Dolphin International Berhad

201201016010 (1001521-X)

ANNUAL REPORT

2023

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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 three (3) restaurants under the brand name of “Uncle Don’s”. However, one (1) of the restaurant had ceased operation since 1 July 2023.

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. (HR F&B) for the purchase consideration of RM 36 million. HR F&B and its subsidiaries own and operate four (4) restaurants under the brand name of “Uncle Don’s”.

CORPORATE **INFORMATION**

Board of Directors

Ir. Zulkifle Bin Osman
Independent Non-Executive Chairman

Yeo Boon Thai
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

Loke Mee Leng
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
Lim Seng Hock

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.dolphinint.com.my
Email: office@dolphinint.com.my

Auditors

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

Principal Banker

CIMB Bank Berhad
Alliance Bank Malaysia Berhad

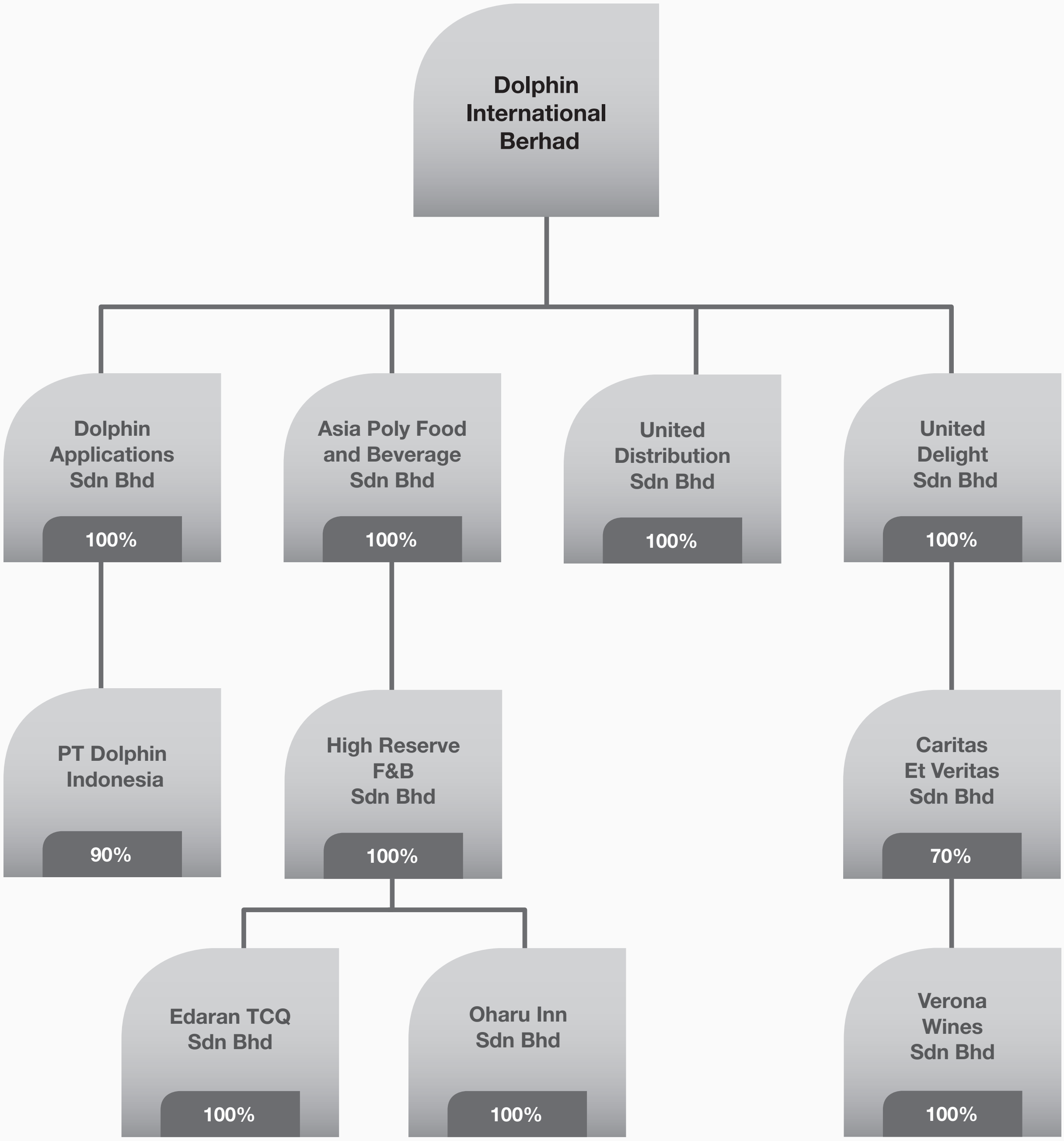
Share Registrar

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

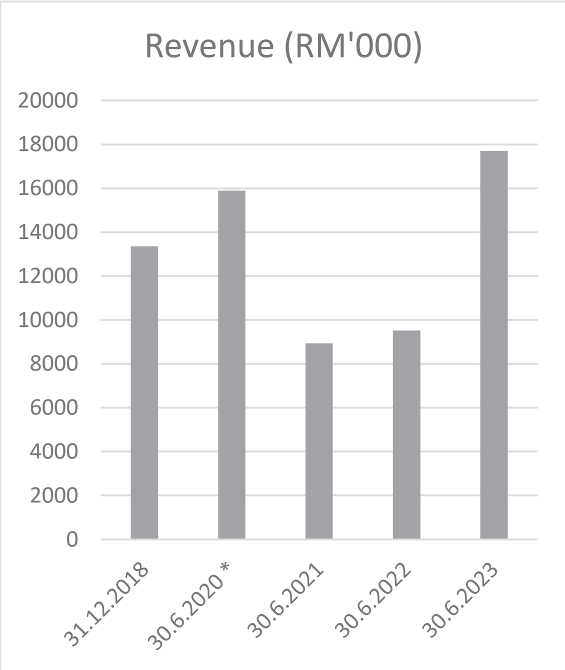
Main Market of Bursa Malaysia Securities Berhad
Stock name: DOLPHIN
Stock Code: 5265

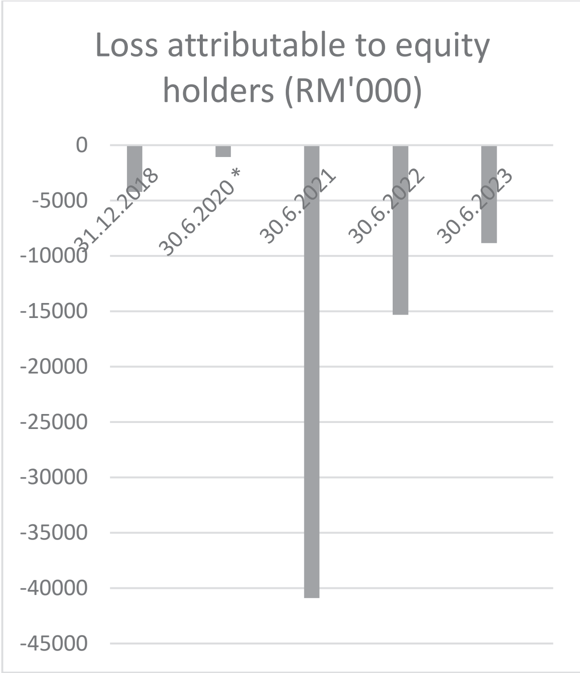
CORPORATE **STRUCTURE**
AS AT 26 OCTOBER 2023



GROUP
FINANCIAL HIGHLIGHTS

Financial Highlights





Five Years Group Financial Summary

	31.12.2018 RM'000	30.6.2020* RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2023 RM'000
Revenue	13,353	15,898	8,937	9,522	17,706
Loss before taxation	(4,389)	(1,294)	(40,724)	(14,558)	(8,800)
Loss attributable to equity holders	(4,230)	(1,058)	(40,896)	(15,328)	(8,860)

*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.

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

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, 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 three (3) restaurants under the brand name of "Uncle Don's". However, one (1) of the restaurants has ceased operation since 1 July 2023 due to the various unfavourable factors.

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. (HR F&B) for the purchase consideration of RM 36 million. HR F&B and its subsidiaries own and operate four (4) restaurants under the brand name of "Uncle Don's".

REVIEW OF FINANCIAL RESULTS

REVENUE

RM'000	FYE 2023	FYE 2022	FYE 2021
Palm oil mill solutions	-	145	3,712
Trading and supply of parts & services	-	73	826
Investment holdings	-	240	240
Food and beverage	17,171	7,838	4,433
Trading	3,849	2,355	-
Eliminations	(3,314)	(1,129)	(274)
Consolidated revenue	17,706	9,522	8,937

MANAGEMENT DISCUSSION & ANALYSIS
(CONT'D)

REVIEW OF FINANCIAL RESULTS (Continued)

LOSS AFTER TAX

RM'000	FYE 2023	FYE 2022	FYE 2021
Palm oil mill solutions	5,666	(3,373)	(36,917)
Trading and supply of parts & services	(283)	(515)	(326)
Investment holdings	(26,607)	(10,114)	(24,765)
Food and beverages	(11,969)	(125)	83
Trading	(57)	845	-
Eliminations	24,450	(1,276)	21,662
Loss before tax	(8,800)	(14,558)	(40,263)
Tax	3	(491)	(214)
Consolidated loss after tax	(8,797)	(15,049)	(40,477)

Revenue
At the consolidated level, the Group revenue was RM 17.7 million in FYE 30 June 2023 as compared to FYE 30 June 2022 of RM 9.52 million.

The increase in Group revenue was contributed by newly acquired four (4) restaurants and increase revenue generated by the Wine shop.

Finance cost
The Group incurred finance cost of RM 0.5 million for the FYE 30 June 2023 as compared to RM 0.85 million for FYE 30 June 2022.

Loss Before Tax
The Group recorded an improved loss before tax ("LBT") of RM 8.8 million in FYE 30 June 2023 as compared to FYE 30 June 2022 of RM 14.56 million. The LBT for FYE 30 June 2023 was mainly due to impairment of goodwill and expenses arising from corporate exercise. However, the loss was mitigated by the gain on disposal of its subsidiary, Dolphin Engineering Sdn. Bhd. via the Creditor's Voluntary Winding-Up, and also another subsidiary, Dolphin Robotic Systems Sdn. Bhd. to its director.

Statement of Financial Position
As at 30 June 2023, total equity attributed to owners of the Company stood at RM 32.8 million as compared to RM 23.0 million as at 30 June 2022.

The net cash position has decreased from RM 4.36 million as at 30 June 2022 to RM 1.6 million as at 30 June 2023 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

The Group currently owns and operates 5 Uncle Don's restaurant outlets in the Klang Valley, 1 Uncle Don's restaurant outlet at Ipoh and 1 Italian restaurant, 'Verona Trattoria' at Petaling Jaya.

As the majority of the Group's restaurant outlets are located at the urban fringe of Klang Valley which has high population, the Board expects the business of the Group's restaurant outlets to progressively improve over time especially when market sentiments and consumer spending improve in the future.

In addition, as urban residents tend to have greater propensity to dine out due to their busier lifestyle and higher income levels, the Group's restaurant outlets, which are mostly located in the Klang Valley, are expected to continue receiving positive demand over time.

Further, the Group's restaurant outlets are also large enough to host individual or corporate events and functions and thereby, would enable the Group's restaurant outlets to generate higher revenue especially during festive seasons.

The anticipated positive market outlook is expected to augur well to the Group's future food and beverage business.

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**

IR. ZULKIFLE BIN OSMAN
70 years of age, Male, Malaysian
Independent Non-Executive Chairman

Ir. Zulkifle Bin Osman, appointed on 11 May 2023 as the Independent Non-Executive Chairman of the Company.

Ir. Zulkifle Bin Osman is a registered Professional Engineer with practicing certificate, Board of Engineers, Malaysia. Ir. Zulkifle has thirty two (32) years of working experience in Tenaga Nasional Berhad, an electricity utility company in Malaysia, involving in hydro project implementation, feasibility study, dam surveillance, construction supervision and project management. Ir. Zulkifle worked for Sarawak Hidro Sdn Bhd, a MoF wholly owned company as a Managing Director during August 2007 - September 2017 managing contract administration, project support and project management/claim assessment services in construction, operating and maintenance of Bakun hydro projects.

Ir. Zulkifle is currently work as free-lance providing technical advisory on small/mini hydro development to renewable energy developers and to consultant for due diligence work on hydro.

YEO BOON THAI
41 years of age, Male, Malaysian
Chief Executive Officer
Non-Independent Executive Director

Mr. Yeo Boon Thai, appointed on 2 August 2023 and re-designated as Chief Executive Officer on 16 August 2023.

Mr. Yeo Boon Thai began his career as a Project Coordinator in Singtel Optus, Sydney in year 2004 and thereafter he joined Commonwealth Bank of Australia, Sydney as a Business Analyst to assessed, designed, and implemented multi-phase and multi-year financial and regulatory programmes for Global Finance Change. Within three (3) years, he was promoted as a Project Manager which provided leadership for the Global Offshore Programme; developed overall workstream plans, test plans, including resource engagement roadmaps and Target Operating Model.

In January 2010, he joined Dian Be Hardware Co Sdn. Bhd. as a Business Development Manager. He has more than ten (10) years experiences in leading a multi-ethnic team of sales and service personnel in the home improvement and construction Industry and involvement in business development and management.

PROFILE OF DIRECTORS
(CONT'D)

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

Mr. 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 Ban Tatt 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 United U-Li Corporation Berhad, both public listed companies.

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

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

PROFILE OF DIRECTORS
(CONT'D)

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

Mr. Yeo Boon Ho, appointed on 15 April 2021. 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 twenty (20) years of experience in marketing and management.

LOKE MEE LENG
42 years of age, Female, Malaysian
Independent Non-Executive Director

Ms. Loke Mee Leng, appointed on 19 October 2023 as the Independent Non-Executive Director of the Company.

Ms. Loke Mee Leng graduated as a skilled accountant during her education years. Her core experience is mainly in the F&B industry, where she accumulated majority of her F&B experience in a reputable restaurant in Malaysia. Her expertise includes the overall new restaurant setup procedures, budget management, team leadership, customer service, menu design and compliance with health and safety regulations. She also extends her F&B experience in outlet expansion plans, franchising initiatives as well as business restructuring exercises.

Notes:-

* *Mr. Tan Ban Tatt is the Director of Asia Poly Holdings Berhad, a major shareholder of the Company. Whereas Mr. Yeo Boon Thai and Mr. Yeo Boon Ho are siblings of Dato' Yeo Boon Leong, a substantial 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 page 169 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

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

Ian Ong, a Director of Asia Poly Food & 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 eight (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, advise, 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 five (5) years other than traffic offences (if any).

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

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 Section 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 Section 17 for the last eighteen 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 five (5) years other than traffic offences (if any).

PROFILE OF KEY MANAGEMENT
(CONT'D)

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

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 Eleven (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 five (5) years other than traffic offences (if any).

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

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 five (5) years other than traffic offences (if any).

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

The Board is pleased to provide an overview of the corporate governance practices throughout the Group during the financial year ended 30 June 2023. 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

This Statement serves as a means of complying with Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**MMLR**"). In addition to this, the application of each of the practices set out in the Code is disclosed in the Corporate Governance Report 2023, which is made available on the Company's website : www.dolphinint.com.my.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board assumes full responsibilities of the overall performance of the Group by setting strategic direction of the Group while exercising oversight on 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

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

In performing its duties, the Board is guided by a Board Charter which sets out 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. It is made available on the Company's website : www.dolphinint.com.my which is in line with the recommendation made by the Code. On 23 November 2022, the Board reviewed the Board Charter to ensure that it continues to remain relevant and appropriate.

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 the CEO, focuses on the business and day-to-day management of the Group and the implementation of the Board's decisions and policies. Mr. Lim Seng Hock had assumed the role as the Chairman of the Company before the appointment of Ir. Zulkifle Bin Osman as the new Chairman of the Company on 11 May 2023 to fill the vacancy derived from the resignation of YM Tengku Ahmad Badli Shah Bin Raja Hussin as the Chairman of the Company on 12 January 2022. Mr. Yeo Boon Thai was appointed as the CEO of the Company on 16 August 2023 in place of Ms. Serena Goh Fhen Fhen who resigned as CEO of the Company to pursue her personal interests.

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.

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 2023. The attendance of Directors during the financial year ended 30 June 2023 is set out below :-

Directors	Board Meeting	Audit and Risk Management Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting
Serena Goh Fhen Fhen *-resigned as Non-Independent Executive Director/Chief Executive Officer on 16 August 2023*	6/6	-	-	1/1
Tan Ban Tatt	6/6	6/6	1/1	1/1
Lim Seng Hock#	6/6	6/6	1/1	-
Hoh Yeong Cherng *-resigned as Non-Independent Non-Executive Director on 13 September 2022*	1/1	-	-	-
Yeo Boon Ho	6/6	6/6	1/1	1/1
Ir. Zulkifle Bin Osman *-appointed as Independent Non-Executive Chairman on 11 May 2023*	1/1	-	-	-

Notes :-
 # appointed as member of the Remuneration Committee on 17 October 2023 in place of Ms. Serena Goh Fhen Fhen.
- Mr. Yeo Boon Thai was appointed as Non-Independent Executive Director 2 August 2023 and re-designated as Chief Executive Officer on 16 August 2023.
- Ms. Loke Mee Leng was appointed as Independent Non-Executive Director on 19 October 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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. The Board is satisfied that the Internal Auditors, External Auditors and the Company Secretaries have provided the relevant updates on statutory and regulatory requirements from time to time during the Audit and Risk Management Committee and Board meetings.

As at the date of this statement, Ir. Zulkifle Bin Osman and Mr. Yeo Boon Thai, the newly appointed Directors, had attended the Mandatory Accreditation Programme (MAP Part 1) prescribed by the MMLR. Seminars, training, briefing or courses attended by the Directors during the financial year ended 30 June 2023 including the following:

Name of Directors	Date	Seminar / Training / Briefing /course
Tan Ban Tatt	4.10.2022	Board Succession, Evaluation and Recruitment
	28.10.2022	ESG and Sustainability Reporting
	20.12.2022 to 21.10.2022	Going Concern Indicators and Managing Impairments of Assets and Restructuring Provisions

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.

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. The management has strengthened the ESG integration into the Group wide operations in the financial year 2023.

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 areas that matter most to the Group gauged upon frequent and robust engagement with stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

II. Board Composition

Directors	Directorate
Serena Goh Fhen Fhen *-resigned on 16 August 2023*	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
Hoh Yeong Cherng *-resigned on 13 September 2022*	Non-Independent Non-Executive Director
Ir. Zulkifle Bin Osman *-appointed on 11 May 2023*	Independent Non-Executive Chairman
Yeo Boon Thai *--appointed on 2 August 2023 and re-designated as Chief Executive Officer on 16 August 2023*	Chief Executive Officer Non-Independent Executive Director
Loke Mee Leng *-appointed on 19 October 2023*	Independent Non-Executive Director

DEMOGRAPHIC

	As at 1 July 2022	**As at 30 June 2023**	**As at date of this Statement**
Independent Non-Executive Directors	**2**	**3**	**4**
Non-Independent Non-Executive Director	**2**	**1**	**1**
Non-Independent Executive Director	**1**	**1**	**1**
Number of Directors	**5**	**5**	**6**
Female	*1 (20%)*	*1 (20%)*	*1 (17%)*
Male	*4 (80%)*	*4 (80%)*	*5 (83%)*

One-Third (1/3) of the Board consists of Independent Non-Executive Directors in compliance with Paragraph 15.02(1)(a) of MMLR

At least one (1) Director is a woman in compliance with Paragraph 15.02(1)(b) of MMLR

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, 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 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.

The Company has in place its procedures and criteria for appointment of new directors and Senior Management. The Company has sourced for the most suitable candidates from various sources such as recommendations from the Directors, major shareholders and referrals from external sources including the Company's contacts in related industries. Ir. Zulkifle Bin Osman, Mr. Yeo Boon Thai and Ms. Loke Mee Leng, were recommendations from the major shareholder and Directors of the Company. They were appointed as Directors of the Company after assessing and evaluating their declarations made on the Directors' Declaration of Fit and Proper and Directors' Declaration of Independence Pursuant to the MMLR (for Ir. Zulkifle Bin Osman and Ms. Loke Mee Leng, both of them are Independent Non-Executive Directors) as stipulated in the Company's Board Charter and the following criteria:

a) Fulfillment of Para 2.20A of the MMLR in terms of character, experience, integrity, competence and time to effectively discharge their roles as directors;
b) qualifications;
c) skills and functional knowledge; and
d) background.

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.dolphinint.com.my.

In accordance to Clause 97.1 of the Company's Constitution, all Directors shall retire from office at the Company's Annual General Meeting ("AGM") at least once in three (3) years but shall be eligible for re-election in accordance with the Company's Constitution. Whereas, Clause 104 of the Company's Constitution states that any newly appointed Director shall hold office only until the next following AGM of the Company and shall be eligible for re-election at such meeting.

Based on the recommendation by the Nomination Committee, the Board is proposing the re-election of the following Directors who have offered themselves for re-election at the forthcoming Eleventh ("11th") AGM:-

a) Mr. Lim Seng Hock (pursuant to Clause 97.1 of the Company's Constitution);
b) Ir. Zulkifle Bin Osman (pursuant to Clause 104 of the Company's Constitution);
c) Mr. Yeo Boon Thai (pursuant to Clause 104 of the Company's Constitution); and
d) Ms. Loke Mee Leng (pursuant to Clause 104 of the Company's Constitution).

To assist shareholders in their decision, sufficient information such as personal profiles of the Directors 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 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

During the financial year ended 30 June 2023, 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 27 October 2022 and thereafter the Nomination Committee's Chairman reported the results and deliberation to the Board.

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 was of the view that :-

a) a suitable candidate shall be identified to hold the position of Chairman of the Company to further strengthen the composition of the Board;
b) enhancement is required for the succession planning programme which inter alia includes guidelines on appointing, training, fixing of compensation and replacement of Senior Management of the Group; and
c) relevant training and seminars shall be arranged for the Directors in order to further enhance their knowledge and to keep abreast with the latest development in the industry especially on topic of ESG as well as to keep abreast with the ever changing regulatory and compliance matters.

During the financial year ended 30 June 2023, 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 Director retiring pursuant to the Company's Constitution before making recommendations to the Board for its consideration;
d) assessed the training needs for Directors;
e) reviewed the succession planning programme; and
f) evaluated the proposed appointment of Ir. Zulkifle Bin Osman as Independent Non-Executive Chairman and made recommendation to the Board.

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 27 October 2022, 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 Tenth (''10th'') AGM.

Details of Directors' remuneration of the Company and of the Group for the financial year ended 30 June 2023 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					
Tan Ban Tatt	74	-	-	-	74
Lim Seng Hock	72	-	-	-	72
Yeo Boon Ho	73	-	-	-	73
Hoh Yeong Cherng*	29	-	3	-	32
Ir. Zulkifle Bin Osman#	11	-	-	-	11
Executive Director					
Serena Goh Fhen Fhen@	337	-	42	-	379

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					
Tan Ban Tatt	74	-	-	-	74
Lim Seng Hock	72	-	-	-	72
Yeo Boon Ho	73	-	-	-	73
Hoh Yeong Cherng*	-	-	-	-	-
Ir. Zulkifle Bin Osman#	11	-	-	-	11
Executive Director					
Serena Goh Fhen Fhen@	337	-	42	-	379

** resigned as Non-Independent Non-Executive Director on 13 September 2022.*
 # appointed as Independent Non-Executive Chairman on 11 May 2022.
@ resigned as Non-Independent Executive Director/Chief Executive Officer on 16 August 2023.

At the end of the financial year ended 30 June 2023, the Group has two (2) Senior Management in the context of the Code.

The two (2) Senior Management's remuneration for the financial year ended 30 June 2023 is as follows :-

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

(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

The Audit and Risk Management Committee comprises three (3) Non-Executive Directors, out of which two (2) are Independent, which is in compliance with the MMLR. None of the members of Audit and Risk Management Committee was a former key audit partner who 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 in accordance with the Terms of Reference of Audit and Risk Management Committee. 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 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.

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 2023 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 risk 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. To strengthen the risk management of the Group, Tricor Axcelasia Sdn. Bhd. was engaged to facilitate the Enterprise-risk Management exercise by assisting the Group to re-assess the risks' rating using a structured approach and based on the best available information.

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 2023, the internal audit function is outsourced to an independent firm, Talent League 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.

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.dolphinint.com.my.

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, 2023, the Company's 10th AGM and EGM 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. The virtual meetings allowed greater shareholder participation in line with the recommendations of the Code.

All Directors together with the Company Secretaries participated in the following general meetings of the Company held during the financial year ended 30 June 2023 :-

Date	Meeting
8 December 2022	10th AGM
8 May 2023	EGM

The Company's External Auditors were also participated in the 10th 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 10th AGM with the annual report was sent to the shareholders twenty-eight (28) days prior to the 10th AGM, so as to maximise their attendance and to provide sufficient time to consider the resolutions that will be discussed and decided at the 10th AGM. Concurrently, the Notice of 10th 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, notice of EGM with Circular which consist of detailed information of the proposed resolutions were sent to the shareholders within the prescribed timeframe. Notice of EGM was also advertised in a nationally circulated English daily newspaper.

Detailed registration and voting procedures were provided to shareholders through an Administrative Guide, both to assist in their participation using the online platform and to encourage their involvement. The shareholders were encouraged to take advantage of the RPEV facilities to participate and vote at the meetings. The shareholders were also encouraged to appoint proxy/proxies or chairman of the meeting to vote on their behalf if they are unable to

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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. The Chairman ensured that shareholders and proxies were given ample opportunities to raise questions related to the Company's affairs, and sufficient responses were provided.

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 10th AGM and EGM. 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 10th AGM and EGM as well as poll results were made available on the Company's website within thirty (30) business days after the 10th AGM and EGM, respectively.

COMPLIANCE STATEMENT

Overall, the Company has substantially complied with the majority of the Code for the financial year ended 30 June 2023. 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 26 October 2023.

AUDIT AND RISK MANAGEMENT
COMMITTEE REPORT

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.

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 2023, 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 six (6) meetings of the ARMC held during the financial year ended 30 June 2023, which were attended by the ARMC members as follows :-

Member	Description	No. of Meetings Attended	Percentage (%)
Tan Ban Tatt	Chairman / Independent Non-Executive Director	6/6	100
Lim Seng Hock	Member / Independent Non-Executive Director	6/6	100
Yeo Boon Ho	Member / (Non-Independent Non-Executive Director)	6/6	100

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

SUMMARY OF WORKS

The works carried out by the ARMC during the financial year ended 30 June 2023 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 2022 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 2022 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;

vi) Reviewed, evaluated and approved Messrs. PCCO PLT's Audit Plan for the financial year ended 30 June 2023. The Directors' responsibilities, Auditors' responsibilities, Auditors' independence, fraud consideration, audit approach, key audit matters, audit emphasis, 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 Talent League Sdn. Bhd. which consists of amongst others, the scope of work, audit approaches, potential auditable areas, engagement team and professional fee chargeable;

viii) Discussed and approved the Risk Based Internal Audit Plan for financial year 2023, 2024 and 2025;

ix) Reviewed and deliberated the Risk Based Internal Audit Review Report, amongst others containing risk rating, audit overview grading, audit objectives, scope of work, overview of business processes, control activities, detailed findings, audit recommendation and management action plans;

x) 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;

xi) 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;

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

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

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

xv) Reviewed Corporate Proposals of the Group.

INTERNAL AUDIT FUNCTION AND SUMMARY OF WORKS

For financial year 2023, the Group outsourced its internal audit function to Talent League Sdn. Bhd. as the Internal Auditors of the Group to assist the ARMC in discharging its duties and responsibilities more effectively. Talent League 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 2023, the Internal Auditors had carried out internal audit reviews on the following :

Entity	Business Process
Verona Wines Sdn Bhd	• Procurement • Inventory Management

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(CONT'D)

The reviews were conducted to assist the ARMC by independently assessing the adequacy and 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 process includes understanding, documenting and evaluating the business processes through interviews, observations, compliance and walk-through tests and test of transactions.

The audit findings and recommendations for improvement were presented at the ARMC Meeting held on 19 May 2023.

For the financial year ended 30 June 2023, the costs incurred for the outsourced internal audit function is RM13,283.

This report is made in accordance with a resolution of the Board of Directors on 26 October 2023.

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 assets 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 Group's 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 meeting. During the year, the Group's business units and key process owners have conducted their risk assessments and internal controls reviews.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

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 an 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.

INTERNAL AUDIT FUNCTION

The Group in its efforts to provide an adequate and effective internal control system had appointed an independent firm i.e Talent League 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 and 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.

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 2023, the Internal Auditors had carried out an internal audit review on the procurement and inventory management of Verona Wines Sdn Bhd, a subsidiary of Caritas Et Veritas Sdn Bhd (operator of the Italian restaurant). The review report was 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 2023 the total internal audit fees incurred for the outsourced internal audit function was RM13,283.

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; and

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; and
- Regular internal audit visits to monitor compliance with policies and procedures to assess the integrity of both financial and non-financial information provided.

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control ("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 2023.

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 team is chaired by the Chief Executive Officer and assisted by Risk Management team and head of departments. It 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 and nevertheless we had emerged from the crisis. The various lockdown measures enforced by governments around the world to contain the spread in the past 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.

SUSTAINABILITY STATEMENT
(CONT'D)

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.

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

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.

SOCIAL

a. Consumer health and safety risks

DIB is committed to prioritising its customers' and employees' safety and health. 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.

SOCIAL (continued)

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**

OTHER COMPLIANCE INFORMATION

1) Utilisation of Proceeds

During the financial year ended 30 June 2023, the Company did not raise any proceed from any corporate proposal.

The corporate proposals undertaken by the Company to raise proceeds in the previous financial years where the said proceeds raised have yet to be fully utilised as at 1 July 2022 (beginning of the financial year ended 30 June 2023)

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 2023 is as follows:-

Purpose	Approved Utilisation RM'000	Actual Utilisation RM'000	Variation RM'000	Utilisation 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
Working Capital	-	-	#216	(#216)	-	
Cash consideration in respect of the Acquisition of the entire equity interest in High Reserve F&B Sdn. Bhd.			*2,000	(*2,000)	-	
Total	**9,147**	**(3,735)**	**-**	**(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.

* *As announced by the Company on 24 February 2022.*

OTHER COMPLIANCE INFORMATION
(CONT'D)

ii) 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 2023 is as follows:-

Purpose	Approved Utilisation RM'000	Actual Utilisation RM'000	*1st Variation RM'000	#2nd Variation RM'000	Utilisation 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 33 months (as announced on 23.12.2022)
Set up costs for a new Uncle Don's outlet	1,500	-	(*1,500)	-	-	-	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
Cash consideration in respect of the Acquisition of the entire equity interest in High Reserve F&B Sdn. Bhd.	-	-	*1,979	#1,150	(*1,979)	#1,150	
	9,765	**(6,636)**	**-**	**-**	**(*1,979)**	**#1,150**	

** 1st Variation*
As announced by the Company on 24 February 2022.

#2nd Variation
As approved by the shareholders at the Extraordinary General Meeting of the Company held on 23 August 2023. Detailed information is set out in the Circular to Shareholders dated 31 July 2023.

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 2023 are as follows:-

Particular	Company	Group
Audit Fee Fee paid or payable to External Auditors	*94,500*	*248,000*
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*	*10,350*	*28,725*

3) Material Contracts

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.

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 Eleventh Annual General Meeting of the Company. The renewal of Shareholders' Mandate, details as disclosed in the Circular to Shareholders dated 31 October 2023 is sent together with this Annual Report.

Details of the RRPTs occurred during the financial year ended 30 June 2023 are disclosed in Note 33 to the Financial Statements set out on pages 152 to 153 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 2023, 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 26 October 2023.

DIRECTORS' **REPORT**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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 2023.

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 15 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	8,859,904	25,942,970

DIVIDEND

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

SHARE CAPITAL

During the year, the Company movement in share capital is as follows:

(a) On 19 July 2022, there was an issuance of 282,874,617 new ordinary shares at an issue price of RM 0.0654 per share as part settlement of the purchase consideration towards an acquisition of a subsidiary company and these new shares rank pari passu with the then existing ordinary shares; and

(b) On 22 June 2023, the Registrar of Companies confirmed the reduction of share capital amounting to RM 43,000,000 pursuant to Section 117 of the Companies Act 2016.

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:

Tan Ban Tatt	
Lim Seng Hock	
Yeo Boon Ho	
Zulkifle Bin Osman	(appointed on 11.5.2023)
Yeo Boon Thai	(appointed on 2.8.2023) (also a director of certain subsidiaries)
Loke Mee Leng	(appointed on 19.10.2023)
Serena Goh Fhen Fhen	(resigned on 16.8.2023)
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

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 1/7/2022	Bought	Sold	As at 30/6/2023
Direct interests				
Yeo Boon Ho	100,000	56,574,923	(25,318,824)	31,356,099

DIRECTORS' INTERESTS *(continued)*

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 director by virtue of his shareholdings in the Company is 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 below) 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 33 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.

DIRECTORS' REMUNERATION

Details of the directors' remuneration are set out below:

	GROUP RM	**COMPANY RM**
Fees	536,400	236,400
Other emoluments	541,656	378,927
	1,078,056	615,327

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.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS *(continued)*

(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.

(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 number of outstanding Warrants-B in the Company as at 30 June 2023 is 183,150,003 and the terms of the Warrants-B are as disclosed in Note 25 to the financial statements.

MATERIAL LITIGATIONS

Material litigations are as disclosed in Note 37 to the financial statements.

EVENTS SUBSEQUENT TO THE REPORTING DATE

These are as disclosed in Note 38 to the financial statements.

DIRECTORS' REPORT
(CONT'D)

SUBSIDIARIES

Details of subsidiaries are set out in Note 15 to the financial statements.

AUDITORS

The auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2023 are RM 282,952 and RM 94,500 respectively.

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

On behalf of the board

YEO BOON THAI

YEO BOON HO

Kuala Lumpur
Date: 26 October 2023

STATEMENT BY **DIRECTORS**

In the opinion of the directors, the financial statements set out on pages 55 to 167 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 2023 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

YEO BOON THAI

YEO BOON HO

Kuala Lumpur
Date: 26 October 2023

STATUTORY **DECLARATION**

I, Yeo Boon Thai, 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 55 to 167 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.

YEO BOON THAI

Subscribed and solemnly declared at Kuala Lumpur, Wilayah Persekutuan on 26 October 2023

Before me:

SYED KHAIRIL ANUAR B. SYED ZAINUDIN (W711)
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 2023 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 55 to 167.

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 2023 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.

INDEPENDENT AUDITORS' REPORT
(CONT'D)

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. 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 14.

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.

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.

INDEPENDENT AUDITORS' REPORT
(CONT'D)

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.

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, is disclosed in Note 15 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: 26 October 2023

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	NOTE	2023 RM	2022 RM
REVENUE	6	17,706,241	9,521,792
COST OF SALES	7	(12,029,585)	(6,050,944)
GROSS PROFIT		5,676,656	3,470,848
OTHER INCOME		22,108,672	3,218,543
ADMINISTRATIVE EXPENSES		(16,772,032)	(9,699,531)
SALES AND MARKETING EXPENSES		(2,986)	(381)
OTHER EXPENSES		(19,303,233)	(10,698,479)
FINANCE COSTS		(507,206)	(848,975)
LOSS BEFORE TAXATION	8	(8,800,129)	(14,557,975)
TAXATION	9	3,043	(491,407)
LOSS FOR THE YEAR		(8,797,086)	(15,049,382)
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		(118,662)	(53,297)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(8,915,748)	(15,102,679)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONT'D)

	NOTE	2023 RM	2022 RM
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		(8,859,904)	(15,328,431)
NON-CONTROLLING INTERESTS		62,818	279,049
		(8,797,086)	(15,049,382)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		(8,966,699)	(15,376,398)
NON-CONTROLLING INTERESTS		50,951	273,719
		(8,915,748)	(15,102,679)
EARNINGS PER SHARE (sen)			
- basic	10	(0.67)	(1.45)
- diluted	10	(0.67)	(1.45)

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

CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

AS AT 30 JUNE 2023

	NOTE	2023 RM	2022 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	1,659,121	3,570,184
Investment properties	12	20,047,496	20,434,677
Right-of-use assets	13	1,296,809	895,754
Intangible assets	14	24,284,204	8,427,032
Associate company	16	-	-
		47,287,630	33,327,647
CURRENT ASSETS			
Inventories	18	2,380,751	2,499,477
Trade and other receivables	19	3,168,323	6,652,100
Contract assets	20	-	187,077
Tax recoverable		115,344	131,060
Fixed deposit with a licensed bank	21	500,932	3,012,888
Cash and cash equivalents	22	1,645,977	4,360,342
		7,811,327	16,842,944
TOTAL ASSETS		55,098,957	50,170,591
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	23	23,427,114	47,927,114
Foreign currency translation reserve	24	614,787	721,582
Warrant reserve	25	3,846,150	3,846,150
Retained profits/(accumulated losses)		4,642,443	(29,497,653)
		32,530,494	22,997,193
Non-controlling interests		252,680	201,729
TOTAL EQUITY		32,783,174	23,198,922

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONT'D)

	NOTE	2023 RM	2022 RM
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	26	571,752	474,067
Term loan	27	6,624,165	7,357,759
Deferred tax liabilities	28	66,000	120,000
Contingent consideration	31	3,937,008	-
		11,198,925	7,951,826
CURRENT LIABILITIES			
Lease liabilities	26	771,997	468,676
Preference shares	29	-	10,110,000
Trade and other payables	30	9,409,042	7,694,519
Taxation		4,774	45,944
Term loan	27	739,045	700,704
Short-term borrowings	32	192,000	-
		11,116,858	19,019,843
TOTAL LIABILITIES		22,315,783	26,971,669
TOTAL EQUITY AND LIABILITIES		55,098,957	50,170,591

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

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	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 23)	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 CHANGES IN EQUITY
(CONT'D)

	← Attributable to owners of the Parent →						
	Share capital RM	Foreign currency translation reserve RM	Warrant reserve RM	Retained profits/ (Accumulated losses) RM	Total RM	Non-controlling interests RM	Total RM
Balance at 1 July 2022	47,927,114	721,582	3,846,150	(29,497,653)	22,997,193	201,729	23,198,922
Transactions with owners							
- Issuance of shares for part settlement of purchase consideration on acquisition of a subsidiary company (Note 23)	18,500,000	-	-	-	18,500,000	-	18,500,000
- Capital reduction (Note 23)	(43,000,000)	-	-	43,000,000	-	-	-
Total transactions with owners	(24,500,000)	-	-	43,000,000	18,500,000	-	18,500,000
Loss for the year	-	-	-	(8,859,904)	(8,859,904)	62,818	(8,797,086)
Other comprehensive loss: Foreign currency translation	-	(106,795)	-	-	(106,795)	(11,867)	(118,662)
Total comprehensive (loss)/income	-	(106,795)	-	(8,859,904)	(8,966,699)	50,951	(8,915,748)
Balance at 30 June 2023	23,427,114	614,787	3,846,150	4,642,443	32,530,494	252,680	32,783,174

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

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	NOTE	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(8,800,129)	(14,557,975)
Adjustments for:			
Loss/(gain) on disposal of property, plant and equipment		44,416	(7,017)
Loss allowance for receivables		-	128,754
Reversal of loss allowance for receivables		(177,515)	(225,345)
Property, plant and equipment written off		1,178,097	6,525
Provision for foreseeable losses on contract assets		-	72,631
Depreciation of investment properties		252,917	28,654
Depreciation of property, plant and equipment		868,508	484,375
Depreciation of right-of-use assets		958,811	583,018
Interest income		(34,447)	(77,458)
Interest expenses		507,206	848,975
Short term leases		528,751	111,863
Low value leases		14,100	11,717
Unrealised gain on foreign exchange		(201)	(14,369)
Deposit written off		-	1,000
Bad debts written off		418,021	50,869
Impairment of goodwill		15,638,789	9,400,000
Gain on disposal of investments in subsidiary companies		(19,168,339)	-
Impairment loss on property, plant and equipment		2,397,980	477,400
Amortisation of intangible assets		399,354	-
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)
Reversal of impairment loss on property, plant and equipment		(477,400)	-
Intangible assets written off		274,604	-
Inventories written off		16,659	-
Reversal of provision for foreseeable loss on contract assets		(365,824)	-
Fair value change on contingent consideration		85,264	-
Loss before working capital changes		(5,440,378)	(3,876,542)

CONSOLIDATED STATEMENT OF CASH FLOWS
(CONT'D)

	NOTE	2023 RM	2022 RM
Working capital changes:			
Inventories		246,075	(1,029,146)
Contract assets		552,901	90,814
Trade and other receivables		4,435,502	1,016,213
Trade and other payables		10,229,354	762,668
Cash inflows/(outflows) from operations		10,023,454	(3,035,993)
Interest received		34,447	77,458
Interest paid		(507,206)	(581,648)
Tax paid		(110,609)	(544,609)
Tax refunded		-	17,918
Short term leases paid		(528,751)	(111,863)
Low value leases paid		(14,100)	(11,717)
Net cash inflows/(outflows) from operating activities		8,897,235	(4,190,454)
CASH FLOWS FROM INVESTING ACTIVITIES			
Deposit paid for acquisition of subsidiary companies		-	(5,400,000)
Purchase of investment properties		(41,000)	(85,186)
Purchase of property, plant and equipment		(72,486)	(1,269,173)
Placement of fixed deposits		2,511,956	(3,012,888)
Proceeds from disposal of property, plant and equipment		14,200	37,201
Net cash outflows from acquisition of subsidiary companies	A	(12,411,300)	(2,667,048)
Net cash outflows from disposal of subsidiary companies	B	(258)	-
Net cash outflows from investing activities		(9,998,888)	(12,397,094)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of term loan	C	(695,253)	(658,053)
Drawdown of short-term borrowings	C	192,000	-
Proceeds from issuance of ordinary shares		-	9,147,241
Repayment of lease liabilities	C	(960,609)	(1,321,097)
Net cash (outflows)/inflows from financing activities		(1,463,862)	7,168,091

CONSOLIDATED STATEMENT OF CASH FLOWS
(CONT'D)

	NOTE	2023 RM	2022 RM
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(148,850)	(39,987)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(2,565,515)	(9,419,457)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		4,360,342	13,819,786
CASH AND CASH EQUIVALENTS AT END OF YEAR	22	1,645,977	4,360,342

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

	2023 RM	2022 RM
Property, plant and equipment	2,042,496	138,611
Right-of-use assets	715,919	124,004
Intangible assets	512,500	-
Inventories	144,008	1,228,627
Trade and other receivables	1,202,231	615,394
Cash and cash equivalents	858,700	104,952
Trade and other payables	(729,661)	(1,880,314)
Tax recoverable	24,010	24,839
Deferred tax liabilities	(58,210)	(14,331)
Lease liabilities	(717,668)	(125,703)
Share of loss in associate company in prior year	-	5,102
Non-controlling interests	-	(64,824)
Total identifiable net assets at fair value	3,994,325	156,327
Goodwill on consolidation	31,657,419	3,749,643
Purchase consideration	35,651,744	3,906,000
Portion discharged by investment in associate company	-	(1,134,000)
Portion discharged by issue of shares	(18,500,000)	-
Portion to be discharged by payables – contingent consideration	(3,851,744)	-
Portion discharged by cash	13,300,000	2,272,000
Cash and cash equivalents acquired	(858,700)	(104,952)
Net cash outflows from acquisition of subsidiary companies	12,441,300	2,667,048

CONSOLIDATED STATEMENT OF CASH FLOWS
(CONT'D)

B. SUMMARY OF EFFECT OF DISPOSAL (INCLUDING DEEMED DISPOSAL) OF SHARES IN SUBSIDIARY COMPANIES

	2023 **RM**
Property, plant and equipment	631
Investment properties	175,264
Trade and other receivables	10,000
Cash and cash equivalents	259
Trade and other payables	(9,244,492)
Preference shares	(10,110,000)
Net liabilities disposed	(19,168,338)
Gain on disposal	19,168,339
Total consideration received from disposal	1
Cash and cash equivalents disposed	(259)
Net cash outflows from disposal of subsidiary companies	(258)

C. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 1/7/2022 RM	Additions RM	Arising from acquisition of subsidiary RM	Arising from disposal of subsidiaries RM	Cash flows movement RM	Leases expired – Non-cash movements RM	As at 30/6/2023 RM
Lease liabilities	942,743	785,711	717,668	-	(960,609)	(141,764)	1,343,749
Term loan	8,058,463	-	-	-	(695,253)	-	7,363,210
Short-term borrowings	-	-	-	-	192,000	-	192,000
Preference shares	10,110,000	-	-	(10,110,000)	-	-	-

	As at 1/7/2021 RM	Additions RM	Arising from acquisition of subsidiary RM	Non-cash movement RM	Cash flows movement RM	Leases expired – Non-cash movements 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 loan	8,716,516	-	-	-	(658,053)	-	8,058,463
Preference shares	9,842,673	-	-	267,327	-	-	10,110,000

STATEMENT OF
COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	NOTE	2023 RM	2022 RM
REVENUE	6	-	240,000
OTHER INCOME		19,016,581	135,750
ADMINISTRATIVE EXPENSES		(2,382,875)	(2,737,502)
OTHER EXPENSES		(42,563,939)	(9,312,656)
FINANCE COSTS		(12,737)	(35,349)
LOSS BEFORE TAXATION	8	(25,942,970)	(11,709,757)
TAXATION	9	-	-
LOSS FOR THE YEAR		(25,942,970)	(11,709,757)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(25,942,970)	(11,709,757)
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		(25,942,970)	(11,709,757)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		(25,942,970)	(11,709,757)

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

STATEMENT OF
FINANCIAL POSITION
AS AT 30 JUNE 2023

	NOTE	2023 RM	2022 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	8,154	8,129
Right-of-use assets	13	320,918	195,769
Subsidiary companies	15	2	6,130,002
Other receivables	17	23,918,143	4,318,456
		24,247,217	10,652,356
CURRENT ASSETS			
Trade and other receivables	19	125,121	17,002,965
Fixed deposit with a licensed bank	21	500,932	3,012,888
Cash and cash equivalents	22	408,591	2,080,528
		1,034,644	22,096,381
TOTAL ASSETS		25,281,861	32,748,737
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	23	46,571,829	71,071,829
Warrant reserve	25	3,846,150	3,846,150
Accumulated losses		(26,072,671)	(43,129,701)
TOTAL EQUITY		24,345,308	31,788,278
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	26	243,249	122,959
CURRENT LIABILITIES			
Trade and other payables	30	612,319	756,274
Lease liabilities	26	80,985	81,226
		693,304	837,500
TOTAL LIABILITIES		936,553	960,459
TOTAL EQUITY AND LIABILITIES		25,281,861	32,748,737

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

STATEMENT OF
CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	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 23)	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
Balance at 1 July 2022	71,071,829	(43,129,701)	3,846,150	31,788,278
Transactions with owners				
- Issuance of shares for part settlement of purchase consideration on acquisition of a subsidiary company (Note 23)	18,500,000	-	-	18,500,000
- Capital reduction (Note 23)	(43,000,000)	43,000,000	-	-
Total transactions with owners	(24,500,000)	43,000,000	-	18,500,000
Loss for the year	-	(25,942,970)	-	(25,942,970)
Total comprehensive loss	-	(25,942,970)	-	(25,942,970)
Balance at 30 June 2023	46,571,829	(26,072,671)	3,846,150	24,345,308

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

STATEMENT OF **CASH FLOWS**
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	NOTE	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(25,942,970)	(11,709,757)
Adjustments for:			
Bad debts written off		1,323,030	4,519
Interest income		(32,778)	(77,125)
Impairment loss on investment in subsidiaries		6,130,000	5,920,000
Interest expenses		4,687	35,349
Intrinsic loss on amounts due from subsidiary companies		17,770,909	2,445,146
Intrinsic interest income on amounts due from subsidiary companies		(234,781)	(54,108)
Loss allowance on amounts due from subsidiary companies		-	942,991
Short term lease		-	60
Reversal of intrinsic loss on amounts due from subsidiary companies		(120,232)	-
Reversal of impairment loss for amount due from subsidiary company		(1,280,739)	-
Reversal of impairment loss on investment in subsidiary company		(17,340,000)	-
Investment in a subsidiary company written off		17,340,000	-
Depreciation of property, plant and equipment		2,061	1,135
Depreciation of right-of-use assets		83,179	81,007
Loss before working capital changes		(2,297,634)	(2,410,783)
Working capital changes:			
Trade and other receivables		(13,030)	(84,775)
Trade and other payables		(143,955)	520,227
Cash outflows from operations		(2,454,619)	(1,975,331)
Interest received		32,778	77,125
Interest paid		(4,687)	(35,349)
Short term leases paid		-	(60)
Net cash outflows from operating activities		(2,426,528)	(1,933,615)

STATEMENT OF CASH FLOWS
(CONT'D)

	NOTE	2023 RM	2022 RM
CASH FLOWS FROM INVESTING ACTIVITIES			
Advances to subsidiary companies		(20,167,000)	(14,640,294)
Withdraw/(placement) of fixed deposit		2,511,956	(3,012,888)
Purchase of property, plant and equipment		(2,086)	(9,264)
Net cash outflows from investing activities		(17,657,130)	(17,662,446)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		18,500,000	9,147,242
Repayment of lease liabilities	A	(88,279)	(76,895)
Net cash inflows from financing activities		18,411,721	9,070,347
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,671,937)	(10,525,714)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,080,528	12,606,242
CASH AND CASH EQUIVALENTS AT END OF YEAR	22	408,591	2,080,528

STATEMENT OF CASH FLOWS
(CONT'D)

A. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 1 July 2022 RM	Additions RM	Leases expired – Non-cash movement RM	Cash flows movement RM	As at 30 June 2023 RM
Lease liabilities	204,185	350,092	(141,764)	(88,279)	324,234

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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 26 October 2023.

(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 2022, the Group and the Company adopted the following Amendments to MFRSs mandatory for annual financial periods beginning on or after 1 July 2022:

Annual Improvements to MFRS Standards 2018 – 2020
- Amendments to MFRS 9 Financial Instruments

Amendments to MFRS 116 – Proceeds before Intended Use

Amendments to MFRS 137 – Onerous Contracts – Cost of Fulfilling a Contract

References to the Conceptual Framework (Amendments to MFRS 3 – Business Combinations)

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
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
Amendments to MFRS 112 – International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendments to MFRS 101 – Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7 – Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 121 – Lack of Exchangeability	1 January 2025

The initial adoption of the Amendments to MFRSs would 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.

(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:

Group

(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 14.

1. BASIS OF PREPARATION *(continued)*

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

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 15 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.

2. SIGNIFICANT ACCOUNTING POLICIES

(b) Basis of consolidation *(continued)*

(i) Business combinations *(continued)*

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.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Basis of consolidation *(continued)*

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(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.

Capital work-in-progress is 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
Furniture and fittings	10 years
Motor vehicles	5 years
Office equipment	5 – 10 years
Renovation	10 years
Computers	2 – 10 years
Plant and machineries	10 – 16 years
Kitchen and bar equipment	5 – 10 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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

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.

(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 years 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 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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Taxes *(continued)*

(b) Deferred tax *(continued)*

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.

(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 and 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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Revenue recognition *(continued)*

(i) Construction contracts *(continued)*

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).

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.

There are no variable elements in considerations.

No element of financing is deemed present as the sales are made on terms 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 is 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 unfulfilled 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 completed to date. Revenue from services is recognised when the services are completely rendered.

There are no variable elements in considerations.

No element of financing is deemed present as the sales are made on terms 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 is 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 when the food and beverage being accepted by the customer.

There are no variable elements in considerations.

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

(iv) Sales of trading goods

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

There are no variable elements in considerations. There is no right 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 is deemed present as the sales are made on terms consistent with market practice i.e. cash or 30 days from invoice date and subject to 1.5% late charges within the rights of the Group.

(v) Management fees

Revenue from management services is 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.

(ii) Defined contribution plans

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

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(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 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.

(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 periods of 14 to 36 months.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Leases *(continued)*

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Leases *(continued)*

(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 office equipment. Payments associated with short term leases and low value assets are recognised on a straight-line basis 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.

(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) 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.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(o) 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 they arise.

(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)*

(p) 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.

(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)*

Debt Instruments ***(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.

Equity Instruments

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
Renovation	10 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) 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.

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

	2023 **RM**	**2022** **RM**
Corporate guarantee granted to a licensed bank for credit facilities granted to subsidiary	9,113,016	8,973,819

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

(a) Credit risk management *(continued)*

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 years. The Company agreed to pay eighty percent of all sums due and payable and hold the third party indemnified 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 immateriality.

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

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 subjected to enforcement activities.

<u>Trade receivables</u>

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

<u>Collective assessment of impairment</u>

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.

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

(a) Credit risk management *(continued)*

Collective assessment of impairment *(continued)*

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 in 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 2023**	**RM**
Neither past due nor impaired	133,492
1 to 30 days past due not impaired	98,593
31 to 60 days past due not impaired	465,545
61 to 90 days past due not impaired	76,587
More than 90 days past due not impaired	258,820
	1,033,037
Individually impaired	33,685
Total gross carrying amount	1,066,722

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

(a) Credit risk management *(continued)*

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

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			
	2023		**2022**	
By country:	**RM**	**%**	**RM**	**%**
Malaysia	1,033,037	100	67,072	41
Indonesia	-	-	98,021	59
	1,033,037	100	165,093	100

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

(a) Credit risk management *(continued)*

Other receivables

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

For advances to subsidiary companies whose credit terms are repayable on demand, this is considered credit impaired when the subsidiary companies are unlikely to repay their advances to the Company in full given insufficient highly liquid resources when the advances are 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 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 2023	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	9,309,439	-	-	9,309,439
Term loan	1,117,138	4,468,553	3,527,325	9,113,016
Short-term borrowings	192,000	-	-	192,000
	10,618,577	4,468,553	3,527,325	18,614,455
Company				
Non-derivative financial liabilities				
Financial guarantee	7,383,974	-	-	7,383,974
Trade and other payables	612,319	-	-	612,319
	7,996,293	-	-	7,996,293

Maturity analysis of lease liabilities:

	Within 1 year RM	Between 2 and 5 years RM	More than 5 years RM	Total RM
Group	828,040	609,420	-	1,437,460
Company	99,000	264,000	-	363,000

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

(b) Liquidity risk management *(continued)*

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 loan	-	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

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 and the Group's net investments in a foreign subsidiary.

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

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.

At the reporting date, the Group's total equity and loss is not materially affected by the movement in foreign exchange rate of foreign currency.

(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 the Company's exposure to interest rate risk arises primarily from borrowings with floating interest rates, interest rate from deposits pledged with licensed banks and lease liabilities.

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

(c) Market risks *(continued)*

(ii) Interest rate risk management *(continued)*

The following table demonstrates the sensitivity to a reasonably possible change in floating interest rates on borrowings, 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 2023	+ 50	(27,980)	(27,980)
	- 50	27,980	27,980
As at 30 June 2022	+ 50	(40,292)	(40,292)
	- 50	40,292	40,292

The Group and the Company do not expect any material impact on the Group's and the Company's profit or loss arising from the effects of reasonable possible changes to interest rates as the deposits with licensed banks and lease liabilities are of fixed interest rates.

4. CAPITAL RISK MANAGEMENT

The primary 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 2023 and 30 June 2022 are as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Term loan	7,363,210	8,058,463	-	-
Lease liabilities	1,343,749	942,743	324,234	204,185
Short-term borrowings	192,000	-	-	-
Preference shares	-	10,110,000	-	-
Total debts	8,898,959	19,111,206	324,234	204,185
Total equity	32,530,494	22,997,193	24,345,308	31,788,278
Gearing ratio	27%	83%	1%	0.6%

5. FINANCIAL INSTRUMENTS BY CATEGORIES

	2023 RM	2022 RM
GROUP		
Financial assets		
Financial assets measured at amortised cost		
- Trade and other receivables excluding prepayments and advances to supplier	2,622,936	6,464,021
- Cash and cash equivalents	1,645,977	4,360,342
- Fixed deposit with a licensed bank	500,932	3,012,888
Financial liabilities		
Other financial liabilities measured at amortised cost		
- Trade and other payables excluding service tax payable	9,309,439	7,610,278
- Term loan	7,363,210	8,058,463
- Preference shares	-	10,110,000
- Short-term borrowings	192,000	-
Financial liabilities at fair value through profit or loss		
- Contingent consideration	3,937,008	-
COMPANY		
Financial assets		
Financial assets measured at amortised cost		
- Trade and other receivables excluding prepayments	125,121	16,995,498
- Fixed deposit with a licensed bank	500,932	3,012,888
- Cash and cash equivalents	408,591	2,080,528
- Other receivables – non-current	23,918,143	4,31,6456
Financial liabilities		
Other financial liabilities measured at amortised cost		
- Trade and other payables	612,319	756,274

Financial assets and financial liabilities other than other receivables – non-current are not carried at fair value but their carrying amounts are reasonable approximation of their values due to their short term nature.

In prior year, 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 2023 RM	GROUP 2022 RM	COMPANY 2023 RM	COMPANY 2022 RM
Revenue from contracts with customers:				
- Sales of palm oil milling goods and services	-	144,032	-	-
- Sales of food and beverage	13,857,468	7,539,754	-	-
- Sales of trading goods	3,848,773	1,764,619	-	-
- Contract works	-	73,387	-	-
- Management fees	-	-	-	240,000
	17,706,241	9,521,792	-	240,000
Timing of revenue recognition:				
- At a point in time	17,706,241	9,448,405	-	-
- Over time	-	73,387	-	240,000
	17,706,241	9,521,792	-	240,000

7. COST OF SALES

	GROUP 2023 RM	GROUP 2022 RM
Cost of goods sold	11,994,149	5,868,667
Project costs related to contract works	35,436	182,277
	12,029,585	6,050,944

8. LOSS BEFORE TAXATION

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Loss before taxation is stated after charging and (crediting):				
Auditors' remuneration:				
Malaysian operations				
current year	248,000	180,000	94,500	77,000
underprovision in prior year	12,058	27,000	2,000	10,000
Overseas operations				
current year	34,952	6,548	-	-
underprovision in prior year	-	8,730	-	-
(Income)/expense from financial assets at amortised costs:				
bad debts written off	418,021	50,869	1,323,030	4,519
loss allowance for receivables	-	128,754	-	-
reversal of loss allowance for receivables	(177,515)	(225,345)	-	-
reversal of loss allowances for amounts due from subsidiary companies	-	-	(1,280,739)	-
intrinsic loss on amounts due from subsidiary companies	-	-	17,770,909	2,445,146
loss allowance on amounts due from subsidiary companies	-	-	-	942,991
intrinsic interest income on amounts due from subsidiary companies	-	-	(234,781)	(54,108)
reversal of intrinsic loss on amount due from associate company	-	(207,007)	-	-
reversal of intrinsic loss on amounts due from subsidiary companies	-	-	(120,232)	-
deposit written off	-	1,000	-	-
Directors' remuneration:				
fees				
current year	536,400	510,000	236,400	260,000
underprovision in prior years	-	203,400	-	203,400
other emoluments *	541,656	540,040	378,927	378,731
Loss/(gain) on disposal of property, plant and equipment	44,416	(7,017)	-	-

8. LOSS BEFORE TAXATION *(continued)*

	GROUP		COMPANY	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
Loss before taxation is stated after charging and (crediting):				
Income from financial assets at amortised costs:				
bank interest income	(2,520)	(19,470)	(851)	(19,137)
interest income from fixed deposits	(31,927)	(57,988)	(31,927)	(57,988)
Provision for foreseeable loss on contract assets	-	72,631	-	-
Impairment of goodwill (under other expenses)	15,638,789	9,400,000	-	-
Property, plant and equipment written off	1,178,097	6,525	-	-
Lease interest expenses: right-of use assets	76,648	100,318	12,737	13,104
Impairment loss on investments in subsidiary companies (under other expenses)	-	-	6,130,000	5,920,000
Gain on disposal of investments in subsidiary companies	(19,168,339)	-	-	-
Expense/(income) on financial assets and financial liabilities at amortised costs:				
realised gain on foreign exchange	(24,453)	(4,462)	-	-
unrealised gain on foreign exchange	(201)	(14,369)	-	-
Impairment loss on property, plant and equipment (under other expenses)	2,397,980	477,400	-	-
Contract assets written off	-	760,868	-	-
Reversal of loss allowance for contract assets	-	(760,868)	-	-
Amortisation of intangible assets	399,354	-	-	-

8. LOSS BEFORE TAXATION *(continued)*

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Loss before taxation is stated after charging and (crediting):				
Interest expenses on financial liabilities at amortised cost:				
term loan	421,885	459,085	-	-
intrinsic interest on preference shares	-	267,327	-	-
others	-	22,245	-	22,245
bankers' acceptance	8,673	-	-	-
Reversal of contingent consideration not payable	-	(988,485)	-	-
Reversal of impairment loss on investment in subsidiary company	-	-	(17,340,000)	-
Investment in subsidiary company written off	-	-	17,340,000	-
Depreciation of property, plant and equipment	868,508	484,375	2,061	1,135
Depreciation of investment property	252,917	28,654	-	-
Depreciation of right-of-use assets	958,811	538,018	83,179	81,007
Operating lease – Rental income from premises**	(122,000)	(40,000)	-	-
Short term lease – Rental of premises***	481,400	73,711	-	60
Short term leases – Rental of office equipment***	41,975	29,970	-	-
Short term lease – Rental of carpark***	5,376	8,182	-	-
Reversal of lease interest for lease termination	-	(4,667)		-
Low value leases – Rental of office equipment	14,100	11,717	-	-
Staff costs*	3,725,081	2,149,202	223,467	193,621
Intangible assets written off	274,604	-	-	-
Reversal of provision for foreseeable loss on contract assets	(365,824)	-	-	-
Inventories written off	16,659	-	-	-
Fair value changes on contingent consideration	85,264	-	-	-
Reversal of impairment loss on property, plant and equipment	(477,400)	-	-	-

8. LOSS BEFORE TAXATION *(continued)*

* Included in directors' other emoluments and staff costs of the Group and of the Company are amounts totalling RM298,364 and RM65,940 (2022: RM194,302 and RM61,116) respectively contributed to the Employees' Provident Fund. During the year, the Group received an amount of RM Nil (2022: RM118,800) 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 either:
(i) 14 days to 2 months' notice is required to terminate these agreements;
(ii) rental contracts are made for a final period of one year; or
(iii) 1 to 6 months' notice is required with forfeited deposits.

9. TAXATION

		GROUP	
		2023	**2022**
		RM	**RM**
(a)	Current Malaysian taxation	132,000	82,000
	Deferred taxation (Note 28)	(112,210)	153,669
		19,790	235,669
	(Over)/underprovision of taxation in prior year	(22,833)	255,738
		(3,043)	491,407

There is no provision for current and prior years 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	
	2023	**2022**	**2023**	**2022**
	RM	**RM**	**RM**	**RM**
Accounting loss	(8,800,129)	(14,557,975)	(25,942,970)	(11,709,757)
Tax at the applicable tax rate	(2,152,066)	(3,485,563)	(6,226,313)	(2,810,342)
Tax effect of expenses that are not deductible in determining taxable profit for income tax purposes	9,377,146	3,981,088	10,780,493	2,625,648
Tax effect of income that are not included in determining taxable profit for income tax purposes	(7,561,522)	(1,082,756)	(4,554,180)	(14,070)
Adjustment to opening deferred tax resulting from changes in income tax rate	23,606	-	-	-
Movement from unrecognised deferred tax assets	391,827	740,546	-	198,764
(Over)/underprovision of deferred tax liabilities in prior year	(59,201)	82,354	-	-
(Over)/underprovision of Income tax in prior year	(22,833)	255,738	-	-
Tax expense provided/written back	(3,043)	491,407	-	-

The current corporate tax rate is 24% (2022: 24%). In the following year, the tax rate will remain the same. Consequently, deferred taxation in Note 28 are measured using this rate.

(c) The Company has unused tax losses of approximately RM2,508,000 (2022: RM2,575,0000) available for set-off against future taxable income.

10. EARNINGS PER SHARE

	GROUP	
	2023	**2022**
Weighted average number of ordinary shares in issue for basic earnings per share	1,326,096,606	1,055,008,431
Consolidated loss for the year (RM)	(8,859,904)	(15,328,431)
Basic earnings per share (sen)	(0.67)	(1.45)
Diluted earnings per share (sen)	(0.67)	(1.45)

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.

11. PROPERTY, PLANT AND EQUIPMENT

	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
GROUP									
2023									
At cost									
At 1 July 2022	3,736,392	28,001	134,763	1,031,268	114,219	102,761	432,304	11,689,066	17,268,774
Arising from acquisition of subsidiary companies	651,418	-	65,360	1,621,101	73,901	179,217	336,584	-	2,927,581
Arising from disposal of subsidiary companies	-	-	(1,147)	-	-	-	-	(11,689,066)	(11,690,213)
Additions	12,400	-	5,300	13,690	2,086	-	39,010	-	72,486
Disposals	-	-	-	-	-	-	(61,550)	-	(61,550)
Written off	(1,212,308)	(14,001)	-	(251,316)	(13,535)	(103,980)	(153,173)	-	(1,748,313)
Exchange differences	-	-	1,277	1,125	-	1,216	-	-	3,618
At 30 June 2023	3,187,902	14,000	205,553	2,415,868	176,671	179,214	593,175	-	6,772,383

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

GROUP	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 2022	1,025,656	19,600	68,263	185,560	16,991	73,860	142,194	-	1,532,124
Arising from acquisition of subsidiary companies	188,498	-	17,768	469,459	44,203	61,329	103,828	-	885,085
Arising from disposal of subsidiary companies	-	-	(516)	-	-	-	-	-	(516)
Charge for the year	461,051	2,100	17,657	278,852	23,883	25,914	59,051	-	868,508
Disposals	-	-	-	-	-	-	(2,934)	-	(2,934)
Written off	(458,366)	(14,000)	-	(6,414)	(2,620)	(81,234)	(7,582)	-	(570,216)
Exchange differences	-	-	1,255	1,103	-	873	-	-	3,231
At 30 June 2023	1,216,839	7,700	104,427	928,560	82,457	80,742	294,557	-	2,715,282
Accumulated Impairment Loss									
At 1 July 2022	17,765	-	-	244,902	10,527	-	204,206	11,689,066	12,166,466
Arising from disposal of subsidiary companies	-	-	-	-	-	-	-	(11,689,066)	(11,689,066)
Charge for the year	1,665,676	-	18,620	599,445	19,790	-	94,449	-	2,397,980
Written off	(17,765)	-	-	(244,902)	(10,527)	-	(204,206)	-	(477,400)
At 30 June 2023	1,665,676	-	18,620	599,445	19,790	-	94,449	-	2,397,980
Net book value									
At 30 June 2023	305,387	6,300	82,506	887,863	74,424	98,472	204,169	-	1,659,121

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

11. 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
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 subsidiary companies	-	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

11. 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 subsidiary companies	-	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

11. 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	-	-	-

	Computers RM
COMPANY	
2023	
At cost	
At 1 July 2022	9,264
Additions	2,086
At 30 June 2023	11,350
Accumulated depreciation	
At 1 July 2022	1,135
Charge for the year	2,061
At 30 June 2023	3,196
Net book value	
At 30 June 2023	8,154

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

	Computers RM
COMPANY	
2022	
At cost	
At 1 July 2021	-
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) In the current year, the impairment of plant and equipment relates to subsidiary companies that are part of the food and beverage segment. 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 at a discount rate of 3.68% (2022: 9.40%). The future cash inflows reflect the expected moderate domestic market growth due to softened global growth as a result of weaker than expected global demand, tighter global financial conditions and mounting geopolitical uncertainty.

b) The reversal of impairment loss of RM477,400 relates to a subsidiary company's food and beverage convenience concept store that is part of the food and beverage segment which had ceased operations during the financial year end and either written off or disposed.

c) In prior 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 in the property, plant and equipment written off is an amount of RM736,177 relating to an outlet closure.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

12. INVESTMENT PROPERTIES

	Leasehold building RM	Freehold land RM	Freehold building RM	Renovation RM	Total RM
GROUP					
2023					
At cost					
At 1 July 2022	194,612	10,000,000	3,334,912	7,350,563	20,880,087
Arising from disposal of subsidiary companies	(194,612)	-	-	-	(194,612)
Additions	-	-	-	41,000	41,000
At 30 June 2023	-	10,000,000	3,334,912	7,391,563	20,726,475
Accumulated depreciation					
At 1 July 2022	17,918	-	427,492	-	445,410
Arising from disposal of subsidiary companies	(19,348)	-	-	-	(19,348)
Charge for the year	1,430	-	66,698	184,789	252,917
At 30 June 2023	-	-	494,190	184,789	678,979
Net book value					
At 30 June 2023	-	10,000,000	2,840,722	7,206,774	20,047,496

12. INVESTMENT PROPERTIES *(continued)*

	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 2022	176,694	10,000,000	2,907,420	7,350,563	20,434,677

As at the reporting date, the Group's investment properties comprise a three-storey office building with a three-storey factory erected on freehold land.

The investment properties are measured at level 3 of the fair value hierarchy. The directors estimate the fair value of the investment properties to be approximately RM19,840,000. This is based on the information obtained from a real estate agent's website.

Included under investment properties are:

	GROUP 2023 RM	2022 RM
Investment properties pledged to banks as disclosed in Note 27	12,840,722	12,907,420

12. INVESTMENT PROPERTIES *(continued)*

The direct operating expenses recognised in profit or loss in respect of investment properties that do not generate income are as follows:

	GROUP	
	2023 RM	2022 RM
Direct operating expenses of investment properties that do not generate income:		
Building maintenance	-	1,874
Quit rent and assessment	28,399	20,145
Insurance	3,784	3,926

13. RIGHT-OF-USE ASSETS

	Premises RM
GROUP	
2023	
At cost	
At 1 July 2022	1,981,727
Arising from acquisition of subsidiary companies	755,115
Additions	785,711
Leases expired	(1,182,572)
At 30 June 2023	2,339,981
Accumulated depreciation	
At 1 July 2022	1,085,973
Arising from acquisition of subsidiary companies	39,196
Charge for the year	958,811
Leases expired	(1,040,808)
At 30 June 2023	1,043,172
Net book value	
At 30 June 2023	1,296,809

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

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

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

	Premises RM
COMPANY	
2023	
At cost	
At 1 July 2022	324,030
Expired lease	(324,030)
Addition	350,092
At 30 June 2023	350,092
Accumulated depreciation	
At 1 July 2022	128,261
Charge for the year	83,179
Expired lease	(182,266)
At 30 June 2023	29,174
Net book value	
At 30 June 2023	320,918
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

Right-of-use assets of the Group and of the Company amounting to RM1,540,826 (2022: RM799,155) and RM 350,092 (2022: RM Nil) respectively were acquired from leases.

14. INTANGIBLE ASSETS

GROUP	License fees RM	Goodwill RM	Total RM
2023			
At cost			
At 1 July 2022	1,278,000	19,288,432	20,566,432
Arising from acquisition of subsidiary companies	750,000	31,657,419	32,407,419
Written off	(450,000)	-	(450,000)
At 30 June 2023	1,578,000	50,945,851	52,523,851
Accumulated amortisation			
At 1 July 2022	239,400	-	239,400
Arising from acquisition of subsidiary companies	237,500	-	237,500
Charge for the year	399,354	-	399,354
Written off	(175,396)	-	(175,396)
At 30 June 2023	700,858	-	700,858
Accumulated impairment loss			
At 1 July 2022	-	11,900,000	11,900,000
Charge for the year	-	15,638,789	15,638,789
At 30 June 2023	-	27,538,789	27,538,789
Net carrying amount			
At 30 June 2023	877,142	23,407,062	24,284,204

14. INTANGIBLE ASSETS *(continued)*

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 subsidiary companies	-	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 and 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 prior year due to waiver obtained from having to pay license fees in respect of that year from the franchisor.

14. INTANGIBLE ASSETS *(continued)*

Goodwill

During the year, goodwill amounting to RM31,657,419 arose from the Group's acquisition of High Reserve F&B Sdn. Bhd. and its subsidiary companies.

As at reporting date, the carrying amount includes goodwill of RM3,749,643 relaing to Caritas Et Veritas Sdn. Bhd. and its subsidiary company ("cash generating unit"), and RM19,657,419 relating to High Reserve F&B Sdn. Bhd. and its subsidiary companies ("cash generating unit"). In prior year, RM3,638,789 relates to Asia Poly Food and Beverage Sdn. Bhd. ("cash generating unit") and RM3,749,643 relates to Caritas Et Veritas Sdn. Bhd. and its subsidiary company ("cash generating unit").

The Group performed its annual impairment test as at the reporting date.

The Group recognised impairment totalling to RM15,638,789 (2022: RM9,400,000) in respect of goodwill relating to the food and beverage outlets in Asia Poly Food and Beverage Sdn. Bhd. of RM3,638,789 and High Reserve F&B Sdn. Bhd. and its subsidiary companies of RM12,000,000 (2022: Asia Poly 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 at a discount rate of 3.68% (2022: 9.40%). The future cash inflows reflect the expected moderate domestic market growth due to soften global growth as a result of weaker than expected global demand, tighter global financial conditions and mounting geopolitical uncertainty.

<u>Asia Poly Food and Beverage Sdn. Bhd.</u>

The cash flows are projected based on a five year (2022: nine year) financial budgets and projections as approved by the Board of Directors. A pre-tax discount rate of 3.68% (2022: 9.40%) is applied. This is based on the duration of the franchise for the outlet.

The key assumptions i.e. those to which the generating unit 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 softening of global outlook in terms of escalating inflationary pressure, supply chain disruption and prolonged geopolitical tensions.

In current year, 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.

As at reporting date, the goodwill is fully impaired by RM3,638,789.

14. INTANGIBLE ASSETS *(continued)*

Caritas Et Veritas Sdn. Bhd. and its subsidiary companies

The cash flows are projected based on a three year financial budgets and projections approved by the Board of Directors and using a pre-tax discount rate of 3.68% (2022: 9.40%).

The key assumptions i.e. those to which the generating unit 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 softening of global outlook in terms of escalating inflationary pressure, supply chain disruption and prolonged geopolitical tensions.

In current year, it is assumed there is no growth rate used to extrapolate cash flow projections beyond the 3 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.

High Reserve F&B Sdn. Bhd. and its subsidiary companies

The cash flows are projected based on a five year financial budgets and projections as approved by the Board of Directors and using a pre-tax discount rate of 3.68% (2022: 9.40%). This is based on the duration of the franchise issued for the outlets.

The key assumptions i.e. those to which the generating unit 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 softening of global outlook in terms of escalating inflationary pressure, supply chain disruption and prolonged geopolitical tensions.

In current year, 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.

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 RM3,300,000.

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 RM5,500,000.

15. SUBSIDIARY COMPANIES

	COMPANY 2023 RM	COMPANY 2022 RM
Unquoted shares, at cost	67,800,002	85,140,002
Loans that are part of net investments	3,453,554	3,453,554
	71,253,556	88,593,556
Impairment losses	(71,253,554)	(82,463,554)
	2	6,130,002

Movement in impairment loss is as follows:

	COMPANY 2023 RM	COMPANY 2022 RM
At 1 July	82,463,554	76,543,554
Impairment loss	6,130,000	5,920,000
Disposals	(17,340,000)	-
At 30 June	71,253,554	82,463,554

The reversal of the impairment loss of RM17,340,000 during the year is due to the creditors' winding-up of the subsidiary company.

During the year, there is an allowance for impairment of RM6,130,000 (2022: RM5,920,000) on another subsidiary company due to its recoverable amount being less than its carrying amount. 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 at a discount rate of 3.68% (2022: 9.40%). The future cash inflows reflect the expected moderate domestic market growth due to soften global growth as a result of weaker than expected global demand, tighter global financial conditions and mounting geopolitical uncertainty.

15. SUBSIDIARY COMPANIES *(continued)*

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.

The subsidiary companies are as follows:

Name of company	Country of incorporation	Principal activities	Percentage of issued share capital held by the Group 2023	2022
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	Dormant. Placed under creditors' voluntary winding-up on 10th February 2023.	-	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. As at 30 June 2023, one of its outlets ceased operations.	100%	100%

15. SUBSIDIARY COMPANIES *(continued)*

Name of company	Country of incorporation	Principal activities	Percentage of issued share capital held by the Group 2023	2022
United Delight Sdn. Bhd.	Malaysia	Investment holding	100%	100%
United Distribution Sdn. Bhd.	Malaysia	Trading of food related products and ceased during the year.	100%	100%
Held by Asia Poly Food and Beverage Sdn. Bhd.				
High Reserve F&B Sdn. Bhd.	Malaysia	Operator of two outlets which carries out the business of a restaurant and other related activities.	100%	-
Held by United Delight Sdn. Bhd.				
Caritas Et Veritas Sdn. Bhd.	Malaysia	Engaged in the business of operating a restaurant	70%	70%
Held by Caritas Et Veritas Sdn. Bhd.				
Verona Wines Sdn. Bhd.	Malaysia	Trading, wholesale and import all alcohol related products	70%	70%
Verona Café Sdn. Bhd.#*	Malaysia	Dormant	-	70%
Held by Dolphin Applications Sdn. Bhd.				
PT Dolphin Indonesia *	Indonesia	Dormant	90%	90%
Dolphin Robotic Systems Sdn. Bhd.	Malaysia	Dormant	-	100%

15. SUBSIDIARY COMPANIES *(continued)*

Name of company	Country of incorporation	Principal activities	Percentage of issued share capital held by the Group	
			2023	**2022**
Held by High Reserve F&B Sdn. Bhd.				
Edaran TCQ Sdn. Bhd.	Malaysia	Operator of one outlet which carries out the business of a restaurant and other related activities.	100%	-
Oharu Inn Sdn. Bhd.	Malaysia	Operator of one outlet which carries out the business of a restaurant and other related activities.	100%	-

\# The subsidiary company was incorporated on 24 December 2021 and has not commenced operations as at 30 June 2022. The subsidiary company was struck off on 26 January 2023 pursuant to Section 550 of the Companies Act 2016.

* Not audited by PCCO PLT

Business combination

Acquisition of High Reserve Group ("HR Group")

On 20 July 2022, the Group acquired 100% of the voting shares of High Reserve F&B Sdn. Bhd. and its two subsidiaries. Oharu Inn Sdn. Bhd. and Edaran TCQ Sdn. Bhd. All companies in the HR Group are operators of restaurant outlets. The Group acquired HR Group in order to expand the food and beverage segment and to enjoy greater economies of scale.

The total consideration is as follows:

(i) Cash consideration of RM13,300,000 of which RM6,500,000 is included under other payables as at 30 June 2023. The vendor has given an extension for payment until 1 August 2024;

15. SUBSIDIARY COMPANIES *(continued)*

(ii) Allotment and issuance of 282,874,617 new ordinary shares at an issue price of RM0.0654 amounting to RM18,500,000 by the Company as disclosed in Note 23; and

(iii) Contingent consideration of RM4,200,000 as disclosed in Note 31.

The fair values of the identifiable assets and liabilities of High Reserve F&B Sdn. Bhd. and its subsidiary companies as at the date of acquisition is disclosed in Note A to the Consolidated Cash Flow Statements.

The fair value of trade receivables amounts to RM1,202,231. The gross amount of trade receivables is RM1,202,231 and it is expected that the full contractual amounts can be collected.

The effect of the acquisition of the subsidiary companies on the financial results of the Group from the date of acquisition to 30 June 2023 is as follows:

	RM
Revenue	7,594,807
Loss for the year	(5,889,626)

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

	RM
Revenue	8,407,306
Loss for the year	(4,607,135)

16. ASSOCIATE COMPANY

	GROUP	
	2023	**2022**
	RM	**RM**
Unquoted shares, at cost	2,976	2,976
Impairment losses	(2,976)	(2,976)
	-	-

16. ASSOCIATE COMPANY *(continued)*

The associate company which was incorporated in Indonesia is:

Held by Dolphin Applications Sdn. Bhd.		**Group's equity interest**	
Name of company	**Principal activity**	**2023**	**2022**
PT Emas Hijau Sejahtera Kapuas Indonesia	Dormant. Placed under members voluntary winding-up on 9 November 2017	30%	30%

17. OTHER RECEIVABLES – NON-CURRENT

	COMPANY	
	2023 RM	**2022 RM**
Amounts due from subsidiary companies - non-trade account	23,918,143	4,318,456

The amounts due from subsidiary companies are stated at amortised cost using the effective interest rates of 5.49% - 6.68% (2022: 5.49% - 5.73%) and assumed repayable at the end of the tenth year from the date the advances were disbursed at amounts of RM37,318,582 (2022: RM Nil), RM5,623,916 (2022: RM5,723,916) and RM1,478,916 (2022: RM1,681,916).

18. INVENTORIES

	GROUP	
	2023 RM	**2022 RM**
At the lower of cost and net realisable value		
Beverages	343,315	296,514
Raw materials	222,905	103,868
Consumables	-	11,005
Packing materials	279,279	304,305
Good for resale	1,535,252	1,783,785
	2,380,751	2,499,477

19. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2023	2022	2023	2022
	RM	RM	RM	RM
Trade receivables	1,066,722	376,293	-	-
Less: Loss allowance	(33,685)	(211,200)	-	-
	1,033,037	165,093	-	-
Other receivables	137,529	45,792	-	920
Amounts due from subsidiary companies				
- non-trade	-	-	205	18,171,817
Less: Loss allowance	-	-	-	(1,280,739)
	-	-	205	16,891,078
Advances to supplier	281,460	163,490	-	-
Deposits	1,452,370	6,253,136	124,916	103,500
Prepayments	263,927	24,589	-	7,467
	3,168,323	6,652,100	125,121	17,002,965

Trade receivables are non-interest bearing and on 30 days credit terms (2022: 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 trade receivables is an amount totalling to RM110,580 (2022: RM236,768) being retention sum received from customers of which RM Nil (2022: RM69,810) are impaired.

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

Included in other receivables of the Group is an amount of RM70,067 (2022: RM15,626) 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.

Included in prior year deposits of the Group is an amount of RM5,400,000 relating to the acquisition of subsidiary company, High Reserve F & B Sdn. Bhd.

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

19. TRADE AND OTHER RECEIVABLES *(continued)*

Trade receivables denominated in currencies other than the functional currency are as follows:

	GROUP	
	2023 **RM**	**2022** **RM**
United States Dollar	-	15,869

	GROUP	
Loss allowance	**2023** **Trade receivables** **RM**	**2022** **Trade receivables** **RM**
As at 1 July	211,200	307,791
Increase in loss allowance	-	128,754
Reversal of unused amount	-	(225,345)
Written off	(177,515)	-
As at 30 June	33,685	211,200

COMPANY
2023
Loss allowance

	Amounts due from a subsidiary company – non-trade account **RM**
As at 1 July 2022	1,280,739
Written off	(1,280,739)
As at 30 June 2023	-

19. TRADE AND OTHER RECEIVABLES *(continued)*

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
Written off	(4,517)	
As at 30 June 2022	-	1,280,739

20. CONTRACT ASSETS

	GROUP	
	2023 RM	**2022 RM**
Contract assets relating to the construction service contract	-	187,077

	GROUP	
Loss allowance	**2023 RM**	**2022 RM**
At 1 July	-	760,868
Written off	-	(760,868)
At 30 June	-	-

a) In prior year, 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 RM Nil (2022: RM365,828).

21. FIXED DEPOSIT WITH A LICENSED BANK

The Group's and the Company's fixed deposit with a licensed bank is pledged as security for 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.

22. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash in hand	27,984	11,584	-	-
Bank balances	1,617,993	4,348,758	408,591	2,080,528
Total cash and cash equivalents	1,645,977	4,360,342	408,591	2,080,528

Cash and bank balances denominated in currencies other than the functional currency are as follows:

	GROUP	
	2023 RM	2022 RM
United States Dollar	4,613	374,549
Euro Dollar	1,837	2,208

23. SHARE CAPITAL

	GROUP			
	2023		2022	
	No. of Shares	RM	No. of Shares	RM
Ordinary shares				
Balance as at 1 July	1,055,008,431	47,927,114	935,748,431	38,779,872
Issuance of shares pursuant to Private Placement	-	-	119,260,000	9,147,242
Capital reduction	-	(43,000,000)	-	-
Issuance of shares for part settlement of purchase consideration on acquisition of a subsidiary company	282,874,617	18,500,000	-	-
Balance as at 30 June	1,337,883,048	23,427,114	1,055,008,431	47,927,114

Included in RM23,427,114 (2022: RM47,927,114) 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.

	COMPANY			
	2023		2022	
	No. of Shares	RM	No. of Shares	RM
Ordinary shares				
Balance as at 1 July	1,055,008,431	71,071,829	935,748,431	61,924,587
Issuance of shares for part settlement of purchase consideration on acquisition of a subsidiary company	282,874,617	18,500,000	-	-
Issuance of shares pursuant to Private Placement	-	-	119,260,000	9,147,242
Capital reduction	-	(43,000,000)	-	-
Balance as at 30 June	1,337,883,048	46,571,829	1,055,008,431	71,071,829

23. SHARE CAPITAL *(continued)*

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 22 June 2023, there was an approved capital reduction of RM 43,000,000 pursuant to Section 117 of the Companies Act 2016.

24. 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.

25. 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 RM0.08 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.

25. WARRANT RESERVE – non-distributable *(continued)*

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. Subsequent to year end, 183,147,003 outstanding Warrants-B will lapse.

26. LEASE LIABILITIES

GROUP
Right-of-use assets – premises

	2023 RM	2022 RM
Minimum lease payments:		
Within one year	828,040	505,340
Between two to five years	609,420	490,960
	1,437,460	996,300
Less : Future finance charges	(93,711)	(53,557)
Present value of minimum lease payments	1,343,749	942,743
Repayments due:		
Within one year	771,997	468,676
Between two to five years	571,752	474,067
	1,343,749	942,743
Incremental borrowing cost	5.49% - 6.80%	5.49% - 6.71%

26. LEASE LIABILITIES *(continued)*

COMPANY
Right-of-use assets – premises

	2023 RM	2022 RM
Minimum lease payments:		
Within one year	99,000	90,000
Between two to five years	264,000	127,500
	363,000	217,500
Less : Future finance charges	(38,766)	(13,315)
Present value of minimum lease payments	324,234	204,185
Repayments due:		
Within one year	80,985	81,226
Between two to five years	243,249	122,959
	324,234	204,185
Incremental borrowing cost	6.45%	5.49%

27. TERM LOAN

	GROUP	
	2023 RM	2022 RM
Term loan is at 1.60% above effective Islamic cost of funds repayable by 180 monthly installments of RM93,095	7,363,210	8,058,463
Repayments due:		
Within one year	739,045	700,704
Between two to five years	3,386,839	3,211,133
More than five years	3,237,326	4,146,626
	6,624,165	7,357,759
	7,363,210	8,058,463

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

28. DEFERRED TAXATION

	GROUP 2023 RM	GROUP 2022 RM
At 1 July	120,000	(48,000)
Arising from acquisition of a subsidiary company	58,210	14,331
Deferred tax expenses arising from and reversal of temporary differences	(76,615)	71,315
Adjustment to opening deferred tax resulting from changes in income tax rate	23,606	-
(Over)/underprovision of deferred tax liabilities in prior year	(59,201)	82,354
Transferred (to)/from profit or loss (Note 9)	(112,210)	153,669
At 30 June	66,000	120,000

The components of deferred tax liabilities and assets that are recognised during the financial year are as follows:

	GROUP 2023 RM	GROUP 2022 RM	COMPANY 2023 RM	COMPANY 2022 RM
Deferred tax liabilities:				
Capital allowances in excess of depreciation	68,152	166,191	1,139	-
Unrealised gain on foreign exchange	-	5,324	-	-
Deferred tax assets:				
Unabsorbed capital allowance	-	(5,324)	-	-
Unused tax losses*	(2,152)	(38,559)	(1,139)	-
Others	-	(7,632)	-	-
	66,000	120,000	-	-

28. DEFERRED TAXATION *(continued)*

* In accordance with the Income Tax Act 1967, the recognised deferred tax assets in respect of unused tax losses of the Group and of the Company will expire at the end of the Year of Assessment as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Year of Assessment 2029	1,139	38,559	1,139	-
Year of Assessment 2032	1,013	-	-	-
	2,152	38,559	1,139	-

The amounts of deferred tax assets that are not recognised in the statement of financial position are as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Depreciation in excess of capital allowances	125,400	-	-	-
Unabsorbed capital allowances	108,816	114,765	-	445
Unused tax losses	1,354,376	3,516,397	600,918	693,346
Others	-	-	-	2,020
	1,588,592	3,631,162	600,918	695,811

In accordance with the Income Tax Act 1967, the unrecognised deferred tax assets in respect of unused tax losses of the Group and of the Company will expire at the end of the Year of Assessment as follows:

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Year of Assessment 2028	-	1,461,269	-	-
Year of Assessment 2029	40,639	56,123	19,996	21,134
Year of Assessment 2030	23,168	56,329	21,212	21,212
Year of Assessment 2031	615,821	942,967	377,268	377,268
Year of Assessment 2032	462,273	999,709	182,442	273,732
Year of Assessment 2033	212,475			
	1,354,376	3,516,397	600,918	693,346

29. PREFERENCE SHARES

	GROUP	
	2023	**2022**
	RM	**RM**
Redeemable non-convertible preference shares	-	10,110,000

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.

(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 15th 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.

29. PREFERENCE SHARES *(continued)*

(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.

(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 prior year reporting date, there is no redemption for preference shares in a subsidiary company amounting to RM10,110,000.

30. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade payables	1,184,002	4,774,386	-	-
Other payables	7,088,727	1,203,687	366,365	518,211
Deposits	-	500,000	-	-
Accruals	1,035,458	1,126,221	245,954	235,624
Amount due to a director	1,252	5,984	-	2,439
Service tax payable	99,603	84,241	-	-
	9,409,042	7,694,519	612,319	756,274

Trade payables are non-interest bearing and on 30 days to 45 days terms (2022: 30 days to 90 days or on 30 days credit term from invoice date and subject to 1.5% late charges within the rights of the suppliers).

Subsequent to the financial year end, the payment of RM6,500,000 owing to the vendors of a subsidiary company has been further extended until 1 August 2024.

Included in trade payables and other payables of the Group are amount of RM543,873 (2022: RM482,471) and RM60,000 (2022: RM Nil) respectively due to a subsidiary company of a Group in which a director of the subsidiary company has controlling interest.

The amount due to a director is unsecured, interest free and repayable on demand.

Other payables are unsecured, non-interest bearing and repayable on demand.

31. CONTINGENT CONSIDERATION

	GROUP	
	2023 RM	2022 RM
As at 1 July 2022	-	-
Liability arising on business combination	3,851,744	-
Fair value changes recognised in profit or loss	85,264	-
As at 30 June 2023	3,937,008	-

Contingent consideration represents amount owing to the vendors for acquisition of a subsidiary company.

31. CONTINGENT CONSIDERATION *(continued)*

According to the Sale Shares Agreement, the first cash consideration and the second cash consideration shall be made to the vendors subject to the following:

(i) First Profit Guarantee Period

(a) If the HR Group records a profit after tax ("PAT") that is equivalent to or more than the Profit Guarantee, the Group shall pay RM2,100,000 to the vendors.

(b) If the HR Group records a PAT that is less than the Profit Guarantee or recorded a loss after tax ("LAT"), the Group shall retain the RM2,100,000 and no amount shall be released to the vendors.

(ii) Second Profit Guarantee Period

(a) If the aggregate PATs for both the Profit Guarantee periods is equivalent to or more than the total Profit Guarantee of RM4,200,000, the Group shall pay RM4,200,000 to the vendors.

(b) If the aggregate PATs for both the Profit Guarantee periods is less than the total Profit Guarantee of RM4,200,000, the Group shall pay RM4,200,000 less aggregate shortfall.

(c) If HR Group suffers an aggregate loss for both the Profit Guarantee periods, the vendors shall pay the aggregate loss to the Group.

The amount is payable to the vendors based on meeting the Profit Guarantee that is considered finalised upon completion of audit of the High Reserve Group ("HR"). The Directors are of the opinion that it is highly probable the First Profit Guarantee would not be fulfilled during the first period. Hence, the first cash consideration is retained for the Second Profit Guarantee period. Accordingly, there is a fair value adjustment of RM85,264 to contingent consideration.

The fair value is determined using the discounted cash flow method. The significant unobservable inputs used in the fair value measurement categorised with Level 3 of the fair value hierarchy is the probability of meeting the profit after tax exclusive of exceptional gains.

32. SHORT-TERM BORROWINGS

	GROUP 2023 RM	GROUP 2022 RM
Bankers' acceptances	192,000	-

The short-term borrowings are secured by the Company's fixed deposits.

Bankers' acceptance commission is charged at 0.50% per annum above the bank's discount rate.

33. SIGNIFICANT RELATED PARTY TRANSACTIONS

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Management fees charged to subsidiaries	-	-	-	(240,000)
Office lease rental paid to a person connected to a director of the Company	93,000	90,000	93,000	90,000
Sales to subsidiary companies of a Group in which a major corporate shareholder of the Company has controlling interests	(78,400)	(47,509)	-	-
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)	-	-

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

33. SIGNIFICANT RELATED PARTY TRANSACTIONS *(continued)*

	GROUP		COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
(Income)/expenses paid to Companies in which a director of the Company and his connected persons have controlling interest:				
Purchase of small value assets and cleaning expenses	-	3,324	-	-
Sales of goods	(57,800)	-	-	-
Renovation expenditure	-	699	-	-
Repair and maintenance	49,558	1,798	-	-
Utensils and kitchenware	6,259	-	-	-
Sales proceed from disposal of investment in a subsidiary company received from a subsidiary company's director	1	-	-	-
(Income)/expenses paid to subsidiary companies of a Group in which a director of a subsidiary company has controlling interest:				
Purchase of goods	3,550,172	1,402,824	-	-
Royalty	248,160	-	-	-
Wages	46,292	33,877	-	-
Incentives	(837,366)	(446,674)	-	-
Sales proceeds from disposal property, plant and equipment	(15,500)	(8,649)	-	-
Payroll services	18,000	-	-	-
Medical fees	16,032	-	-	-
Compensation expenses	2,200	-	-	-
Sales of goods	(417,808)	-	-	-
Rental expense of premises	220,000	-	-	-
Rental income from premises	(96,000)	-	-	-

34. 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors:				
Total compensation	1,078,056	1,253,440	615,327	842,131

35. CAPITAL COMMITMENT

	GROUP	
	2023 RM	2022 RM
Approved and contracted but not provided for	-	22,879

36. 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 products ("Trading").

Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

36. SEGMENT INFORMATION *(continued)*

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 are 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 are measured based on all liabilities of a segment, as included in the internal reports that are reviewed by the Board of Directors.

36. 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 2023							
Revenue							
Segment revenue	-	-	-	14,431,309	3,274,932	-	17,706,241
Inter-segment revenue	-	-	-	2,740,253	573,841	(3,314,094)	-
	-	-	-	17,171,562	3,848,773	(3,314,094)	17,706,241
Results							
Segment (loss)/profit before taxation	5,666,189	(282,525)	(26,607,337)	(11,969,194)	(57,463)	24,450,201	(8,800,129)
As at 30 June 2023							
Assets							
Segment assets	20,943,595	6,401	30,013,486	27,307,805	3,301,476	(26,473,806)	55,098,957
Total segment assets	20,943,595	6,401	30,013,486	27,307,805	3,301,476	(26,473,806)	55,098,957

36. 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	(13,989,109)	(2,316,325)	(4,299,018)	(27,359,949)	(2,178,269)	27,826,887	(22,315,783)
Total segment liabilities	(13,989,109)	(2,316,325)	(4,299,018)	(27,359,949)	(2,178,269)	27,826,8857	(22,315,783)
Year ended 30 June 2023							
Other information							
Depreciation of property, plant and equipment	30,373	8,127	6,033	751,799	72,176	-	868,208
Depreciation of investment property	252,917	-	-	-	-	-	252,917
Interest expenses	421,885	-	21,700	49,380	14,241	-	507,206
Interest income	(1,471)	(2)	(32,778)	(196)	-	-	(34,447)
Bad debts written off	358,233	-	-	59,593	-	-	418,021
Reversal of foreseeable losses on contract assets	(365,824)	-	-	-	-	-	(365,824)
Property, plant and equipment written off	2	22,746	-	1,155,349	-	-	1,178,097
Intangible assets written off	-	-	-	274,604	-	-	274,604
Loss on disposal of property, plant and equipment	-	-	-	44,416	-	-	44,416
Impairment loss on property, plant and equipment	-	-	-	2,397,980	-	-	2,397,980

36. 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
Gain on disposal of investments in subsidiary companies	-	-	-	-	-	(19,168,339)	(19,168,339)
Reversal of loss allowance of receivables	(177,515)	-	-	-	-	-	(177,515)
Depreciation of right-of-use assets	-	-	171,908	658,849	128,054	-	958,811
Reversal of impairment loss on property, plant and equipment	-	-	-	(477,400)	-	-	(477,400)
Impairment of goodwill	-	-	-	-	-	15,638,789	15,638,789
Taxation	-	-	-	3,043	-	-	3,043
Assets							
Additions to non-current assets							
– property, plant and equipment	-	-	2,086	70,400	-	-	72,486
– right-of-use assets	-	-	350,092	435,619	-	-	785,711
– investment properties	41,000	-	-	-	-	-	41,000

36. 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
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

36. 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	128,754	-	-	-	-	-	128,754
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
(CONT'D)

36. 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)	-	-	-	-	-	(225,345)
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

36. 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
2023		
Malaysia	17,706,241	47,287,133
Indonesia	-	497
	17,706,241	47,287,630

	Revenue – continuing operations RM	Non-current assets – continuing operations RM
2022		
Malaysia	9,449,237	33,296,664
Indonesia	72,555	30,983
	9,521,792	33,327,647

Information about major customers

There is no single customer which contribute 10% or more of the Group's revenue for current and prior years.

37. MATERIAL LITIGATIONS

(i) Originating Summon on Shah Alam High Court Civil Suit No.: BA-22NCvC-148-04/2023) Genesis Corp Pte Ltd, Neilson Navin A/L Anthony Aloysius and Chong Wai Chee (collectively, the "Plaintiffs") between the Company ("Dolphin"), Dolphin Robotic Systems Sdn Bhd ("DRSSB"), Dolphin Applications Sdn. Bhd. ("DASB") and Low Teck Yin (collectively, the "Defendants")

On 3 May 2023, Dolphin Robotic Systems, Dolphin Applications and Dolphin (collectively, the "Defendants received from the Plaintiffs a sealed order dated 27 April 2023 ("Ex-parte Order") consisting of the following:

(a) an interim order prohibiting the Defendants from voluntary winding up until the disposal of this action;

(b) an interim order prohibiting Low Teck Yin and/or any directors and shareholders of the Defendants from taking any steps in relation to voluntary winding up of the companies until the disposal of this action; and

(c) an interim order prohibiting the making of any decision in relation to voluntary winding up of the Defendants and to execute the decision relating to voluntary winding up until the disposal of this action.

Thereafter on 9 May 2023, the Defendants received the Writ and Statement of Claim both dated 19 April 2023, the Plaintiffs' notice of application dated 20 April 2023 ("Plaintiffs' Injunction Application") together with its affidavit in support.

In this suit, the Plaintiffs claimed against the Defendants for declaratory relief, injunction and damages based on fraudulent misrepresentation and breach of contract in respect of a purported investment scheme ("Purported Investment Scheme"). The Plaintiffs, among others, claimed that the 4th Defendant, Low Teck Yin had introduced the Purported Investment Scheme and Defendants had engaged the 1st Plaintiff as agent to promote the scheme and get investors. It was alleged that the 4th Defendant had represented to the Plaintiffs that: (a) the Purported Investment Scheme relates to a project of making and/or building and/or creating palm oil processing machine which could extract at least 5% more palm oil than normal machine; (b) the investors would get shares in Dolphin Robotic Systems as a form of security of the alleged investment; and (c) the Purported Investment Scheme is for a period of 3 years with guaranteed returns on a quarterly basis, which would be paid via the 1st Plaintiff as an agent. It is the Defendants' defence that the Defendants were unaware of the Purported Investment Scheme and that 1st Plaintiff is not an agent of the Defendants at all material times.

37. MATERIAL LITIGATIONS *(continued)*

On 31 May 2023, the Defendants filed applications to set aside the Ex-parte Order ("Setting Aside Applications"). The Defendants also filed affidavits in reply to oppose the Plaintiffs' Injunction Application.

On 1 August 2023, the Plaintiffs' Injunction Application was dismissed with costs of RM10,000 by the Shah Alam High Court while the Setting Aside Applications were allowed by the Shah Alam High Court.

On 25 August 2023, Dolphin Applications and Dolphin filed an application for assessment of damages. The application for assessment of damages is fixed for final case management on 31 May 2024 before the fixed trial dates on 24, 25 and 26 June 2024.

The Writ has been fixed for trial on 8 to 10 April 2024. The next case management is fixed on 25 March 2024 for parties to file the pre-trial documents.

The Board and the solicitors are of the view that Dolphin Applications and Dolphin have a reasonably good chance in resisting the claim.

(ii) Case Register No.: 93/Pdt.G/2018/PN.TNG ("Suit 1") between PT Dolphin Indonesia ("PTDI") (Plaintiff) and PT Himalaya Transmeka ("PTHT") (Defendant)

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 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 in 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 the 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.

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 PTDI the judgement sum of IDR 352,417,462 plus court fees of IDR 500,000.

37. MATERIAL LITIGATIONS *(continued)*

The lawyers of PTDI has filed an execution application and the Tangerang District Court has instructed PTDI to identify the assets of PTHT before any confiscation of its assets can be carried out to repay the settlement of the judgment sum.

The Board of Directors of the Group has decided not to pursue any further.

(iii) Case Register No.: 700/Pdt.G/2020/PN.JKT.UTR ("Suit 2") between PT Dolphin Indonesia ("PTDI") (Defendant) and PT Himalaya Transmeka ("PTHT") (Plaintiff)

On 7 December 2020, PTHT has disregarded the Tangerang District Court's decision and filed a lawsuit to another court, the North Jakarta District Court to claim a sum of IDR 5,745,021,436 for outstanding fees. On 4 November 2021, the North Jakarta District Court has dismissed the lawsuit and ordered PTHT to pay court fees of IDR 991,000.

PTHT has subsequently filed an appeal to the Jakarta High Court on 17 February 2022 which was again dismissed on 22 June 2022 and PTHT to pay court fees of IDR 150,000.

PTHT had subsequently on 8 August 2022 has filed an appeal to the Supreme Court of the Republic Indonesia.

PTHT filed another lawsuit to West Jakarta District Court and based on the decision dated 28 February 2023, it has been resolved:

(a) To reject the cassation from PTHT; and
(b) To sentence PTHT to pay the court fees of IDR 500,000.

Up to the date of the financial statements, PTHT did not file for cassation at the Supreme Court of Indonesia, thus, this case is considered completed in terms of having received a decision that is legally binding.

(iv) Case Register No.: 167/Pdt.G/2022 PN.JKT.PST) between between PT Dolphin Indonesia ("PTDI") (Defendant) and PT Arka Jaya Mandiri ("PTAJM") (Plaintiff)

On 8 December 2017, PTDI, a subsidiary Company, had filed a Writ of Summons at the Serang District Court against PTAJM. 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.

37. MATERIAL LITIGATIONS *(continued)*

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. PTDI decided not to pursue the case.

On 3 December 2020, PTAJM disregarded the East Jakarta District Court's decision and filed a 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 a 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 9 August 2022, PTAJM submitted an appeal at the DKI Jakarta District High Court. Based on the decision of DKI Jakarta District High Court dated 29 November 2022, it has been resolved:

(a) Receive an appeal from PTAJM's appellant;
(b) Corroborate the decision of Central Jakarta District Court dated 26 July 2022; and
(c) Sentence PTAJM to pay the court fees of IDR 150,000.

Up to the date of the financial statements, PTAJM did not file for cassation at the Supreme Court of Indonesia, thus, this case is considered completed in terms of having received a decision that is legally binding.

38. EVENTS SUBSEQUENT TO THE REPORTING DATE

(i) On 26 October 2023, the Board of Directors have proposed to undertake a renounceable rights issue of up to 178,384,776 new ordinary shares in the Company ("Rights Shares") together with up to 133,788,582 free detachable warrants of the Company ("Warrants-C") at an issue price of RM 0.075 per Rights Shares together with 3 Warrants-C for every 3 shares held on an entitlement date to be determined later.

(ii) On 3 October 2023, the Company has consolidated every of its 10 existing ordinary shares into 1 share ("Consolidated Share").

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 2023 (RM'000)
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.	12,840

ANALYSIS OF **SHAREHOLDINGS**
AS AT 18 OCTOBER 2023

ORDINARY SHARES

Issued Share Capital	:	133,788,582 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share
Number of Shareholders	:	4,200

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	230	5.48	5,769	0.00
100 - 1,000	1,053	25.07	643,273	0.48
1,001 - 10,000	1,894	45.10	8,519,885	6.37
10,001 - 100,000	857	20.40	29,316,647	21.91
100,001 to less than 5% of issued shares	165	3.93	81,211,690	60.70
5% and above of issued shares	1	0.02	14,091,318	10.53
	4,200	100.00	133,788,582	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.	IR. ZULKIFLE BIN OSMAN	-	-	-	-
2.	YEO BOON THAI	2,192,929	1.64	-	-
3.	TAN BAN TATT	-	-	-	-
4.	LIM SENG HOCK	-	-	-	-
5.	YEO BOON HO	3,135,609	2.34	-	-
6.	LOKE MEE LENG	-	-	-	-

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS
(EXCLUDING BARE TRUSTEES)

No.	Name of Substantial Shareholders	No. of Shares Held (Direct)	%	No. of Shares Held (Indirect)	%
1.	ASIA POLY HOLDINGS BERHAD	14,091,318	10.53	-	-
2.	DATO' YEO BOON LEONG	10,641,350	7.95		

ANALYSIS OF SHAREHOLDINGS
(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	14,091,318	10.53
2.	YEO BOON LEONG	5,550,050	4.15
3.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEO BOON LEONG	5,150,000	3.85
4.	SOUTHERN REALTY RESOURCE SDN. BHD.	4,850,000	3.63
5.	SEIK THYE KONG	3,502,020	2.62
6.	YEO BOON HO	3,135,609	2.34
7.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SOON HUI (E-SJA)	3,094,700	2.31
8.	DARSHAN RAVINDRAN	2,197,800	1.64
9.	KUEK BOON SIANG	2,130,000	1.59
10.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KUEK BOON SIANG	1,550,000	1.16
11.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH KIN LIP (MY0502)	1,500,000	1.12
12.	YEO BOON THAI	1,499,999	1.12
13.	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SEIK YEE KOK	1,457,190	1.09
14.	YEO SOON BEE	1,400,000	1.05
15.	ZAKARIA BIN JUSOH	1,205,200	0.90
16.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM TECK SENG (7004977)	1,110,000	0.83
17.	CHANG JAU HUI	1,103,000	0.82
18.	KOH CHEN FOONG	1,000,000	0.75
19.	WEE HUAT KIAP	902,110	0.67
20.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH WAI CHUAN	800,000	0.60
21.	ANG HE YAM	780,000	0.58
22.	KEJURUTERAAN TRISURIA SDN. BHD.	750,000	0.56
23.	NYEO HOCK KIAT	736,350	0.55
24.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HIAH MOY THIANG	700,000	0.52
25.	LIM LIAN KHAI	700,000	0.52
26.	YEO BOON THAI	692,930	0.52
27.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR THAM MUN SENG	650,000	0.49
28.	KOH SOH HONG	640,900	0.48
29.	SIM MUI KHEE	608,210	0.46
30.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KOK AUN (7012070)	605,000	0.45

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eleventh 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, 14 December 2023 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 2023 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 RM400,000 for the financial year ending 30 June 2024.
(Ordinary Resolution 1)

3. To approve the payment of Directors' benefits to the Directors up to an amount of RM150,000 for the period commencing from 15 December 2023 until the next Annual General Meeting of the Company.
(Ordinary Resolution 2)

4. To re-elect Lim Seng Hock, the Director who retires by rotation pursuant to Clause 97.1 of the Company's Constitution and being eligible, offers himself for re-election.
(Ordinary Resolution 3)

5. To re-elect Ir. Zulkifle Bin Osman, the Director who retires pursuant to Clause 104 of the Company's Constitution and being eligible, offers himself for re-election. (Ordinary Resolution 4)

6. To re-elect Yeo Boon Thai, the Director who retires pursuant to Clause 104 of the Company's Constitution and being eligible, offers himself for re-election. (Ordinary Resolution 5)

7. To re-elect Loke Mee Leng, the Director who retires pursuant to Clause 104 of the Company's Constitution and being eligible, offers herself for re-election. (Ordinary Resolution 6)

8. 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 7)

AS SPECIAL BUSINESS

9. To consider and if thought fit, to pass the following resolutions:

   a) Ordinary Resolution - Authority to Directors to Allot and Issue Shares

   "THAT subject to Sections 75 and 76 of the Companies Act 2016, the Company's Constitution 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.

AND THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 54 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares arising from the allotment and issuance of the new shares pursuant to Sections 75 and 76 of the Companies Act 2016 AND THAT the Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company."

(Ordinary Resolution 8)

b) Ordinary Resolution - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"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 2023, 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 authorised by this Ordinary Resolution."

(Ordinary Resolution 9)

10. To transact any other business of which due notice shall have been given.

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 2023

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

Notes: -

1. The Eleventh 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 Eleventh Annual General Meeting via RPEV. Please read these Notes carefully and follow the procedures in the Administrative Guide for the Fully Virtual Eleventh 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 6 December 2023 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.

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 and Ordinary Resolution 2 – Directors' fees and Directors' benefit payable

   Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company shall be approved at a general meeting. The proposed Ordinary Resolution 1 and Ordinary Resolution 2 are to facilitate the payment of Directors' fees and Directors' benefits to the Directors.

   The Directors' Fees payable is computed based on the targeted Board size for the financial year ending 30 June 2024. 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.

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 15 December 2023 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.

c) Ordinary Resolution 3 - Retirement of Director by rotation

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. Lim Seng Hock 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 Eleventh Annual General Meeting. The information of his personal profile is provided in the Company's Annual Report for the financial year ended 30 June 2023.

e) Ordinary Resolution 4, Ordinary Resolution 5 and Ordinary Resolution 6
- Retirement of Directors

Clause 104 of the Company's Constitution states that any new Director appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the Annual General Meeting.

Ir. Zulkifle Bin Osman, Mr. Yeo Boon Thai and Ms. Loke Mee Leng were appointed as the Directors of the Company on 11 May 2023, 2 August 2023 and 19 October 2023, respectively. Ir. Zulkifle Bin Osman, Mr. Yeo Boon Thai and Ms. Loke Mee Leng being eligible, have offered themselves for re-election at this Annual General Meeting. The Board recommended their proposed re-election to be tabled for shareholders' approval at the Eleventh Annual General Meeting. The information of their personal profiles is provided in the Company's Annual Report for the financial year ended 30 June 2023.

f) Ordinary Resolution 8 – Authority to Directors to Allot and Issue Shares

The proposed Ordinary Resolution 8 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 Tenth Annual General Meeting held on 8 December 2022. This general mandate will expire at the conclusion of the Eleventh 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 8, if passed,

a) 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 ("**General Mandate**"); and

b) shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act 2016 and Clause 54 of the Company's Constitution and would allow the Directors of the Company to allot and issue new shares to any person under the General Mandate without having to offer the new shares to be issued to all existing shareholders of the Company prior to issuance which will result in a dilution to their shareholding percentage in the Company.

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

The General Mandate 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. The 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.

g) Ordinary Resolution 9 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The Proposed Ordinary Resolution 9 is to seek a renewal of Shareholders' Mandate for Recurrent Related Party Transactions granted by the shareholders of the Company at the Tenth Annual General Meeting held on 8 December 2022.

The proposed Ordinary Resolution 9, 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 2023.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the Eleventh 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 Eleventh Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Eleventh 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 ELEVENTH ANNUAL GENERAL MEETING

1. FULLY VIRTUAL ELEVENTH ANNUAL GENERAL MEETING ("11TH AGM")

Day, Date and Time of Meeting	Thursday, 14 December 2023 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 11th 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 11th 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 11th AGM. Alternatively, you may also appoint the Chairman of the Meeting as your proxy to attend and vote on your behalf at the virtual 11th 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 as at **6 December 2023** shall be eligible to participate and vote remotely in the virtual 11th AGM or appoint proxy(ies)/ the Chairman of the meeting to participate and/or vote on his/her behalf.

3. VOTING PROCEDURE

The voting procedure will be conducted by poll in accordance with Paragraph 8.29A of the Listing Requirements. The Company has appointed Boardroom Share Registrars Sdn. Bhd. ("**Boardroom**") as Poll Administrator to conduct the poll by way of electronic voting ("**e-voting**") and SKY Corporate Services Sdn. Bhd. ("**Scrutineers**") as the scrutineers to verify and validate the poll results.

For the purposes of this virtual 11th AGM, e-voting will be carried out via personal smart mobile phones, tablets or Laptops.

The polling will only commence after the announcement of poll being opened by the Chairman and until such time when the Chairman announces the closure of poll.

The Scrutineers will verify the poll result reports upon closing of the poll session by the Chairman and the Chairman will declare whether the resolutions put to vote were successfully carried or not.

You must ensure that you are connected to the internet at all times in order to participate and vote remotely when the virtual 11th AGM has commenced. Therefore, it is your responsibility to ensure that connectivity for the duration of the virtual 11th AGM is maintained. Kindly note that the quality of the

ADMINISTRATIVE GUIDE
(CONT'D)

connectivity to Virtual Meeting Portal for live webcast as well as for remote online voting is dependent on the bandwidth and stability of the internet connection at the location of the remote participants.

4. PROCEDURE FOR RPEV

Please note that the RPEV facilities are available to (i) Individual Members; (ii) Corporate Shareholders; (iii) Authorised Nominee; and (iv) Exempt Authorised Nominee shall use the RPEV facilities to participate and vote remotely at the virtual 11th AGM.

If you choose to participate in the Meeting online, you will be able to view a live webcast of the Meeting, ask questions and submit your votes in real time whilst the Meeting is in progress. Kindy follow the steps below on how to request for login ID and password.

Procedure	Action
BEFORE THE DAY OF VIRTUAL 11TH AGM	
Step 1 – Register Online with Boardroom Smart Investor Portal "BSIP" (for first time registration only) *Note:* *If you have already signed up with BSIP, you are not required to register again. You may proceed to Step 2 to submit your request for Remote Participation user ID and password.*	a. Access BSIP website at https://investor.boardroomlimited.com b. Click <<**Register**>> to sign up as a user. c. Please select the correct account type i.e. sign up as "Shareholder" or "Corporate Holder". d. Complete the registration with all required information. Upload a softcopy of your or representative's MyKAD/Identification Card (front and back) or Passport. e. For Corporate Holder, kindly upload the authorisation letter as well. Click "**Sign Up**". f. You will receive an email from Boardroom for email address verification. Click "**Verify Email Address**" from the email received to continue with the registration. g. Once your email address is verified, you will be re-directed to Boardroom Smart Investor Portal 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. h. Your registration will be verified and approved within one (1) business day and email notification will be provided to you.
Step 2 – Submit Request for Remote Participation User ID and Password	*(Note: Registration for remote access will be opened on **31 October 2023**. The RPEV facilities will open for registration from **Tuesday, 31 October 2023** until **11.00 a.m. on Tuesday, 12 December 2023**)* **For Shareholders** a. Login to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. b. Select **"DOLPHIN INTERNATIONAL BERHAD ELEVENTH (11TH) VIRTUAL ANNUAL GENERAL MEETING"** from the list of Meeting Event(s) and click "**Enter**". **To attend the virtual 11th AGM remotely** a. Click on "**Register for RPEV**". b. Read and agree to the Terms & Conditions and click "**Next**". c. Enter your CDS Account and thereafter submit your request.

	*(Note: Registration for remote access will be opened on **31 October 2023**. Please note that the closing time to appoint proxy and submit your request is not less than forty eight (48) hours before the time of holding the virtual* 11th AGM*, i.e. latest by **11:00 a.m. on Tuesday, 12 December 2023**.)* **To appoint proxy** a. Click on "**Submit eProxy Form**". b. Select the company you would like to represent (applicable to Corporate Shareholder that represent more than one company only). c. Enter your CDS Account Number and number of securities held. d. Select your proxy - either the Chairman of the meeting or individual named proxy(ies). e. Read and accept the General Terms and Conditions by clicking "**Next**". f. Enter the required particulars of your proxy(ies). g. Indicate your voting instructions - "**FOR**" or "**AGAINST**", otherwise your proxy will decide your vote. h. Click "**Apply**". i. Download or print the eProxy form as acknowledgment. *Note for Corporate Shareholders: if you are representing more than one (1) company, kindly click the home button and select "**Edit Profile**" in order to add Company name* **Corporate Shareholders (*via email)*** a. To submit the request, Corporate Shareholders need to deposit the original hardcopy to BSR and write in to BSR at bsr.helpdesk@boardroomlimited.com by providing softcopy of the Certificate of Appointment of Corporate Representative or Form of Proxy, the name of shareholder and CDS Account Number. b. Please provide a copy of Corporate Representative's MyKad/Identification Card (front and back) or Passport as well as his/her email address. **Authorised Nominee and Exempt Authorised Nominee** **Via BSIP** a. Login to https://investor.boardroomlimited.com using your user ID and password from Step 1 above. b. Select **"DOLPHIN INTERNATIONAL BERHAD ELEVENTH (11TH) VIRTUAL ANNUAL GENERAL MEETING"** from the list of Meeting Event(s) and click "**Enter**". c. Click on "**Submit eProxy Form**". d. Select the company you would like to represent (if more than one). e. Proceed to download the file format for "**Submission of Proxy Form**" from BSIP. f. Prepare the file for the appointment of proxies by inserting the required data. g. Proceed to upload the duly completed proxy appointment file. h. Review and confirm your proxy appointment and click "**Submit**".

ADMINISTRATIVE GUIDE
(CONT'D)

<table>
<tr><td></td><td>i. Download or print the eProxy form as acknowledgement.

Note: if you wish to appoint more than one (1) company, kindly click the home button and select "Edit Profile" in order to add Company name

Via email
a. To submit the request, Authorised Nominee and Exempt Authorised Nominee need to deposit the original hardcopy Form of Proxy to BSR and write in to BSR at bsr.helpdesk@boardroomlimited.com by providing softcopy of the Form of Proxy, the name of shareholders and CDS Account Number.
b. Please provide a copy of the proxy holder's MyKad/Identification Card (front and back) or Passport in JPEG, PNG or PDF format as well as his/her email address.

Email Notification
a. You will receive notification from Boardroom that your request(s) has been received and is being verified.
b. Upon system verification against the General Meeting Record of Depositors of the virtual 11th AGM as at 6 December 2023, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.
c. If your registration is approved, you will also receive your remote access user ID and password in the same email from Boardroom after the closing date.</td></tr>
<tr><td colspan="2">ON THE DAY OF THE VIRTUAL 11TH AGM</td></tr>
<tr><td>Step 3 – Login to Online Meeting Platform

Please note that the quality of the connectivity to Virtual Meeting Portal for the live web cast as well as for remote online voting is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users.</td><td>Virtual Meeting

a. The Online Meeting Platform will be opened for login starting an hour (1 hour) before the commencement of virtual 11th AGM at 10.00 a.m. on Thursday, 14 December 2023.
b. Follow the steps given to you in the email, along with your remote access user ID and password to login to the Online Meeting Platform (Refer to Step 2 above).
c. The steps will also guide you on how to view the live web cast, ask questions and vote.
d. The live web cast will end, and the Messaging window will be disabled once the Chairman announces the closure of the virtual 11th AGM.
e. You can then logout from the Online Meeting Platform.</td></tr>
</table>

5. PARTICIPATION THROUGH LIVE WEBCAST, QUESTIONS AND VOTING AT THE VIRTUAL 11TH AGM

The Chairman and the Board will endeavour their best to respond to the questions submitted by shareholders, which are related to the resolution to be tabled at the virtual 11th AGM.

(a) Prior to the virtual 11th 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 ELEVENTH (11TH) VIRTUAL ANNUAL GENERAL MEETING**" from the list of Corporate Meeting and select "**Submit Questions**" and pose your questions (Pre-11th AGM Meeting

Questions) latest by **11:00 a.m. on Tuesday, 12 December 2023**.

(b) During the virtual 11th AGM

Shareholders may type their questions in the chat box at any time during the virtual 11th AGM. Our Board and Management will endeavor to provide the responses to the questions at the virtual 11th AGM. However, being mindful of time constraints, some responses may be emailed after the conclusion of the virtual 11th AGM.

Shareholders may proceed to cast votes on the proposed resolution, to be tabled at the virtual 11th AGM, after the Chairman has opened the poll on the resolution. Shareholders are reminded to cast their votes before the poll is closed.

Shareholders who participate in the virtual 11th AGM are able to view the Company's presentation or slides via the live webcast.

6. ENTITLEMENT TO PARTICIPATE AND VOTE

In respect of deposited securities, only members whose names appear in the Record of Depositors on **6 December 2023** (General Meeting Record of Depositors) shall be eligible to participate in the virtual 11th AGM or appoint proxy(ies) to participate and/or vote on his/her behalf.

7. FORM(S) OF PROXY

If you are unable to attend the virtual 11th AGM and wish to appoint any proxy(ies) or the Chairman of the virtual 11th AGM as your proxy to vote on your behalf, please deposit your Form of Proxy at the office of the Company's share registrar, 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** no later than **11.00 a.m. on Tuesday, 12 December 2023** (forty eight (48) hours before the virtual 11th AGM). Any alteration to the Form of Proxy must be initialed.

Alternatively, the proxy appointment may also be lodged electronically at https://investor.boardroomlimited.com, which is free and available to all individual shareholders no later than **11.00 a.m. on Tuesday, 12 December 2023** (forty eight (48) hours before the virtual 11th AGM). For further information, kindly refer to the "**Procedure for RPEV**" above.

If you wish to participate in the virtual 11th AGM yourself, please do not submit any Form of Proxy for the virtual 11th AGM. You will not be allowed to participate in the virtual 11th AGM together with a proxy appointed by you.

8. REVOCATION OF PROXY

If you have submitted your Form of Proxy and subsequently decide to appoint another person or wish to participate in our electronic virtual 11th AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty eight (48) hours before the meeting.

9. NO RECORDING OR PHOTOGRAPHY

No recording or photography of the virtual 11th AGM proceeding is allowed without the prior written permission of the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the virtual 11th 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 our Company (or our agents) for the purpose of the processing and administration by our Company (or our agents) of proxies and representatives appointed for the virtual 11th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the virtual

ADMINISTRATIVE GUIDE
(CONT'D)

11th AGM (including any adjournment thereof), and in order for our Company (or our agents) 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 our Company (or our 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 our 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 Eleventh 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, 14 December 2023 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 2023 together with the Reports of the Directors and Auditors thereon		
		FOR	**AGAINST**
2.	Ordinary Resolution 1 -To approve the payment of Directors' Fees of RM400,000 for the financial year ending 30 June 2024.		
3.	Ordinary Resolution 2 -To approve the payment of Directors' benefits to the Directors up to an amount of RM150,000 for the period commencing from 15 December 2023 until the next Annual General Meeting of the Company.		
4.	Ordinary Resolution 3 -To re-elect Lim Seng Hock as Director.		
5.	Ordinary Resolution 4 -To re-elect Ir. Zulkifle Bin Osman as Director.		
6.	Ordinary Resolution 5 -To re-elect Yeo Boon Thai as Director.		

7.	Ordinary Resolution 6 -To re-elect Loke Mee Leng as Director.		
8.	Ordinary Resolution 7 -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.		
9.	Ordinary Resolution 8 -To empower the Directors of the Company to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
10.	Ordinary Resolution 9 -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 ________________________, 2023.

Notes :-

1. The Eleventh 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 Eleventh Annual General Meeting via RPEV. Please read these Notes carefully and follow the procedures in the Administrative Guide for the Fully Virtual Eleventh 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 6 December 2023 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.

Fold this flap for sealing

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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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ANNUAL REPORT

2023

Dolphin International Berhad

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