her career in 1992 as a Secretary of Chairman and General Manager in Asia Poly Industrial Sdn. Bhd. She has accumulated experiences in Sales and Marketing, Purchasing and Human Resource before being promoted to Human Resource Manager in 2006.

She does not have any family relationship with any directors and/or major shareholders of the Group and has no conflict of interest with the Group.

She does not have any directorship in any public company and listed issuer.

She has no convictions of any offences within the past 5 years other than traffic offences (if any).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is pleased to present this statement made pursuant to Paragraph 15.25 Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**MMLR**") which provide an overview of the Corporate Governance practices adopted by the Group during the financial year ended 30 June 2022. This overview takes guidance from the following three (3) key principles of good corporate governance as set out in the Malaysian Code on Corporate Governance ("**Code**") :-

Principle A	Board Leadership and Effectiveness
Principle B	Effective Audit and Risk Management
Principle C	Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

In addition to this, the application of each of the practices set out in the Code is disclosed in the Corporate Governance Report 2022, which is made available on the Company's website : www.dolphinbhd.com.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is responsible and is accountable to shareholders for managing the business of the Group. The Board retains full and effective control of the Group and is committed to take full responsibility for the overall corporate governance of the Group, including its strategic business direction and overall wellbeing. For the foregoing, the Board sets the strategic direction of the Group while exercising oversight on the day-to-day management and operation delegated to Chief Executive Officer ("CEO") and Senior Management to ensure that the conduct of the business of the Group is in compliance with relevant laws, practices, standards and guidelines applicable to the Group.

The Board sets the appropriate tone at the top, providing leadership and managing good governance and practices throughout the Group. To ensure the Group continues to adopt the best corporate governance practices, the Board and Senior Management review the internal practices with reference to the Code and the relevant guidelines regularly.

In order to ensure the orderly and effective discharge of the Board's function and responsibilities, the Board established an internal governance model for the delegation of specific powers of the Board to the Senior Management and the properly constituted Board Committees, namely the Audit and Risk Management Committee, Nomination and Remuneration Committees. The delegation of authority to the Committees enables the Board to achieve operational efficiency, by empowering each Committee to review, report and make recommendations to the Board on matters relevant to their roles and responsibilities.

The Board, Board of Committees and/or management are supported by the respective terms of references, various policies and procedures in execution of their duties with the following which constitute the key components of the Group's governance framework :-

- Board Charter
- Terms of References of Board Committees
- Remuneration Policy and Procedures
- Policies and Procedures to assess the suitability and independence of External Auditors
- Operational Policies and Procedures
- Anti-Bribery and Corruption Policy
- Code of Conduct and Ethics
- Whistle-Blowing Policy
- Corporate Disclosure & Communication Policies and Procedures
- Shareholders Communication Policy
- Policy on Related Party Transactions

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

The abovementioned Board charter, terms of references, policies and procedures are reviewed and updated periodically in accordance with the needs of the Group and of any new regulations that may have an impact on the Group in order to ensure that they continue to remain relevant and appropriate.

The Board is guided by a Board Charter which sets out amongst others the composition, roles, responsibilities, operations and processes of the Board and also outlines the matters and decisions reserved for the Board. It serves as a reference and primary induction literature providing insights to prospective Board members and Senior Management.

On 25 May 2022, the Board adopted the Directors' Fit and Proper Policy to ensure that any person to be appointed as a Director of the Group possesses the necessary quality and character as well as integrity, competency and commitment to enable the discharge of the responsibilities required of the position in the most effective manner. The Directors' Fit and Proper Policy is incorporated in the Board Charter and it is made available on the on the Company's website which is in line with the recommendation made by the Code.

The Company has a clear distinction and separation of roles between Chairman and the CEO, with clear division of responsibilities as set out in the Board Charter. The Chairman is responsible for the achievement of the Group's strategic vision and also for leading the Board in its collective oversight of management, whilst Ms. Serena Goh Fhen Fhen, the CEO, focuses on the business and day-to-day management of the Group and the implementation of the Board's decisions and policies.

Following the recommendation of the Code whereby the Chairman of the Board should not be a member of the Board Committees, YM Tengku Ahmad Badli Shah Bin Raja Hussin relinquished his membership of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee effective 29 November 2021. However, the position of Chairman has been vacant since the resignation of YM Tengku Ahmad Badli Shah Bin Raja Hussin as the Chairman of the Company on 12 January 2022 for pursuing his other interests. The Nomination Committee and the Board are identifying a suitable candidate to fill the vacancy.

Every Director has unhindered access to all information within the Group and the advice and dedicated support services of two (2) Company Secretaries, who are members of the professional bodies prescribed by the Minister and are qualified to act as company secretaries under the Companies Act 2016. The Company Secretaries ensure that Board procedures are followed and the applicable rules and regulations for the conduct of the affairs of the Board are complied with. The Company Secretaries have an oversight on overall corporate secretarial functions.

To ensure that the Directors devote sufficient time to carry out their roles and responsibilities and in line with the MMLR, a Director of the Company must not hold directorships of more than five (5) Public Listed Companies. The Directors are required to submit an update on their other directorships from time to time for monitoring of the number of directorships held by the Directors of the Company and for notification to Companies Commission Malaysia accordingly.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

The Board is satisfied with the level of commitment given by the Directors in fulfilling their roles and responsibilities as Directors of the Company as all Directors have full attendance of the Board and Board Committees meetings held during the financial year 30 June 2022. The attendance records of Board and Board Committees meetings are as follows:-

Directors	Board Meeting	Audit and Risk Management Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting
YM Tengku Ahmad Badli Shah Bin Raja Hussin * *- resigned as Chairman on 12 January 2022*	3/3	3/3	1/1	1/1
Serena Goh Fhen Fhen	6/6	–	–	1/1
Tan Ban Tatt	6/6	5/5	1/1	1/1
Lim Seng Hock	6/6	5/5	1/1	-
Hoh Yeong Cherng *- resigned as Non-Independent Non-Executive Director on 13 September 2022*	6/6	–	–	–
Yeo Boon Ho #	6/6	2/2	–	–

* *relinquished his membership of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee effective 29 November 2021*

\# *appointed as member of the Audit and Risk Management Committee, Nomination Committee and Chairman of Remuneration Committee effective 29 November 2021*

In the intervals between Board Meetings, any matters requiring urgent Board decisions and/or approvals can be sought via circular resolutions which are supported with all the relevant information and explanations required for informed decisions to be made.

The Board views continuous learning and training as an integral part of the Directors' development. Directors' education also includes briefings by the Internal Auditors, External Auditors and the Company Secretaries on the relevant updates on statutory and regulatory requirements from time to time during the Audit and Risk Management Committee and Board meetings.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

Seminars, training, briefing or courses attended by the Directors during the financial year ended 30 June 2022 including the following:

Name of Directors	Date	Seminar/Training/Briefing/course
YM Tengku Ahmad Badli Shah Bin Raja Hussin	1.9.2021	Webinar on Transfer Pricing
Tan Ban Tatt	20.11.2021	Budget 2021: Business & Tax Conference
	26.11.2021	Audit Evidence and Materiality
	29.11.2021	SC's Audit Oversight Board Conversation with Audit Committees
Lim Seng Hock	29.11.2021	SC's Audit Oversight Board Conversation with Audit Committees

The Board together with the Senior Management pledge to conduct business ethically and adhere to all applicable laws and regulations whilst embracing zero-tolerance on any form of bribery and corruption. In strengthening its full commitment to govern its business practices with upmost integrity and to deter the occurrence of bribery or corruption within the Group, a set of policies and standard operating procedures for an Anti-bribery Management System have been developed. The Board has put in place a comprehensive Code of Conduct and Ethics, "Hand Book for Employees" and Whistle-Blowing Policy.

On 29 November 2021, the Board reviewed the Anti-bribery and Corruption Policy, Code of Conduct and Ethics and Whistle-Blowing Policy to ensure they remain appropriate and relevant.

The Code of Conduct and Ethics is made available on the Company's website. It provides direction and guidance to all Directors and employees in the discharge of their duties and responsibilities that will be in the best interest of the Group.

The Whistle-Blowing Policy which provide a channel to enable Directors, employees, shareholders, vendors or any parties with a business relationship with the Group with an avenue to report suspected wrongdoings that may adversely impact the Group. The Company treats all reports in a confidential manner and at the same time provides protection to anyone who reports such concerns in good faith. Further details pertaining to the Whistle-Blowing Policy can be found at the Company's website.

The Board acknowledges the importance of sustainability relating to environmental, social and governance ("**ESG**") including their risks and opportunities to/for the Group. The Risk Management Team consisting of CEO and Senior Management has been assisting the Board in fulfilling its oversight responsibilities in relation to the Group's sustainability strategies and initiatives as well as embedding sustainability practices into the businesses of the Group. As part of the effort in promoting and building sustainability momentum within the Group, the management has strengthened the ESG integration into the Group wide operations in the financial year 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

The Group periodically review and update the Group's sustainability material matters and captured the input from the stakeholders whom the Group collaborate in engaging and assessing the magnitude of risks and opportunities, shape the strategy and the allocation of resources. The Group has engaged with stakeholders in various engagement approaches to understand stakeholders' interests and concerns towards the business operations and sustainability performance.

The CEO and Senior Management update the Board from time to time on the stakeholders' needs and expectations and identify the areas that matter most to the Group gauged upon frequent and robust engagement with stakeholders.

II. Board Composition

Currently, the Board comprises four (4) Directors further to the resignation of YM Tengku Ahmad Badli Shah Bin Raja Hussin and Mr. Hoh Yeong Cherng as Directors of the Company on 12 January 2022 and 13 September 2022, respectively. The Board currently consists of two (2) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and one (1) Non-Independent Executive Director. The Board composition is in compliance with Paragraph 15.02(1)(a) of MMLR where one-third (1/3) of the Board consists of Independent Non-Executive Directors.

In accordance to the Company's Constitution, all Directors shall retire from office at the Company's AGM at least once in three (3) years but shall be eligible for re-election in accordance with the Company's Constitution. Based on the recommendation by the Nomination Committee, the Board is proposing the re-election of Mr. Tan Ban Tatt pursuant to Clause 97.1 of the Company's Constitution at the forthcoming 10th AGM and being eligible, he has offered himself for re-election. To assist shareholders in their decision, sufficient information such as personal profile of the Director standing for re-election are disclosed in the Profile of Directors whereas the details of their interest in securities of the Company are set out in the Analysis of Shareholdings in this Annual Report.

The Company currently does not have a policy to limit the tenure of its independent directors to nine (9) years. At this juncture, none of the Independent Directors of the Group has exceeded a cumulative term of nine (9) years. However, if the Board intends to retain an independent director beyond nine (9) years, it will justify and seek annual shareholders' approval appropriately.

The Board acknowledges the importance of fostering diversity to enhance effectiveness of the Board and Senior Management. Having a range of diverse dimensions brings different perspectives to the boardroom and to various levels of management within the Group. The present Directors, with their different backgrounds and specialisation, collectively bring with them experience and expertise in areas such as business development, corporate affairs, accounting, finance, sales & marketing, management and operations. With this mix of expertise, the Company is essentially led and guided by an experienced and competent Board. The brief profile of each Director is presented in this Annual Report under Profile of Directors. The Nomination Committee and the Board are identifying suitable candidate to hold the position of Chairman to further strengthen the composition of the Board.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

The Board is judicious of the gender diversity recommendation promoted by the Code in order to offer greater depth and breadth for discussions and constructive debates in Board and Senior Management level. The Board has adopted a Gender Diversity Policy which outlines its approach in achieving and maintaining gender diversity on the Board and Senior Management. The Board reviews the Gender Diversity Policy as and when needed based on changing environment. The Gender Diversity Policy is set out in the Board Charter of the Company which is available on the Company's website at www.dolphinbhd.com.

The Group is committed to maintaining an environment of respect for people in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion or age. As such, all appointments and employment are based on objective criteria including (but not limited to) diversity in skills, experience, age, cultural background and gender.

Further to the resignation of YM Tengku Ahmad Badli Shah Bin Raja Hussin as Chairman of the Company on 12 January 2022, the percentage of female Director sit in the Board arose from 17% to 20% and thereafter, the said percentage arose to 25% with the resignation of Mr. Hoh Yeong Cherng as Non-Independent Non-Executive Director of the Company on 13 September 2022.

The Company has in place its procedures and criteria for appointment of new directors and Senior Management. There was no new appointment of Board member during the financial year ended 30 June 2022. The Board is aware of the recommendation to use a variety of approaches and sources including the utilisation of independent sources to identify a suitably qualified candidate for future appointment of Board member and to disclose how a Board member is sourced in the Company's annual report.

The Nomination Committee provides advice and assistance to the Board in matters relating to appointment of new Directors, board composition and performance evaluation on effectiveness of the Board, Board Committees and individual directors.

The Board has adopted a formal and objective annual evaluation of the Board, Board Committees and Directors' performance. The evaluation process was based on self and peer assessments whereby the Directors assessed each other and themselves, the Board as a whole and the performance of each Board Committee.

During the financial year ended 30 June 2022, the Company Secretaries assisted in the preparation of documents and facilitation of the annual evaluation. The evaluation process was led by Chairman of the Nomination Committee with the assistance of the Company Secretaries. All Directors participated in the annual evaluation.

The results of all assessments and comments were collated and summarised by the Company Secretaries and were deliberated at the Nomination Committee meeting held on 22 October 2021 and thereafter the Nomination Committee's Chairman reported the results and deliberation to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

The results of the assessments indicated that the performance of the Board, the Board Committees, the individual Directors and Members of the Board Committees during the review period had been satisfactory and therefore, they had been effective in their overall discharge of functions, roles and duties. Nevertheless, the Board views that continuous learning and training as an integral part of directors' development and authorised the management to continue arranging relevant training for Directors in order to further enhance their knowledge and to keep abreast with the latest development in the industry as well as to keep abreast with the ever changing regulatory and compliance matters.

During the financial year ended 30 June 2022, the Nomination Committee had carried out the following activities:

a) assessed the performance of the Board, Board Committees and individual Directors, including the term of office and performance of the Audit and Risk Management Committee and each of its members;
b) assessed the independence of each Independent Director by taking into account their self-assessments/ declarations and based on the guidelines as set out in the MMLR and other criteria such as, tenure, relationship between the Independent Directors and the Company and their involvement in any significant transaction with the Company;
c) deliberated on the re-election of the affected Directors retiring pursuant to the Company's Constitution before making recommendations to the Board for its consideration;
d) assessed the training needs for Directors; and
e) reviewed the succession planning programme.

III. Remuneration

The Board has in place a set of policies and procedures for remuneration of Directors and Senior Management. The objective of Remuneration Policy of the Company is to attract, retain and motivate Directors and Senior Management of the quality required to manage the business of the Group. The remuneration of Executive Directors and Senior Management comprises basic salary, allowances, bonuses and other customary benefits as appropriate. In the case of the Non-Executive Directors, a basic fee as ordinary remuneration and meeting allowances will be paid. The Executive Directors play no part in deciding their own remuneration. It is the ultimate responsibility of the Board to approve the remuneration package of Executive Directors. The Directors' Fee and other benefits payable to Directors are subject to the members' approval at the AGM in accordance with Section 230(1) of the Companies Act 2016.

On 22 October 2021, the Remuneration Committee reviewed the Directors' fee and remuneration packages of Executive Directors and Senior Management to ensure they are competitive and sufficient to attract, retain and motivate individuals to serve on the Board and the Group. In this respect, the Board approved the recommendation by the Remuneration Committee to put forth the Directors' Fee and benefits to the shareholders for approval at the Ninth (''9th") AGM.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. Remuneration (Cont'd)

Details of Directors' remuneration of the Company and of the Group for the financial year ended 30 June 2022 are as follows:

Group Level

Name of Directors	Salaries and Other Emoluments/ Fees (RM'000)	Bonus (RM'000)	EPF and SOCSO (RM'000)	Benefits in Kind (RM'000)	Total (RM'000)
Non-Executive Directors					
YM Tengku Ahmad Badli Shah Bin Raja Hussin *	45	–	–	–	45
Tan Ban Tatt	74	–	–	–	74
Lim Seng Hock	72	–	–	–	72
Yeo Boon Ho	69	–	–	–	69
Hoh Yeong Cherng #	144	–	17	–	161
Executive Director					
Serena Goh Fhen Fhen	337	–	41	–	378

Company Level

Name of Directors	Salaries and Other Emoluments/ Fees (RM'000)	Bonus (RM'000)	EPF and SOCSO (RM'000)	Benefits in Kind (RM'000)	Total (RM'000)
Non-Executive Directors					
YM Tengku Ahmad Badli Shah Bin Raja Hussin*	45	–	–	–	45
Tan Ban Tatt	74	–	–	–	74
Lim Seng Hock	72	–	–	–	72
Yeo Boon Ho	69	–	–	–	69
Hoh Yeong Cherng #	–	–	–	–	–
Executive Director					
Serena Goh Fhen Fhen	337	–	41	–	378

* *resigned as Chairman on 12 January 2022*
\# *resigned as Non-Independent Non-Executive Director on 13 September 2022*

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. Remuneration (Cont'd)

At the end of the financial year ended 30 June 2022, the Group has three (3) Senior Management in the context of the Code.

The three (3) Senior Management's remuneration for the financial year ended 30 June 2022 is as follows :-

Range of Remuneration (RM)	Number of Senior Management
RM50,000 to RM100,000	2
RM100,001 to RM150,000	1

(The details of senior management's remuneration are not shown, as the Board considers the information of the said remuneration to be sensitive and proprietary in view of the competitive nature of the human resource market and to support the Company's efforts in retaining executive talent. The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to senior management's remuneration are appropriately served by disclosure in RM50,000 bands.)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

With the change of composition of the Audit and Risk Management Committee on 29 November 2021, the Audit and Risk Management Committee consists of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director which is in compliance with the MMLR. The Chairman of the Audit and Risk Management Committee is Mr. Tan Ban Tatt who is distinct from the Chairman of the Board. This has ensured the objectivity of the Board's review of the Audit and Risk Management Committee's findings and recommendations. Mr. Tan Ban Tatt is responsible to ensure the overall effectiveness and independence of the Audit and Risk Management Committee.

All members of the Audit and Risk Management Committee are financially literate whilst Mr. Tan Ban Tatt is a member of MIA and a fellow member of the Association of Chartered Certified Accountants (ACCA). The Audit and Risk Management Committee has full access to both the Internal and External Auditors who, in turn, have access at all times to the Chairman of Audit and Risk Management Committee. The Group has always recognised the need to uphold independence, none of the members of the Board were former key audit partners. The Terms of Reference of Audit and Risk Management Committee has been reviewed and revised on 29 November 2021 to include enhanced practice recommended by the Code that a former key audit partner is required to observe a cooling off period of at least three (3) years before being appointed as a member of Audit and Risk Management Committee. The composition of the Audit and Risk Management Committee was reviewed by the Nomination Committee during the annual assessment and Nomination Committee did not recommend changes to the composition of the Audit and Risk Management Committee as it remains independent and effective.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. Audit and Risk Management Committee (Cont'd)

The Board, through its Audit and Risk Management Committee maintains a formal and transparent relationship with its External Auditors. The Board delegated the responsibility to the Audit and Risk Management Committee for making recommendations on the appointment, re-appointment or removal of the External Auditors as well as their remuneration. The Company has in place policies and procedures to assess the suitability, objectivity and independence of the External Auditors. In the annual assessment on the suitability, objectivity and independence of the auditors, the Audit and Risk Management Committee is guided by the factors as prescribed under MMLR as well as the policies and procedures which were adopted by the Board.

Details of activities carried out by the Audit and Risk Management Committee during the financial year ended 30 June 2022 are set out in the Audit and Risk Management Committee Report.

II. Risk Management and Internal Control Framework

The Board recognises the importance of good risk management practices and sound internal controls as a platform to good corporate governance. The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and effectiveness.

The Board adopted the Enterprise Risk Management framework which is guided by the principles set out in ISO31000:2018 Risk Management, which is an internationally recognised risk management framework. The Audit and Risk Management Committee is entrusted by the Board to oversee the Group's risk management framework and policies while the implementation of the risk management practices and internal controls within the established framework has been delegated to Risk Management Team which consists of CEO and Senior Management. The process of identifying, evaluating, monitoring and managing risks is embedded in various work process and procedures of the respective operational function and management team. Any changes in key business risks or emergence of new key risks will be highlighted and discussed in the regular management meetings. The head of Risk Management Team will report to the Audit and Risk Management Committee and significant risks affecting the Group's strategic and business plan will be escalated to the Board.

The Audit and Risk Management Committee assessed and monitored the efficacy and effectiveness of the risk management controls and measures taken whilst the adequacy and effectiveness of the internal controls were reviewed by the Audit and Risk Management Committee in conjunction with the activities and reports of the outsourced Internal Auditors.

For financial year 2022, the internal audit function is outsourced to an independent firm, YYC Advisors Sdn. Bhd. and the internal audit personnel, are free from any family relationship with any Directors and/or major shareholders and do not have any conflict of interest with the Group. The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Board leverages on a number of formal channels for effective dissemination of information to shareholders and other stakeholders, particularly through Annual Reports, Circular to Shareholders, announcements to Bursa Malaysia Securities Berhad, media releases, AGM, Extraordinary General Meeting ("EGM") and the Company's website, www.dolphinbhd.com.

II. Conduct of General Meetings

The Board regards that AGMs and EGMs are the primary forum for communication by the Company with its shareholders and for shareholders participation.

During financial year ended 30 June, 2022, the Company's 9th AGM and EGMs were 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 in accordance with Section 327 of the Companies Act 2016, provisions of the Company's Constitution and Guidance notes and FAQs on the Conduct of General Meetings of Listed Issuers issued by the Securities Commission.

All Directors together with the Company Secretaries participated in the following general meetings of the Company held during the financial year ended 30 June 2022 :-

Date	Meeting
1 November 2021	EGM
17 December 2021	9th AGM
27 June 2022	EGM

The Company's External Auditors were also participated in the 9th AGM to answer questions from the shareholders or proxies pertaining to the audit matters and the auditor's report, if any.

Given the significance of general meetings, the Notice of 9th AGM with the annual report was sent to the shareholders twenty-eight (28) days prior to the 9th AGM, so as to maximise their attendance and to provide sufficient time to consider the resolutions that will be discussed and decided at the 9th AGM. Concurrently, the Notice of 9th AGM was advertised in a nationally circulated English daily newspaper. In order to facilitate informed decision making by the shareholders, notice of meeting is also accompanied by explanatory notes on the items of business to further explain the nature of business of the meeting.

Whereas, notices of EGMs with Circulars which consist of detailed information of the proposed resolutions were sent to the shareholders within the prescribed timeframe. Notices of EGMs were also advertised in a nationally circulated English daily newspaper.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. Conduct of General Meetings (Cont'd)

The Administrative Guide with detailed registration and voting procedures were shared with the shareholders. The shareholders were encouraged to appoint proxy/proxies to vote or chairman of the meeting to vote on their behalf if they are unable to attend the meetings. To further encourage engagement between the Directors and shareholders, the shareholders or proxies were invited to submit questions via real time submission of typed texts through a text box within Boardroom Smart Investor Portal's platform during the live streaming of the meetings or to send questions before the general meetings via Boardroom Portal at https://investor.boardroomlimited.com. A Questions and Answers session has been allocated to deal with the questions in relation to the Company's financial statements and proposed resolutions before putting the resolutions for voting.

At the Company's general meetings, the Company had continued to leverage on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolutions. The Board had ensured that the required infrastructure and tools were in place to enable the smooth broadcast of the general meetings and meaningful engagement with the shareholders.

The Company had engaged Boardroom Share Registrars Sdn. Bhd. as the Poll Administrator to provide the electronic polling services for 9th AGM and EGMs. The poll results were verified by the independent scrutineer before the Chairman declared the resolutions tabled were carried. The poll results as well as the name of the independent scrutineer were announced by the Company via Bursa LINK on the same day for the benefit of all shareholders. The Minutes of the 9th AGM and EGMs as well as poll results were made available on the Company's website after the meetings.

COMPLIANCE STATEMENT

Overall, the Company has substantially complied with the majority of the Code for the financial year ended 30 June 2022. The Board is committed to strengthen the application of the corporate governance practices and procedures throughout the Group, in pursuit of safeguarding the interest of all shareholders and stakeholders.

This Corporate Governance Overview Statement was approved by the Board of Directors on 27 October 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

OBJECTIVE

The Audit and Risk Management Committee ("**ARMC**") was established to act as a Committee for the Board of Directors to fulfil its fiduciary responsibilities in accordance with the Terms of Reference of the ARMC of the Company and to assist the Board in reviewing the adequacy and integrity of the Group's financial administration, reporting and internal control.

COMPOSITION OF MEMBERS

As at the date of this Annual Report, the ARMC comprises three (3) Directors as follows:

Chairman

Tan Ban Tatt	(Independent Non-Executive Director)

Members

Lim Seng Hock	(Independent Non-Executive Director)
Yeo Boon Ho	(Non-Independent Non-Executive Director)

No alternate Director is appointed as a member of the ARMC.

The composition of the ARMC meets the requirement of paragraph 15.09 (1)(a) and (b) and 15.10 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**MMLR**").

Mr. Tan Ban Tatt is a member of Malaysian Institute of Accountants (MIA) and a fellow member of the Association of Chartered Certified Accountants (ACCA) and fulfils the requirement of paragraph 15.09 (1)(c)(i) of the MMLR.

On 29 November 2021, the Terms of Reference of the ARMC was reviewed. Amendment has been made to adopt the recommendation of the Malaysian Code on Corporate Governance that a former key audit partner is required to observe a cooling off period of at least three (3) years before being appointed as a member of ARMC. The updated Terms of Reference of the ARMC is available for reference on the Company's website, www.dolphinbhd.com.

The Board has entrusted the Nomination Committee to review the terms of office of the ARMC members and the performance of the ARMC and its members through an annual evaluation. The Board is satisfied that the ARMC and its members discharged their functions, duties and responsibilities in accordance with the Terms of Reference of the ARMC, supporting the Board in ensuring the Group upholds appropriate Corporate Governance standards.

During the financial year ended 30 June 2022, the Chairman of the ARMC had engaged with the management, Internal Auditors and the External Auditors, in order to keep abreast of matters and issues affecting the Company.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(cont'd)

ATTENDANCE

There were five (5) meetings of the ARMC held during the financial year ended 30 June 2022, which were attended by the ARMC members as follows :-

Member	Description	No. of Meetings Attended	Percentage (%)
Tan Ban Tatt	Chairman / Independent Non-Executive Director	5/5	100
Lim Seng Hock	Member / Independent Non-Executive Director	5/5	100
Yeo Boon Ho *(appointed as member of ARMC on 29 November 2021)*	Member / Non-Independent Non-Executive Director	2/2	100
YM Tengku Ahmad Badli Shah Bin Raja Hussin *(resigned as member of ARMC on 29 November 2021)*	Member / Independent Non-Executive Director	3/3	100

The ordinary ARMC meetings were convened with proper notices and agenda. The Chairman of the ARMC reported the key issues discussed at each meeting to the Board. The management was invited to ARMC meetings to facilitate direct communication and to provide clarification on audit issues and of the Group's operations.

Deliberations during the ARMC meetings were duly minuted and minutes of the ARMC meetings were tabled for confirmation at every succeeding ordinary ARMC meeting and the Minutes were distributed to each Board member for their notation.

SUMMARY OF WORKS

The works carried out by the ARMC during the financial year ended 30 June 2022 include the following :-

i) Reviewed the financial position, unaudited quarterly interim financial reports and announcements for the respective financial quarters prior to submission to the Board for consideration and approval;

ii) Reviewed the external audit presentation in relation to audit results for the financial year ended 30 June 2021 from the External Auditors, Messrs. PCCO PLT. A summary of key findings on significant audit matters, key audit matter and management letters amongst others were presented to the ARMC;

iii) Reviewed the audited financial statements of the Company and the Group for the year ended 30 June 2021 prior to the submission to the Board for approval;

iv) Assessed and evaluated the performance of the External Auditors, Messrs. PCCO PLT and upon evaluation, recommended the re-appointment of Messrs. PCCO PLT to the Board for obtaining shareholders' approval in the annual general meeting;

v) Conducted independent meeting (without the presence of Chief Executive Officer and senior management) with the External Auditors;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(cont'd)

SUMMARY OF WORKS (CONT'D)

The works carried out by the ARMC during the financial year ended 30 June 2022 include the following :- (Cont'd)

vi) Reviewed, evaluated and approved Messrs. PCCO PLT's Audit Plan for the financial year ended 30 June 2022. The Directors' responsibilities, Auditors' responsibilities, audit approach, key audit matters, significant audit matters and its respective approach, new accounting standards and updates, engagement team, audit timetable, audit fees amongst others were discussed and brought to the attention of ARMC;

vii) Reviewed and approved the Proposal for Internal Audit Services of YYC Advisors Sdn. Bhd. which consist of engagement plan, engagement team, timeline and client responsibility, deliverables, scope of works and professional fee chargeable;

viii) Discussed and approved the internal auditable areas and internal audit plan;

ix) Reviewed and deliberated internal audit report, amongst others containing audit objectives, audit methodology and approach, internal audit reviews, audit results categories and prioritisation, audit findings, audit recommendation, management action plans and the status of implementation of the management action plans;

x) Deliberated on the "Key Observations on the Effectiveness of Internal Audit Function of Listed Issuers" which summarised Bursa Malaysia's findings of the thematic review focused on effectiveness of internal audit function and key takeaways;

xi) Reviewed the related party transactions and/or recurrent related party transactions ("**RRPTs**") entered by the Company or its subsidiaries to ensure that the related party transactions and RRPTs are in the best interest of the Company, fair, reasonable and on arm's length and on normal commercial terms and are not detrimental to the interest of the non-interested shareholders of the Company;

xii) Reviewed the Policy On Related Party Transaction to ensure that the guidelines and procedures set out in the said Policy are sufficient to ensure that RRPTs are carried out and 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 and the Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner;

xiii) Reviewed the Terms of Reference of ARMC and "Policies and Procedures to Assess the Suitability and Independence of External Auditors";

xiv) Reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report;

xv) Reviewed the ARMC Report for inclusion in the Annual Report; and

xvi) Reviewed Corporate Proposals of the Group.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(cont'd)

INTERNAL AUDIT FUNCTION AND SUMMARY OF WORKS

For financial year 2022, the Group outsourced its internal audit function to YYC Advisors Sdn. Bhd. as the Internal Auditors of the Group to assist the ARMC in discharging its duties and responsibilities more effectively. YYC Advisors Sdn. Bhd. act independently and with due professional care and report directly to the ARMC.

The ARMC has full and direct access to the outsourced Internal Auditors, reviews its internal audit plan and reports on audits performed, and monitors its performance. The ARMC also reviews the adequacy of the scope, functions, competency and resources of outsourced internal audit functions from time to time.

In respect of the financial year ended 30 June 2022, the Internal Auditors had carried out internal audit reviews on the following :

Segments	Brief Auditable Areas
Asia Poly Food And Beverage Sdn. Bhd. Uncle Don's Restaurant – Setia Alam outlet	a) Human Resources Management Review; b) Customer order processing assessment; c) Sales collection & submission assessment; d) Kitchen & bar management review; e) Purchasing Management assessment; f) Stock management review; g) Periodic stock take review; h) Outlet cleanliness & hygiene control review; i) Cash management assessment; j) Outlet machinery maintenance management assessment; k) Licenses validity review; and l) Periodic reporting between Franchisor and Franchisee on the outlet's performance.

The reviews were conducted to assist the ARMC by independently evaluating on the effectiveness of the Group's internal control system and make recommendations for improvement. The internal audit reviews were conducted with reference to the guidelines of International Standards for the Professional Practice of Internal Auditing contained in the International Professional Practice Framework (IPPF) issued by the Institute of Internal Auditors as well as the Group's and Company's policies, where applicable. The internal audit reviews involved interviews with key management personnel, examination of the policies, manuals and standards that govern these activities, process, system and on analysis of the data contained in the accounting and management information systems, where applicable.

Internal Auditors also had carried out follow-up audit visits to review the status of implementation of management's actions plans to resolve internal audit findings as stated in the previous Internal Audit Report.

The audit findings and recommendations for improvement and the status of implementation of management's action plans were presented at the ARMC Meeting held on 24 February 2022.

For the financial year ended 30 June 2022, the costs incurred for the outsourced internal audit function is RM13,802.

This report is made in accordance with a resolution of the Board of Directors on 27 October 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**MMLR**"), and as guided by the Statement of Risk management and Internal Control: Guidelines for Directors of Listed Issuers("Guidelines"), the Board is pleased to include a statement on the state of the Group's risk management and internal control in this annual report.

BOARD'S RESPONSIBILITIES

The Board acknowledges its overall responsibility for the Group's system of internal control and risk management, which includes the establishment of an appropriate control environment and framework, and the review of its effectiveness and adequacy to ensure that the Group's asset and shareholders' interests are safeguarded.

Owing to the inherent limitation in any system and risk management and internal controls, such system put in place by management can only manage rather than eliminate the risk of failure to achieve the Groups business and corporate objectives, the system could therefore only provide reasonable rather than absolute assurance against material misstatement or loss.

MANAGEMENT RESPONSIBILITIES

Management is responsible for implementing the Group's policies and procedures on risk and internal control to identify, evaluate, measure, monitor and report risks as well as the effectiveness of the internal control systems, taking appropriate and timely remedial actions as required.

RISK MANAGEMENT

The Board acknowledges that there is an on-going process of identifying, evaluating, monitoring, assessing, reporting and managing significant risks by the Management to achieve the objectives of the Group for the financial year under review. The process is in place for the year under review and up to the date of issuance of the Statement on Risk Management and Internal Control.

The Board entrusted the Audit and Risk Management Committee to oversee the Group's risk management framework and policies while the implementation of the risk management practices and internal controls within the established framework has been delegated to Risk Management Team ("RMT") which consists of CEO and Senior Management. The RMT shall ensure effective implementation and maintenance of the Risk Management Framework. The business units are responsible for managing the risks in their department for business unit. Changes in the key business risks or emergence of new key risks shall also be highlighted and discussed in the risk management meetings. During the year, the Group's business units and key process owners have conducted their risk assessments and internal controls reviews.

The risk identification process involves reviewing and identifying the possible risk exposure arising from both internal and external environment changes and operation conditions. The risk measurement guidelines consist of financial and non-financial qualitative measure of risk consequences based on risk likelihood rating and risk impact rating.

As part of the Risk Management process, a Registry of Risk and a Enterprise Risk Management Policy had been prepared. The Registry of Risk is maintained to identify principal business risks and updated for changes in the risk profile. The Enterprise Risk Management Policy summarises risk management methodology, approach and processes, roles and responsibilities, and various risk management concept. The respective risk owners are accountable to identify risks and to ensure that adequate control systems are implemented to mitigate risks faced by the Group. The process of identifying, evaluating, monitoring and managing risks is embedded in various work processes and procedures of the respective operational functions and management team.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

INTERNAL AUDIT FUNCTION

The Group in its efforts to provide an adequate and effective internal control system had appointed an independent firm i.e YYC Advisors Sdn Bhd, to undertake its internal audit function. The Internal Auditors reviewed and addressed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the Group and recommended possible improvements to internal control processes. This is to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group.

The audit has been conducted with reference to the guidelines of international standards for the professional practice of internal auditing contained in the International Professional Practices Framework ("IPPF") issued by the Institute of Internal Auditors as well as the group's company's policies. The Internal Auditors report directly to the Audit and Risk Management Committee on improvement measures pertaining to internal control, who reviews the findings with Management at its meetings.

With the engagement, the Internal Auditors have disclosed that there are no relationships or conflicts of interest in the discharge of its responsibilities and that they remained independent and have no direct operational responsibility or authority over any of the activities audited.

The Internal Auditors are free from any relationships or conflicts of interest, which could impair their objectivity and independence of the internal audit function. The Internal Auditors do not have any direct operational responsibility or authority over any of the activities audited. The Audit and Risk Management Committee is of the opinion that the internal audit function is effective and able to function independently.

For the financial year ended 30 June 2022, the Internal Auditors had carried out an internal audit review on the Uncle Don Setia Alam outlet of Asia Poly Food And Beverage Sdn Bhd. The review reports were presented in the Audit and Risk Management Committee meetings and corrective actions were recommended.

The Audit and Risk Management Committee keeps track and addresses any issues that relate to these matters. Audit and Risk Management Committee and its members are constantly being updated on any activities that relate to the above. For the financial year ended 30 June 2022 the total internal audit fees incurred for the outsourced internal audit function is RM13,802.

KEY ELEMENTS OF THE GROUP'S INTERNAL CONTROL SYSTEM

1. Control Environment and Control Activities

- The Group maintains an organisation structure and hierarchical reporting with defined lines of responsibility and accountability.
- Designated staff are placed in areas of responsibility to support and continuously monitor the effectiveness of the Group's system of internal control.
- Authorisation limits at appropriate levels are set out for controlling and approving capital expenditure and expenses.
- Procedures are in place for key business processes.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

KEY ELEMENTS OF THE GROUP'S INTERNAL CONTROL SYSTEM (CONT'D)

2. Monitoring and Communication

- Regular Board and Management meetings to assess performance and controls;
- Regular visits to operating units by members of the Board and senior management whenever appropriate;
- Regular review of business processes to assess the effectiveness of internal controls by the independent firm. Reports on findings of the internal audit are presented to the Audit and Risk Management Committee of the Board for consideration;
- Risk registers are kept and allows reference to risk areas for improvement by management;
- Management Accounts and reports are prepared regularly for monitoring of actual performance;
- An internal audit function to ascertain the adequacy of and to monitor the effectiveness of operational and financial procedures. The internal audit also reviews and assesses risks faced by the Group and reports directly to the Audit and Risk Management Committee;
- Reporting of financials, operations and legal issues to the Board on a regular periodic basis.
- Regular internal audit visits to monitor compliance with policies and procedures to assess the integrity of both financial and non-financial information provided; and

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

The external auditors have reviewed this SORMIC in accordance with Paragraph 15.23 of the MMLR of Bursa Securities and the Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to consider whether the SORMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and Management thereon. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems. Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this SORMIC intended to be included in this annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the SORMIC factually inaccurate.

CONCLUSION

For the financial year under review and up to the date of approval of this statement, the Board is of the opinion that the risk management and internal control system is currently in place as far as practicable. Nevertheless, the Board has received assurance from the Management that the Group's risk management and internal control system, in all material aspects, will continuously be improved and enhanced to ensure it operates adequately and effectively. For the coming year, the Board will continually assess the adequacy and effectiveness of the Group's system of internal control and to strengthen it, as and when necessary.

SUSTAINABILITY STATEMENT

OVERVIEW

The Sustainability Statement for Dolphin International Berhad ("DIB") is prepared in accordance with the Sustainability Reporting Guide from Bursa Malaysia Securities Berhad ("Bursa Malaysia") which highlights the Group commitment to undertake business responsibly and sustainability. The information in this section focuses on the operations and management of economic, environmental and social sustainability of DIB for the financial year ended 30 June 2022.

DIB recognises the challenges of its operating environment, as well as the expectations of its various stakeholders and is committed to developing a sustainable business that has positive impacts on the economy, environment and community.

GOVERNANCE STRUCTURE

The Group had established a governance led from the top, with clear accountabilities for continual implementation of sustainability initiatives with the objective of striving for sound and sustainable growth.

The Risk Management Team which is chaired by the Chief Executive Officer and assisted by the Senior Management oversees the implementation of the Group's sustainability approach and ensures key target are being monitored.

A strong governance structure enables us to implement the sustainable strategy across the Group, strengthen relations with stakeholders as well as ensure overall accountability.

METHODOLOGY

The COVID-19 pandemic has brought significant disruptions to almost all sectors of economies across the globe. The various lockdown measures enforced by governments around the world to contain the spread have led to various levels of business suspensions.

Sustainability issues are gaining more importance in the decision making of the various stakeholder group due to the emergence of the COVID-19 pandemic. During this challenging period of uncertainties, the Group faced disruptive changes to its business operations with significant impacts across the three main aspects of the Group's sustainability pillars - economic, environmental and social. Nevertheless, the respective sectors of the Group were able to operate during the various lockdown periods, albeit at a lower capacity. The Group implemented stringent hygiene standards as mandated by the local government authorities to ensure business continuity in the new normal and to safeguard the well-being of its employees and the various stakeholder groups.

The Group strives to maintain economic growth that benefits every level of society while minimising any adverse environmental and social impacts arising from business continuity comprising 3 main aspects: -

ECONOMIC SUSTAINABILITY

Creation of value for shareholders and value add for all the stakeholders of the Group.

ENVIRONMENTAL SUSTAINABILITY

The Group is mindful of the environmental impact of our work by improving the efficiency of resources, reducing waste produced and supporting conservation efforts.

SOCIAL SUSTAINABILITY

Dealing with customers and the public according to good market practices and regulatory requirements and conducive workplace practices.

SUSTAINABILITY STATEMENT
(cont'd)

STAKEHOLDERS ENGAGEMENT

The Group believes that the approach of stakeholder engagement is integral to the development of its sustainability strategy. The Group's key stakeholders and their expectation are listed below: -

Stakeholders	Engagement Approaches	Areas of Interest/Material Matters
Investors	- Corporate website - Quarterly results announcements - Material issue announcements - Annual Report - Annual General Meeting	- Corporate governance practices - Risk management practices - Sustainable growth and return
Regulatory bodies	- Forum and dialogues/meetings - Briefing - Seminar	- Health and safety development - Environment and social compliance - Discuss implications of government policies
Customers	- Feedback from customers - Site visits	- Receive feedback on product and service specifications - Enable bilateral communications
Business Partner (Suppliers, Contractors)	- Company website - Trade fairs	- Provide and receive feedback on product quality - Assess business needs
Employees	- Weekly meetings - Shift briefings - Safety meetings - Trainings - Performance evaluation	- Communicate safety work procedures - Highlight hazard incidents - Allow questions from floor and furnish feedback - Ensure follow-up actions with resolutions

KEYS TOPICS

Among from the stakeholders' engagements, we have identified and summarised the Key Topic that are significant to the Group's economic, environmental and social performance and will be highlighted in this sustainability statement.

Material Topics	Key Issues	Engagement Platforms
Environment (Occupational health and safety)	- Workplace safety and awareness to work injury - Unsafe act and condition - Appropriate use of personal protective equipment	- Training - Highlight hazard incidents - Safety campaign
Product and food quality	- Quality of product and food - Food poisoning - Compliance to standard operating procedures - Compliance to mandatory regulations	- Quality certification audits - Food serving satisfactory and food poisoning occurrence
People	- Training and personnel development - Remuneration and benefits - Workplace safety and health training	- Knowledge gap analysis with required training - Annual performance evaluation based on KPI set
Profit and Growth	- Financial performance - Cash flow and treasury managements - Risk managements	- Annual statutory audit - Quarterly review of expense management - Half yearly internal audit review - Half yearly risk management reviews
Corporate governance	- Business conduct and ethics - Related party transactions - Internal audit - Whistle blowing	- Code of ethics and conduct - Mandated RRPT - Independent reporting by internal auditors to Audit Committee - Adoption of Anti-Bribery and Corruption policy

SUSTAINABILITY STATEMENT
(cont'd)

KEYS TO SUSTAINABILITY

The Group identifies and prioritise the relevant and important material issues across the business units and focus its efforts on charting the directions to improve the sustainability. The material issues are defined as elements that are expected to have a significant effect on the Group's stakeholders. The material issues identified as keys to sustainability are as follows: -

ECONOMIC

a. Investors

The Company maintains a good relationship with our investors and provides improved sustainability disclosures and generate economic growth to assist shareholders to prosper with the Company's continuous revenue.

The Board continue with sustainability effort to ensure effective governance process to drive investment decisions, working capital and source for new business opportunities to our future businesses.

b. Customer satisfaction

The Group strives to put customers at the forefront of everything and aim to produce quality products and serve quality meals to our valued customers. Priority of customer satisfaction is essential to sustainability and on-going business growth to the Group.

c. Corporate governance and risk management

The Group believes that essential good corporate governance is fundamental to sustainable business and implemented several policies as follows: -

i. Anti-Bribery and corruption policy ("ABC Policy")

The ABC Policy sets out responsibilities of DIB Group to comply with laws against bribery and corruption and provide guidance on how to recognise and deal with bribery and corruption issues and to ensure that the Group's business is conducted in an ethical manner.

ii. Whistle blowing policy

The Whistle-Blowing Policy seeks to enhance corporate governance by helping to foster an environment where integrity and ethical behaviour is maintained and any illegality, misconduct and / or wrongdoings in DIB and its subsidiaries be exposed.

The policy provides a formal, confidential channel to enable employees to report in good faith, serious concerns of any misconduct and / or wrongdoing that could adversely impact the Company and its stakeholders, e.g. employees and shareholders.

ENVIRONMENTAL

a. 3R (Reduce, Recycle and Reuse)

The Group is mindful of the environmental impact of our work and address them in business decision-making. Employees must demonstrate a commitment to comply with environmental legislation, regulations as well as the Group's Policy. Over the years, the Group has taken preventive measures to reduce environmental impact and carbon footprint from various initiatives such as:

- Minimising the usage of paper; and
- Minimising energy and fuel consumption.

KEYS TO SUSTAINABILITY (CONT'D)

SOCIAL

a. Consumer health and safety risks

DIB is committed to prioritising its customers' and employees' safety and health. During the MCO, DIB undertook various measures to ensure the safety and wellbeing of its employees and customers, such as regular cleaning and sanitising its stores and appliances, and observing the standard operating procedures by the National Security Council.

b. Labour practices

DIB seeks to inspire and nurture the human spirit, understanding that each person brings distinct life experience to table. DIB employees are diverse not only in gender, race, ethnicity, religion and age but also in cultural backgrounds, life experiences, thoughts and ideas.

c. Education and training

The Group organises various trainings to upgrade and enhance the skills and knowledge of our employees.

As part of its commitment to developing its employees' capabilities and skills, DIB leverages on constant delivery of product, services and prompt meals.

d. Workplace injury

It is important to promote a safe environment to ensure the well-being of staff are protected to avoid adverse reputation and also financial effects to the Company.

Staff or personnel working at outlet especially in the kitchen are exposed to various safety and health hazards e.g. fall due to slippery floor, thermal stress in kitchen.

e. Food poisoning

Outbreak of health risk due to food hygiene concern could result the outlet being penalised by authorities, legal suits or possible halt of operations.

The food legislation that F&B outlet has to comply are Food Act 1983, Food Regulation 1985, Food Hygiene Regulations 2009, Food Irradiation Regulations 2011, etc to avoid penalty or/and stoppage of business operation.

CONCLUSION

DIB commits to support economic growth that benefits every level of society, while minimizing the adverse environmental and social impacts arising from its daily operations guided by its strategy for Economic, Environmental and Social impacts.

OTHER COMPLIANCE INFORMATION

1) UTILISATION OF PROCEEDS

a) The corporate exercises undertaken by the Company during the financial year ended 30 June 2022 which involve inter-alia the following:-

i) Private Placement of 119,260,000 ordinary shares issued at RM0.0767 per share and listed on the Main Market of Bursa Malaysia Securities Berhad on 17 November 2021 ("**Private Placement A**")

Status of utilisation of proceeds raised from the Private Placement A as at 18 October 2022 is as follows:-

Purpose	Approved Utilisation RM'000	Actual Utilisation RM'000	Variation RM'000	Deviation RM'000	Expected timeframe for utilisation of proceeds from the date of listing of the Private Placement
Set up cost for UD Express Outlets	5,775	579	* 2,000	3,196	Within 42 months
Future expansion and acquisition for F&B business	2772	2,772	–	–	Within 24 months
Estimated expenses for the Private Placement	600	384	# 216	–	Within 1 month
Total	**9,147**	**3,698**	**2,216**	**3,196**	

\# *RM216,000 had been re-allocated to the working capital as the actual expenses were lower than the estimated expenses budgeted, which had been fully utilised as at 18 October 2022.*

* *As announced by the Company on 24 February 2022, RM2,000,000 had been re-allocated to "Payment of deposit and part payment of cash consideration of the proposed acquisition of the entire equity interest in High Reserve F&B Sdn. Bhd.", which had been fully utilised as at 18 October 2022.*

1) UTILISATION OF PROCEEDS (CONT'D)

b) The corporate proposals undertaken by the Company to raise proceeds in the previous financial year where the said proceeds raised have yet to be fully utilised as at 1 July 2021 (beginning of the financial year ended 30 June 2022)

i) Private Placement of 135,607,860 shares at an issued at RM0.0719 per share and listed on the Main Market of Bursa Malaysia Securities Berhad on 25 February 2021 ("**Private Placement B**")

Status of utilisation of proceeds raised from the Private Placement B as at 18 October 2022 is as follows:-

Purpose	Approved Utilisation RM'000	Actual Utilisation RM'000	Variation RM'000	Deviation RM'000	Expected Time Frame for utilisation of proceeds from the date of listing of the Private Placement Shares
Working capital for the Uncle Don's outlets	2,000	–	–	2,000	Within 12 months
Set up costs for a new distribution company	1,150	–	–	1,150	Within 21 months
Set up costs for a new Uncle Don's outlet	1,500	–	1500	–	Within 21 months
Building renovation works	900	421	479	–	Within 15 months
Repayment of bank borrowings	1,700	1,700	–	–	Within 12 months
Group working capital	2,376	2,376	–	–	Within 21 months
Estimated expenses for the Private Placement	139	139	–	–	Not Applicable
	9,765	**4,636**	*** 1,979**	**3,150**	

* *As announced by the Company on 24 February 2022, RM1,979,000 had been re-allocated to "Payment of deposit and part payment of cash consideration of the proposed acquisition of the entire equity interest in High Reserve F&B Sdn. Bhd.", which had been fully utilised as at 18 October 2022.*

OTHER COMPLIANCE INFORMATION
(cont'd)

1) UTILISATION OF PROCEEDS (CONT'D)

b) The corporate proposals undertaken by the Company to raise proceeds in the previous financial year where the said proceeds raised have yet to be fully utilised as at 1 July 2021 (beginning of the financial year ended 30 June 2022) (Cont'd)

ii) Private Placement of 24,420,000 shares at an issued at RM0.0757 per share and listed on the Main Market of Bursa Securities Malaysia Berhad on 23 November 2020 ("**Private Placement C**")

Status of utilisation of proceeds raised from the Private Placement C as at 18 October 2022 is as follows:-

Purpose	Approved Utilisation RM'000	Actual Utilisation RM'000	Variation RM'000	Deviation RM'000	Expected timeframe for utilisation of proceeds from the date of listing of the Private Placement Shares
Working Capital	1,749	1,749	–	–	Within 12 months
Estimate expenses for the Private Placement	100	60	40	–	Within 2 weeks
Total	**1,849**	**1,757**	*** 40**	**–**	

* *RM40,000 had been re-allocated to the working capital as the actual expenses were lower than the estimated expenses budgeted, which had been fully utilised as at 18 October 2022.*

1) UTILISATION OF PROCEEDS (CONT'D)

b) The corporate proposals undertaken by the Company to raise proceeds in the previous financial year where the said proceeds raised have yet to be fully utilised as at 1 July 2021 (beginning of the financial year ended 30 June 2022) (Cont'd)

iii) Renounceable Rights Issue of 305,250,005 new ordinary shares at RM0.06 per shares ("**Right Shares**") together with 183,150,003 Warrants-B ("**Rights Issue**") and listed on the Main Market of Bursa Malaysia Securities Berhad on 1 October 2020.

Status of utilisation of proceeds raised from the Rights Issue as at 18 October 2022 is as follows:-

Purpose	Approved Utilisation RM'000	Actual Utilisation RM'000	Variation RM'000	Deviation RM'000	Expected timeframe for utilisation of proceeds from the date of listing of the Rights Shares
Proposed Acquisition	9,800	9,800	–	–	Within 1 months
SLPOM Project	2,744	–	* 2,744	–	Within 24 months
Operational expenditures and working capital requirements of secured contracts	1,229	1,173	*56	–	Within 24 months
Repayment of borrowings	819	819	–	–	Within 3 months
Working capital	2,223	2,223	–	–	Within 15 months
Estimated expenses for the Proposals	1,500	1,440	# 60	–	Within 1 month
Total	**18,315**	**15,455**	**2,860**	**–**	

\# *RM60,000 had been re-allocated to the working capital as the actual expenses was lower than the estimated expenses budgeted, which had been fully utilised as at 18 October 2022.*

* *As announced by the Company on 24 February 2022, RM2,800,000 had been re-allocated to "Payment of deposit and part payment of cash consideration of the proposed acquisition of the entire equity interest in High Reserve F&B Sdn. Bhd.", which had been fully utilised as at 18 October 2022.*

OTHER COMPLIANCE INFORMATION
(cont'd)

2) AUDIT FEE AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the External Auditors or a firm or corporation affiliated to the Auditors' firm for the financial year ended 30 June 2022 are as follows:-

Particular	Company	Group
Audit Fee Fee paid or payable to External Auditors	77,000	180,000
Non-Audit Fees paid or payable to External Auditors - *review of the Statement on Risk Management and Internal Control*	5,000	5,000
Non-Audit Fees paid or payable to a firm or corporation affiliated to the Auditors firm - *taxation services*	4,500	28,950

3) MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts (not being contracts entered into the ordinary course of business) entered into by the Company and/or its subsidiaries involving the interests of Directors and major shareholders of the Company either subsisting at the end of the financial year or entered into since the end of the previous financial year:-

a) On 24 February 2022, Asia Poly Food And Beverage Sdn. Bhd., a wholly-owned subsidiary of the Company, 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 acquisition of 5,008,148 ordinary shares in High Reserve F&B Sdn. Bhd. ("**High Reserve F&B**"), representing the entire enlarged equity interest in High Reserve F&B, for a purchase consideration of RM36 million to be satisfied via the allotment and issuance of 282,874,617 new ordinary shares in the Company at an issue price of RM0.0654 each and RM17.5 million in cash ("**Acquisition**").

   Mr. Yeo Boon Ho, a Director of our Company is a Vendor in respect of the Acquisition as well as a sibling to the other Vendors and thus, is deemed interested in the Acquisition. Dato' Yeo Boon Leong emerged as a major shareholder of the Company further to the issuance of consideration shares to the vendors of High Reserve F&B on 19 July 2022.

   Save as disclosed above, none of the Directors and/or major shareholders of our Company and/or persons connected with them, have any interest, direct or indirect, in relation to the Acquisition.

   Acquisition was completed on 20 July 2022.

4) RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Company intends to seek its shareholders' approval to renew the existing shareholders mandate for the Group to enter into recurrent related party transactions of a revenue or trading nature ("RRPTs") with the related party which are necessary for the day-to-day operation and are in the ordinary course of business of the Group at the Tenth Annual General Meeting of the Company. The renewal of Shareholders' Mandate, details as disclosed in the Circular to Shareholders dated 31 October 2022 is sent together with this Annual Report.

Details of the RRPTs occurred during the financial year ended 30 June 2022 are disclosed in Note 34 to the Financial Statements set out on pages 162 to 163 of this Annual Report.

STATEMENT OF RESPONSIBILITY BY DIRECTORS

The Directors are required by the Companies Act 2016 (“Act”) to prepare the financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company and the financial performance and cash flows for the year ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act in Malaysia.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and of the Company to enable them to ensure that the financial statements are drawn up in accordance with the provisions of the Act.

In preparing the financial statements for the year ended 30 June 2022, the Directors have:

- adopted suitable accounting policies and then applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed, subject to any material departure being explained in the financial statements; and
- prepared the financial statements on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors on 27 October 2022.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. There has been no significant change in the nature of this activity of the Company during the financial year.

The principal activities of the subsidiary companies are set out in Note 16 to the financial statements. There have been no significant changes in the nature of these activities of the subsidiary companies during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Loss for the year	15,328,431	11,709,757

DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year.

SHARE CAPITAL

On 17 November 2021, the Company issued 119,260,000 new ordinary shares at an issue price of RM0.0767 per share pursuant to the 1st tranche of the approved private placement. The newly issued ordinary shares rank pari passu with the then existing ordinary shares of the Company.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the financial statements.

DIRECTORS

The directors of the Group and of the Company in office during the financial year and up to the date of this report are:

Directors of the Company:

Serena Goh Fhen Fhen	(also a director of certain subsidiaries)
Tan Ban Tatt	
Lim Seng Hock	
Yeo Boon Ho	
YM Tengku Ahmad Badli Shah Bin Raja Hussin	(resigned on 12.1.2022)
Hoh Yeong Cherng	(resigned on 13.9.2022)

Other directors of the subsidiaries:

Enzo Dente
Ian Ong Ming Hock
Linggarsih
Gunandawadu Akalangka Susantha De Zoysa
Hoh Yeong Cherng

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations were as follows:

	No. of ordinary shares			
The Company	As at 1/7/2021	Bought	Sold	As at 30/6/2022
Direct interests				
Hoh Yeong Cherng	18,527	-	-	18,527
Yeo Boon Ho	100,000	-	-	100,000

	No. of ordinary shares			
	As at 1/7/2021	Bought	Sold	As at 30/6/2022
Indirect interests				
Hoh Yeong Cherng*	434,500	-	-	434,500

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
(cont'd)

DIRECTORS' INTERESTS *(continued)*

* Deemed interested by virtue of the shares held by his sibling, Hoh Yeong Jian, and father, Hoh Kok Wah.

	No. of ordinary shares			
	As at 1/7/2021	Bought	Sold	As at 30/6/2022
<u>**Subsidiary company**</u>				
PT Dolphin Indonesia				
Direct interest				
Hoh Yeong Cherng	175,000	-	-	175,000

Other than as disclosed, none of the directors in office at the end of the financial year had any interest in shares in the Company and its related corporations during the financial year.

The above directors by virtue of their shareholdings in the Company are also deemed interested in shares in its related corporations to the extent the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits disclosed as directors' remuneration under Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in Note 34 to the financial statements.

Neither at the end of the financial year, nor at anytime during the financial year, did there subsist any arrangement to which the Company is a party, being arrangements with the object or objects of enabling directors to acquire benefits by means of the acquisition of shares in the Company or shares in, or debentures of any other body corporate.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

(a) Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

   (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company have been written down to amounts which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances:

   (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

   (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

   (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) As at the date of this report, there does not exist:

   (i) any charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and

   (ii) any contingent liabilities of the Group or of the Company which have arisen since the end of the financial year.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in the report or financial statements of the Group and of the Company, which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
(cont'd)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS *(continued)*

(e) No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

(f) In the opinion of the directors:

 (i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

 (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

WARRANTS-B

The outstanding Warrants-B in the Company as at 30 June 2022 is 183,150,003 and terms of the Warrants-B is as disclosed in Note 26 to the financial statements.

MATERIAL LITIGATIONS

Material litigations are as disclosed in Note 38 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND EVENTS SUBSEQUENT TO THE REPORTING DATE

These are as disclosed in Note 39 to the financial statements.

SUBSIDIARIES

Details of subsidiaries are set out in Note 16 to the financial statements.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 8 to the financial statements.

AUDITORS

The auditors, PCCO PLT, have indicated their willingness to continue in office.

On behalf of the board

SERENA GOH FHEN FHEN

YEO BOON HO

Kuala Lumpur
Date: 27 October 2022

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 57 to 178 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed in accordance with a resolution of the Board

SERENA GOH FHEN FHEN

YEO BOON HO

Kuala Lumpur
Date: 27 October 2022

STATUTORY DECLARATION

I, Serena Goh Fhen Fhen, being the director responsible for the financial management of Dolphin International Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 57 to 178 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

SERENA GOH FHEN FHEN

Subscribed and solemnly declared at Kuala Lumpur, Wilayah Persekutuan on 27 October 2022

Before me:

KAPT (B) AFFANDI BIN AHMAD (W678)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DOLPHIN INTERNATIONAL BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dolphin International Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 57 to 178.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Key Audit Matter – Goodwill

Per the Group's accounting policy as stated in Note 2(d), the Group is required to test goodwill for impairment annually and at other time when such indicators exist. As explained in Note 1(d)(i), the assumptions to determine the value in use requires significant judgments.

Our audit procedures are as follows:

We discussed with management to understand the key assumptions used to calculate the value in use of the cash generating unit to which goodwill is allocated. We evaluated the key assumptions used in particular their revenue growth. We also reviewed the adequacy of the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive. The Group's disclosures on goodwill are disclosed in Note 15.

There are no key audit matters in relation to the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DOLPHIN INTERNATIONAL BERHAD
(cont'd)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditors' Responsibilities for the Audit of the Financial Statements *(continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DOLPHIN INTERNATIONAL BERHAD
(cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we also report that the subsidiary of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PCCO PLT (LLP0000506-LCA)
No. AF 1056
Chartered Accountants

CHUAH SUE YIN
No. 02540/04/2024 J
Chartered Accountant

Kuala Lumpur
Date: 27 October 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	NOTE	2022 RM	2021 RM
<u>CONTINUING OPERATIONS</u>			
REVENUE	6	9,521,792	8,936,915
COST OF SALES	7	(6,050,944)	(5,068,578)
GROSS PROFIT		3,470,848	3,868,337
OTHER INCOME		3,218,543	993,114
ADMINISTRATIVE EXPENSES		(9,699,531)	(11,140,239)
SALES AND MARKETING EXPENSES		(381)	(28,434)
OTHER EXPENSES		(10,698,479)	(32,029,080)
FINANCE COSTS		(848,975)	(1,922,068)
SHARE OF LOSSES IN ASSOCIATE COMPANIES		-	(5,102)
LOSS BEFORE TAXATION	8	(14,557,975)	(40,263,472)
TAXATION	9	(491,407)	(213,736)
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		(15,049,382)	(40,477,208)
<u>DISCONTINUED OPERATIONS</u>			
LOSS FOR THE YEAR FROM DISCOUNTINUED OPERATIONS	10	-	(460,282)
LOSS FOR THE YEAR		(15,049,382)	(40,937,490)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
(cont'd)

	NOTE	2022 RM	2021 RM
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(53,297)	30,607
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(15,102,679)	(40,906,883)
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT			
Continuing operations		(15,328,431)	(40,435,772)
Discontinued operations		-	(460,282)
		(15,328,431)	(40,896,054)
NON-CONTROLLING INTERESTS		279,049	(41,436)
		(15,049,382)	(40,937,490)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
OWNERS OF THE PARENT			
Continuing operations		(15,376,398)	(40,410,874)
Discontinued operations		-	(460,282)
		(15,376,398)	(40,871,156)
NON-CONTROLLING INTERESTS		273,719	(35,727)
		(15,102,679)	(40,906,883)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
(cont'd)

	NOTE	2022 RM	2021 RM
EARNINGS PER SHARE (sen)			
- basic	11	(1.45)	(4.37)
- diluted	11	(1.45)	(4.37)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	NOTE	2022 RM	2021 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	3,570,184	23,358,269
Investment properties	13	20,434,677	179,147
Right-of-use assets	14	895,754	796,476
Intangible assets	15	8,427,032	14,077,389
Associate companies	17	-	1,128,898
Other receivable	18	-	292,993
Deferred tax assets	30	-	48,000
		33,327,647	39,881,172
CURRENT ASSETS			
Inventories	19	2,499,477	241,704
Trade and other receivables	20	6,652,100	1,576,712
Contract assets	21	187,077	350,522
Tax recoverable		131,060	47,998
Fixed deposit with a licensed bank	22	3,012,888	-
Cash and cash equivalents	23	4,360,342	13,819,786
		16,842,944	16,036,722
TOTAL ASSETS		50,170,591	55,917,894
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	24	47,927,114	38,779,872
Foreign currency translation reserve	25	721,582	769,549
Warrant reserve	26	3,846,150	3,846,150
Accumulated losses		(29,497,653)	(14,169,222)
		22,997,193	29,226,349
Non-controlling interests		201,729	(136,814)
TOTAL EQUITY		23,198,922	29,089,535

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022
(cont'd)

	NOTE	2022 RM	2021 RM
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	27	474,067	629,601
Term loan	28	7,357,759	7,874,361
Provision for retirement benefits	29	-	40,843
Deferred tax liabilities	30	120,000	-
		7,951,826	8,544,805
CURRENT LIABILITIES			
Lease liabilities	27	468,676	955,143
Preference shares	31	10,110,000	9,842,673
Trade and other payables	32	7,694,519	5,499,179
Taxation		45,944	155,919
Term loan	28	700,704	842,155
Contingent consideration	33	-	988,485
		19,019,843	18,283,554
TOTAL LIABILITIES		26,971,669	26,828,359
TOTAL EQUITY AND LIABILITIES		50,170,591	55,917,894

The accompanying notes are an integral part of these financial statements.

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

	← Attributable to owners of the Parent				→		
	Share capital RM	**Foreign currency translation reserve RM**	**Warrant reserve RM**	**Accumulated losses RM**	**Total RM**	**Non-controlling interests RM**	**Total RM**
Balance at 1 July 2020	58,415,108	744,651	-	(36,173,168)	22,986,591	953,530	23,940,121
Transactions with owners							
- Issuance of Rights Shares and Warrants-B (Note 24)	14,468,700	-	3,846,150	-	18,314,850	-	18,314,850
- Issuance of Settlement Shares (Note 24)	7,196,466	-	-	-	7,196,466	-	7,196,466
- Issuance of shares pursuant to Private Placement (Note 24)	11,598,799	-	-	-	11,598,799	-	11,598,799
- Capital reduction (Note 24)	(62,900,000)	-	-	62,900,000	-	-	-
- Issuance of share for part settlement of purchase consideration on acquisition of a subsidiary company (Note 24)	10,000,000	-	-	-	10,000,000	-	10,000,000
- Issuance of shares pursuant to exercise of Warrants-A (Note 24)	799	-	-	-	799	-	799
- Effects of changes in disposal of subsidiary companies	-	-	-	-	-	(1,054,617)	(1,054,617)
Total transactions with owners	(19,635,236)	-	3,846,150	62,900,000	47,110,914	(1,054,617)	46,056,297

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
(cont'd)

	Attributable to owners of the Parent						
	Share capital RM	Foreign currency translation reserve RM	Warrant reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total RM
Loss for the year	-	-	-	(40,896,054)	(40,896,054)	(41,436)	(40,937,490)
Other comprehensive income:							
Foreign currency translation	-	24,898	-	-	24,898	5,709	30,607
Total comprehensive income/(loss)	-	24,898	-	(40,896,054)	(40,871,156)	(35,727)	(40,906,883)
Balance at 30 June 2021	38,779,872	769,549	3,846,150	(14,169,222)	29,226,349	(136,814)	29,089,535

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
(cont'd)

	← Attributable to owners of the Parent →						
	Share capital RM	**Foreign currency translation reserve RM**	**Warrant reserve RM**	**Accumulated losses RM**	**Total RM**	**Non-controlling interests RM**	**Total RM**
Balance at 1 July 2021	38,779,872	769,549	3,846,150	(14,169,222)	29,226,349	(136,814)	29,089,535
Arising from acquisition of subsidiary companies	-	-	-	-	-	64,824	64,824
Transactions with owners							
- Issuance of shares pursuant to Private Placement (Note 24)	9,147,242	-	-	-	9,147,242	-	9,147,242
Total transactions with owners	9,147,242	-	-	-	9,147,242	-	9,147,242
Loss for the year	-	-	-	(15,328,431)	(15,328,431)	279,049	(15,049,382)
Other comprehensive loss: Foreign currency translation	-	(47,967)	-	-	(47,967)	(5,330)	(53,297)
Total comprehensive (loss)/income	-	(47,967)	-	(15,328,431)	(15,376,398)	273,719	(15,102,679)
Balance at 30 June 2022	47,927,114	721,582	3,846,150	(29,497,653)	22,997,193	201,729	23,198,922

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	NOTE	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation from continuing operations		(14,557,975)	(40,263,472)
Loss before taxation from discontinued operations		-	(460,282)
Loss before taxation		(14,557,975)	(40,723,754)
Adjustments for:			
Gain on disposal of property, plant and equipment		(7,017)	(162,456)
Loss allowance for receivables		211,074	466,094
Reversal of loss allowance for receivables		(254,034)	(112,029)
Property, plant and equipment written off		6,525	81,837
Provision for foreseeable losses on contract assets		72,631	143,197
Provision for retirement benefits		-	4,432
Depreciation of investment properties		28,654	2,453
Depreciation of property, plant and equipment		484,375	444,420
Depreciation of right-of-use assets		583,018	991,790
Interest income		(77,458)	(44,312)
Interest expenses		848,975	1,922,066
Short term leases		111,863	185,935
Low value leases		11,717	7,245
Losses retained in associate company		-	5,102
Unrealised (gain)/loss on foreign exchange		(14,369)	19,978
Deposit written off		1,000	-
Bad debts written off		50,869	96,702
Impairment of goodwill		9,400,000	2,500,000
Loss on disposal of investments in subsidiary companies		-	422,816
Inventories written off		-	276,483
Reversal of impairment on intangible assets		-	(208,913)
Right-of-use assets written off		-	626,859
Impairment loss on property, plant and equipment		477,400	11,689,066
Intangible assets written off		-	17,813,464
Intrinsic loss on amount due from associate companies		-	207,007
Amortisation of intangible assets		-	110,100
Reversal of loss allowance for contract assets		(760,868)	-
Reversal of intrinsic loss on amount due from associate company		(207,007)	-
Contract assets written off		760,868	-
Reversal of contingent consideration not payable		(988,485)	-
Reversal of lease interest for lease termination		(4,667)	-
Loss before working capital changes		(3,822,911)	(3,234,418)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
(cont'd)

	NOTE	2022 RM	2021 RM
Working capital changes:			
Inventories		(1,029,146)	470,924
Contract assets		90,814	250,410
Contract liabilities		-	(1,323,535)
Trade and other receivables		962,582	1,894,829
Trade and other payables		762,668	(5,649,949)
Cash outflows from operations		(3,035,993)	(7,591,739)
Interest received		77,458	44,312
Interest paid		(581,648)	(622,929)
Tax paid		(544,609)	(54,350)
Tax refunded		17,918	162,793
Short term leases paid		(111,863)	(185,935)
Low value leases paid		(11,717)	(7,245)
Net cash outflows from operating activities		(4,190,454)	(8,255,093)
CASH FLOWS FROM INVESTING ACTIVITIES			
Deposit paid for acquisition of subsidiary companies		(5,400,000)	-
Purchase of investment properties		(85,186)	-
Purchase of investment in associate company		-	(1,134,000)
Advances to an associate company		-	(500,000)
Purchase of property, plant and equipment		(1,269,173)	(1,270,452)
Placement of fixed deposits		(3,012,888)	-
Proceeds from disposal of property, plant and equipment		37,201	163,856
Net cash outflows from acquisition of subsidiary companies	A	(2,667,048)	(8,537,202)
Net cash outflows from disposal of subsidiary companies		-	(944,129)
Net cash outflows from investing activities		(12,397,094)	(12,221,927)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of term loan	B	(658,053)	(561,097)
Proceeds from issuance of ordinary shares		9,147,241	29,914,448
Repayment of lease liabilities	B	(1,321,097)	(667,542)
Net cash inflows from financing activities		7,168,091	28,685,809

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
(cont'd)

	NOTE	2022 RM	2021 RM
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(39,987)	(123,494)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(9,419,457)	8,208,789
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		13,819,786	5,734,491
CASH AND CASH EQUIVALENTS AT END OF YEAR	23	4,360,342	13,819,786

A. SUMMARY OF EFFECT OF ACQUISITION OF SHARES IN SUBSIDIARY COMPANIES

	2022 RM	2021 RM
Tax recoverable	24,839	-
Deferred tax (liabilities)/assets	(14,331)	150,000
Property, plant and equipment	138,611	3,103,272
Right-of-use assets	124,004	596,876
Intangible assets	-	1,148,700
Inventories	1,228,627	197,250
Trade and other receivables	615,394	905,142
Cash and cash equivalents	104,952	1,262,798
Trade and other payables	(1,880,314)	(1,499,848)
Lease liabilities	(125,703)	(614,494)
Share of loss in associate company in prior year	5,102	-
Non-controlling interests	(64,824)	-
Net assets acquired	156,327	5,249,696
Goodwill on consolidation	3,749,643	15,538,789
Purchase consideration	3,906,000	20,788,485
Portion discharged by investment in associate company	(1,134,000)	-
Portion discharged by issue of shares	-	(10,000,000)
Contingent consideration	-	(988,485)
Portion discharged by cash	2,272,000	9,800,000
Cash and cash equivalents acquired	(104,952)	(1,262,798)
Net cash outflows from acquisition of subsidiary companies	2,667,048	8,537,202

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
(cont'd)

B. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 1/7/2021 RM	Additions RM	Arising from acquisition of subsidiaries RM	Non-cash movement RM	Cash flows movement RM	Lease termination RM	As at 30/6/2022 RM
Lease liabilities	1,584,744	650,350	125,703	(4,899)	(1,321,097)	(92,058)	942,743
Term loans	8,716,516	-	-	-	(658,053)	-	8,058,463
Preference shares	9,842,673	-	-	267,327	-	-	10,110,000

	As at 1/7/2020 RM	Additions RM	Arising from acquisition of subsidiaries RM	Non-cash movement RM	Cash flows movement RM	Non-cash foreign exchange movement RM	As at 30/6/2021 RM
Lease liabilities	2,602,892	718,227	614,494	(1,684,206)	(667,542)	879	1,584,744
Term loans	27,909,905	-	-	(18,632,292)	(561,097)	-	8,716,516
Preference shares	8,543,536	-	-	1,299,137	-	-	9,842,673

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	NOTE	2022 RM	2021 RM
REVENUE	6	240,000	240,000
OTHER INCOME		135,750	67,511
ADMINISTRATIVE EXPENSES		(2,737,502)	(4,014,471)
OTHER EXPENSES		(9,312,656)	(21,486,833)
FINANCE COSTS		(35,349)	(9,551)
LOSS BEFORE TAXATION	8	(11,709,757)	(25,203,344)
TAXATION	9	-	-
LOSS FOR THE YEAR		(11,709,757)	(25,203,344)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(11,709,757)	(25,203,344)
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		(11,709,757)	(25,203,344)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		(11,709,757)	(25,203,344)

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	NOTE	2022 RM	2021 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	8,129	-
Right-of-use assets	14	195,769	276,776
Subsidiary companies	16	6,130,002	13,038,487
Other receivable	18	4,318,456	985,579
		10,652,356	14,300,842
CURRENT ASSETS			
Trade and other receivables	20	17,002,965	8,949,321
Fixed deposit with a licensed bank	22	3,012,888	-
Cash and cash equivalents	23	2,080,528	12,606,242
		22,096,381	21,555,563
TOTAL ASSETS		32,748,737	35,856,405
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	24	71,071,829	61,924,587
Warrant reserve	26	3,846,150	3,846,150
Accumulated losses		(43,129,701)	(31,419,944)
TOTAL EQUITY		31,788,278	34,350,793
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	27	122,959	204,185
CURRENT LIABILITIES			
Trade and other payables	32	756,274	236,047
Lease liabilities	27	81,226	76,895
Contingent consideration	33	-	988,485
		837,500	1,301,427
TOTAL LIABILITIES		960,459	1,505,612
TOTAL EQUITY AND LIABILITIES		32,748,737	35,856,405

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	← Attributable to owners of the Parent →			
	Share capital RM	**Accumulated losses RM**	**Warrant reserves RM**	**Total RM**
Balance at 1 July 2020	81,559,823	(69,116,600)	-	12,443,223
Transactions with owners				
- Issuance of Rights Shares and Warrants-B (Note 24)	14,468,700	-	3,846,150	18,314,850
- Issuance of Settlement Shares (Note 24)	7,196,466	-	-	7,196,466
- Issuance of shares pursuant to Private Placement (Note 24)	11,598,799	-	-	11,598,799
- Capital reduction (Note 24)	(62,900,000)	62,900,000	-	-
- Issuance of shares for part settlement of purchase consideration on acquisition of a subsidiary company (Note 24)	10,000,000	-	-	10,000,000
- Issuance of share pursuant to exercise of Warrants-A (Note 24)	799	-	-	799
Total transactions with owners	(19,635,236)	62,900,000	3,846,150	47,110,914
Loss for the year	-	(25,203,344)	-	(25,203,344)
Total comprehensive loss	-	(25,203,344)	-	(25,203,344)
Balance at 30 June 2021	61,924,587	(31,419,944)	3,846,150	34,350,793

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
(cont'd)

	Attributable to owners of the Parent			
	Share capital RM	**Accumulated losses RM**	**Warrant reserves RM**	**Total RM**
Balance at 1 July 2021	61,924,587	(31,419,944)	3,846,150	34,350,793
Transactions with owners				
- Issuance of shares pursuant to Private Placement (Note 24)	9,147,242	-	-	9,147,242
Total transactions with owners	9,147,242	-	-	9,147,242
Loss for the year	-	(11,709,757)	-	(11,709,757)
Total comprehensive loss	-	(11,709,757)	-	(11,709,757)
Balance at 30 June 2022	71,071,829	(43,129,701)	3,846,150	31,788,278

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	NOTE	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(11,709,757)	(25,203,344)
Adjustments for:			
Bad debts written off		4,519	-
Interest income		(77,125)	(43,834)
Impairment loss on investment in subsidiaries		5,920,000	20,448,231
Gain on disposal of non-current assets held for sales		-	(23,676)
Gain on disposal of investments in subsidiary companies		-	(2)
Interest expenses		35,349	9,551
Intrinsic loss on amount due from subsidiary company		2,445,146	696,337
Intrinsic interest income on amount due from subsidiary company		(54,108)	-
Loss allowance on amounts due from subsidiary companies		942,991	337,748
Loss allowance on receivables		-	4,517
Short term lease		60	-
Depreciation of property, plant and equipment		1,135	-
Depreciation of right-of-use assets		81,007	47,254
Loss before working capital changes		(2,410,783)	(3,727,218)
Working capital changes:			
Trade and other receivables		(84,775)	(22,825)
Trade and other payables		520,227	(520,177)
Cash outflows from operations		(1,975,331)	(4,270,220)
Interest received		77,125	43,834
Interest paid		(35,349)	(9,551)
Short term leases paid		(60)	-
Net cash outflows from operating activities		(1,933,615)	(4,235,937)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
(cont'd)

	NOTE	2022 RM	2021 RM
CASH FLOWS FROM INVESTING ACTIVITIES			
Advances to subsidiary companies		(14,640,294)	(3,616,888)
Placement of fixed deposit		(3,012,888)	-
Proceeds from disposal of non-current assets held for sale		-	1,078,496
Proceeds from disposal of investments in subsidiary companies		-	2
Purchase of property, plant and equipment		(9,264)	-
Acquisition of a subsidiary company		-	(9,800,002)
Net cash outflows from investing activities		(17,662,446)	(12,338,392)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of advances to a subsidiary company	A	-	(1,045,595)
Proceeds from issuance of shares		9,147,242	29,914,448
Repayment of lease liabilities	A	(76,895)	(42,950)
Net cash inflows from financing activities		9,070,347	28,825,903
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(10,525,714)	12,251,574
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		12,606,242	354,668
CASH AND CASH EQUIVALENTS AT END OF YEAR	23	2,080,528	12,606,242

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
(cont'd)

A. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 1 July 2021 RM	Cash flows movement RM	As at 30 June 2022 RM
Lease liabilities	281,080	(76,895)	204,185

	As at 1 July 2020 RM	Additions RM	Cash flows movement RM	As at 30 June 2021 RM
Amount due to subsidiary company	1,045,595	-	(1,045,595)	-
Lease liabilities	-	324,030	(42,950)	281,080

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1. BASIS OF PREPARATION

Dolphin International Berhad is a public listed company incorporated and domiciled in Malaysia. The Company is quoted on the Main Market of the Bursa Malaysia Securities Berhad.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 October 2022.

(a) Statement of compliance

The financial statements comply with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia.

On 1 July 2021, the Group and the Company adopted the following Amendments to MFRSs mandatory for annual financial periods beginning on or after 1 July 2021:

Amendments to Standards

Amendments to MFRS 7, MFRS 9, MFRS 16 and MFRS 139 – Interest Rate Benchmark Reform – Phase 2

Amendments to MFRS 16 – Covid-19 Related Rent Concessions beyond to 30 June 2021

The adoption of the above Amendments to MFRSs does not have any material effect on the financial statements of the Group and of the Company.

1. BASIS OF PREPARATION *(continued)*

(a) Statement of compliance *(continued)*

The following Amendments to MFRSs have been issued and are relevant but are not yet effective to the Group and the Company:

Amendments to Standards	Effective date
Annual Improvements to MFRS Standards 2018 – 2020 • Amendments to MFRS 9 Financial Instruments	1 January 2022
Amendments to MFRS 116 – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 – Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
References to the Conceptual Framework (Amendments to MFRS 3 – Business Combinations)	1 January 2022
Amendments to MFRS 101 – Classification of Liabilities as Current and Non-current	1 January 2023
Amendments to MFRS 101 – Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The initial adoption of the Amendments to MFRSs do not have any material effect on the financial statements.

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia which is the Group's and the Company's presentation currency.

The functional currency of the Company is Ringgit Malaysia.

1. BASIS OF PREPARATION *(continued)*

(c) Basis of measurement

The financial statements are prepared under the historical cost convention unless otherwise indicated in the accounting policies.

The Group incurred a net loss of RM15,049,382 during the year ended 30 June 2022 and, as of that date, the Group's current liabilities exceeded its current assets by RM2,176,899 and net cash outflows from operating activities of RM4,190,454.

The Board of Directors whilst assessing the Group's cashflow forecast for going concern purposes i.e. the Group has sufficient resources to continue for a period of at least 12 months from the end of the financial year. They have also taken into account the fact that the holding company doesn't intend to provide financial support to sustain two subsidiary companies, Dolphin Engineering (M) Sdn. Bhd. and Dolphin Robotic Systems Sdn. Bhd. on a going concern basis. This is as mentioned in Note 16(ii).

There are certain current liabilities in the consolidated financial position as at 30 June 2022 relating to Dolphin Engineering (M) Sdn. Bhd. and Dolphin Robotic Systems Sdn. Bhd. which are excluded from the Group's cashflow forecast and these require the exercise of significant judgments. The material ones are as follows:

As mentioned in Note 31, there is no redemption of the preference shares amounting to RM10,110,000 as at 30 June 2022. Based on the subscription agreement, preference share shall be redeemable in full out of profits available for distribution or fresh of shares. The preference share agreement is solely between the subsidiary company, Dolphin Robotic Systems Sdn. Bhd. and the preference share subscribers. The holding company is not a party to this arrangement. Nevertheless, there is an on-going material litigation between several parties and Dolphin Robotic Systems Sdn. Bhd. as mentioned in Note 38(iii).

Including in trade and other payable in Note 32, there is an amount relating to subsidiary company, Dolphin Engineering (M) Sdn. Bhd. of RM3,855,318 relating to on-going litigation between the supplier and Dolphin Engineering (M) Sdn. Bhd. as mentioned in Note 38(i). This arrangement is solely between Dolphin Engineering Sdn. Bhd. and its respective supplier. Furthermore, the holding company is not a party to this arrangement.

1. BASIS OF PREPARATION *(continued)*

(c) Basis of measurement *(continued)*

The Board of Directors of the holding company have also seek legal advice on their position. In addition, the holding Company and the other subsidiary companies in the Group has not given any written guarantee nor agreement to perform the obligations of its subsidiary companies including Dolphin Engineering Sdn. Bhd. and Dolphin Robotic Systems Sdn. Bhd. to guarantee and/or to indemnify them in relation to claims from the preference share subscribers, suppliers and/or any other party in relation to the contracts mentioned above.

In view of the above mentioned, the Board of the Directors have excluded these payments from the Group's cashflows forecast. The directors are confident that the Group's cashflows forecast are achievable and will allow the Group to fulfill its obligations as and when they arise.

Accordingly, the financial statements of the Group are prepared on a going concern basis.

(d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and the disclosure of contingent liabilities at the reporting date. However uncertainty about these judgments, assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other major sources of estimation uncertainty at the end of the reporting period that have significant risk of resulting in material adjustment to the Group's and the Company's carrying amounts of assets and liabilities within the next financial year are discussed below:

<u>Group</u>

(i) Impairment of goodwill

Goodwill is tested for impairment annually and at other time when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill is allocated. The assumptions to determine the value-in-use requires the exercise of significant management judgments. Further details are disclosed in Note 15.

1. BASIS OF PREPARATION *(continued)*

(d) Use of estimates and judgments *(continued)*

(ii) Construction revenue and expenses

The Group recognises construction revenue and expenses in profit or loss by measuring progress towards complete satisfaction of performance obligation using the input method i.e. the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgment is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and expenses, as well as the recoverability of the construction projects.

The carrying amounts of contract assets are disclosed in Note 21 to the financial statements.

Company

(i) Impairment of investment in subsidiary companies

Investment in subsidiary companies are assessed for indication of impairment at the end of each reporting period.

Significant judgment is required in the estimation of the present value of future cash flows generated by the subsidiary companies, which involves uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates.

The carrying amounts of the Company's investment in subsidiary companies is disclosed in Note 16 to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group measures the cost of goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

(ii) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Basis of consolidation *(continued)*

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or financial asset depending on the influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements except when an unrealised loss may indicate an impairment loss that requires recognition in the consolidated financial statements.

(v) Non-controlling interest

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Subsidiary companies

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Group or the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights are considered when such rights are substantive. The Group or the Company considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

In the separate financial statements of the Company, investments in subsidiaries are measured at cost less any impairment losses, if any.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

(c) Property, plant and equipment

All items of property, plant and equipment are initially recorded at costs.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Subsequent costs are included in the assets' carrying amounts or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Group and the Company and the costs of the items can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Property, plant and equipment *(continued)*

Freehold land has an unlimited useful life and therefore are not depreciated. Capital work-in-progress and renovation under construction are not depreciated as these assets are not yet available for use. Capital work-in-progress consists of property, plant and equipment under construction for intended use.

Depreciation is provided for on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

	Useful lives
Freehold building	50 years
Furniture and fittings	10 years
Motor vehicles	5 years
Office equipment	5 – 10 years
Renovation	10 years
Computers	5 – 10 years
Plant and machineries	16 years
Kitchen and bar equipment	5 years

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in the profit or loss.

(d) Intangible assets - Goodwill

Goodwill is initially measured at cost. Following the initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

Goodwill is allocated to cash generating units and is tested for impairment annually or more frequently if event or changes in circumstances indicate that the carrying value might be impaired. Where the recoverable amount of the cash-generating units is less than the carrying amount, an impairment is recognised in the profit or loss. Impairment losses for goodwill are not reversed in subsequent periods.

Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Intangible assets – license fees

Licensed fees are required to be paid in respect of the opening of new restaurant outlets. The license fees are capitalised and amortised over the remaining year of the licensing agreements. The license fees are amortised from the date when the respective outlet commences operations.

License fees with finite useful lives are amortised over the estimated useful lives of 5 years and assessed for impairment whenever there is an indication that the license fee may be impaired.

The amortisation period and the amortisation method for license fees with a finite useful lives are reviewed at the end of each reporting period, to ensure that the amount, method and period of amortisation are consistent with previous estimates and the expected pattern of benefits embodied in the license fees.

(f) Inventories

Inventories are valued at the lower of costs and net realisable values. Costs of inventories comprise the original costs of purchase and the costs of bringing the inventories to their present locations and conditions. Cost of inventories are determined on the first-in first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Taxes

Tax charged on the profit or loss for the year comprises current and deferred taxes.

(a) Current tax

Current year tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

Current tax assets and current tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred tax liabilities and deferred tax assets are provided for under the liability method in respect of temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base including unused tax losses and capital allowances. Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each reporting date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

Deferred tax assets and deferred tax liabilities shall be offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity, or different taxable entities where there is intention to settle the balances on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which the significant amounts of deferred tax liabilities or deferred tax assets are expected to be settled or recovered.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Impairment of assets

The carrying amounts of the Group's and Company's assets other than inventories, deferred tax assets and financial assets that are within the scope of MFRS 9, contract assets, non-current assets and disposal group classified as held for sale, investment properties that are measured at fair value, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset.

The impairment loss is recognised in the profit or loss immediately. All reversals of an impairment loss are recognised as income immediately in the profit or loss and the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortisation or depreciation, had no impairment loss been recognised for the asset in prior years.

(i) Revenue recognition

(i) Construction contracts

The Group fabricates palm oil milling machineries under construction contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the commercial and industrial machineries is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by measuring the progress towards complete satisfaction of that performance obligation. This is based on measuring the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Revenue recognition *(continued)*

(i) Construction contracts *(continued)*

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group's future performance). The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

There are no variable elements in considerations.

No element of financing deemed present as the sales are made which is consistent with market practice i.e. 30 days.

(ii) Sales of palm oil mill goods and services

Revenue from sale of goods i.e. products to palm oil milling sector are recognised at a point in time when control of the products has been transferred, being when the goods are delivered to the customer and there is no unfulfill obligation that could affect the customer's acceptance of the goods.

Sales of services i.e. servicing of palm oil systems are recognised over time since the Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for the performance complete to date. Revenue from services is recognised when the services are completely rendered.

There are no variable elements in considerations.

No element of financing deemed present as the sales are made which is consistent with market practice i.e. 30 days.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Revenue recognition *(continued)*

(iii) Sales of food and beverage

Revenue from sales of food and beverage are recognised at a point in time when control of the food and beverage have been transferred, being when the food and beverage have been delivered to the customer and there are no unfulfilled obligations that could affect the customer's acceptance of the goods. Payment of the transaction is due at the point the food and beverage being accepted by the customer.

There are no variable elements in considerations.

No element of financing deemed present as the sales are made which is consistent with market practice i.e. cash or 30 days for corporate customers.

(iv) Sales of trading goods

Revenue are recognised when the control of goods i.e. alcohol, wines, tomato and chili sauce are transferred, being when the goods are delivered the customer.

There are no variable elements in considerations. There is no rights of return. Any returns for alcohol are subject to the Company's approval whereas any returns for tomato and chilli sauce that are damaged can only be returned not more than one week upon receipt of goods. However, returns are minimum.

No element of financing deemed present as the sales are made which is consistent with market practice i.e. cash or 30 days or 30 days from invoice date and subject to 1.5% late charges within the rights of the Group.

(v) Management fees

Management services are recognised over time since the customer simultaneously receives and consumes the benefits provided. Management fee is recognised when services are rendered.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs.

(k) Preference shares

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Group's option, and any dividend payments are discretionary. Dividends thereon are recognised as distributions within equity.

Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the preference share holders, or if dividend payments are not discretionary. Dividend thereon are recognised as interest expense in profit or loss when accrued.

(l) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(l) Employee benefits *(continued)*

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF").

A foreign subsidiary of the Group provides retirement benefits plan to its employees in conformity with the requirements of the law.

The calculation of estimated liabilities for the retirement benefits plan is determined using management's calculation. The assumptions used are discount rate, annual salary increment rate and pension age.

The Group recognises the following costs in profit or loss:

- Service cost comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

(m) Leases

The Group as lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

(i) Lease term

In determining in the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term when it is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affects whether the Group and the Company is reasonably certain to exercise an option not previously included in the determination of lease term or not to exercise an option previously included in the determination of the lease term. A revision in lease term results in remeasurement of the lease liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Leases *(continued)*

(ii) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss if any. The ROU assets are generally depreciated over the shorter of the asset's useful life and lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

ROU assets – premises are depreciated over the lease period of 36 to 48 months.

(iii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at commencement date;
- Amounts expected to be payable by the Group and the Company under residual value guarantees;
- The exercise price of a purchase and extension options if the Group and the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Leases *(continued)*

(iii) Lease liabilities *(continued)*

Lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

(iv) Reassessment of lease liabilities

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

(v) Short term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low value leases comprise of office equipment. Payments associated with short term leases and low value assets are recognised on a straight-line bases as an expense in profit or loss.

The Group as a lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Leases *(continued)*

(i) Operating leases

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

(n) Foreign currencies

(i) Translation of foreign currency transactions and balances

Transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the period. Non-monetary items carried at fair values that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items that are measured at their historical cost amounts continue to be translated at their historical rates and are not retranslated.

All exchange differences arising on settled transactions and on unsettled monetary items are recognised in profit or loss in the period.

(ii) Translation of foreign operations

The assets and liabilities of the foreign operations are expressed in Ringgit Malaysia by using exchange rates prevailing at the end of a reporting period. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operations and translated at the closing rate. Income and expense items are translated at average rates for the period, which approximate the actual rates ruling at the dates of the respective transactions. Exchange differences arising on translation of foreign operations are recognised in other comprehensive income, an attributed portion is allocated to non-controlling interests, if applicable, and the balance attributable to owners of the parent is retained in an exchange translation reserve.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(o) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

(p) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term deposits with maturity of not more than three months and liquid investments that are readily convertible to cash with insignificant risk of changes in value.

(q) Financial instruments

Financial instruments are recognised on the statements of financial position when the Group and the Company have become a party to the contractual provisions of the instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

Financial assets

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group and the Company.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Financial instruments *(continued)*

Financial assets *(continued)*

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or has been transferred and the Group and the Company has transferred substantially all the risks and rewards of ownership.

(i) Classification

The Group and the Company classify their financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's and the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group and the Company have made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group and the Company reclassify debt instruments when and only when their business model for managing those assets changes.

(ii) Measurement

At initial recognition, trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

Except for trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, at initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Financial instruments *(continued)*

Financial assets *(continued)*

(ii) Measurement *(continued)*

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify its debt instruments:

(a) Amortised costs

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is recognised using the effective interest rate method. Any gain or loss arising on derecognition is recognised in profit or loss together with foreign exchange gains and losses.

(b) Fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through, other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is recognised using the effective interest rate method.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Financial instruments *(continued)*

(ii) Measurement *(continued)*

<u>Debt Instruments</u> *(continued)*

(c) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Any gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss.

<u>Equity Instruments</u>

The Group and the Company subsequently measure all equity instruments at fair value.

Where the Group and the Company have elected to present fair value gain and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the instruments.

Changes in the fair value of financial assets at fair value though profit or loss are recognised in profit or loss.

Dividends are recognised in profit or loss when the rights to receive payment is established.

(iii) Impairment

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Financial instruments *(continued)*

Equity Instruments *(continued)*

(iii) Impairment *(continued)*

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Financial liabilities

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group and the Company.

The Group and the Company shall recognise a financial liability on their statements of financial position when the entities become parties to the contractual provisions of the instruments.

Financial liabilities are derecognised when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

(i) Financial liabilities at fair value through profit or loss ("FVTPL")

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term;
- Part of a portfolio of identified financial instruments that are managed together and there are recent actual pattern of short-term profit-taking;
- It is a derivative (except for financial guarantee contract or a designated and effective hedging instrument).

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Financial instruments *(continued)*

(ii) Other financial liabilities

Other financial liabilities are financial liabilities that are not classified as financial liabilities at FVTPL.

Other financial liabilities are initially recognised at fair value plus transactions costs. Financial liabilities carried at fair value through profit or loss are initially recognised at fair value and transactions costs are expensed in the profit or loss.

Other financial liabilities are subsequently carried at amortised cost using the effective interest method. Financial liabilities at FVTPL are measured at fair value except for derivatives liability that are linked to and must be settled by delivery of such unquoted equity instruments whose fair value cannot be reliably measured are measured at cost.

Gains or losses arising from changes in fair value from financial liabilities classified at FVTPL are recognised in profit or loss.

Gains or losses from other financial liabilities carried at amortised costs are recognised through profit or loss.

(iii) Financial guarantee contract

Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, they are measured at higher of the amount of the loss allowance; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, Revenue from Contracts with Customers.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(r) Earning per share ("EPS")

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(s) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both.

The Group uses the cost model to measure its investment properties after initial recognition. Accordingly investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses, if any.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property.

Freehold land and renovation under construction are not depreciated.

Depreciation is provided for on a straight-line basis over the its estimated useful lives at the following annual basis:

	Useful lives
Freehold buildings	50 years
Leasehold building	95 years

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocation resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Group that makes strategic decisions.

(u) Fair value measurement

The fair value of an asset or a liability except for lease transactions and inventories at net realisable value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement method adopted assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For assets, liabilities and equity instruments (whether financial or non-financial items) that require fair value measurement or disclosure, the Group and the Company establishes a fair value measurement hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. This fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets, liabilities or equity instruments and the lowest priority to unobservable inputs.

A fair value measurement of an item is classified as a Level 1 measurement if it is estimated using a quoted price in an active market. The active market is the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; and for which the Group and the Company can enter into a transaction for the asset or liability at the price in that market at the measurement date.

In the absence of Level 1 inputs, a fair value measurement of an item is classified as a Level 2 measurement if it is estimated by a valuation technique using inputs that are observable either directly or indirectly.

In the absence of both Level 1 and Level 2 inputs, a fair value measurement of an item is classified as a Level 3 measurement if it is estimated by an established valuation technique using unobservable inputs, including internally developed assumptions.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(v) Associate companies

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any non-current investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

The financial statements of the associate is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the separate financial statements of the Company, investment in associate company is stated at cost less impairment losses, if any.

(w) Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(w) Borrowing costs *(continued)*

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(x) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group and the Company.

Contingent liability is also referred to as a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

(y) Non-current assets and disposal groups held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale of their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets and disposed groups classified as held for sale are measured to the lower of their carrying amount and fair value less costs to sell.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(y) Non-current assets held for sale and discontinued operations *(continued)*

The criteria for held for sale classification is regarded as met only when:

(i) the asset or disposal group is available for immediate sale in its present condition;
(ii) the management is committed to a plan to sell the asset and the asset or disposal group is actively marketed for sale at a price that is reasonable in relation to its current fair value; and
(iii) the sale is expected to be completed within one year from the date of classification and actions required to complete the plan indicates that it is unlikely that significant changes to the plan will be made or that the sale will be withdrawn.

Any impairment loss on disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro-rata basis, except that no loss is allocated to inventories, financial assets, employee benefit assets and investment property that is measured at fair value, which continue to be measured in accordance with the Group's and the Company's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity-accounted associated and joint venture ceases once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statements of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(z) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions, if any.

Government grants related to expenses are recognised in profit or loss as other income over the periods to match the related costs for which the grants are intended to compensate.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not trade in financial instruments.

(a) Credit risk management

Credit risk is the risk of a financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations.

Credit risk arises from cash and cash equivalents as well as credit exposure to customers, including outstanding receivables and committed transactions.

Only deposits with major financial institutions are accepted. Thus, credit risks are minimised in view of their financial strengths and good credit rating.

As at the end of the reporting period, the maximum exposure to credit risk arising from financial assets are represented by their carrying amounts in the statement of financial position. The carrying amounts of financial assets are not secured by any collateral or supported by any other credit enhancements.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(a) Credit risk management *(continued)*

The maximum exposure to credit risks arising from the financial guarantees given by the Company are as below:

	COMPANY 2022 RM
Corporate guarantee granted to a licensed bank for credit facilities granted to subsidiaries	8,195,452

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 BBSB are subsidiaries disposed in prior 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, an estimate cannot 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.

As of reporting date, for Group and for Company, the financial guarantee contracts above are not recognised in the statement of financial position due to immaterial.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect or recovery. This is generally the case when the Group and the Company determine that the receivable does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

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FOR THE YEAR ENDED 30 JUNE 2022
(cont'd)

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(b) Credit risk management *(continued)*

Trade receivables

The Group applies the MFRS 9 simplified approach to measure expected credit losses ("ECLs") which uses a lifetime expected loss allowance for trade receivables.

Collective assessment of impairment

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss pattern.

The provision matrix is initially based on the Group's historical observed default rates. The Group also calibrate the matrix with forward-looking information on macroeconomic factors affecting the ability of the customers to settle. The Group has identified the gross domestic product ("GDP") as the most relevant factors. Nevertheless, as at reporting date, the GDP has no significant impact in the ECL calculation. The Group has assessed that all its trade receivables as creditworthy customers with good payment records and loss incurred infrequently. Thus, no expected credit loss is required.

Individual assessment of impairment

Assessment of individual trade receivables is determined to be credit impaired at the reporting date for those is significant difficulties and/or defaulted on payments.

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

GROUP **As at 30 June 2022**	**RM**
Neither past due nor impaired	11,992
1 to 30 days past due not impaired	9,649
31 to 60 days past due not impaired	-
61 to 90 days past due not impaired	828
More than 90 days past due not impaired	142,624
	165,093
Individually impaired	211,200
Total gross carrying amount	376,293

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(a) Credit risk management *(continued)*

GROUP **As at 30 June 2021**	**RM**
Neither past due nor impaired	176,507
1 to 30 days past due not impaired	53,895
31 to 60 days past due not impaired	176,062
61 to 90 days past due not impaired	36,952
More than 90 days past due not impaired	10,606
	454,022
Individually impaired	307,791
Total gross carrying amount	761,813

The loss allowance for contract assets is as disclosed in Note 21 to the financial statements.

The trade receivables that are past due not impaired are those that have been no significant changes in their credit quality i.e. no history of default and/or debts received subsequent to the reporting date.

The credit concentration profile by geographical areas of trade receivables of the Group as at the reporting date is as follows:

	GROUP			
	2022		**2021**	
By country:	**RM**	**%**	**RM**	**%**
Malaysia	67,072	41	151,036	33
Indonesia	98,021	59	302,986	67
	165,093	100	454,022	100

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(a) Credit risk management *(continued)*

Other receivables

The Group and the Company consider there has bears a significant increase in credit risk when contractual payments more than 30 days.

The Group and the Company consider a financial contract in default when contractual payments are 90 days past due.

For advances to subsidiary and related companies whose credit term is repayable on demand, this is considered credit impaired when the subsidiary companies are unlikely to repay its advances to the Company in full given insufficient highly liquid resources when the advances is demanded.

(b) Liquidity risk management

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, preference shares and lease liabilities.

The Group and the Company maintain a level of cash and cash equivalents deemed adequate by the Directors to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities when they fall due.

3. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)***

(b) Liquidity risk management *(continued)*

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations as follows:

As at 30 June 2022	Not redeemed at reporting date RM	Within 1 year RM	Between 2 and 5 years RM	More than 5 years RM	Total RM
Group					
Non-derivative financial liabilities					
Trade and other payables	-	7,694,519	-	-	7,694,519
Term loans	-	1,117,138	4,668,553	3,188,128	8,973,819
Preference shares	10,110,000	-	-	-	10,110,000
	10,110,000	8,811,657	4,668,553	3,188,128	26,778,338
Company					
Non-derivative financial liabilities					
Financial guarantee	-	8,195,452	-	-	8,195,452
Trade and other payables	-	756,274	-	-	756,274
	-	8,951,726	-	-	8,951,726

Maturity analysis of lease liabilities:

Group	-	505,340	490,960	-	996,300
Company	-	90,000	127,500	-	217,500

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FOR THE YEAR ENDED 30 JUNE 2022
(cont'd)

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(b) Liquidity risk management *(continued)*

As at 30 June 2021	Not redeemed at reporting date RM	Within 1 year RM	Between 2 and 5 years RM	More than 5 years RM	Total RM
Group					
Non-derivative financial liabilities					
Trade and other payables	-	5,499,179	-	-	5,499,179
Term loans	-	1,117,138	4,468,553	4,505,266	10,090,957
Contingent consideration	-	988,485	-	-	988,485
Preference shares	4,130,000	5,980,000	-	-	10,110,000
	4,130,000	13,584,802	4,468,553	4,505,266	26,688,621
Company					
Non-derivative financial liabilities					
Financial guarantee	-	9,586,725	-	-	9,586,725
Contingent consideration	-	988,485	-	-	988,485
Trade and other payables	-	236,047	-	-	236,047
	-	10,811,257	-	-	10,811,257

Maturity analysis of lease liabilities:

Group	-	1,015,465	657,700	-	1,673,165
Company	-	90,000	217,500	-	307,500

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(c) Market risks

(i) Foreign currency risk management

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when sales and purchases that are denominated in a foreign currency) and the Group's net investments in a foreign subsidiary.

The Group's principal foreign currency exposure relates mainly to United States Dollar ("USD"), Euro Dollar ("Euro") and Indonesian Rupiah ("IDR").

During the year, there is no formal hedging policy with respect to foreign exchange risk exposure. The Group monitors its foreign exchange risk exposure on an on-going basis and endeavours to keep the net exposure at an acceptable level.

The following table demonstrates the sensitivity to a reasonably possible change in the USD, Euro and IDR, with all other variables held constant on the Group's total equity and loss for the financial year.

GROUP	Change in rate	Effect on loss for the financial year RM	Effect on equity RM
As at 30 June 2022			
- USD (i)	+ 15%	(58,565)	(58,565)
	- 15%	58,565	58,565
- Euro (ii)	+ 15%	(300)	(300)
	- 15%	300	300
As at 30 June 2021			
- USD (i)	+ 15%	(64,484)	(64,484)
	- 15%	64,484	64,484
- IDR (iii)	+ 15%	(1,083)	(1,083)
	- 15%	1,083	1,083

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(c) Market risks *(continued)*

(i) Foreign currency risk management *(continued)*

(i) This is mainly attributable to the foreign exchange exposure of outstanding USD denominated receivables and cash and bank balances as at the reporting date.

(ii) This is mainly attributable to the foreign exchange exposure of outstanding Euro denominated cash and bank balances as at the reporting date.

(iii) This is mainly attributable to the foreign exchange exposure of outstanding IDR denominated cash and bank balances as at the reporting date.

(ii) Interest rate risk management

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and Company's financial instruments as a result of changes in market interest rates. The Group's and Company's exposure to interest rate risk arises primarily from borrowings with floating interest rates and interest rate from deposits pledged with licensed banks.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and loss for the financial year.

GROUP	**Change in basis point**	**Effect on loss for the financial year RM**	**Effect on equity RM**
As at 30 June 2022	+ 50	(40,292)	(40,292)
	- 50	40,292	40,292
As at 30 June 2021	+ 50	(33,123)	(33,123)
	- 50	33,123	33,123

4. CAPITAL RISK MANAGEMENT

The primarily objective of the Group's and of the Company's capital management is to maintain a strong credit rating and healthy capital ratio, ensure sufficient funds to manage day-to-day business operation and to fund their expansion and growth.

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as total debts divided by total equity. The gearing ratios at 30 June 2022 and 30 June 2021 are as follows:

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Term loan	8,058,463	8,716,516	-	-
Lease liabilities	942,743	1,584,744	204,185	281,080
Preference shares	10,110,000	9,842,673	-	-
Total debts	19,111,206	20,143,933	204,185	281,080
Total equity	22,997,193	29,226,349	31,788,278	34,350,793
Gearing ratio	83%	69%	0.6%	0.8%

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5. FINANCIAL INSTRUMENTS BY CATEGORIES

	2022 RM	2021 RM
GROUP		
Financial assets		
Financial assets measured at amortised cost		
- Trade and other receivables excluding prepayments and advances to supplier	6,464,021	1,348,749
- Cash and cash equivalents	4,360,342	13,819,786
- Fixed deposit with a licensed bank	3,012,888	-
Financial liabilities		
Other financial liabilities measured at amortised cost		
- Trade and other payables excluding service tax payable	7,610,278	5,499,179
- Term loan	8,058,463	8,716,516
- Contingent consideration	-	988,485
- Preference shares	10,110,000	9,842,673
COMPANY		
Financial assets		
Financial assets measured at amortised cost		
- Trade and other receivables excluding prepayments and advance to suppliers	16,995,498	8,941,191
- Fixed deposit with a licensed bank	3,012,888	-
- Cash and cash equivalents	2,080,528	12,606,242
Financial liabilities		
Other financial liabilities measured at amortised cost		
- Trade and other payables	756,274	236,047
- Contingent consideration	-	988,485

Financial assets and financial liabilities other than preference shares are not carried at fair value but their carrying amounts are reasonable approximation of their values due to their short term nature.

The fair value of preference shares is determined at amortised cost using the effective interest method.

The carrying amount of non-current floating rate term loan is a reasonable approximate of fair value as the loan will be repriced to market interest rate on or near reporting date.

6. REVENUE

	GROUP		COMPANY	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Revenue from contracts with customers:				
- Sales of palm oil milling goods and services	144,032	2,443,812	-	-
- Sales of food and beverage	7,539,754	4,426,332	-	-
- Sales of trading goods	1,764,619	6,962	-	-
- Contract works	73,387	2,059,809	-	-
- Management fees	-	-	240,000	240,000
	9,521,792	8,936,915	240,000	240,000
Timing of revenue recognition:				
- At a point in time	9,448,405	6,877,106	-	-
- Over time	73,387	2,059,809	240,000	240,000
	9,521,792	8,936,915	240,000	240,000

7. COST OF SALES

	GROUP	
	2022	**2021**
	RM	**RM**
Cost of goods sold	5,868,667	3,960,269
Project costs related to contract works	182,277	1,108,309
	6,050,944	5,068,578

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FOR THE YEAR ENDED 30 JUNE 2022
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8. LOSS BEFORE TAXATION

	GROUP		COMPANY	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Loss before taxation is stated after charging and (crediting):				
Auditors' remuneration:				
Malaysian operations				
current year	180,000	219,000	77,000	80,000
underprovision in prior year	27,000	24,000	10,000	25,000
Overseas operations				
current year	6,548	34,174	-	-
underprovision in prior year	8,730	-	-	-
(Income)/expense from financial assets at amortised costs:				
bad debts written off	50,869	96,702	4,519	-
loss allowance for receivables	211,074	466,094	-	4,517
reversal of loss allowance for receivables	(254,034)	(112,029)	-	-
intrinsic loss on amount due from subsidiary company	-	-	2,445,146	696,337
loss allowance on amounts due from subsidiary companies	-	-	942,991	337,748
intrinsic loss on amount due from associate company	-	207,007	-	-
intrinsic interest income on amount due from subsidiary company	-	-	(54,108)	-
reversal of intrinsic loss on amount due from associate company	(207,007)	-	-	
deposit written off	1,000	-	-	-
Directors' remuneration:				
fees				
current year	510,000	260,900	260,000	260,900
underprovision in prior years	203,400	280,693	203,400	280,693
other emoluments *	540,040	1,240,365	378,731	735,988
Gain on disposal of property, plant and equipment	(7,017)	(162,456)	-	-
Gain on disposal of non-current assets held for sale	-	-	-	(23,676)

8. LOSS BEFORE TAXATION *(continued)*

	GROUP		COMPANY	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Loss before taxation is stated after charging and (crediting):				
Income from financial assets at amortised costs:				
bank interest income	(19,470)	(478)	(19,137)	-
interest income from fixed deposits	(57,988)	(43,834)	(57,988)	(43,834)
Provision for foreseeable loss on contract assets	72,631	143,197	-	-
Provision for retirement benefits	-	4,432	-	-
Impairment of goodwill (under other expenses)	9,400,000	2,500,000	-	-
Property, plant and equipment written off	6,525	81,837	-	-
Lease interest expenses:				
right-of use assets	100,318	134,211	13,104	9,551
Impairment loss on investments in subsidiary companies (under other expenses)	-	-	5,920,000	20,448,231
Loss/(gain) on disposal of investments in subsidiary companies	-	422,816	-	(2)
Expense/(income) on financial assets and financial liabilities at amortised costs:				
realised (gain)/loss on foreign exchange	(4,462)	7,080	-	-
unrealised (gain)/loss on foreign exchange	(14,369)	19,978	-	-
Reversal of impairment loss on intangible assets (under other income)	-	(208,913)	-	-
Intangible assets written off	-	17,813,464	-	-
Impairment loss on property, plant and equipment (under other expenses)	477,400	11,689,066	-	-
Contract assets written off	760,868	-	-	-
Reversal of loss allowance for contract assets	(760,868)	-	-	-

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8. LOSS BEFORE TAXATION *(continued)*

	GROUP		COMPANY	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Loss before taxation is stated after charging and (crediting):				
Inventories written off	-	276,483	-	-
Right-of-use assets written off	-	626,859	-	-
Amortisation of intangible assets	-	110,100	-	-
Interest expenses on financial liabilities at amortised cost:				
term loan	459,085	488,718	-	-
intrinsic interest on preference shares	267,327	1,299,137	-	-
others	22,245	-	22,245	-
Reversal of contingent consideration not payable	(988,485)	-	-	-
Depreciation of property, plant and equipment	484,375	444,420	1,135	-
Depreciation of investment property	28,654	2,453	-	-
Depreciation of right-of-use assets	538,018	991,790	81,007	47,254
Operating lease – Rental income from premises**	(40,000)	(3,200)	-	-
Short term lease – Rental of premises***	73,711	183,945	60	-
Short term leases – Rental of motor vehicle***	-	1,440	-	-
Short term leases – Rental of office equipment***	29,970	550	-	-
Short term lease – Rental of carpark***	8,182	-	-	-
Reversal of lease interest for lease termination	(4,667)	-	-	-
Low value leases – Rental of office equipment	11,717	7,245	-	-
Staff costs*	2,149,202	3,145,702	193,621	105,127

8. LOSS BEFORE TAXATION *(continued)*

* Included in directors' other emoluments and staff costs of the Group and of the Company are amounts totalling RM194,302 and RM61,116 (2021: RM335,094 and RM89,265) respectively contributed to the Employees' Provident Fund. During the year, the Group received an amount of RM118,800 (2021: RM391,350) from the Government as wage subsidy under the Economic Stimulus Package.

** These comprise cancellable operating leases whereby two months' notice is required to terminate these agreements.

*** These comprise rental contracts whereby no notice is required to terminate these agreements or rental contracts are made for a final period of one year.

9. TAXATION

		GROUP	
		2022	**2021**
		RM	**RM**
(a)	Current Malaysian taxation	82,000	-
	Deferred taxation (Note 30)	153,669	102,000
		235,669	102,000
	Underprovision of taxation in prior year	255,738	111,736
		491,407	213,736

There is no provision for current and prior year for the Company as there are no chargeable income for these years under review.

9. TAXATION *(continued)*

(b) Reconciliation of tax expense and accounting loss :

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Accounting loss	(14,557,975)	(40,263,472)	(11,709,757)	(25,203,344)
Tax at the applicable tax rate	(3,485,563)	(9,656,723)	(2,810,342)	(6,048,803)
Tax effect of expenses that are not deductible in determining taxable profit for income tax purposes	3,981,088	18,659,099	2,625,648	5,736,191
Tax effect of income that are not included in determining taxable profit for income tax purposes	(1,082,756)	(9,963,042)	(14,070)	(5,683)
Movement from unrecognised deferred tax assets	740,546	1,042,137	198,764	318,295
Overprovision of deferred tax assets in prior year	-	20,529	-	-
Underprovision of deferred tax liabilities in prior year	82,354	-	-	-
Underprovision of taxation in prior year	255,738	111,736	-	-
Tax expense	491,407	213,736	-	-

The corporate tax rate is 24% (2021: 24%). Consequently, deferred tax (liabilities)/assets in Note 30 are measured using this rate.

(c) The Company has unused tax losses of approximately RM2,575,000 (2021: RM1,498,0000) available for set-off against future taxable income.

10. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

In prior year, the Company disposed its entire investments in subsidiary companies i.e. Dolphin Biogas Sdn. Bhd. and its subsidiary company, Biogas Sulpom Sdn. Bhd., Dolphin Construction Sdn. Bhd. and its subsidiary company, Dolphin Rashford Sdn. Bhd. and Dolphin Components Sdn. Bhd. ("Disposal Group").

An analysis of the results of the Disposal Group is as follows:

	2021 RM
REVENUE	-
ADMINISTRATIVE EXPENSES	(37,466)
LOSS ON DISPOSAL OF SUBSIDIARY COMPANIES	(422,816)
LOSS FOR THE YEAR	(460,282)

The net cash flows incurred by Disposal Group are as follows:

	2021 RM
Operating	(53,126)
Net cash outflows	(53,126)

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11. EARNINGS PER SHARE

	GROUP 2022	GROUP 2021
Weighted average number of ordinary shares in issue for basic earnings per share	1,055,008,431	935,748,431
Consolidated loss for the year (RM)	(15,328,431)	(40,896,054)
Basic earnings per share (sen)	(1.45)	(4.37)
Diluted earnings per share (sen)	(1.45)	(4.37)

	GROUP 2022	GROUP 2021
Continuing operations		
Consolidated loss for the year (RM)	(15,328,431)	(40,435,772)
Basic earnings per share (sen)	(1.45)	(4.32)
Diluted earnings per share (sen)	(1.45)	(4.32)

	GROUP 2022	GROUP 2021
Discontinued operations		
Consolidated loss for the year (RM)	-	(460,282)
Basic earnings per share (sen)	-	(0.05)
Diluted earnings per share (sen)	-	(0.05)

In current and prior year, the diluted earnings per share is equal to the basic earnings per share as the outstanding warrants are anti-dilutive.

12. PROPERTY, PLANT AND EQUIPMENT

GROUP	Land and building* RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Computers RM	Plant and machineries RM	Kitchen and bar equipment RM	Capital work-in-progress RM	Total RM
At cost										
At 1 July 2021	13,334,912	3,536,570	85,731	36,478	7,432,395	22,350	99,463	23,109	11,689,066	36,260,074
Transfer to investment properties	(13,334,912)	-	-	-	(7,265,377)	-	-	-	-	(20,600,289)
Arising from acquisition of a subsidiary company	-	44,680	-	65,796	137,762	13,467	-	187,309	-	449,014
Additions	-	178,823	-	31,754	737,583	78,402	-	242,611	-	1,269,173
Disposals	-	(11,381)	(58,637)	-	-	-	-	(9,025)	-	(79,043)
Written off	-	(12,476)	-	-	(11,744)	-	-	(11,700)	-	(35,920)
Exchange differences	-	176	907	735	649	-	3,298	-	-	5,765
At 30 June 2022	-	3,736,392	28,001	134,763	1,031,268	114,219	102,761	432,304	11,689,066	17,268,774

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12. PROPERTY, PLANT AND EQUIPMENT *(continued)*

GROUP	Land and building* RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Computers RM	Plant and machineries RM	Kitchen and bar equipment RM	Capital work-in-progress RM	Total RM
Accumulated Depreciation										
At 1 July 2021	360,794	641,458	53,949	23,619	65,360	3,792	59,057	4,710	-	1,212,739
Transfer to investment properties	(360,794)	-	-	-	(40,497)	-	-	-	-	(401,291)
Arising from acquisition of a subsidiary company	-	29,511	-	36,228	118,541	224	-	125,899	-	310,403
Charge for the year	-	370,188	4,165	7,723	53,326	12,975	12,629	23,369	-	484,375
Disposals	-	(9,392)	(39,091)	-	-	-	-	(376)	-	(48,859)
Written off	-	(6,244)	-		(11,743)	-	-	(11,408)	-	(29,395)
Exchange differences	-	135	577	693	573	-	2,174	-	-	4,152
At 30 June 2022	-	1,025,656	19,600	68,263	185,560	16,991	73,860	142,194	-	1,532,124
Accumulated Impairment Loss										
At 1 July 2021	-	-	-	-	-	-	-	-	11,689,066	11,689,066
Charge for the year	-	17,765	-	-	244,902	10,527	-	204,206	-	477,400
At 30 June 2022	-	17,765	-	-	244,902	10,527	-	204,206	11,689,066	12,166,466
Net book value										
At 30 June 2022	-	2,692,971	8,401	66,500	600,806	86,701	28,901	85,904	-	3,570,184

12. PROPERTY, PLANT AND EQUIPMENT *(continued)*

* ANALYSIS OF LAND AND BUILDING

	Freehold land RM	Freehold building RM	Total RM
At cost			
At 1 July 2021	10,000,000	3,334,912	13,334,912
Transfer to investment properties	(10,000,000)	(3,334,912)	(13,334,912)
At 30 June 2022	-	-	-
Accumulated depreciation			
At 1 July 2021	-	360,794	360,794
Transfer to investment properties	-	(360,794)	(360,794)
At 30 June 2022	-	-	-
Net book value			
At 30 June 2022	-	-	-

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12. PROPERTY, PLANT AND EQUIPMENT

GROUP	Land and building* RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Computers RM	Plant and machineries RM	Kitchen and bar equipment RM	Capital work-in-progress RM	Total RM
At cost										
At 1 July 2020	13,334,912	87,115	587,126	259,319	6,279,700	850,900	104,151	-	11,689,066	33,192,289
Arising from acquisition of a subsidiary company	-	3,475,710	14,000	-	-	-	-	23,109	-	3,512,819
Additions	-	87,485	-	8,800	1,153,617	20,550	-	-	-	1,270,452
Disposals	-	(4,996)	(512,675)	(10,711)	-	(58,992)	-	-	-	(587,374)
Written off	-	(108,216)	-	(219,886)	-	(790,108)	-	-	-	(1,118,210)
Exchange differences	-	(528)	(2,720)	(1,044)	(922)	-	(4,688)	-	-	(9,902)
At 30 June 2021	13,334,912	3,536,570	85,731	36,478	7,432,395	22,350	99,463	23,109	11,689,066	36,260,074

12. PROPERTY, PLANT AND EQUIPMENT *(continued)*

GROUP	Land and building* RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Computers RM	Plant and machineries RM	Kitchen and bar equipment RM	Capital work-in-progress RM	Total RM
Accumulated Depreciation										
At 1 July 2020	294,096	58,582	557,524	181,542	55,685	791,046	48,821	-	-	1,987,296
Arising from acquisition of a subsidiary company	-	405,084	1,516	-	-	-	-	2,946	-	409,546
Charge for the year	66,698	272,315	9,169	21,676	10,404	49,614	12,780	1,764	-	444,420
Disposals	-	(3,633)	(512,669)	(10,686)	-	(58,985)	-	-	-	(585,973)
Written off	-	(90,506)	-	(167,984)	-	(777,883)	-	-	-	(1,036,373)
Exchange differences	-	(384)	(1,591)	(929)	(729)	-	(2,544)	-	-	(6,177)
At 30 June 2021	360,794	641,458	53,949	23,619	65,360	3,792	59,057	4,710	-	1,212,739
Accumulated Impairment Loss										
At 1 July 2020	-	-	-	-	-	-	-	-		
Charge for the year	-	-	-	-	-	-	-	-	11,689,066	11,689,066
At 30 June 2021	-	-	-	-	-	-	-	-	11,689,066	11,689,066
Net book value										
At 30 June 2021	12,974,118	2,895,112	31,782	12,859	7,367,035	18,558	40,406	18,399	-	23,358,269

12. PROPERTY, PLANT AND EQUIPMENT *(continued)*

* ANALYSIS OF LAND AND BUILDING

	Freehold land RM	Freehold building RM	Total RM
At cost			
At 1 July 2020 and at 30 June 2021	10,000,000	3,334,912	13,334,912
Accumulated depreciation			
At 1 July 2020	-	294,096	294,096
Charge for the year	-	66,698	66,698
At 30 June 2021	-	360,794	360,794
Net book value			
At 30 June 2021	10,000,000	2,974,118	12,974,118

	Computers RM
COMPANY	
At cost	
At 1 July 2021 and	-
Additions	9,264
At 30 June 2022	9,264
Accumulated depreciation	
At 1 July 2021	-
Charge for the year	1,135
At 30 June 2022	1,135
Net book value	
At 30 June 2022	8,129

a) Included in the Group's property, plant and equipment at net book value of RM477,400 (2021: RM Nil) relating to a subsidiary company's food and beverage convenient concept store which subsequently ceased operations after the financial year end and is fully impaired during the year to its recoverable amount i.e. value in use of RM Nil.

12. PROPERTY, PLANT AND EQUIPMENT *(continued)*

b) Included in the Group's capital work-in-progress at cost of RM11,689,066 (2021: RM11,689,066) is a palm oil mill enhancement and optimisation project which the Group had secured in year 2017 and is fully impaired in prior year.

c) During the year, the freehold land and building together with its renovation costs are transferred to investment properties due to change in use of the assets from intended owner-occupied to investment property.

d) Included under property, plant and equipment are:

	GROUP Net book value 2022 RM	**GROUP Net book value 2021 RM**
Freehold land and buildings pledged as disclosed in Note 28	-	12,974,118

13. INVESTMENT PROPERTIES

	Leasehold building RM	**Freehold land RM**	**Freehold building RM**	**Renovation RM**	**Total RM**
GROUP					
2022					
At cost					
At 1 July 2021	194,612	-	-	-	194,612
Transfer from property, plant and equipment	-	10,000,000	3,334,912	7,265,377	20,600,289
Additions	-	-	-	85,186	85,186
At 30 June 2022	194,612	10,000,000	3,334,912	7,350,563	20,880,087
Accumulated depreciation					
At 1 July 2021	15,465	-	-	-	15,465
Transfer from property, plant and equipment	-	-	360,794	40,497	401,291
Charge for the year	2,453	-	66,698	-	69,151
Adjustments	-	-	-	(40,497)	(40,497)
At 30 June 2022	17,918	-	427,492	-	445,410
Net book value					
At 30 June 2021	176,694	10,000,000	2,907,420	7,350,563	20,434,677

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13. INVESTMENT PROPERTIES *(continued)*

	Leasehold building RM
GROUP	
2021	
At cost	
At 1 July 2020 and at 30 June 2021	194,612
Accumulated depreciation	
At 1 July 2020	13,012
Charge for the year	2,453
At 30 June 2021	15,465
Net book value	
At 30 June 2021	179,147

The Group's investment properties comprise of:

a) one unit of leasehold commercial property with a lease period of 95 years expiring on 17 July 2091; and

b) a two-storey factory and a three-storey office building/factory erected on a freehold land.

The investment properties are measured at level 3 of the fair value hierarchy. The directors estimate fair value of the investment properties to be approximately RM14,688,000 (2021: RM210,000). These are based on the information obtained from a real estate agent's website.

Included under investment properties are:

	GROUP	
	2022 RM	2021 RM
Investment properties pledged as disclosed in Note 28	12,907,420	-

13. INVESTMENT PROPERTIES *(continued)*

The following are recognised in profit or loss in respect of investment properties:

	GROUP	
	2022	**2021**
	RM	**RM**
Rental income	-	3,200
Direct operating expenses of investment properties that do not generate income:		
Building maintenance	1,874	-
Quit rent and assessment	20,145	
Insurance	3,926	-
Direct operating expenses of investment properties that generate income:		
Building maintenance	-	1,427
Quit rent and assessment	-	1,064

14. RIGHT-OF-USE ASSETS

	Premises
	RM
GROUP	
2022	
At cost	
At 1 July 2021	1,321,114
Arising from acquisition of a subsidiary company	148,805
Additions	650,350
Lease termination	(138,542)
At 30 June 2022	1,981,727
Accumulated depreciation	
At 1 July 2021	524,638
Arising from acquisition of a subsidiary company	24,801
Charge for the year	583,018
Lease termination	(46,484)
At 30 June 2022	1,085,973
Net book value	
At 30 June 2022	895,754

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022
(cont'd)

14. RIGHT-OF-USE ASSETS *(continued)*

	Premises RM	Office equipment RM	Total RM
GROUP			
2021			
At cost			
At 1 July 2020	-	1,805,946	1,805,946
Arising from acquisition of a subsidiary company	631,986	-	631,986
Additions	718,227	-	718,227
Expired lease	(29,099)	-	(29,099)
Written off	-	(1,805,946)	(1,805,946)
At 30 June 2021	1,321,114	-	1,321,114
Accumulated depreciation			
At 1 July 2020	-	706,673	706,673
Arising from acquisition of a subsidiary company	35,110	-	35,110
Charge for the year	519,378	472,412	991,790
Expired lease	(29,099)	-	(29,099)
Written off	-	(1,179,085)	(1,179,085)
Exchange differences	(751)	-	(751)
At 30 June 2021	524,638	-	524,638
Net book value			
At 30 June 2021	796,476	-	796,476

14. RIGHT-OF-USE ASSETS *(continued)*

	Premises RM
COMPANY	
2022	
At cost	
At 1 July 2021 and 30 June 2022	324,030
Accumulated depreciation	
At 1 July 2021	47,254
Charge for the year	81,007
At 30 June 2022	128,261
Net book value	
At 30 June 2022	195,769
2021	
At cost	
At 1 July 2020	-
Additions	324,030
At 30 June 2021	324,030
Accumulated depreciation	
At 1 July 2020	-
Charge for the year	47,254
At 30 June 2021	47,254
Net book value	
At 30 June 2021	276,776

Right-of-use assets of the Group and of the Company amounting to RM799,155 (2021: RM1,350,213) and RM Nil (2021: RM324,030) respectively were acquired from leases.

15. INTANGIBLE ASSETS

GROUP	License fees RM	Goodwill RM	Total RM
2022			
At cost			
At 1 July 2021	1,278,000	15,538,789	16,816,789
Arising from acquisition of a subsidiary company	-	3,749,643	3,749,643
At 30 June 2022	1,278,000	19,288,432	20,566,432
Accumulated amortisation			
At 1 July 2021	239,400	-	239,400
Arising from acquisition of a subsidiary company	-	-	-
At 30 June 2022	239,400	-	239,400
Accumulated impairment loss			
At 1 July 2021	-	2,500,000	2,500,000
Charge for the year	-	9,400,000	9,400,000
At 30 June 2022	-	11,900,000	11,900,000
Net carrying amount			
At 30 June 2022	1,038,600	7,388,432	8,427,032

There is no amortisation of license fees for current year due to waiver obtained from having to pay license fees in respect of the current year from the franchisor.

15. INTANGIBLE ASSETS *(continued)*

GROUP	Development costs RM	License fees RM	Goodwill RM	Total RM
2021				
At cost				
At 1 July 2020	17,813,464	-	20,046	17,833,510
Arising from acquisition of a subsidiary company	-	1,278,000	15,538,789	16,816,789
Written off	(17,813,464)	-	(20,046)	(17,833,510)
At 30 June 2021	-	1,278,000	15,538,789	16,816,789
Accumulated amortisation				
At 1 July 2020	-	-	-	-
Arising from acquisition of a subsidiary company	-	129,300	-	129,300
Charge for the year	-	110,100	-	110,100
At 30 June 2021	-	239,400	-	239,400
Accumulated impairment loss				
At 1 July 2020	208,913	-	20,046	228,959
Charge for the year	-	-	2,500,000	2,500,000
Written off	(208,913)	-	(20,046)	(228,959)
At 30 June 2021	-	-	2,500,000	2,500,000
Net carrying amount				
At 30 June 2021	-	1,038,600	13,038,789	14,077,389

15. INTANGIBLE ASSETS *(continued)*

a) Goodwill

Goodwill amounting to RM3,749,643 arise from Group's acquisition of Caritas Et Veritas Sdn. Bhd. and its subsidiary companies.

In prior year goodwill amounting to RM15,538,789 arose from the Group's acquisition of Asia Poly Food and Beverage Sdn. Bhd.

The carrying amount of the goodwill as at 30 June 2022 of RM7,388,432 relates to the food and beverage outlets in Asia Poly Food and Beverage Sdn. Bhd. ("cash generating unit") and Caritas Et Veritas Sdn. Bhd. and its subsidiary company ("cash generating unit").

The Group recognised impairment of RM9,400,000 (2021: RM2,500,000) in respect of goodwill, relates to the food and beverage outlets in Asia Polly Food and Beverage Sdn. Bhd.

The recoverable amount is determined based on value in use calculated by discounting the future cash flows generated from the continuing use of that cash generating unit.

Asia Poly Food and Beverage Sdn. Bhd.

The cash flows are projected based on a nine year financial budgets and projections as approved by the Board of Directors and using a pre-tax discount rate of 9.4% (2021: 5.49%). This is based on the durations of the licenses issued for the outlets.

The key assumptions i.e. those to which the recoverable amount is most sensitive to is annual revenue growth and pre-tax discount rate.

Annual growth rate of revenue is based on management's expected industry trend and market developments. Management recognises the possibility of unforeseen circumstances such as the transition to endemicity and softening of global outlook in terms of escalating inflationary pressure, supply chain disruption and prolonged geopolitical tensions.

Should the pre-tax discount rate increased by 1% each year with all other variables held constant, the carrying amount of the goodwill is expected to be further impaired by RM230,000.

For those years which there is revenue growth rate and should the growth rate decreased by 1% each year with all other variables held constant, the carrying amount of the goodwill is expected to be further impaired by RM623,000.

15. INTANGIBLE ASSETS *(continued)*

a) Goodwill *(continued)*

Caritas Et Veritas Sdn. Bhd.

The cash flows are projected based on a three year financial budgets and projections approved by the Board of Director and using a pre-tax discount rate of 9.4%.

The key assumption i.e. those to which the recoverable amount is most sensitive to is annual revenue growth.

Annual growth rate of revenue is based on management's expected industry trend and market developments. Management recognises the possibility of unforeseen circumstances such as the transition to endemicity and softening of global outlook in terms of escalating inflationary pressure, supply chain disruption and prolonged geopolitical tensions.

It is assumed there is no growth rate used to extrapolate cash flow projections beyond the 5 years period covered by the most recent budgets and projections.

The management believes that there is no reasonable possible change in the key assumption which could cause the carrying value of the cash generating unit allocated to the goodwill to materially exceed its recoverable amount.

In prior year, goodwill amounting to RM20,046 arose from the Group's construction and project management cash generating unit was written off due to disposal of the subsidiary company.

16. SUBSIDIARY COMPANIES

	COMPANY	
	2022	**2021**
	RM	**RM**
Unquoted shares, at cost	85,140,002	86,128,487
Loan that are part of net investments	3,453,554	3,453,554
	88,593,556	89,582,041
Impairment losses	(82,463,554)	(76,543,554)
	6,130,002	13,038,487

16. SUBSIDIARY COMPANIES *(continued)*

Movement in impairment loss are as follows:

	COMPANY	
	2022	2021
	RM	RM
At 1 July	76,543,554	56,225,323
Impairment loss	5,920,000	20,448,231
Disposal	-	(130,000)
At 30 June	82,463,554	76,543,554

The reversal of the impairment of RM130,000 in prior year is due to disposal of subsidiary companies.

During the year, there is an impairment of RM5,920,000 (2021: RM20,448,231) on a subsidiary company due to the recoverable amount is less than the carrying amount. The recoverable amount of investment in the subsidiary companies is determined based on value in use calculations using cash flows projection from financial budgets and forecasts approved by Board of Directors. The discount rate used is 9.40% (2021: 5.49%).

Loans that are part of net investments represent amount due from subsidiaries which are non-trade in nature, unsecured and non-interest bearing. The settlement of the amounts is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long term source of capital to the subsidiaries. As these amounts are, in substance, a part of the Company's net investment in the subsidiaries, they are stated at cost less accumulated impairment loss, if any.

16. SUBSIDIARY COMPANIES *(continued)*

The subsidiary companies are as follows:

Name of company	Country of incorporation	Principal activities	Percentage of issued share capital held by the Company 2022	2021
Dolphin Applications Sdn. Bhd.	Malaysia	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%	100%
Dolphin Engineering (M) Sdn. Bhd.	Malaysia	Involved in the sale, design, engineering, development and integration of pneumatic, hydraulic and related proprietary systems and products for the palm oil milling sector. The Company ceased operations during the financial year.	100%	100%
Asia Poly Food and Beverage Sdn. Bhd.	Malaysia	Operator of three outlets which carries out the business of a restaurant and other related activities. During the year, there was an outlet which carries the Food and Beverage Convenience Concept Store which subsequently ceased after the financial year ended.	100%	100%
United Delight Sdn. Bhd.	Malaysia	Investment holding	100%	100%
United Distribution Sdn. Bhd.	Malaysia	Trading of food related products	100%	100%

16. SUBSIDIARY COMPANIES *(continued)*

Name of company	Country of incorporation	Principal activities	Percentage of issued share capital held by the Company 2022	2021
Held by United Delight Sdn Bhd				
Caritas Et Veritas Sdn. Bhd.	Malaysia	Engaged in the business of operating a restaurant	70%	-
Held by Caritas Et Veritas Sdn Bhd				
Verona Wines Sdn. Bhd.		Trading, wholesale and import all alcohol related products	70%	-
Verona Café Sdn. Bhd.#*		Dormant	70%	-
Held by Dolphin Application Sdn Bhd				
PT Dolphin Indonesia *	Indonesia	Trading and maintenance services of palm oil industry products. The Company ceased operations during the year.	90%	90%
Dolphin Robotic Systems Sdn. Bhd.	Malaysia	Dormant	100%	100%

* Not audited by PCCO PLT

\# The subsidiary company was incorporated on 24 December 2021 and has not commenced operations as at 30 June 2022. The directors of the subsidiary company has applied for striking off to the Companies Commission of Malaysia pursuant to Section 550 of the Companies Act 2016 on 1 September 2022.

(i) On 3 November 2021, United Delight Sdn. Bhd. acquired 28% additional equity interests in Caritas Et Veritas Sdn. Bhd. comprising of 98,000 ordinary shares amounting to RM2,772,000. This has resulted in Caritas Et Veritas Sdn. Bhd. which was an associate company in prior year becoming a subsidiary company.

The fair values of the identifiable assets and liabilities of Caritas Et Veritas Sdn. Bhd. and its subsidiary companies as at the date of acquisition is disclosed in Note A to the Consolidated Cash Flow Statements.

16. SUBSIDIARY COMPANIES *(continued)*

The effect of the acquisition of the subsidiary companies on the financial results of the Group from the date of acquisition to 30 June 2022 is as follows:

	RM
Revenue	3,228,584
Profit for the year	1,089,285

The financial results of the acquired subsidiary companies had the acquisition been occurred as of the beginning of the reporting date is as follows:

	RM
Revenue	3,651,473
Profit for the year	1,096,651

(ii) Included in the financial statement of Dolphin Engineering (M) Sdn. Bhd. and Dolphin Robotic Systems Sdn. Bhd. the financial statements of the subsidiaries are prepared on a non-going concern i.e. realisation basis. The reason for this is the Company and Dolphin Applications Sdn. Bhd. who is the holding company of Dolphin Robotic Systems Sdn. Bhd. do not intend to provide financial support to sustain these companies on a going concern basis.

17. ASSOCIATE COMPANIES

	GROUP	
	2022 RM	**2021 RM**
Unquoted shares, at cost	-	1,136,967
Impairment losses	-	(2,967)
	-	1,134,000
Share of post acquisition losses	-	(5,102)
	-	1,128,898

Represented by:

	GROUP	
	2022 RM	**2021 RM**
Share of net assets other than goodwill	-	73,260
Goodwill on acquisition	-	1,055,638
	-	1,128,898

17. ASSOCIATE COMPANIES *(continued)*

The associate company which was incorporated in Indonesia is:

Held by Dolphin Applications Sdn. Bhd.

Name of company	Principal activity	Group's equity interest 2022	2021
PT Emas Hijau Sejahtera Kapuas Indonesia	Dormant. Placed under members voluntary winding-up on 9 November 2017	30%	30%

The associate companies which were incorporated in Malaysia are:

Held by United Delight Sdn. Bhd.

Name of company	Principal activity	Group's equity interest 2022	2021
Caritas Et Veritas Sdn. Bhd.	Engaged in the business of operating a restaurant	-	42%

Name of company	Principal activity	Group's equity interest 2022	2021
Held by Caritas Et Veritas Sdn. Bhd.			
Verona Wines Sdn. Bhd.	Trading, wholesale and import all alcohol related products	-	42%

The summarised financial information of the associates are as follows:

	2022 RM	2021 RM
Results		
Revenue	-	1,107,488
Loss for the year	-	(270,842)
Total comprehensive loss	-	(270,842)

The principal place of business is at No. 8, Ground Floor, Jalan 1/54, Seksyen 17, 46400 Petaling Jaya, Selangor Darul Ehsan.

18. OTHER RECEIVABLE – NON-CURRENT

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Amount due from a subsidiary Company				
- non-trade account	-	-	4,318,456	985,579
Amount due from an associate company				
- non-trade account	-	292,993	-	-
	-	292,993	4,318,456	985,579

The amount due from a subsidiary company is stated at amortised cost using the effective interest rate of 5.49% - 5.73% (2021: 5.49%) and assumed repayable at the end of the tenth year at amounts of RM5,723,995 and RM1,681,916 (2021: RM1,681,916) respectively.

In prior year, the amount due from an associate company is stated at amortised cost using the effective intrinsic rate of 5.49% and assumed repayable at the end of the tenth year at an amount of RM500,000.

19. INVENTORIES

	GROUP	
	2022 RM	2021 RM
At the lower of cost and net realisable value		
Trading parts and materials	-	28,448
Beverages	296,514	183,745
Raw materials	103,868	18,363
Consumables	11,005	8,847
Uniforms	-	2,301
Packing materials	304,305	-
Good for resale	1,783,785	-
	2,499,477	241,704

20. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade receivables	376,293	761,813	-	-
Less: Loss allowance	(211,200)	(307,791)	-	-
	165,093	454,022	-	-
Other receivables	346,822	506,638	5,437	4,517
Less: Loss allowance	(301,030)	(247,399)	(4,517)	(4,517)
	45,792	259,239	920	-
Amounts due from subsidiary companies				
- non-trade	-	-	18,171,817	9,255,438
Less: Loss allowance	-	-	(1,280,739)	(337,748)
		-	16,891,078	8,917,690
Advances to supplier	163,490	200,790	-	-
Deposits	6,253,136	635,488	103,500	23,501
Prepayments	24,589	27,173	7,467	8,130
	6,652,100	1,576,712	17,002,965	8,949,321

Trade receivables are non-interest bearing and on 30 days credit terms or on 30 days credit term from invoice date and subject to 1.5% late charges within the rights of a subsidiary company.

Included in the Group's trade receivables is an amount of RM236,768 (2021: RM300,536) being retention sum receivable from customers of which RM98,260 (2021: RM69,810) is impaired.

20. TRADE AND OTHER RECEIVABLES *(continued)*

Other receivables are non-interest bearing and repayable on demand.

Included in other receivables of the Group is an amount of RM15,626 (2021: RM Nil) due from a subsidiary company of a Group in which a director of a subsidiary company has controlling interest. The amount is non-interest bearing and repayable on demand.

In prior year, included in other receivables of the Group is an amount of RM34,608 due from a subsidiary company of a major corporate shareholder of the Company. The amount is non-interest bearing and repayable on demand.

In prior year, advances to supplier represents an amount paid to a subsidiary company of a Group in which a director of a subsidiary company has controlling interest.

Included in deposits is an amount of RM5,400,000 (2021: Nil) relating to the acquisition of High Reserve F & B Sdn. Bhd. as disclosed in Note 39.

Amounts due from subsidiary companies are non-interest bearing and repayable on demand.

Trade receivables denominated in currencies other than the functional currency are as follows:

	GROUP	
	2022 RM	**2021 RM**
United States Dollar	15,869	79,223

GROUP
2022
Loss allowance

	Trade receivables RM	**Other receivables RM**
As at 1 July 2021	307,791	247,399
Increase in loss allowance	128,754	82,320
Reversal of unused amount	(225,345)	-
Written off	-	(28,689)
As at 30 June 2022	211,200	301,030

20. TRADE AND OTHER RECEIVABLES *(continued)*

GROUP
2021
Loss allowance

	Trade receivables RM	Other receivables RM
As at 1 July 2020	437,334	-
Disposal of subsidiary company	(243,849)	-
Reclassification	-	7,640
Increase in loss allowance	226,335	239,759
Reversal of unused amount	(18,060)	-
Written off	(93,969)	-
As at 30 June 2021	307,791	247,399

COMPANY
2022
Loss allowance

	Other receivables RM	Amounts due from a subsidiary company – non-trade account RM
As at 1 July 2021	4,517	337,748
Increase in loss allowance	-	942,991
As at 30 June 2022	4,517	1,280,739

2021
Loss allowance

	Other receivables RM	Amounts due from a subsidiary company – non-trade account RM
As at 1 July 2020	-	-
Increase in loss allowance	4,517	337,748
As at 30 June 2021	4,517	337,748

21. CONTRACT ASSETS

	GROUP	
	2022	**2021**
	RM	**RM**
Contract assets relating to the construction service contract	187,077	1,111,390
Loss allowance	-	(760,868)
	187,077	350,522

	GROUP	
	2022	**2021**
Loss allowance	**RM**	**RM**
At 1 July	760,868	760,868
Written off	(760,868)	-
At 30 June	-	760,868

	2022	**2021**
	RM	**RM**
Revenue recognised from performance obligation satisfied in previous period	-	1,582,651

a) The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date.

b) Included in the contract assets relating to palm oil mill equipment contract is provision for foreseeable loss sum amounting to RM365,828 (2021: RM35,288,307).

22. FIXED DEPOSIT WITH A LICENSED BANK

The Group's and the Company's fixed deposit with a licensed bank is pledged as security for Multi Trade Financing facilities granted by a licensed bank to a subsidiary company.

The fixed deposit is made for period of 1 month and earn interests at respective short term deposits rates.

23. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Cash in hand	11,584	11,101	-	-
Bank balances	4,348,758	8,729,942	2,080,528	7,527,499
Fixed deposits with licensed banks	-	5,078,743	-	5,078,743
Total cash and cash equivalents	4,360,342	13,819,786	2,080,528	12,606,242

In prior year, the fixed deposits are made for periods of between 1 to 3 months for the Group and Company and earn interests at respective short term deposits rates.

Cash and bank balances denominated in currencies other than the functional currency are as follows:

	GROUP	
	2022 RM	**2021 RM**
United States Dollar	374,549	351,022
Indonesia Rupiah	-	7,198
Euro Dollar	2,208	-

24. SHARE CAPITAL

	GROUP			
	2022		2021	
	No. of Shares	RM	No. of Shares	RM
Ordinary shares				
Balance as at 1 July	935,748,431	38,779,872	244,200,010	58,415,108
Issuance of Rights Shares and Warrants-B	-	-	305,250,005	14,468,700
Issuance of Settlement Shares	-	-	94,690,341	7,196,466
Issuance of shares pursuant to Private Placement	119,260,000	9,147,242	160,027,860	11,598,799
Capital reduction	-	-	-	(62,900,000)
Issuance of shares as part settlement of purchase consideration on acquisition of a subsidiary company	-	-	131,578,947	10,000,000
Issuance of shares pursuant to Warrants-A exercised	-	-	1,268	799
Balance as at 30 June	1,055,008,431	47,927,114	935,748,431	38,779,872

Included in RM47,927,114 (2021: RM38,779,872) is an amount of RM23,144,715 arising from reverse acquisition of Dolphin Applications Sdn Bhd. which was completed on 31 March 2015, being the difference between the purchase consideration to acquire Dolphin Applications Sdn. Bhd. and its share capital as at that date.

24. SHARE CAPITAL *(continued)*

	COMPANY			
	2022		2021	
	No. of Shares	RM	No. of Shares	RM
Ordinary shares				
Balance as at 1 July	935,748,431	61,924,587	244,200,010	81,559,823
Issuance of Rights Shares and Warrants-B	-	-	305,250,005	14,468,700
Issuance of Settlement Shares	-	-	94,690,341	7,196,466
Issuance of shares pursuant to Private Placement	119,260,000	9,147,242	160,027,860	11,598,799
Capital reduction	-	-	-	(62,900,000)
Issuance of shares as part settlement of purchase consideration on acquisition of a subsidiary company	-	-	131,578,947	10,000,000
Issuance of shares pursuant to Warrants-A exercised	-	-	1,268	799
Balance as at 30 June	1,055,008,431	71,071,829	935,748,431	61,924,587

There is no par value for the ordinary shares.

The holders of ordinary shares are entitled to receive dividend as and when declared by the Company.

All ordinary shares carry one vote each without restriction and rank equally with regards to the distribution of the Company's residual assets.

On 17 November 2021, the Company issued 119,260,000 new ordinary shares at an issue price of RM0.0767 per share pursuant to the 1st tranche of the approved private placement.

25. FOREIGN CURRENCY TRANSLATION RESERVE – non-distributable

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

26. WARRANT RESERVE – non-distributable

WARRANTS-B 2020/2023 ("Warrants-B")

On 29 September 2020, the Company issued 183,150,003 Warrants-B pursuant to the issuance of 305,250,005 Rights Shares on the basis of 5 Rights Shares for every 4 existing shares held with 3 free Warrants-B for every 5 Rights Shares subscribed. The terms of the Warrants-B are as follows:

a) Exercise rights
Subject to the terms of the Deed Poll, each Warrants-B will entitle its registered holder to subscribe to one (1) new ordinary share at the exercise price (as defined below).

b) Exercise price
The exercise price of Warrants-B is fixed at RM0.06 for one (1) new ordinary share.

c) Exercise period
The period commences on and includes the day of issuance of the Warrants-B and expires on the third anniversary of the issue date. Warrants-B not exercised during the exercise period thereafter will lapse and cease to be valid for any purpose.

d) Transferability
The Warrants-B will be transferable in any manner provided under the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Depository.

e) Ranking
The new shares to be issued arising from the exercise of Warrants-B shall, upon allotment and issue, rank pari passu in all respects with the then existing shares, except that such new shares will not be entitled to any dividend, rights, allotments and/or any either form of distributions where the entitlement date of such dividends, rights, allotments and/or any other form of distributions precedes the relevant date of allotment and issuance of such new shares.

At the end of the current financial year, no exercise of Warrants-B has taken place and the outstanding Warrants-B in the Company remains at 183,150,003.

27. LEASE LIABILITIES

GROUP
Right-of-use assets – premises (2021: office equipment and premises)

	2022 RM	2021 RM
Minimum lease payments:		
Within one year	505,340	1,015,465
Between two to five years	490,960	657,700
	996,300	1,673,165
Less : Future finance charges	(53,557)	(88,421)
Present value of minimum lease payments	942,743	1,584,744
Repayments due:		
Within one year	468,676	955,143
Between two to five years	474,067	629,601
	942,743	1,584,744
Incremental borrowing cost	5.49% - 6.71%	5.49% - 6.91%

COMPANY
Right-of-use assets – premises

	2022 RM	2021 RM
Minimum lease payments:		
Within one year	90,000	90,000
Between two to five years	127,500	217,500
	217,500	307,500
Less : Future finance charges	(13,315)	(26,420)
Present value of minimum lease payments	204,185	281,080
Repayments due:		
Within one year	81,226	76,895
Between two to five years	122,959	204,185
	204,185	281,080
Incremental borrowing cost	5.49%	5.49%

The lease liabilities of a subsidiary company relating to office equipment amounting to RM Nil (2021: RM763,945) is secured by a corporate guarantee given by the Company.

28. TERM LOAN

	GROUP	
	2022	**2021**
	RM	**RM**
Term loan is at 1.60% above effective Islamic cost of funds repayable by 180 monthly installments of RM93,095	8,058,463	8,716,516
Repayments due:		
Within one year	700,704	842,155
Between two to five years	3,211,133	3,660,386
More than five years	4,146,626	4,213,975
	7,357,759	7,874,361
	8,058,463	8,716,516

The term loan is secured as follows:

i) A facility agreement to be stamped as Principal Instrument;
ii) Corporate guarantee by the Company;
iii) All monies legal charges or all monies deed of assignment and power of attorney over a subsidiary company's freehold land and building; and
iv) Sale Agreement (First or Third party) as subsidiary instruments

29. PROVISION FOR RETIREMENT BENEFITS

A subsidiary company operates an unfunded defined retirement benefits plan for its employees.

Total amount recognised in the statement of financial position are as follows:

	GROUP	
	2022	**2021**
	RM	**RM**
Present value of unfunded defined benefits obligations	-	40,843

29. PROVISION FOR RETIREMENT BENEFITS *(continued)*

The reconciliation for the retirement benefits plan are as follows:

	GROUP	
	2022	**2021**
	RM	**RM**
At 1 July	40,843	54,604
Included in the profit or loss:		
- current service costs	-	251
- interest income	-	4,181
	-	4,432
Payments made	(40,843)	(15,614)
Foreign exchange translation	-	(2,579)
At 30 June	-	40,843

The principal assumptions used are as follows:

	GROUP	
	2022	**2021**
	%	**%**
Discount rate	-	7.80%
Expected rate of salary increase	-	8.00%

30. DEFERRED TAX ASSETS/(LIABILITIES)

	GROUP	
	2022	**2021**
	RM	**RM**
At 1 July	48,000	-
Arising from acquisition of a subsidiary company	(14,331)	150,000
Deferred tax expenses arising from and reversal of temporary differences	(71,315)	(81,471)
Overprovision of deferred tax assets in prior year	-	(20,529)
Underprovision of deferred tax liabilities in prior year	(82,354)	-
Transferred to profit or loss (Note 9)	(153,669)	(102,000)
At 30 June	(120,000)	48,000

30. DEFERRED TAX ASSETS/(LIABILITIES) ***(continued)***

The components of deferred tax (liabilities) and assets that are recognised during the financial year are as follows:

	GROUP	
	2022	**2021**
	RM	**RM**
Deferred tax liabilities:		
Capital allowances in excess of depreciation	(166,191)	(70,122)
Unrealised gain on foreign exchange	(5,324)	(368)
Deferred tax assets:		
Unabsorbed capital allowance	5,324	-
Unused tax losses*	38,559	103,286
Loss allowance on receivables	-	6,885
Lease liabilities	7,632	8,319
	(120,000)	48,000

* The unused tax losses will expire in Year of Assessment 2029 (2021: 2026) in accordance with the Income Tax Act 1967.

The amounts of deferred tax assets that are not recognised in the statement of financial position are as follows:

	GROUP		COMPANY	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Unabsorbed capital allowances	114,765	150,469	445	-
Unused tax losses	3,516,397	2,053,754	693,346	359,608
Lease liabilities	-	183,347	2,020	-
Others	-	-	-	1,033
	3,631,162	2,387,570	695,811	360,641

30. DEFERRED TAX ASSETS/(LIABILITIES) *(continued)*

The unrecognised deferred tax assets in respect of unused tax losses of the Group and of the Company will expire in accordance with the Income Tax Act 1967 as follows:

	GROUP		COMPANY	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Year of Assessment 2028 (2021: 2025)	1,461,269	1,461,269	-	-
Year of Assessment 2029 (2021: 2026)	56,123	34,989	21,134	21,134
Year of Assessment 2030 (2021: 2027)	56,329	38,592	21,212	21,212
Year of Assessment 2031 (2021: 2028)	942,967	518,904	377,268	317,262
Year of Assessment 2032	999,709	-	273,732	-
	3,516,397	2,053,754	693,346	359,608

31. PREFERENCE SHARES

	GROUP	
	2022	**2021**
	RM	**RM**
Redeemable non-convertible preference shares	10,110,000	9,842,673

The main features of the preference shares are as follows:

(i) The preference shares comprise 1,011 units of redeemable non-convertible preference shares at the subscription price of RM 10,000 per share totalling RM10,110,000 for the purpose of financing the palm oil mill enhancement and optimisation programme.

The preference shares are amortised at the effective intrinsic rate of 15.64% to 16.56% per annum.

The redemption date of the preference shares is on the day immediately preceding 36 calendar months from the issue date.

31. PREFERENCE SHARES *(continued)*

(ii) Right to dividends

The preference shares shall bear an expected dividend at the rate of not less than 17% per annum on the subscription price. The total dividends shall be non-cumulative.

From the period commencing from the issue date of the preference shares up to and including the first anniversary date of the issue date, there shall be no dividend payable.

Subsequently payment of dividend commences from the end of the 15^{th} calendar month from the issue date and thereafter on a quarterly basis up to the redemption date.

The aggregate dividend for the tenure i.e. 36 calendar months from issue date is 51% of the subscription price.

It shall be an event of default if any such dividends are not declared and paid, in full or otherwise, on the dividend payment date. In any such event of default, the Subscriber shall be entitled to request the issuer to forthwith redeem the preference shares.

Payment of dividend is subject to the issuer having sufficient distributable profits available for payment of dividend.

(iii) Subscriber's rights

The preference shares do not confer or carry any right to vote at the general meeting of the issuer other than a resolution to amend or vary the rights of the subscriber.

The preference shares are unsecured and shall rank after all secured and unsecured obligations of the issuer.

31. PREFERENCE SHARES *(continued)*

(iv) Liquidation preference/capital repayment

In the event of liquidation, dissolution or winding-up or other repayment of capital of the issuer, the subscriber shall be entitled to be paid the following out of available profits for distribution and assets of the issuer:

- all accrued but unpaid dividends thereon; and
- an amount per share equivalent to the subscription price for each preference share.

(v) Redemption

The preference shares shall be redeemable in full on the redemption date for cash at the value of RM 10,000 per preference share out of profits available for distribution or fresh issue of shares.

In financial year 2018, the subscriber of the preference shares has agreed to waive the dividend payable for the first year from the respective issue date of the preference shares. On the same date, the subscriber agreed not to redeem the preference share during the tenure of 36 calendar months from the issue date.

As at reporting date, there is no redemption for preference shares in a subsidiary company amounting to RM10,110,000 (2021: RM4,130,000).

32. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Trade payables	4,774,386	1,791,842	-	-
Other payables	1,203,687	226,173	518,211	40,358
Deposits	500,000	500,000	-	-
Accruals	1,126,221	2,981,164	235,624	195,689
Amounts due to directors	5,984	-	2,439	-
Service tax payable	84,241	-	-	-
	7,694,519	5,499,179	756,274	236,047

32. TRADE AND OTHER PAYABLES *(continued)*

Trade payables are non-interest bearing and on 30 days to 90 days terms or on 30 days credit term from invoice date and subject to 1.5% late charges within the rights of the suppliers.

Included in trade payables of the Group is an amount of RM482,471 (2021: RM22,097) due to a subsidiary company of a Group in which a director of the subsidiary company has controlling interest.

Amount due to a director is unsecured, interest free and repayable on demand.

Other payables are unsecured, non-interest bearing and repayable on demand.

Included in other payables of the Group is an amount of RM Nil (2021: RM22,061) due to a company in which a director of the Company and its connected persons have controlling interests. The amount is unsecured, non-interest bearing and repayable on demand.

33. CONTINGENT CONSIDERATION

Contingent consideration represents amount owing to the vendor for acquisition of a subsidiary company. The amount is payable to the vendor based on the terms and conditions of the profit guarantee stated in the Sales and Purchase Agreement.

The terms and conditions of the profit guarantee stated in the Sales and Purchase Agreement was not fulfilled during the year and the contingent consideration is not payable to the vendor. The contingent consideration is adjusted to reduce the cost of investment in subsidiary company.

34. SIGNIFICANT RELATED PARTY TRANSACTIONS

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Management fees charged to subsidiaries	-	-	(240,000)	(240,000)
Lease rental on office premises paid to a person connected to a director of the Company	90,000	60,000	90,000	60,000
Sales proceeds from disposal of a subsidiary company to a major corporate shareholder of the Company	-	2,123,676	-	2,123,676
Purchase consideration to purchase a subsidiary company from a major corporate shareholder of the Company who has significant influence	-	22,000,000	-	22,000,000
Sales of goods/services to subsidiary companies of a major corporate shareholder of the Company	(47,509)	(107,800)	-	-
Sales proceeds from disposal of property, plant and equipment to a subsidiary company's director	(19,546)	-	-	-
Sales of goods to a subsidiary company's director	(21,644)	-	-	-

34. SIGNIFICANT RELATED PARTY TRANSACTIONS *(continued)*

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
(Income)/expenses paid to subsidiary companies of a Group in which a director of a subsidiary company has controlling interest:				
Purchase of goods	1,402,824	2,552,403	-	-
Royalty	-	207,900	-	-
Wages	33,877	222,678	-	-
Advertising and promotion	-	2,250	-	-
Incentives	(446,674)	(486,147)	-	-
Sales proceeds from disposal property, plant and equipment	(8,649)	-	-	-
Expenses paid to a company in which a director of the Company and its connected persons have controlling interest:				
Purchase of small value assets and cleaning expenses	3,324	8,115	-	-
Renovation expenditure	699	1,024,540	-	-
Repair and maintenance	1,798	25,614	-	-
Sales proceeds from disposal of property, plant and equipment to a person connected to a director of the Company	-	(27,000)	-	-

35. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The key management personnel having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

	GROUP		COMPANY	
	2022 RM	2021 RM	2022 RM	2021 RM
Total compensation* (including directors)	1,253,440	1,887,085	842,131	1,382,708

* Included in the total compensation of the Group and of the Company is an amount of RM Nil (2021: RM182,226) of prior year's directors' fees paid during the year to ex-directors.

In prior year, special recognition payment of the Group and of the Company paid to ex-Key management personnel is RM665,030 and RM251,985 respectively.

36. CAPITAL COMMITMENT

	GROUP	
	2022 RM	2021 RM
Approved and contracted but not provided for	22,879	-

37. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 – Operating Segments based on the internal reports of the Group's strategic business units which are regularly reviewed by the Board of Directors for the purpose of making decisions about resource allocation and performance assessment.

The reportable operating segments are as follows:

a) Provision of sales, service and contract work relating to palm oil milling segment ("Palm oil milling");
b) Trading and services segment ("Trading and services");
c) Investment holding and management services segment ("Investment holding");
d) Operator of restaurants ("Food and beverage"); and
e) Trading of food and beverage (Trading).

37. SEGMENT INFORMATION *(continued)*

Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment profit

Segment performance is used to measure performance as the Board of Directors believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total segment assets is measured based on all assets of a segment as included in the internal reports that are reviewed by the Board of Directors.

Segment liabilities

The total segment liabilities is measured based on all liabilities of a segment, as included in the internal reports that are reviewed by the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022
(cont'd)

37. SEGMENT INFORMATION *(continued)*

Business segments

	Palm oil milling RM	Trading and services RM	Investment holding RM	Food and beverage RM	Trading RM	Adjustments and eliminations RM	Consolidation RM
Year ended 30 June 2022							
Revenue							
Segment revenue	144,864	72,555	-	7,539,754	1,764,619	-	9,521,792
Inter-segment revenue	-	-	240,000	298,278	590,505	(1,128,783)	-
	144,864	72,555	240,000	7,838,032	2,355,124	(1,128,783)	9,521,792
Results							
Segment (loss)/profit before taxation	(3,373,304)	(514,917)	(10,114,066)	(125,364)	845,148	(1,275,472)	(14,557,975)
As at 30 June 2022							
Assets							
Segment assets	21,564,766	48,428	38,168,055	13,013,109	3,072,850	(25,696,617)	50,170,591
Total segment assets	21,564,766	48,428	38,168,055	13,013,109	3,072,850	(25,696,617)	50,170,591

37. SEGMENT INFORMATION *(continued)*

Business segments *(continued)*

	Palm oil milling RM	Trading and services RM	Investment holding RM	Food and beverage RM	Trading RM	Adjustments and eliminations RM	Consolidation RM
Liabilities							
Segment liabilities	(37,452,110)	(1,957,165)	(4,346,250)	(7,750,625)	(1,892,180)	26,426,661	(26,971,669)
Total segment liabilities	(37,452,110)	(1,957,165)	(4,346,250)	(7,750,625)	(1,892,180)	26,426,661	(26,971,669)
Year ended 30 June 2022							
Other information							
Depreciation of property, plant and equipment	29,800	18,320	3,253	389,306	43,696	-	484,375
Depreciation of investment property	28,654	-	-	-	-	-	28,654
Interest expenses	757,663	-	43,917	23,413	23,982	-	848,975
Interest income	(282)	(51)	(77,125)	-	-	-	(77,458)
Bad debts written off	-	-	4,519	46,350	-	-	50,869
Loss allowance for receivables	211,074	-	-	-	-	-	211,074
Provision for foreseeable losses on contract assets	72,631	-	-	-	-	-	72,631
Reversal of intrinsic loss on amount due from associate company	-	-	(207,007)	-	-	-	(207,007)
Property, plant and equipment written off	-	-	-	6,525	-	-	6,525

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022
(cont'd)

37. SEGMENT INFORMATION *(continued)*

Business segments *(continued)*

	Palm oil milling RM	Trading and services RM	Investment holding RM	Food and beverage RM	Trading RM	Adjustments and eliminations RM	Consolidation RM
Reversal of loss allowance for contract assets	(760,868)	-	-	-	-	-	(760,868)
Reversal of loss allowance of receivables	(225,345)	-	-	(28,689)	-	-	(254,034)
Unrealised (gain)/loss on foreign exchange	(22,185)	7,816	-	-	-	-	(14,369)
Depreciation of right-of-use assets	-	19,544	140,160	348,616	74,698	-	583,018
Contract assets written off	760,868	-	-	-	-	-	760,868
Impairment loss on property, plant and equipment	-	-	-	477,400	-	-	477,400
Impairment of goodwill	-	-	9,400,000	-	-	-	9,400,000
Taxation	(255,564)	-	-	(235,843)	-	-	(491,407)
Assets							
Additions to non-current assets							
– property, plant and equipment	10,135	-	42,227	495,055	721,756	-	1,269,173
– right-of-use assets	-	-	266,188	-	384,162	-	650,350
– intangible assets	-	-	3,749,643	-	-	-	3,749,643
– investment properties (transfer from property, plant and equipment)	20,600,289	-	-	-	-		20,600,289

37. SEGMENT INFORMATION *(continued)*

Business segments *(continued)*

	Palm oil milling RM	Trading and services RM	Investment holding RM	Food and beverage RM	Adjustments and eliminations RM	Consolidation – continuing operations RM	Discontinued operations RM
Year ended 30 June 2021							
Revenue							
Segment revenue	3,677,687	825,934	-	4,433,294	-	8,936,915	-
Inter-segment revenue	34,222	-	240,000	-	(274,222)	-	-
	3,711,909	825,934	240,000	4,433,294	(274,222)	8,936,915	-
Results							
Segment (loss)/profit before taxation	(36,917,308)	(325,513)	(24,765,509)	82,544	21,662,314	(40,263,472)	(460,282)
As at 30 June 2021							
Assets							
Segment assets	21,913,366	604,189	37,287,735	6,020,672	(9,908,068)	55,917,894	-
Total segment assets	21,913,366	604,189	37,287,735	6,020,672	(9,908,068)	55,917,894	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022
(cont'd)

37. SEGMENT INFORMATION *(continued)*

Business segments *(continued)*

	Palm oil milling RM	Trading and services RM	Investment holding RM	Food and beverage RM	Adjustments and eliminations RM	Consolidation – continuing operations RM	Discontinued operations RM
Liabilities							
Segment liabilities	(34,171,842)	(1,944,712)	(2,499,106)	(620,173)	12,407,474	(26,828,359)	-
Total segment liabilities	(34,171,842)	(1,944,712)	(2,499,106)	(620,173)	12,407,474	(26,828,359)	-
Year ended 30 June 2021							
Other information							
Depreciation of property, plant and equipment	154,662	24,807	-	264,951	-	444,420	-
Depreciation of investment property	2,453	-	-	-	-	2,453	-
Inventories written off	276,483	-	-	-	-	276,483	-
Gain on disposal of property, plant and equipment	(162,456)	-	-	-	-	(162,456)	-
Interest expenses	1,841,786	10,948	9,551	59,781	-	1,922,066	-
Interest income	(83)	(395)	(43,834)	-	-	(44,312)	-
Bad debts written off	96,702	-	-	-	-	96,702	-
Loss allowance for receivables	432,888	-	4,517	28,689	-	466,094	-
Provision for foreseeable losses on contract assets	143,197	-	-	-	-	143,197	-
Reversal of impairment on intangible assets	(208,913)	-	-	-	-	(208,913)	-

37. SEGMENT INFORMATION *(continued)*

Business segments *(continued)*

	Palm oil milling RM	Trading and services RM	Investment holding RM	Food and beverage RM	Adjustments and eliminations RM	Consolidation – continuing operations RM	Discontinued operations RM
Provision for retirement benefits	-	4,432	-	-	-	4,432	-
Property, plant and equipment written off	81,837	-	-	-	-	81,837	-
Reversal of loss allowance of receivables	(112,029)	-	-	-	-	(112,029)	-
Unrealised (gain)/loss on foreign exchange	(1,533)	21,511	-	-	-	19,978	-
Depreciation of right-of-use assets	472,412	27,691	47,254	444,433	-	991,790	-
Right-of-use assets written off	626,859	-	-	-	-	626,859	-
Intangible assets written off	17,813,464	-	-	-	-	17,813,464	-
Impairment loss on property, plant and equipment	11,689,066	-	-	-	-	11,689,066	-
Impairment of goodwill	-	-	2,500,000	-	-	2,500,000	-
Amortisation of intangible assets	-	-	-	110,110	-	110,110	-
Share of losses in associate companies	-	-	5,102	-	-	5,102	-
Taxation	111,736	-	-	102,000	-	213,736	-
Assets							
Additions to non-current assets							
– property, plant and equipment	1,270,452	-	-	3,512,819	-	4,783,271	-
– right-of-use assets	-	138,542	324,030	887,641	-	1,350,213	-
– intangible assets	-	-	15,538,789	-	-	15,538,789	-

37. SEGMENT INFORMATION *(continued)*

Business segments *(continued)*

Nature of elimination to arrive at amounts reported in the consolidated financial statements:

a) Inter-segment revenue is eliminated in consolidation statements;
b) Inter-segment expenses are eliminated on consolidation; and
c) Inter-segment assets and liabilities are eliminated on consolidation.

Geographical segment

Revenue and non-current assets information based on the geographical location of customers are as follows:

	Revenue RM	Non-current assets RM
2022		
Malaysia	9,449,237	33,296,664
Indonesia	72,555	30,983
	9,521,792	33,327,647

	Revenue – continuing operations RM	Non-current assets – continuing operations RM
2021		
Malaysia	8,110,981	39,700,343
Indonesia	825,934	180,829
	8,936,915	39,881,172

<u>Information about major customers</u>

There is no single customer which contribute 10% or more of the Group's revenue for current and prior year.

38. MATERIAL LITIGATIONS

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

Tori Construction initiated an adjudication proceeding in the Kuching High Court under the Construction Industry Payment and Adjudication Act 2012 by way of a notice of adjudication dated 10 September 2019 against DESB, a subsidiary company, 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 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 the Company has filed a Notice of Application and Notice of Motion to cease to be the advocates acting for the Company. As at to-date, DESB has not appointed new lawyers to act for the Company on this legal litigation.

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

Tori Construction had on 5 February 2020 filed an originating summons ("OS 2") for the registration and enforcement of the Adjudication Decision. On 3 June 2020, DESB filed a notice of application for striking out OS 2 and alternatively for a stay of proceedings in OS 2 pending disposal of all proceedings in and/or related to OS 1 and the writ action filed by DESB against Tori Construction.

The striking out application has been struck out with costs of RM3,000,000 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.

38. MATERIAL LITIGATIONS *(continued)*

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

On 6 September 2021, Tori Construction issued a statutory notice under Section 466 of the Companies Act 2016 to demand for payment of RM3,777,467.84 within 21 days.

On 15 September 2021, DESB filed Fortuna Injuction Application and Stay Application (refer as "Notice of Application') to refrain Tori Construction taking any further execution action.

On 26 November 2021, the High Court has disallowed the Company's Notice of Application with cost of RM2,500 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 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 for them on this legal litigation.

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

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

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.

38. MATERIAL LITIGATIONS *(continued)*

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

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 for the Company on this legal litigation.

(ii) On 5 August 2020, a writ of summons was filed by Unified Wanderer Engineering Sdn Bhd ("UWSB") claiming RM396,708.94 together with interest against Dolphin Engineering (M) Sdn. Bhd. ("DESB").

On 10 March 2022, the court a court order to DESB to pay RM375,708.94 together with court fee of RM3,000 to UWSB within issued to 7 days from the court order. DESB has yet to pay RM375,708.94 together with court fee of RM3,000 to UWSB as at to-date.

(iii) Originating Summon No.: BA-22NCvC-104-03/2022 between the Dolphin Robotic Systems Sdn. Bhd. ("DRSB"), Dolphin Applications Sdn. Bhd. ("DASB") and Nor Anita Binti Abu Talib & 19 others

On 12 March 2021, Nor Anita Binti Abu Talib & 19 others ("Plaintiffs") filed an originating summons against DRSB 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 declamatory 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 DRSB. The hearing date for the appeal has been fixed on 20 March 2023. As for DASB, the plaintiffs did not file an appeal.

38. MATERIAL LITIGATIONS *(continued)*

(iv) Originating Summon No.: WA-A52NCvC-935-11/2020 between the Company and Lee Yow Fui

On 27 November 2020, Lee Yow Fui, who is an ex-Independent Non Executive Director of the Company filed a statement of claim against the Company and Low Teck Yin, who is the ex-Managing Director of the Group, on the amount due to him for outstanding director's fees and meeting fees from the financial year 2015 to 2019 amounting to RM283,400 together with interest.

On 23 June 2022, a session court order was issued to the Company to pay the outstanding director's fee of RM283,400.00 together with 5% interest from the date of writ of summons up to the date of judgment and cost of RM9,000 to Lee Yow Fui.

On 28 July 2022, the Company filed an application to obtain Judgment on Default against Low Teck Yin, the ex-Managing Director of the Group for contribution and/or indemnity. The case management has been fixed on 25 August 2022 by e-review.

On 12 August 2022, the Company paid RM310,638.78 to Lee Yow Fui being full and final settlement of the Judgment.

(v) On 7 August 2020, the Company suspended the power and authority of the Company's Managing Director in relation to the alleged breach of fiduciary duty.

During Annual General Meeting held on 7 December 2020, Low Teck Yin was not re-elected as a director of the Company. On 1 February 2021, the Company removed the suspended Group's Managing Director from his directorship in the subsidiary companies. In prior year, legal letters were sent to him to recover RM2.8 million but the Group's lawyer was unable to contact the director as he has moved from the last known address recorded in the Company's Register. The Company is currently seeking legal advice and avenues to proceed with the legal suit.

(vi) 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 up held the decision of Tangerang District Court and instructed PTHT to pay the court fees.

38. MATERIAL LITIGATIONS *(continued)*

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 IDR 500,000. PTDI is in the process to complete the required documents to collect the overpayment of IDR 352,417,462 as at to-date.

On 7 December 2020, PTHT has disregarded the Tangerang District Court's decision and again filed the lawsuit to another court, the North Jakarta District Court. On 4 November 2021, the North Jakarta District Court has dismissed the lawsuit and ordered PTHT to pay court fees of IDR 991,000.

Subsequently on 22 June 2022, the Supreme Court of the Republic of Indonesia has dismissed the lawsuit and ordered PTHT to pay court fees of IDR 150,000.

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.

(vii) On 8 December 2017, PT Dolphin Indonesia ("PTDI"), a subsidiary Company, had filed a Writ of Summons at the Serang District Court against PT Arka Jaya Mandiri ("PTAJM"), being the Defendant. The lawsuit is a petition to state that the PTAJM had been negligent by not completing the project on time and that PTDI has no further obligations to them.

The Serang District Court rejected the lawsuit because it did not pass the administrative selection and suggested PTDI to file the lawsuit to East Jakarta District Court. On 21 August 2018, PTDI filed the lawsuit to East Jakarta District Court.

On 12 February 2019, it was resolved that East Jakarta District Court does not have the authority to inspect and adjudicate this case and the court recommends legal proceedings through arbitration. Nevertheless, PTDI decided not to pursue the case.

On 15 December 2020, PTAJM has disregarded the East Jakarta District Court's decision and again filed the lawsuit to another court, the North Jakarta District Court. On 3 June 2021, the North Jakarta District Court was of the view that it does not have the authority to inspect the case and ordered PTAJM to pay court fees of IDR 641,000.

On 18 March 2022, PTAJM again filed the lawsuit with yet another court, the Central Jakarta District Court. 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 PTAJM to pay court fees of IDR 810,000.

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.

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND EVENT SUBSEQUENT TO THE REPORTING DATE

(i) With the emergence of numerous variants of the Coronavirus, the Covid-19 pandemic continues to infect the world. Closing of borders, lockdowns and various measures periodically undertaken by affected countries adversely impacted the recovery of the global economies including Malaysia.

The Group and the Company have taken cognizance of the challenging market conditions and continue to review their operations to ensure the Group and the Company remains resilient.

In April 2022, Malaysia entered the transition to endemic phase, restrictions previously imposed to curb the spread of Covid-19 have been eased paving the way for recovery and activities to be held as normal. Thus, the Group and the Company will continue to monitor the transition to endemicity and will take action as and when necessary.

(ii) As at the reporting date, there is no redemption of preference shares in a subsidiary company. For further details, see Note 31.

(iii) On 1 November 2021, the Private Placement of up to RM335,669,500 on the Main Market of Bursa Securities was approve during the Extraordinary General Meeting. During the year, the Company issued 119,260,000 new ordinary shares at an issue price of RM0.0767 per share pursuant to the 1st tranche of this approve private placement as mentioned in Note 24. On 29 September 2022, the extension of time to complete the implementation of the private placement has lapsed.

(iv) On 24 February 2022, a subsidiary company has entered into a Sales 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 RM36,000,000 which a director of the Company and his connected persons have controlling interests. The acquisition was completed on 20 July 2022 in accordance with the term of the Sales and Purchases Agreement.

The effects arising from the acquisition of the subsidiary company is not disclosed due to the subsidiary company has a different financial year end from the Company.

40. COMPARATIVE FIGURES

Certain comparative figures of the Group have been reclassified to conform with the current year's presentation.

LIST OF PROPERTIES OWNED BY THE GROUP

Location	Date of Acquisition	Tenure	Built-up Area (Square metres)	Description of Property / Existing Use	Net Carrying Amount as at 30 Jun 2022 (RM'000)
Dolphin Engineering (M) Sdn Bhd					
845, Block A, Leisure Commerce Square, No. 9, Jalan PJS 8/9, 47300 Petaling Jaya, Selangor Darul Ehsan.	20 Jan 1996	Leasehold, 99 years expiring on 17 July 2091	58.25	Office unit located on the 8th floor of a 12 storey office block. Currently vacant.	177
Dolphin Applications Sdn Bhd					
20, Jalan Industri PBP 9, Taman Industri Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan.	19 Nov 2015	Freehold	2,462.77	2 storey factory cum 3 storey office building erected thereon all that piece of industrial land. Currently vacant.	12,907

ANALYSIS OF SHAREHOLDINGS
AS AT 18 OCTOBER 2022

ORDINARY SHARES

Issued Share Capital	:	1,337,883,048 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share
Number of Shareholders	:	4,793

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	30	0.63	1,214	0.00
100 - 1,000	278	5.80	156,564	0.01
1,001 - 10,000	1,037	21.64	7,079,300	0.53
10,001 - 100,000	2,276	47.49	103,639,211	7.75
100,001 to less than 5% of issued shares	1,171	24.43	1,086,093,575	81.18
5% and above of issued shares	1	0.02	140,913,184	10.53
	4,793	**100.01**	**1,337,883,048**	**100.00**

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	No. of Shares Held (Direct)	%	No. of Shares Held (Indirect)	%
1.	SERENA GOH FHEN FHEN	–	–	–	–
2.	TAN BAN TATT	–	–	–	–
3.	LIM SENG HOCK	–	–	–	–
4.	YEO BOON HO	33,856,099	2.53	–	–

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES)

No.	Name of Substantial Shareholder	No. of Shares Held (Direct)	%	No. of Shares Held (Indirect)	%
1.	ASIA POLY HOLDINGS BERHAD	140,913,184	10.53	–	–
2.	DATO' YEO BOON LEONG	135,347,314	10.12	–	–

ANALYSIS OF SHAREHOLDINGS
AS AT 18 OCTOBER 2022
(cont'd)

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS
(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name	Shareholdings	%
1.	ASIA POLY HOLDINGS BERHAD	140,913,184	10.53
2.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEO BOON LEONG	62,937,309	4.70
3.	YEO BOON LEONG	53,910,005	4.03
4.	SEIK THYE KONG	35,020,200	2.62
5.	YEO BOON HO	33,856,099	2.53
6.	SOUTHERN REALTY RESOURCE SDN. BHD.	28,000,000	2.09
7.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SOON HUI (E-SJA)	27,447,000	2.05
8.	DARSHAN RAVINDRAN	21,978,000	1.64
9.	YEO BOON THAI	19,999,999	1.49
10.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH KIN LIP (MY0502)	15,000,000	1.12
11.	YEO SOON BEE	14,000,001	1.05
12.	YEO BOON THAI	12,700,000	0.95
13.	IAN ONG MING HOCK	12,644,740	0.95
14.	TOH WEE MENG	10,883,900	0.81
15.	LIEW FOOK MENG	10,500,000	0.78
16.	KOH CHEN FOONG	10,000,000	0.75
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG HE YAM	8,912,500	0.67
18.	LAU PAK LAM	8,020,000	0.60
19.	KEJURUTERAAN TRISURIA SDN. BHD	7,500,000	0.56
20.	NYEO HOCK KIAT	7,363,500	0.55
21.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LAW KING HUI (PB)	7,000,000	0.52
22.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HIAH MOY THIANG	7,000,000	0.52
23.	LIM LIAN KHAI	7,000,000	0.52
24.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THAM MUN SENG	6,500,000	0.49
25.	FONG TECK SIONG	6,300,000	0.47
26.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	6,240,000	0.47
27.	SIM MUI KHEE	6,082,100	0.45
28.	SOON BAN HIN ORIENTAL (M) SDN BHD	5,500,000	0.41
29.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI CHUANG LIAN (E-KLG)	5,230,800	0.39
30.	ZAITON BINTI MOHD HASSAN	5,200,000	0.39
	TOTAL	**603,639,337**	**45.10**

ANALYSIS OF WARRANTS HOLDINGS

AS AT 18 OCTOBER 2022

WARRANTS 2020/2023 ("WB")

Class of Shares	:	Warrants 2020/2023 ("WB")
Number of warrants not exercised	:	183,150,003
Number of Warrants Holders	:	638

ANALYSIS BY SIZE OF WARRANTS HOLDINGS

Size of Holdings	No. of Warrant Holders	%	No. of Warrant Held	%
1 - 99	95	14.89	4,629	0.00
100 - 1,000	32	5.02	13,276	0.01
1,001 - 10,000	135	21.16	767,513	0.42
10,001 - 100,000	200	31.35	8,016,790	4.38
100,001 to less than 5% of issued shares	174	27.27	143,069,795	78.12
5 % and above of issued shares	2	0.31	31,278,000	17.08
	638	**100.00**	**183,150,003**	**100.01**

DIRECTORS' WARRANTS HOLDINGS

No.	Name of Directors	No. of Warrants Held (Direct)	%	No. of Warrants Held (Indirect)	%
1.	SERENA GOH FHEN FHEN	–	–	–	–
2.	TAN BAN TATT	–	–	–	–
3.	LIM SENG HOCK	–	–	–	–
4.	YEO BOON HO	–	–	–	–

ANALYSIS OF WARRANTS HOLDINGS
AS AT 18 OCTOBER 2022
(cont'd)

THIRTY (30) LARGEST WARRANTS HOLDERS
(Per Record of Depositors)

No.	Name	Warrant Holdings	%
1.	SOUTHERN REALTY RESOURCE SDN. BHD.	22,000,000	12.01
2.	PAKIRISAMY BASKARAN A/L P THANGAVELU	9,278,000	5.07
3.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG CHEW YENG (MY3114)	8,989,900	4.91
4.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR COLIN SOH CHENG HOE	7,664,700	4.18
5.	DARSHAN RAVINDRAN	7,326,000	4.00
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOH KOK KEAT	5,000,000	2.73
7.	ONG POH GAIK	4,625,000	2.53
8.	REBEKAH ALEXANDRA A/P D JOSEPH	4,510,300	2.46
9.	SUBASHINY A/P PRABAKARAN	3,709,500	2.03
10.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG HE YAM	3,157,500	1.72
11.	LEE HUNG CHENG	2,700,000	1.47
12.	TANG MUN PHUN	2,700,000	1.47
13.	FOONG AI LIN	2,500,000	1.37
14.	LOW AH LUI	2,500,000	1.37
15.	FONG TECK SIONG	2,400,000	1.31
16.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEE KIM HEW (E-KLG/BTG)	2,314,700	1.26
17.	COLIN SOH CHENG HOE	2,137,400	1.17
18.	RAVI A/L DORAISAMY	2,001,000	1.09
19.	RAVI A/L DORAISAMY	2,000,100	1.09
20.	ONG ENG KHOON	2,000,000	1.09
21.	TEE LIN SAY	1,950,000	1.06
22.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG YIN KEONG	1,688,500	0.92
23.	LIM ZHI HUI	1,568,160	0.86
24.	LOO PANG HOW	1,500,000	0.82
25.	LIM KHEH KEONG	1,450,000	0.79
26.	LEE KIAN SEONG	1,350,000	0.74
27.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED (LOCAL)	1,300,000	0.71
28.	FOO SHWU MIIN	1,300,000	0.71
29.	LIM REN EN	1,300,000	0.71
30.	MOHAMAD AMMAR BIN ATAN	1,242,200	0.68
	TOTAL	**114,162,960**	**62.33**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Tenth Annual General Meeting of the Company will 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 Thursday, 8 December 2022 at 11.00 a.m. or at any adjournment thereof for the following purposes:

AS ORDINARY BUSINESS

1. To receive the audited Financial Statements of the Company for the financial year ended 30 June 2022 together with the Reports of the Directors and Auditors thereon. ***(Please refer Explanatory Note (a))***

2. To approve the payment of Directors' fees amounting to RM327,000 for the financial year ending 30 June 2023. ***(Ordinary Resolution 1)***

3. To approve the payment of Directors' benefits to the Directors up to an amount of RM100,000 for the period commencing from 9 December 2022 until the next Annual General Meeting of the Company. ***(Ordinary Resolution 2)***

4. To re-elect Tan Ban Tatt, the Director who retires pursuant to Clause 97.1 of the Company's Constitution and being eligible, offers himself for re-election. ***(Ordinary Resolution 3)***

5. To re-appoint Messrs. PCCO PLT [(LLP0000506-LCA)(AF1056)] as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. ***(Ordinary Resolution 4)***

AS SPECIAL BUSINESS

6. To consider and if thought fit, to pass the following resolutions:

   a) **Ordinary Resolution - Authority To Directors To Allot and Issue Shares** ***(Ordinary Resolution 5)***

   "**THAT** subject to Sections 75 and 76 of the Companies Act 2016, the Constitution of the Company and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised and empowered to allot and issue shares in the Company, at any time, to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad **AND THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

b) **Ordinary Resolution - Proposed Renewal Of Shareholders' Mandate For Recurrent Related Party Transactions of a Revenue or Trading Nature** ***(Ordinary Resolution 6)***

"**THAT** subject always to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("Dolphin Group") to enter into the recurrent related party transactions of a revenue or trading nature as specified in Section 2.4 of the Circular to Shareholders dated 31 October 2022, which are necessary for the Dolphin Group's day-to-day operations and are in the ordinary course of business and are carried out at arm's length basis on normal commercial terms which are not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company;

THAT the authority conferred by such mandate shall commence immediately upon the passing of this Ordinary Resolution and continue to be in force until:-

i. the conclusion of the next Annual General Meeting of the Company at which time the mandate will lapse, unless by a resolution passed at the next Annual General Meeting, the authority is renewed; or

ii. the expiration of the period within which the next Annual General Meeting of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

iii. revoked or varied by a resolution passed by the shareholders in general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorized by this Ordinary Resolution."

7. To transact any other business of which due notice shall have been given.

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

BY ORDER OF THE BOARD

HO MENG CHAN (MACS 00574)
SSM PC No. 202008003175
WU SIEW HONG (MAICSA 7039647)
SSM PC No. 202008002457
Secretaries

Petaling Jaya
Selangor Darul Ehsan
31 October 2022

Notes: -

1. The Tenth Annual General Meeting will be conducted on a fully virtual basis through live streaming and online RPEV facilities provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia via https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657). Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the Tenth Annual General Meeting via RPEV. Please read these Notes carefully and follow the procedures in the Administrative Guide for the Fully Virtual Tenth Annual General Meeting in order to participate remotely via RPEV.

2. A member of the Company entitled to participate, speak and vote at the meeting shall be entitled to appoint up to two (2) proxies or attorney or other duly authorised representative to participate, speak and vote in his/her stead. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy may not be a member of the Company.

3. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his/her attorney duly authorised in writing, and in the case of a corporation, shall either be given under its common seal or under the hand of an officer or attorney of the corporation duly authorised.

4. Where a member who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA") may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.

5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy and the power of attorney or other authority duly authorised in writing or if such appointor is a Corporation, under its common seal or under the hand of an officer or attorney of the Corporation duly authorised, shall either be deposited at the office of the Company's Share Registrar at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or be electronically deposited through the Share Registrar's website, Boardroom Smart Investor Portal at https://investor.boardroomlimited.com, not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting.

7. Depositors who appear in the Record of Depositors as at 1 December 2022 shall be regarded as Member of the Company entitled to participate, speak and vote at the meeting or appoint a proxy or proxies to participate and vote on his/her behalf.

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

EXPLANATORY NOTES

a) This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

b) Ordinary Resolution 1 - Directors' fees payable

The Directors' Fees payable is computed based on the targeted Board size for the financial year ending 30 June 2023. In the event the proposed amount is insufficient, approval will be sought at the next Annual General Meeting for additional Directors' Fees to meet the shortfall.

c) Ordinary Resolution 2 - Directors' benefits payable

The proposed Directors' benefit payable comprises allowances and other benefits.

The total estimated amount of Directors' benefits payable is calculated based on the estimated number of Board's and Board Committees' meetings for the period from 9 December 2022 until the next Annual General Meeting and the provision for other benefits (if any).

In the event that the proposed Directors' benefits payable is insufficient, approval will be sought at the next Annual General Meeting for additional Directors' benefits to meet the shortfall.

d) Ordinary Resolution 3 - Retirement of Director

Clause 97.1 of the Company's Constitution states that one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election at each Annual General Meeting. All Directors shall retire from office at least once in three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he/she retires.

Mr. Tan Ban Tatt being eligible, has offered himself for re-election at this Annual General Meeting. The Board is satisfied with the performance of the retiring Director upon the assessment conducted by the Nomination Committee and hence, recommended his proposed re-election to be tabled for shareholders' approval at the Tenth Annual General Meeting. The information of his personal profile is provided in the Company's Annual Report for the financial year ended 30 June 2022.

e) Ordinary Resolution 5 - Authority To Directors To Allot and Issue Shares

The proposed Ordinary Resolution 5 is to seek a renewal of the general mandate for the authority to allot and issue of new ordinary shares which was approved by the shareholders at the Ninth Annual General Meeting held on 17 December 2021. This general mandate will expire at the conclusion of the Tenth Annual General Meeting. As at the date of this Notice, no new shares in the Company were allotted and issued pursuant to this general mandate.

The proposed Ordinary Resolution 5, if passed, will empower the Directors pursuant to Sections 75 and 76 of the Companies Act 2016, from the conclusion of this Annual General Meeting, to allot and issue shares in the Company provided that the aggregate number of shares issued does not exceed ten per centum (10%) of the total number of issued share capital of the Company for the time being for such purposes as they consider would be in the best interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. This general mandate will provide flexibility to the Company for any possible fund raising activities for the purpose of funding future investment, working capital and/or acquisitions.

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

EXPLANATORY NOTES (CONT'D)

f) Ordinary Resolution 6 - Proposed Renewal of Shareholders' Mandate For Recurrent Related Party Transactions of a Revenue or Trading Nature

The Proposed Ordinary Resolution 6 is to seek a renewal of Shareholders' Mandate for Recurrent Related Party Transactions granted by the shareholders of the Company at the Ninth Annual General Meeting held on 17 December 2021.

The proposed Ordinary Resolution 6, if passed, will empower the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Dolphin Group's day-to-day operations and are in the ordinary course of business and are carried out at arm's length basis on normal commercial terms which are not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company.

Further information on the Proposed Renewal of Shareholders' Mandate For Recurrent Related Party Transactions of a Revenue and Trading Nature is set out in the Circular to Shareholders dated 31 October 2022.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the Tenth Annual General Meeting and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Tenth Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Tenth Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
(ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

ADMINISTRATIVE GUIDE

FOR THE FULLY VIRTUAL TENTH ANNUAL GENERAL MEETING

1. FULLY VIRTUAL TENTH ANNUAL GENERAL MEETING ("10TH AGM")

Day, Date and Time of Meeting	:	**Thursday, 8 December 2022 at 11.00 a.m.**
Meeting Venue and Online Meeting Platform	:	***https://meeting.boardroomlimited.my*** ***(Domain Registration No. with MYNIC - D6A357657) provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia***

The Company's forthcoming 10th AGM will be conducted on a fully virtual basis through live streaming and online Remote Participation and Electronic Voting ("**RPEV**") facilities via Online Meeting Platform as stated above.

In line with the Malaysian Code on Corporate Governance Practice 13.3, conducting a virtual 10th AGM would promote greater shareholder participation as it facilitates electronic voting and remote shareholders' participation. With the RPEV facilities, you may exercise your right as a member of the Company to participate (including to pose questions to the Board of Directors and/or Management of the Company) and vote at the virtual 10th AGM. Alternatively, you may also appoint the Chairman of the Meeting as your proxy to attend and vote on your behalf at the virtual 10th AGM.

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of shareholders and proxies. Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained.

2. ENTITLEMENT TO PARTICIPATE AND VOTE REMOTELY

Only shareholders whose names appear on the Record of Depositors ("**ROD**") as at 1 December 2022 shall be eligible to participate and vote remotely in the virtual 10th AGM or appoint proxy(ies)/ the Chairman of the meeting to participate and/or vote on his/her behalf.

3. POLL VOTING

The voting will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Boardroom Share Registrars Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic voting (e-Voting) and will appoint Scrutineers to verify the poll results.

ADMINISTRATIVE GUIDE
FOR THE FULLY VIRTUAL TENTH ANNUAL GENERAL MEETING (cont'd)

4. RPEV FACILITIES

Shareholders and proxies are advised to log in to the Boardroom Smart Investor Portal ("BSIP") at https://investor.boardroomlimited.com for the following services:-

(a) Register participation for the virtual 10th AGM
(b) Submit eForm of Proxy electronically
(c) Submit questions prior to the virtual 10th AGM

Before the day of the virtual 10th AGM

Step 1 – Register online with BSIP (For first time registration only)

Note : If you have already signed with BSIP, you are not required to register again. You may proceed to Step 2

(i) Access website https://investor.boardroomlimited.com.
(ii) Click < Register > to sign up as a user.
(iii) Complete registration with all required information. Upload and attach softcopy of MyKad (front and back) or passport in JPG/PNG/PDF format.
(iv) Enter a valid mobile number and email address.
(v) You will receive an email from BSIP for email address verification. Click 'Verify E-Mail Address' in the e-mail received to continue with the registration.
(vi) Once your email address is verified, you will be re-directed to BSIP for verification of mobile number. Click 'Request OTP Code' and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click 'Enter' to complete the process.
(vii) Once your mobile number is verified, registration of your new BSIP account will be pending final verification. Your registration will be verified and approved within one business day and an email notification will be provided. Subsequently, you can login at https://investor.boardroomlimited.com with the e-mail address and password filled up by you during registration to proceed.

Step 2 – Submit request for remote participation

Note : The registration for RPEV will be opened on 31 October 2022 and end on 6 December 2022 at 11.00 a.m.

Individual Shareholder

(i) Login to https://investor.boardroomlimited.com using your user ID and password from Step 1 above.
(ii) Select "DOLPHIN INTERNATIONAL BERHAD TENTH ANNUAL GENERAL MEETING" from the list of Corporate Meeting and click "Enter".
(iii) Click on "Register for RPEV".
(iv) Read and accept the General Terms and Conditions and enter your CDS account number to submit your request.

Appointment of e-Proxy – Individual Shareholder

(i) Login to https://investor.boardroomlimited.com using your user ID and password from Step 1 above.
(ii) Select "DOLPHIN INTERNATIONAL BERHAD TENTH ANNUAL GENERAL MEETING" from the list of Corporate Meeting and click "**Enter**".
(iii) Click on "**Submit eForm of Proxy**".
(iv) Read and accept the General Terms and Conditions and enter your CDS account number to appoint proxy and insert proxy details and voting instructions.
(v) If you wish your proxy(ies) to act upon his/her discretion, please indicate 'Discretionary'.
(vi) Review and confirm your proxy(ies) appointment.
(vii) Click "**Apply**".
(viii) Download or print the eForm of Proxy as acknowledgement.

ADMINISTRATIVE GUIDE

FOR THE FULLY VIRTUAL TENTH ANNUAL GENERAL MEETING (cont'd)

4. RPEV FACILITIES (CONT'D)

Before the day of the virtual 10th AGM (Cont'd)
Step 2 – Submit request for remote participation (Cont'd) **Corporate Shareholder, Authorised Nominee and Exempt Authorised Nominee** (i) Write to bsr.helpdesk@boardroomlimited.com and provide the name of shareholder, CDS account number and Certificate of Appointment of Corporate Representative or Form of Proxy (as the case may be) to submit the request. (ii) Provide a softcopy of the corporate representative's or proxy's MyKad (front and back) or passport in JPG/PNG/PDF format together with his / her email address.
Step 3 – Verification and email notification (i) Will receive an email from Boardroom that your request has been received and is being verified. (ii) Upon verification against the General Meeting Record of Depositors, you will receive an email from Boardroom with You the Meeting ID, user ID and password for the virtual 10th AGM. You will also be notified in the event your registration is rejected.
On the day of the virtual 10th AGM
Step 4 – Login to RPEV (i) The RPEV will be opened for login commencing from 10.00 a.m. on 8 December 2022 (virtual 10th AGM to commence at 11.00 a.m.). (ii) Click the link provided in the email in Step 3(ii) above to join the virtual 10th AGM. Insert the Meeting ID and sign in with the user ID and password provided to you via the same email.
Step 5 – Participate (i) Please follow the User Guides to view the live webcast, submit questions and vote. (ii) To view the live webcast, select the broadcast icon. (iii) To ask a question during the virtual 10th AGM, select the messaging icon, type your question in the chat box and click the send button to submit.
Step 6 – Vote (i) Once voting has commenced, the voting icon will appear with the resolutions and voting choices until the Chairman declares the end of the voting session. (ii) To vote, select your voting preference from the options provided. A confirmation message will appear to indicate that your vote has been received. (iii) To change your vote, re-select your voting preference. (iv) If you wish to cancel your vote, please press "Cancel". (v) The voting icon will be disabled upon the closure of the poll.
Step 7 – End (i) Upon declaration by the Chairman of the closure of the virtual 10th AGM, the live webcast will end.

ADMINISTRATIVE GUIDE

FOR THE FULLY VIRTUAL TENTH ANNUAL GENERAL MEETING
(cont'd)

5. APPOINTMENT OF PROXY AND LODGEMENT OF FORM OF PROXY

Shareholders are encouraged to go online, participate and vote at the 10th AGM via remote participation. If you are unable to attend the virtual 10th AGM, you are encouraged to appoint proxy(ies) or the Chairman of the virtual 10th AGM as your proxy and indicate the voting instructions in the Form of Proxy.

If you wish to participate in the virtual 10th AGM yourself, please do not submit any Form of Proxy. You will not be allowed to attend the virtual 10th AGM together with a proxy appointed by you.

The Form of Proxy can be deposited at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. at **11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not later than Tuesday, 6 December 2022, 11.00 a.m.**, 48 hours before the time appointed for holding the virtual 10th AGM.

You may also submit the proxy appointment electronically via BSIP at https://investor.boardroomlimited.com **not later than Tuesday, 6 December 2022, 11.00 a.m.**. For further information on the electronic submission of Form of Proxy, kindly refer to the steps in the item 4 above.

If you have submitted your Form of Proxy prior to the virtual 10th AGM and subsequently decide to appoint another person or wish to participate in the virtual 10th AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy(ies) **not later than Tuesday, 6 December 2022, 11.00 a.m.**, 48 hours before the virtual 10th AGM. On revocation, your proxy(ies) will not be allowed to participate in the virtual 10th AGM. In such an event, you should advise your proxy(ies) accordingly.

6. SUBMISSION OF QUESTIONS

(a) Prior to the virtual 10th AGM

Shareholders may submit questions in relation to the agenda items by logging in to the Boardroom Portal at https://investor.boardroomlimited.com, select "**DOLPHIN INTERNATIONAL BERHAD TENTH (10TH) VIRTUAL ANNUAL GENERAL MEETING**" from the list of Corporate Meeting and select "**Submit Question**" and pose your questions (Pre-virtual 10th AGM Questions) **latest by 6 December 2022, 11.00 a.m.**

(b) During the virtual 10th AGM

Shareholders may type their questions in the chat box at any time during the virtual 10th AGM. The Board and Management will endeavor to provide the responses to the questions at the virtual 10th AGM. However, being mindful of time constraints, some responses may be emailed after the conclusion of the virtual 10th AGM.

7. NO RECORDING OR PHOTOGRAPHY

No recording or photography of the virtual 10th AGM is allowed without the prior written permission of the Company.

ADMINISTRATIVE GUIDE
FOR THE FULLY VIRTUAL TENTH ANNUAL GENERAL MEETING (cont'd)

8. ENQUIRY

If you have any enquiry prior to the virtual 10th AGM, please contact our Share Registrar during office hours on Mondays to Fridays, from 9.00 a.m. to 5.00 p.m. (except on public holidays):-

Boardroom Share Registrars Sdn. Bhd.
Registration No. 199601006647 (378993-D)

Address	:	11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan
General Line	:	+603-7890 4700
Fax Number	:	+603-7890 4670
Email	:	bsr.helpdesk@boardroomlimited.com

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the virtual 10th AGM and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the virtual 10th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the virtual 10th AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");

(ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

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

FORM OF PROXY

CDS account no.	
No. of Shares held	

I/We, ... NRIC No./Passport No./ Company No. ....
(Full name in capital letters)

Tel No./HP No. .... Email Address ....

of ....
(full address)

being a member(s) of the above Company, hereby appoint:

Full Name (in capital letters as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Tel No./HP No.:	Email Address:		
Address			

*and/or failing him/her

Full Name (in capital letters as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Tel No./HP No.:	Email Address:		
Address			

or failing him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Tenth Annual General Meeting 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 Thursday, 8 December 2022 at 11.00 a.m. or at any adjournment thereof.

** Delete whichever is inapplicable*

Please indicate with an "X" in the spaces provided below how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Item	Agenda		
1.	To receive the audited Financial Statements of the Company for the year ended 30 June 2022 together with the Reports of the Directors and Auditors thereon		
		FOR	**AGAINST**
2.	Ordinary Resolution 1 - To approve the payment of Directors' Fees of RM327,000		
3.	Ordinary Resolution 2 - To approve the payment of Directors' benefits to the Directors up to an amount of RM100,000		
4.	Ordinary Resolution 3 - To re-elect Tan Ban Tatt as Director		
5.	Ordinary Resolution 4 - To re-appoint PCCO PLT [(LLP0000506-LCA)(AF1056)] as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration		
6.	Ordinary Resolution 5 - To empower the Directors of the Company to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		
7.	Ordinary Resolution 6 - To approve Renewal of Shareholders' Mandate For Recurrent Related Party Transactions of a Revenue or Trading Nature		

....
Signature of Member/Common Seal

Dated this .... .day of .... 2022.

Notes :-

1. The Tenth Annual General Meeting will be conducted on a fully virtual basis through live streaming and online RPEV facilities provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia via https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC - D6A357657). Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the Tenth Annual General Meeting via RPEV. Please read these Notes carefully and follow the procedures in the Administrative Guide for the Fully Virtual Tenth Annual General Meeting in order to participate remotely via RPEV.
2. A member of the Company entitled to participate, speak and vote at the meeting shall be entitled to appoint up to 2 proxies or attorney or other duly authorised representative to participate, speak and vote in his/her stead. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy may not be a member of the Company.
3. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his/her attorney duly authorised in writing, and in the case of a corporation, shall either be given under its common seal or under the hand of an officer or attorney of the corporation duly authorised.
4. Where a member who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA") may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.
5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy and the power of attorney or other authority duly authorised in writing or if such appointor is a Corporation, under its common seal or under the hand of an officer or attorney of the Corporation duly authorised, shall either be deposited at the office of the Company's Share Registrar at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or be electronically deposited through the Share Registrar's website, Boardroom Smart Investor Portal at https://investor.boardroomlimited.com, not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting.
7. Depositors who appear in the Record of Depositors as at 1 December 2022 shall be regarded as Member of the Company entitled to participate, speak and vote at the meeting or appoint a proxy or proxies to participate and vote on his/her behalf.

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AFFIX
STAMP

The Share Registrar

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

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

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DOLPHIN INTERNATIONAL BERHAD
201201016010 (1001521-X)
E-G-2, Block E, Oasis Square, No. 2 Jalan PJU 1A/7A, Ara Damansara
47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia
T +603-7832 7563 **F** +603-7832 7635

www.dolphinbhd.com