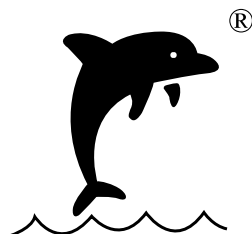


THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has only conducted a limited review of the contents in this Circular in relation to the Proposed ESOS (as defined below) prior to its issuance pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Further, Bursa Securities has not perused the contents set out in this Circular in relation to the Proposed Change of Name (as defined below) prior to its issuance as the said content fall under the category of Exempt Circular pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



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

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

PART A

- I. **PROPOSED VARIATION TO THE TERMS OF THE SALE OF SHARES AGREEMENT DATED 24 FEBRUARY 2022 (AS SUPPLEMENTED BY A SUPPLEMENTAL LETTER DATED 15 JULY 2022), ENTERED INTO BETWEEN DOLPHIN INTERNATIONAL BERHAD ("DOLPHIN" OR THE "COMPANY"), ASIA POLY FOOD AND BEVERAGE SDN BHD (A WHOLLY-OWNED SUBSIDIARY OF DOLPHIN), WITH DATO' YEO BOON LEONG, YEO BOON THAI, YEO BOON HO AND YEO SOON BEE FOR THE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN HIGH RESERVE F&B SDN BHD FOR THE PURCHASE CONSIDERATION OF RM36.00 MILLION ("PREVIOUS ACQUISITION") BY VARYING/ WAIVING CERTAIN PAYMENT TERMS OF THE PREVIOUS ACQUISITION ("PROPOSED VARIATION");**
- II. **PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES IN DOLPHIN (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME OVER THE DURATION OF THE ESOS TO ELIGIBLE PERSONS ("PROPOSED ESOS"); AND**
- III. **PROPOSED CHANGE OF THE COMPANY'S NAME FROM "DOLPHIN INTERNATIONAL BERHAD" TO "OASIS HARVEST CORPORATION BERHAD" ("PROPOSED CHANGE OF NAME")**

PART B

INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF DOLPHIN IN RELATION TO THE PROPOSED VARIATION

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser for Part A

UOBKayHian

UOB KAY HIAN SECURITIES (M) SDN BHD

(Registration No. 199001003423 (194990-K))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Independent Adviser for Part B



SCS GLOBAL ADVISORY (M) SDN BHD

(Registration No. 200901020913 (864010-V))

The Extraordinary General Meeting of Dolphin ("**EGM**") will be conducted entirely through a virtual meeting through live streaming and Remote Participation and Voting ("**RPV**") Facilities via Vote2U Online at <https://web.vote2u.my> provided by Agmo Digital Solutions Sdn Bhd (Domain registration number with MYNIC D6A471702) from the Broadcast Venue at Meeting Room, E-G-2, Block E, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, 47301 Petaling Jaya, Selangor on Monday, 7 October 2024 at 11.00 a.m. or any adjournment thereof. The Notice of EGM, together with the Proxy Form, is enclosed in this Circular.

A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/ her behalf. In such event, the Proxy Form must be lodged at the Company's Share Registrar office, Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No 1 Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the EGM or at any adjournment thereof. The lodging of the Proxy Form shall not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Saturday, 5 October 2024, at 11.00 a.m.

Date and time of the EGM : Monday, 7 October 2024, at 11.00 a.m.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

"Act"	: The Companies Act 2016
"AGM"	: The annual general meeting of Dolphin
"Aggregate Loss"	: The aggregate LAT recorded by High Reserve Group for the Profit Guarantee Periods of RM4.85 million
"Agreement"	: The agreement between the Parties to:- <ol style="list-style-type: none">i. waive the payment of the Balance Cash Consideration I;ii. forfeit and not proceed with the payment of the Balance Cash Consideration II given that High Reserve Group did not meet the Profit Guarantee and has suffered an Aggregate Loss; andiii. receive compensation from the Vendors for the Aggregate Loss by way of 6 instalment payments over the total period of 3 years
"AP F&B"	: Asia Poly Food and Beverage Sdn Bhd (Registration No. 201601000614 (1171539-W))
"Balance Cash Consideration I"	: The deferred Cash Consideration of RM5.35 million
"Balance Cash Consideration II"	: The remaining Cash Consideration of RM4.20 million which is subject to High Reserve Group meeting the Profit Guarantee
"Balance Cash Considerations"	: The Balance Cash Consideration I and Balance Consideration II, collectively
"Board"	: The Board of Directors of Dolphin
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
"Bursa Securities"	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"Bylaw(s)"	: The bylaws governing the rules, terms and conditions of the Proposed ESOS as may be modified, varied and/ or amended from time to time, the draft of which is set out in Appendix I of this Circular
"Cash Consideration"	: RM17.50 million to be paid in cash to the Vendors pursuant to the Purchase Consideration of the Previous Acquisition of which RM7.95 million has been paid and the remaining balance of RM9.55 million is outstanding as at the LPD
"Circular"	: This circular dated 13 September 2024 in relation to the Proposals
"Completion Date"	: 20 July 2022, being the date of completion of the Previous Acquisition in accordance with the terms of the SSA (as supplemented by the Supplemental Letter)
"Director(s)"	: The director(s) of Dolphin and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007

DEFINITIONS (CONT'D)

"Dolphin" or the "Company"	: Dolphin International Berhad (Registration No. 201201016010 (1001521-X))
"Dolphin Group" or the "Group"	: Dolphin and its subsidiaries, collectively
"Dolphin Share(s)" or "Share(s)"	: Ordinary share(s) in Dolphin
"Effective Date"	: The implementation date of the Proposed ESOS, which is also a date on which all relevant requirements of Chapter 6 of the Listing Requirements are fully complied with, including the approvals and/ or conditions referred to in the Bylaws thereof having been obtained and/ or complied with
"EGM"	: Extraordinary General Meeting of Dolphin
"Eligible Person(s)"	: The eligible Director(s) (including non-executive Directors) and employee(s) of Dolphin Group (excluding subsidiary companies which are dormant), who meet the criteria of eligibility for participation in the Proposed ESOS in the manner as indicated in the Bylaws
"EPS/ (LPS)"	: Earnings per Share/ (Loss) per Share
"ESOS Committee"	: The committee to be duly appointed and authorised by the Board pursuant to the Bylaws to administer the ESOS in relation to the Proposed ESOS
"ESOS Option(s)"	: The right of an Eligible Person to subscribe for new Dolphin Shares at a pre-determined option price pursuant to the contract constituted by the selected Eligible Person's acceptance of an offer under the Proposed ESOS in the manner and subject to the terms and conditions provided in the Bylaws
"First Profit Guarantee Period"	: The profit guarantee period from 1 July 2022 to 30 June 2023
"FPE"	: Financial period ended/ ending
"FYE"	: Financial year ended/ ending
"F&B Business"	: Dolphin Group's food and beverage business
"GP"	: Gross profit
"High Reserve"	: High Reserve F&B Sdn Bhd (Registration No. 201501000114 (1125446-H))
"High Reserve Group"	: High Reserve and its subsidiaries, collectively
"IAL"	: The independent advice letter from SCS Global to the non-interested shareholders of Dolphin in relation to the Proposed Variation, as set out in Part B of this Circular
"Interested Director"	: Yeo Boon Thai, being the Non-Independent Non-Executive Director of Dolphin and also one of the Vendors to the Proposed Variation
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities

DEFINITIONS (CONT'D)

"LPD"	:	9 September 2024, being the latest practicable date prior to the printing and despatch of this Circular
"LTD"	:	5 July 2024, being the last traded day of Dolphin Shares prior to the date of the announcement of the Proposals
"Market Day"	:	A day on which the Bursa Securities stock market is open for trading in securities, which may include a surprise holiday* *A "surprise holiday" refers to a day declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
"MFRS 2"	:	Malaysian Financial Reporting Standards 2
"NA"	:	Net assets attributable to equity holders
"Parties"	:	Dolphin, AP F&B and the Vendors, collectively
"PAT/ (LAT)"	:	Profit/ (Loss) after tax
"PBT/ (LBT)"	:	Profit/ (Loss) before tax
"Previous Acquisition"	:	Acquisition of the entire equity interest in High Reserve for the purchase consideration of RM36.00 million to be satisfied via the issuance of 282,874,617 Dolphin Shares at the issue price of RM0.0654 each and RM17.50 million Cash Consideration, which was completed on 20 July 2022
"Profit Guarantee"	:	The aggregated cumulative PAT of RM4.20 million provided by the Vendors to AP F&B for the Profit Guarantee Periods
"Profit Guarantee Periods"	:	The First Profit Guarantee Period and Second Profit Guarantee Period, collectively
"Proposals"	:	The Proposed Variation, Proposed ESOS and Proposed Change of Name, collectively
"Proposed Change of Name"	:	Proposed change of the Company's name from "Dolphin International Berhad" to "Oasis Harvest Corporation Berhad"
"Proposed ESOS"	:	Proposed establishment of an ESOS of up to 15% of the total number of issued shares in Dolphin (excluding treasury shares, if any) at any point in time over the duration of the ESOS to Eligible Persons
"Proposed Variation"	:	Proposed variation to the terms of the SSA for the Previous Acquisition by varying/ waiving certain payment terms of the Previous Acquisition
"Purchase Consideration"	:	Purchase consideration of RM36.00 million for the Previous Acquisition to be satisfied via the issuance of 282,874,617 Dolphin Shares at an issue price of RM0.0654 each and RM17.50 million Cash Consideration
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RPT"	:	Related party transaction
"SCS Global" or the "Independent Adviser"	:	SCS Global Advisory (M) Sdn Bhd (Registration No. 200901020913 (864010-V))

DEFINITIONS (CONT'D)

"Second Profit Guarantee Period"	:	The profit guarantee period from 1 July 2023 to 30 June 2024
"SSA"	:	Sale of shares agreement dated 24 February 2022 (as supplemented by a supplemental letter dated 15 July 2022), entered into between Dolphin, AP F&B and the Vendors for the Previous Acquisition
"Supplemental Letter"	:	The supplemental letter to vary the payment terms of the partial Cash Consideration dated 15 July 2022
"UOBKH" or the "Principal Adviser"	:	UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))
"Vendors"	:	Dato' Yeo Boon Leong, Yeo Boon Thai, Yeo Boon Ho and Yeo Soon Bee, collectively
"VWAP"	:	Volume weighted average market price

All references to "**you**" or "**your(s)**" in this Circular are made to the shareholders of Dolphin, who are entitled to attend and vote at the EGM.

Unless specifically referred to, words denoting incorporating the singular shall, where applicable include the plural and vice versa and words denoting incorporating the masculine gender shall where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposals. You are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in arriving at a decision on the Proposals before voting at the forthcoming EGM.

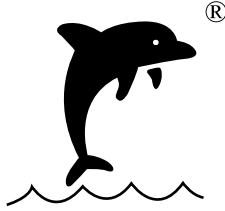
Key information	Description	Reference to Circular
Summary of the Proposals	<p><u>Proposed Variation</u></p> <p>The Proposed Variation is undertaken to:-</p> <ol style="list-style-type: none"> i. waive the payment of the Balance Cash Consideration I; ii. forfeit and not proceed with the payment of the Balance Cash Consideration II given that High Reserve Group did not meet the Profit Guarantee and has suffered an Aggregate Loss; and iii. receive compensation from the Vendors for the Aggregate Loss by way of 6 instalment payments over the total period of 3 years. 	<p>Section 2</p>
	<p><u>Proposed ESOS</u></p> <p>The Proposed ESOS involves the granting of ESOS Options to the Eligible Persons to subscribe for new Dolphin Shares at specified prices to be determined in the manner set out in Section 3.5, Part A of this Circular.</p> <p>The maximum number of new Dolphin Shares, which may be allotted pursuant to the Proposed ESOS shall not exceed in aggregate 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time over the duration of the Proposed ESOS.</p>	<p>Section 3</p>
	<p><u>Proposed Change of Name</u></p> <p>The Proposed Change of Name entails the change of the Company's name from "Dolphin International Berhad" to "Oasis Harvest Corporation Berhad".</p>	<p>Section 4</p>
Rationale and justification for the Proposals	<p><u>Proposed Variation</u></p> <p>AP F&B will not be required to pay for the Balance Cash Considerations amounted to an aggregate of RM9.55 million to the Vendors upon obtaining approval from the shareholders of Dolphin for the Proposed Variation. In addition, AP F&B shall also be entitled to receive an Aggregate Loss amount of RM4.85 million, being the compensation from the Vendors for the losses incurred from High Reserve Group during the Profit Guarantee Periods.</p> <p><u>Proposed ESOS</u></p> <ol style="list-style-type: none"> i. to recognise and reward the Eligible Persons by giving recognition to their contributions and services that are considered vital to the operations, hence motivating employee performance to create sustainable growth and profitability for the Group; ii. to retain, motivate and reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of Dolphin Shares upon disposal; iii. to align the interests of Eligible Persons with that of the shareholders through the achievement of the Group's objectives and plans; iv. to attract prospective employees with relevant skills and experience to the Group by making compensation packages offered more competitive; and 	<p>Section 5</p>

EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference to Circular
<p>Approvals required/ obtained</p>	<p>v. to foster and reinforce the Eligible Persons' loyalty and sense of belonging to the Group by enabling them to participate directly in the Company's equity, thereby incentivising the Eligible Persons to contribute more actively to the operations and future growth and success of the Group.</p> <p><u>Proposed Change of Name</u></p> <p>The Proposed Change of Name is in line with the Company's rebranding exercise to better reflect the Company's updated corporate identity and purpose which is more aligned with the Company's current core business and values, to improve the public's confidence in the Company and to enhance stakeholder engagement.</p> <p>The Proposals are subject to the following approvals being obtained:-</p> <p>i. Bursa Securities, which was obtained on 6 September 2024;</p> <p>ii. shareholders of the Company at the forthcoming EGM; and</p> <p>iii. any other relevant authorities and/ or parties, if required.</p>	<p>Section 10</p>
<p>Interests of directors, major shareholders and/ or persons connected to them</p>	<p><u>Proposed Variation</u></p> <p>Save for Yeo Boon Thai and Yeo Boon Ho, none of the Directors, major shareholders, chief executive of Dolphin and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Variation.</p> <p><u>Proposed Change of Name</u></p> <p>None of the Directors, major shareholders, chief executive of the Company and/ or persons connected with them have any interest, whether direct and/ or indirect, in the Proposed Change of Name.</p> <p><u>Proposed ESOS</u></p> <p>All executive and non-executive Directors are eligible to participate in the Proposed ESOS and are therefore deemed interested to the extent of their respective proposed allocation under the Proposed ESOS.</p>	<p>Section 12</p>
<p>Directors' statement and recommendation</p>	<p>The Board (save for the Interested Director), after having considered all aspects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company and recommends that you vote in favour of the resolutions pertaining to the Proposals at the EGM.</p>	<p>Section 15</p>

PART A

LETTER TO THE SHAREHOLDERS OF DOLPHIN IN RELATION TO THE PROPOSALS



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

Registered Office

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan

13 September 2024

Board of Directors

Dato' Sri Tan Ooi Han (*Non-Independent Executive Director*)
Yeo Boon Thai (*Non-Independent Non-Executive Director*)
Ch'ng Eu Vern (*Non-Independent Executive Director*)
Ir. Tan Chin Leng (*Independent Non-Executive Director*)
Loke Mee Leng (*Independent Non-Executive Director*)
Phuah Jessie (*Independent Non-Executive Director*)

To: The shareholders of Dolphin

Dear Sir/ Madam,

- I. **PROPOSED VARIATION;**
- II. **PROPOSED ESOS; AND**
- III. **PROPOSED CHANGE OF NAME**

1. INTRODUCTION

On 9 July 2024, UOBKH had, on behalf of the Board, announced that the Company proposes to undertake the following:-

- i. a proposed variation to the terms of the SSA dated 24 February 2022 (as supplemented by a Supplemental Letter) entered into between Dolphin, AP F&B (a wholly-owned subsidiary of Dolphin), with Dato' Yeo Boon Leong, Yeo Boon Thai, Yeo Boon Ho and Yeo Soon Bee for the acquisition of the entire equity interest in High Reserve for the purchase consideration of RM36.00 million by varying/ waiving certain payment terms of the Previous Acquisition;
- ii. a private placement of up to 10% of the total number of issued shares of Dolphin (excluding treasury shares, if any) to third party investor(s) to be identified later, at an issue price to be determined later, pursuant to Sections 75 and 76 of the Act ("**Private Placement III**");
- iii. an establishment of ESOS of up to 15% of the total number of issued shares in Dolphin (excluding treasury shares, if any) at any point in time over the duration of the ESOS to Eligible Persons; and

- iv. a change of Company's name from "Dolphin International Berhad" to "Oasis Harvest Corporation Berhad".

The Proposed Variation is deemed as a RPT pursuant to Paragraph 10.08 of the Listing Requirements in view of the interests of certain Directors and major shareholders of Dolphin and/ or persons connected to them in relation to the Proposed Variation as set out in **Section 12**, Part A of this Circular.

Accordingly, SCS Global had been appointed as the Independent Adviser on 26 June 2024 to advise the non-interested Directors and non-interested shareholders of the Company in relation to the Proposed Variation.

On 6 September 2024, UOBKH had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 6 September 2024, resolved to approve the following:-

- i. the listing of and quotation for up to 13,378,858 new Dolphin Shares ("**Placement Share(s)**") to be issued pursuant to the Private Placement III; and
- ii. the listing of and quotation for such number of Dolphin Shares, representing up to 15% of the total number of issued Shares (excluding treasury shares, if any) that may be issued pursuant to the Proposed ESOS,

on the Main Market of Bursa Securities, subject to the conditions as set out in **Section 10**, Part A of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS, AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF PART A OF THIS CIRCULAR AND THE IAL (AS SET OUT IN PART B OF THIS CIRCULAR) TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. PROPOSED VARIATION

2.1 Background information on the Previous Acquisition

Reference is made to the circular to shareholders of Dolphin dated 10 June 2022 in relation to the acquisition by AP F&B (a wholly-owned subsidiary of Dolphin), which involved the acquisition of the entire equity interest in High Reserve for the Purchase Consideration of RM36.00 million to be satisfied via the issuance of 282,874,617 Dolphin Shares at the issue price of RM0.0654 each and RM17.50 million Cash Consideration. For information purposes, 282,874,617 Dolphin Shares pursuant to the Acquisition were allotted and issued on the Completion Date. As at the LPD, the Balance Cash Considerations amounting to RM9.55 million remain outstanding, which will be waived/ forfeited pursuant to the Proposed Variation.

Further, the Previous Acquisition was deemed as a RPT pursuant to Paragraph 10.08 of the Listing Requirements in view of the interests of Yeo Boon Ho, being a Director of Dolphin and one of the Vendors to AP F&B at the point of the Previous Acquisition.

For information purposes, High Reserve is principally involved in operating restaurants and investment holding activities. As at the LPD, High Reserve has 2 wholly-owned subsidiaries, namely Oharu Inn Sdn Bhd and Edaran TCQ Sdn Bhd. At the point of the Previous Acquisition, High Reserve Group owned and operated 4 restaurant outlets while AP F&B (a wholly-owned subsidiary of Dolphin), owned and operated 3 restaurant outlets, under the franchise of "Uncle Don's" respectively. Accordingly, the Board was of the view that the Previous Acquisition would allow Dolphin Group to increase its chain of Uncle Don's restaurant outlets from 3 to 7 Uncle Don's restaurant outlets, thereby enabling the Group to expeditiously expand its food and beverage segment which could possibly contribute positively to the Group's future financial performance.

Notwithstanding the above, Dolphin Group had since the Previous Acquisition and up to the LPD, ceased operations of 2 Uncle Don's restaurant outlets located in Setia Alam and Danau Desa (held under AP F&B) due to poor performance from the said outlets, resulting in the need to streamline overall restaurant operations and optimise resource allocation within Dolphin Group. Subsequently, the other 1 Uncle Don's restaurant outlet located in Kajang (held under High Reserve Group) also encountered operational challenges with low customer traffic and had been converted to a Thai restaurant named 'Suwan Thai', to better align with the existing market trends and customer preferences of the local population surrounding the said restaurant outlet located in Kajang. Hence, as at the LPD, the Group only owns and operates a total of 4 Uncle Don's restaurant outlets, in which High Reserve Group operates 3 of the outlets while the other 1 outlet is operated by AP F&B. Further information on High Reserve Group is set out in **Section 2.2**, Part A of this Circular.

Pursuant to the SSA, the Vendors had guaranteed to AP F&B a Profit Guarantee for High Reserve Group of an aggregated cumulative PAT of RM4.20 million for the Profit Guarantee Periods.

On 27 June 2022, the shareholders of the Company had approved the ordinary resolution for the Previous Acquisition at an EGM held on even date.

On 15 July 2022, the Parties had vide a Supplemental Letter varied the payment terms of the partial Cash Consideration of RM7.90 million to the following:-

SSA	Supplemental Letter
On Completion Date, AP F&B shall pay the partial Cash Consideration of RM7.90 million to the Vendors.	On Completion Date, AP F&B shall pay partial Cash Consideration of RM1.40 million to the Vendors and the balance of the partial Cash Consideration of RM6.50 million shall be paid to the Vendors within 3 months from the Completion Date (i.e. 19 October 2022).

On 20 July 2022, being the Completion Date, the Previous Acquisition had been completed in accordance with the terms of the SSA (as supplemented by the Supplemental Letter). Accordingly, High Reserve has become an indirect wholly-owned subsidiary of Dolphin.

Subsequent to the Completion Date, there were a series of events that resulted in a delay to the payment of the partial Cash Consideration of RM6.50 million, as summarised in the table below:-

Dates	Chronology of events
18 October 2022	The Parties had mutually agreed to extend the payment date for the partial Cash Consideration amounting to RM6.50 million from 19 October 2022 to 19 January 2023.
11 January 2023	i. The Parties had mutually agreed to extend the payment date for the partial Cash Consideration amounting to RM6.50 million from 19 January 2023 to 19 July 2023.

Dates	Chronology of events												
26 May 2023	<p>ii. The Board had proposed to undertake a renounceable rights issue of up to 253,505,508 new Dolphin Shares ("Rights Shares") together with up to 152,103,304 free detachable warrants ("Warrants C") on the basis of 5 Rights Shares together with 3 Warrants C for every 3 consolidated shares held ("Rights Issue I").</p> <p>Pursuant to the Rights Issue I, part of the proceeds to be raised from the Rights Issue I was intended to defray the partial Cash Consideration of RM6.50 million that was due for payment by 19 July 2023 in respect of the Previous Acquisition.</p> <p>i. The Parties had mutually agreed to extend the payment date for the partial Cash Consideration amounting to RM6.50 million from 19 July 2023 to 19 October 2023.</p> <p>ii. The Company had announced the revised structure of the Rights Issue I and to further undertake a variation to the utilisation of proceeds raised from a private placement of up to 186,322,592 new Shares, which was completed on 25 February 2021 ("Private Placement I"). The Rights Issue I and variation to the Private Placement I are collectively referred to as the "Initial Corporate Exercise".</p> <p>Pursuant to the variation to the Private Placement I, the Company had allocated the unutilised proceeds towards the partial payment of the Cash Consideration in respect of the Previous Acquisition. As such, based on the revised structure of the Rights Issue I and the variation to the Private Placement I, the deferred Cash Consideration of RM6.50 million in respect of the Previous Acquisition was intended to be paid in the following manner:-</p> <table border="1" data-bbox="691 1088 1394 1205"> <thead> <tr> <th data-bbox="691 1088 1129 1115">Source of funds</th> <th data-bbox="1129 1088 1289 1115">RM</th> <th data-bbox="1289 1088 1394 1115">%</th> </tr> </thead> <tbody> <tr> <td data-bbox="691 1115 1129 1142">Private Placement I</td> <td data-bbox="1129 1115 1289 1142">1,150,000</td> <td data-bbox="1289 1115 1394 1142">17.7</td> </tr> <tr> <td data-bbox="691 1142 1129 1169">Rights Issue I</td> <td data-bbox="1129 1142 1289 1169">5,350,000</td> <td data-bbox="1289 1142 1394 1169">82.3</td> </tr> <tr> <td data-bbox="691 1169 1129 1196">Total</td> <td data-bbox="1129 1169 1289 1196">6,500,000</td> <td data-bbox="1289 1169 1394 1196">100.0</td> </tr> </tbody> </table>	Source of funds	RM	%	Private Placement I	1,150,000	17.7	Rights Issue I	5,350,000	82.3	Total	6,500,000	100.0
Source of funds	RM	%											
Private Placement I	1,150,000	17.7											
Rights Issue I	5,350,000	82.3											
Total	6,500,000	100.0											
23 August 2023	<p>The Initial Corporate Exercise was approved by the shareholders of Dolphin at an EGM. The unutilised proceeds of RM1.15 million from the Private Placement I was subsequently utilised to partially pay the deferred Cash Consideration in respect of the Previous Acquisition.</p>												
19 September 2023	<p>The Parties had mutually agreed to extend the payment date for the partial Cash Consideration from 19 October 2023 to 19 November 2023.</p>												
13 October 2023	<p>The Company had announced that the Board has decided not to proceed with the implementation of the Rights Issue I as the Board intends to relook into the Rights Issue I in its entirety and amongst others, revise the utilisation of proceeds to be raised from the Rights Issue I after taking into consideration amongst others, the Group's recent financial performance as well as the changes in the financial needs of the Group.</p>												
26 October 2023	<p>The Parties had mutually agreed to extend the payment date for the partial Cash Consideration from 19 November 2023 to 1 August 2024.</p>												
1 August 2024	<p>The Parties had mutually agreed to extend the payment date for the partial Cash Consideration from 1 August 2024 to 31 December 2024.</p>												

As at the LPD, the Balance Cash Considerations amounting to RM9.55 million remain outstanding. Accordingly, the Board intends to undertake the Proposed Variation to:-

- i. waive the payment of the Balance Cash Consideration I;
- ii. forfeit and not proceed with the payment of the Balance Cash Consideration II given that High Reserve Group did not meet the Profit Guarantee and has suffered an Aggregate Loss; and
- iii. receive compensation from the Vendors for the Aggregate Loss by way of 6 instalment payments over the total period of 3 years.

2.2 Details of the Proposed Variation

As at the LPD, High Reserve Group owns and operates 3 Uncle Don's restaurant outlets located in Sri Petaling, Kepong and Rawang, respectively. The other 1 Uncle Don's restaurant outlet located in Kajang had been converted to a Thai restaurant named 'Suwan Thai' on 21 March 2024, with a total cost incurred of approximately RM552,603 which was financed through internally generated funds and advances from the directors of High Reserve Group.

For information purposes, there are no provisions in the SSA regulating the conduct of the business of High Reserve Group after completion of the Previous Acquisition. Due to the poor performance of Uncle Don's restaurant outlet located in Kajang, Dolphin has decided to convert the said outlet to a Thai restaurant. Accordingly, Dolphin has obtained the Vendors' consent for the closure of Uncle Don's restaurant outlet in Kajang to be converted into a Thai restaurant. Notwithstanding the said conversion, the Vendors have agreed that the Profit Guarantee pursuant to the SSA shall remain unchanged and shall continue to remain in full force and effect.

Further, Edaran TCQ Sdn Bhd which owns and operates the Uncle Don's restaurant outlet in Kajang had prior to the said conversion, vide letter dated 15 January 2024 requested to terminate the franchise agreement for the said outlet with effect from 31 January 2024 which has been accepted by the franchisor. Based on the foregoing, there is no breach to the SSA and franchise agreement for the Uncle Don's restaurant outlet in Kajang.

A summary of the key financial information of High Reserve Group for the past 3 financial years/ period up to the 12-month FPE 30 June 2024 are set out in the table below. For information purposes, the Previous Acquisition was completed on 20 July 2022 and accordingly, the financial performance of High Reserve Group was consolidated into Dolphin Group from FYE 30 June 2023 onwards.

	Audited		Unaudited	
	13-month FPE 30 June 2022 ¹	12-month FYE 30 June 2023 ²	12-month FPE 30 June 2024 ³	
	RM'000	RM'000	RM'000	
Revenue	9,189	8,407	7,608	
LBT	(516)	(4,599)	(247)	
LAT	(563)	(4,607)	(247)	
Cash and cash equivalents	4,564	491	53	
Total borrowings	-	-	-	
Gearing ratio (times)	-	-	-	
Current assets	6,003	2,335	2,387	
Non-current assets	4,491	1,403	837	
Current liabilities	10,431	1,638	1,315	
Non-current liabilities	58	62	54	
Current ratio (times)	0.58	1.42	1.81	
Total equity/ NA	5	2,039	1,854	
Number of shares in issue ('000)	400	5,008	5,008	
NA per share (RM)	0.01	0.41	0.37	

Notes:-

- ^{*1} High Reserve Group changed its FYE from 31 May 2022 to 30 June 2022
- ^{*2} Extracted based on the unaudited pro forma consolidated financial statements of High Reserve Group, which was prepared based on the individual audited financial statements of High Reserve and its 2 wholly-owned subsidiaries, namely Oharu Inn Sdn Bhd and Edaran TCQ Sdn Bhd for the FYE 30 June 2023
- ^{*3} Extracted based on the unaudited pro forma consolidated financial statements of High Reserve Group, which was prepared based on the individual management accounts of High Reserve and its 2 wholly-owned subsidiaries, namely Oharu Inn Sdn Bhd and Edaran TCQ Sdn Bhd for the FPE 30 June 2024. For clarification purposes, Dolphin had on 24 May 2024 announced that the Board had approved the change of the Company's financial year end from 30 June 2024 to 31 December 2024. Accordingly, the next FYE for High Reserve Group shall be 18-month FYE 31 December 2024

Commentary on the financial performance of High Reserve Group and the Uncle Don's restaurant outlets

Subsequent to the Previous Acquisition, the financial performance of High Reserve Group had deteriorated during the FYE 30 June 2023 and FPE 30 June 2024, where the revenue of High Reserve Group had decreased from RM9.19 million to RM8.41 million and RM7.61 million respectively, mainly attributable to the declining customer traffic in the Uncle Don's restaurant outlets (in particular the Rawang and previously Kajang outlets) during the recovery phase after the COVID-19 pandemic in 2022 whereby the opening of new restaurants in the vicinity of the said outlets had resulted in higher competition (such as fusion of pan-asian and modern western pubs in the same shopping mall) and therefore diverted customers to other dining options that offer different menu variety and dining ambiance.

In view of the continuous loss-making position of Uncle Don's restaurant outlet located at Kajang, High Reserve Group had also subsequently decided to convert the Kajang outlet to a Thai restaurant named 'Suwan Thai' to better align with the existing market trends and customer preferences of the local population surrounding the said restaurant outlet located in Kajang. For information purposes, the summary of the key financial information of High Reserve Group's outlets for the 12-month FYE 30 June 2023 and 12-month FPE 30 June 2024 is set out as follows:-

Location/ Outlet	Unaudited			
	12-month FYE 30 June 2023		12-month FPE 30 June 2024	
	Revenue	PAT/(LAT)	Revenue	PAT/(LAT)
	RM'000	RM'000	RM'000	RM'000
Sri Petaling	2,242	(169)	2,354	168
Kepong	3,187	232	3,225	395
Rawang	1,418	(1,225)	1,087	(430)
Kajang/ Suwan Thai	1,560	653	104	(177)

The LAT of High Reserve Group had also increased from RM0.56 million to RM4.61 million during the FYE 30 June 2023, mainly due to the following reasons:-

- i. recognition of impairment losses on investment in subsidiary companies (in particular impairment on kitchen equipment, computers, renovation and furniture and fittings) amounting to RM3.95 million. Specifically, High Reserve had recognised full impairment to its total cost of investment in its 2 wholly-owned subsidiaries, namely Oharu Inn Sdn Bhd (Rawang outlet) and Edaran TCQ Sdn Bhd (previously Kajang outlet), due to the recoverable amount (determined based on the discounted future cash flows of the subsidiaries) being less than the carrying amount of the subsidiaries, mainly as a result of the underperforming Uncle Don's outlets held under the subsidiaries of High Reserve;

- ii. increased in overall cost of purchase (in particular higher prices for ingredients, supplies and equipment) due to inflation and higher salaries and related expenses of RM404,511 to attract workers in a tight labor market during the FYE 30 June 2023; and
- iii. increased in administrative expenses such as rental expenses following the adjustments made on the rental price based on the market rate for Kepong outlet (increased by RM2,000) and Rawang outlet (increased by RM3,000) following a higher demand for these locations and higher depreciation of property, plant and equipment.

Subsequently, the Board had deliberated and assessed the financial position of High Reserve Group, along with the estimated timing of approximately 12 months onwards for High Reserve Group's business to turnaround based on the recent major initiatives, such as re-organising the remaining 4 Uncle Don's restaurant outlets held by the Group, implementing customer loyalty programmes or a customer relationship management system, executing planned marketing initiatives and modifying the menu and service offerings of the outlets. Based on the foregoing and after taking into consideration High Reserve Group's inability to achieve the Profit Guarantee within the Profit Guarantee Periods, the Board has negotiated for the early settlement of the Balance Cash Considerations. Pursuant to the Agreement entered into on 9 July 2024 between Dolphin, AP F&B and the Vendors, the Parties have mutually agreed to:-

- i. waive the payment of the Balance Cash Consideration I;
- ii. forfeit and not proceed with the payment of the Balance Cash Consideration II given that High Reserve Group did not meet the Profit Guarantee and has suffered an Aggregate Loss; and
- iii. receive compensation from the Vendors for the Aggregate Loss by way of 6 instalment payments over the total period of 3 years.

In other words, AP F&B will not be required to pay for the Balance Cash Considerations amounted to an aggregate of RM9.55 million to the Vendors upon obtaining approval from the shareholders of Dolphin for the Proposed Variation. Further details on the salient terms of the Agreement are set out in **Appendix II** of this Circular.

Further, the Agreement also stipulates that the Aggregate Loss recorded by High Reserve Group for the Profit Guarantee Periods amounting to RM4.85 million, shall be compensated by the Vendors to AP F&B in the Agreed Liability Ratio (as defined herein) by way of 6 instalment payments each in equal amount.

For clarification purposes, it was mutually agreed between the Parties and stipulated in the Agreement that the losses for the Second Profit Guarantee Period (i.e. from 1 July 2023 to 30 June 2024) shall be based on the management accounts of High Reserve Group, after taking into consideration (i) the change in financial year end of High Reserve Group from 30 June 2024 to 31 December 2024; (ii) the additional costs and time required to perform a special audit for the Second Profit Guarantee Period; (iii) the urgency for Dolphin to complete the Proposed Variation and recognise its contractual entitlements and rights related to the Profit Guarantee without further delay. Pursuant thereto, any additional losses incurred for the Second Profit Guarantee Period based on audited accounts of High Reserve Group for the FYE 31 December 2024 will not be compensated to Dolphin.

The Aggregate Loss will be paid in instalments every 6 months over the total period of 3 years, as mutually agreed upon the request of the Vendors after taking into consideration the quantum of the compensation amount where the Vendors require additional time to fulfil their respective payment obligation over a manageable repayment period. As opposed to the payment method by way of a single upfront payment, instalment payments in turn reduces the risk of late or default in payment by the Vendors. As such, the instalments will be made in the following manner:-

No. of instalment payment	Amount Payable by the Vendors to AP F&B	Payment Due Date
1st	RM808,962.50	1 October 2024 or within 14 days from the unconditional date of the Agreement, whichever the later. The date the 1st instalment payment is made shall be referred to as "T"
2nd	RM808,962.50	6 months from T
3rd	RM808,962.50	12 months from T
4th	RM808,962.50	18 months from T
5th	RM808,962.50	24 months from T
6th	RM808,962.50	30 months from T
Total	RM4,853,775.00	

The Agreed Liability Ratio, which is based on the Vendors' respective portion of shareholding in High Reserve under the Previous Acquisition, is set out as below ("**Agreed Liability Ratio**"):-

Vendors	Agreed Liability Ratio (%)
Dato' Yeo Boon Leong	50
Yeo Soon Bee	10
Yeo Boon Ho	20
Yeo Boon Thai	20

The proceeds to be received upon payment of the instalments, are expected to fund the working capital of the Group. The proceeds are subject to the operational requirements of the Group at the point of utilisation, and thus the actual timeframe and breakdown are not determinable at this juncture.

Pending the utilisation of proceeds raised as and when the payment of the instalments are received, such proceeds will be placed in deposits with financial institutions or short-term money market instruments as the Board may deem fit. The interest derived from the deposits with the financial institutions or any gain arising from the short-term money market instruments will also be used as the working capital of the Group.

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In summary, the settlement of the total Purchase Consideration for the Previous Acquisition (including the waiver/ forfeiture of Balance Cash Considerations pursuant to the Agreement) are as follows:-

Timing of settlement pursuant to the SSA and Supplemental Letter	Mode of settlement			Status of payment milestones and sources of funds
	Cash RM'000	Shares RM'000	Total RM'000	
Upon execution of SSA	5,400	-	5,400	Settled through proceeds from the Company's previous fundraising exercises# totalling RM6.80 million and issuance of 282,874,617 new Shares at the issue price of RM0.0654 each
On the Completion Date of the SSA (i.e. 20 July 2022)	1,400	18,500	19,900	
By 31 December 2024 (pursuant to the extensions mutually agreed between the Parties)	1,150	-	1,150	
Waiver/ forfeiture of Balance Cash Considerations pursuant to the Agreement	5,350	-	5,350	RM5.35 million will be waived pursuant to the Proposed Variation
	2,100	-	2,100	↑
	2,100	-	2,100	RM4.20 million will be forfeited pursuant to the Proposed Variation ↓
Total	17,500	18,500	36,000	

Note:-

The previous fundraising exercises comprises the following:-

Previous fundraising exercises	RM'000
Rights issue exercise completed on 1 October 2020 (pursuant to the variation of utilisation of proceeds which was less than 25% as announced on 24 February 2022)	2,800
Private Placement II completed on 29 September 2022 (pursuant to the variation of utilisation of proceeds which was less than 25% as announced on 24 February 2022)	2,000
Private Placement I completed on 25 February 2021 (pursuant to the variation of utilisation of proceeds which was less than 25% as announced on 24 February 2022)	1,979
	6,779

Paragraph 8.22(1)(b) of the Listing Requirements states that "a listed issuer must issue a circular to its shareholders and seek its shareholder approval if it proposes to make a material amendment, modification or variation to a proposal which has been approved by shareholders in general meeting". Paragraph 8.22(2)(b) of the Listing Requirements further states that "an amendment, modification or variation is considered material if it can be reasonably expected to have a material effect on the decision of a holder of securities of the listed issuer in relation to such proposal".

In view of the material change in the payment terms of the purchase consideration pursuant to the terms of the Agreement, the Proposed Variation is deemed a material variation under Paragraph 8.22(1)(b) of the Listing Requirements. Further, the Proposed Variation is deemed as a RPT pursuant to Paragraph 10.08 of the Listing Requirements in view of the interests of certain Directors and major shareholders of Dolphin and/ or persons connected to them in relation to the Proposed Variation as set out in **Section 12**, Part A of this Circular. As such, the Company is required to seek its shareholders' approval for the Proposed Variation at an EGM to be convened.

3. PROPOSED ESOS

The Proposed ESOS involves the granting of ESOS Options to the Eligible Persons as set out in the Bylaws to subscribe for new Dolphin Shares at specified prices to be determined in the manner as set out in **Section 3.5**, Part A of this Circular.

The Proposed ESOS will be administered by the ESOS Committee. The ESOS Committee shall be vested with such powers and duties as are conferred upon it by the Board to administer the Proposed ESOS in such manner it shall, in its discretion deem fit, in accordance with the provisions set out in the Bylaws. The decision as to whether the allocation of the ESOS Options will be granted on staggered basis over the duration of the Proposed ESOS shall be determined by the ESOS Committee at a later date.

The ESOS Committee may at its absolute discretion decide that the ESOS Options be satisfied via the following methods:-

- i. issuance of new Dolphin Shares;
- ii. transfer of Dolphin's treasury shares (if any) or any other methods as may be permitted by the Act; or
- iii. a combination of any of the above.

In considering the mode of satisfaction as referred to in item (i) to (iii) above, the ESOS Committee will take into consideration amongst others, factors such as the prevailing market price of Dolphin Shares and the potential cost arising from the granting of ESOS Options.

3.1 Maximum number of Dolphin Shares available under the Proposed ESOS

The maximum number of new Dolphin Shares, which may be allotted pursuant to the Proposed ESOS shall not exceed in aggregate 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time over the duration of the Proposed ESOS.

3.2 Basis of allotment and maximum allowable allotment

The number of ESOS Options that may be offered to an Eligible Person under the Proposed ESOS shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst others and where relevant, the employment grade, length of service, performance appraisal, past and future contributions of the Eligible Person and such other factors that the ESOS Committee may deem relevant in its discretion and shall be subject to the following:-

- i. the total number of new Dolphin Shares to be issued under the Proposed ESOS shall not exceed the amount stipulated in **Section 3.1**, Part A of this Circular;

- ii. the Directors and senior management of the Group (excluding dormant subsidiaries) do not participate in the deliberation or discussion of their respective allocation of ESOS Options as well as allocation of ESOS Options to persons connected with them, if any;
- iii. the allocation to an Eligible Person, who either singly or collectively, through persons connected to the Eligible Person, holds 20% or more of the total number of issued Dolphin Shares (excluding treasury shares, if any), must not exceed 10% of the total number of Dolphin Shares to be made available under the Proposed ESOS; and
- iv. not more than 70% of the total number of Dolphin Shares to be made available under the Proposed ESOS shall be allocated, in aggregate, to the Directors and senior management of the Group (excluding dormant subsidiaries), on the basis that they are crucial to the performance of the Group as determined by the ESOS Committee at their sole and absolute discretion. For clarification purposes, this is the maximum allocation allowed to be made available under the Proposed ESOS to the Directors and senior management of the Group (being a larger proportion as compared to other Eligible Persons), with the intention to incentivise the Directors and/ or senior management of the Group for their contribution towards development, growth and strategic direction to drive long term shareholder value enhancement of the Group. In addition, the larger allocation acts as performance-based incentives to attract and retain the high-level executives of the Group (who are the key decision-makers) for their commitment and dedication towards attainment of higher performance for the Group,

provided always that it is in accordance with the Listing Requirements or any prevailing requirements issued by Bursa Securities or any other relevant authorities as amended from time to time.

In the event that any Eligible Person is a member of the ESOS Committee, such Eligible Person and persons connected with him/ her who are also members of the ESOS Committee shall not participate in the deliberation, discussion and/ or voting of their own allocation of the ESOS Options or allocation to persons connected with them.

The ESOS Committee has the absolute discretion to determine whether the ESOS Options will be granted in a single tranche or on a staggered basis over the duration of the Proposed ESOS as well as whether the ESOS Options are subject to any vesting period and/ or vesting conditions, including any performance target that must be achieved, the determination of which will be carried out at a later date after the establishment of the ESOS Committee.

3.3 Eligibility

Subject to the discretion of the ESOS Committee, only Eligible Persons who meet the following conditions as at the date on which an offer is made by the ESOS Committee in writing ("**Offer Date**") shall be eligible to participate in the Proposed ESOS:-

- a. in respect of an employee of the Group (which are not dormant), the employee must fulfil the following criteria as at the Offer Date to participate in the Proposed ESOS in the manner provided in the Bylaws:-
 - aa. is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;

- bb. is confirmed in writing as a full-time employee (not under any probationary period) and has been in the employment of the Company or any company in the Group (which are not dormant) for such period as may be determined by the ESOS Committee prior to and up to the Offer Date and has not served a notice to resign nor received a notice of termination;
 - cc. if he/ she is serving under an employment contract for a fixed duration with any company in the Group (which are not dormant) for such period as may be determined by the ESOS Committee excluding those who are employed for a specific project; and
 - dd. fulfils any other criteria and/ or falls within such category as may be determined by the ESOS Committee from time to time at its absolute discretion.
- b. in respect of a Director of the Group (which are not dormant), the Director must fulfil the following criteria as at the Offer Date:-
- aa. is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - bb. has been appointed as a Director of the Company or any company in the Group (which are not dormant) (including executive or non-executive and/ or independent or non-independent Directors of Dolphin Group but excluding alternate and/ or similar substitute directors) for such period as may be determined by the ESOS Committee prior to and up to the Offer Date and has not served a notice to resign nor received a notice of termination; and
 - cc. fulfils any other criteria and/ or falls within such category as may be determined by the ESOS Committee from time to time at its absolute discretion,

provided always that the selection of any Director or employee for participation in the Proposed ESOS and the number of ESOS Options to be offered to an Eligible Person under the Proposed ESOS shall be at the sole discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

Notwithstanding the above, the ESOS Committee may, in its absolute discretion, waive any of the conditions of eligibility as set out above. The eligibility and number of ESOS Options to be offered to an Eligible Person under the Proposed ESOS, subject to the eligibility criteria stated above, shall be at the sole and absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

The specific allocation of ESOS Options granted by the Company to a Director, major shareholder or chief executive of the Company or holding company of the Company ("**Interested Parties**") or a person connected with any of the Interested Parties who is an Eligible Person must be approved by the shareholders of the Company at a general meeting.

3.4 Duration and termination

The Proposed ESOS, when implemented, shall be in force for a period of 5 years from the Effective Date. The Company may, if the Board deems fit and upon the recommendation of the ESOS Committee, extend the Proposed ESOS for a period of up to another 5 years immediately from the expiry of the first 5 years, and shall not in aggregate exceed 10 years from the Effective Date.

Such extended Proposed ESOS shall be implemented in accordance with the terms of the Bylaws, save for any amendment and/ or change to the relevant statutes and/ or regulations then in force. Unless otherwise required by the relevant authorities, no further approvals shall be required for the extension of the Proposed ESOS and the Company shall serve appropriate notices on the Eligible Person and/ or make any necessary announcements to any parties and/ or Bursa Securities (if required).

Subject to the compliance with the Listing Requirements, other requirements of Bursa Securities and any other relevant authorities, the Company may, if the Board deems fit and upon the recommendation of the ESOS Committee, at any time during the duration of the Proposed ESOS and before the date of expiry of the Proposed ESOS, terminate the Proposed ESOS in accordance with the terms of the Bylaws provided that an announcement is released to Bursa Securities on the following:-

- i. the effective date of termination of the Proposed ESOS;
- ii. the number of ESOS Options exercised and Dolphin Shares vested pursuant to the Proposed ESOS; and
- iii. the reasons for termination.

Any unaccepted offer and unvested and/ or unexercised ESOS Options (whether fully or partially) shall lapse and deemed cancelled and be null and void on the effective date of termination of the Proposed ESOS.

3.5 Basis of determining the exercise price

Subject to any adjustments made under the Bylaws and pursuant to the Listing Requirements, the exercise price which will be payable by the Eligible Person upon the exercise of the ESOS Options shall be based on the 5-day VWAP of Dolphin Shares at the Offer Date, with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities and/ or any relevant authorities from time to time during the tenure of the Proposed ESOS, as determined by the Board upon recommendation of the ESOS Committee.

3.6 Ranking of the ESOS Options and new Dolphin Shares to be issued arising from the exercise of the ESOS Options

The new Dolphin Shares to be issued upon the vesting and exercise of the ESOS Options will, upon allotment and issuance, rank equally in all respects with the existing Dolphin Shares, save and except that the new Dolphin Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution declared, made or paid to shareholders where the entitlement date of such distributions precedes the relevant date of allotment and issuance of such Dolphin Shares.

The ESOS Options shall not carry any right to vote at any general meeting of the Company. The new Dolphin Shares to be allotted and issued arising from the exercise of the ESOS Options will be subject to the provisions of the Constitution of the Company relating to transfer, transmission or otherwise of Dolphin Shares including the rights of the holder of Dolphin Shares on the winding up of the Company and the Listing Requirements, if any.

3.7 Retention period

The ESOS Committee shall be entitled to prescribe or impose, in relation to any offer, any condition relating to any retention period or restriction on transfer of Dolphin Shares to be issued and/ or transferred via treasury shares arising from the exercise of the ESOS Options as it deems fit.

In addition to the above, pursuant to Paragraph 8.20 of the Listing Requirements, an eligible Director who is a non-executive Director of Dolphin and/ or any of its subsidiaries, which are not dormant, shall not sell, transfer or assign the Dolphin Shares obtained through the exercise of the ESOS Options offered to him/ her within 1 year from the Offer Date.

3.8 Listing and quotation for the new Dolphin Shares to be issued arising from the exercise of the ESOS Options

Bursa Securities had vide its letter dated 6 September 2024 approved the listing and quotation of the new Dolphin Shares to be issued pursuant to the exercise of ESOS Options on the Main Market of Bursa Securities.

3.9 Proposed allocation

Paragraph 6.06(1) of the Listing Requirements states that the Company must not issue any shares to its Directors, major shareholders or chief executive or a person connected with them unless its shareholders in a general meeting have approved the specific allotment to be made to them. Accordingly, the Company will seek its shareholders' approval at an EGM of the Company to be convened for the proposed allocation of the ESOS Options to the following persons:-

Name	Designation
<u>Directors and major shareholders</u> Dato' Sri Tan Ooi Han	Non-Independent Executive Director
<u>Directors</u> Yeo Boon Thai Ch'ng Eu Vern Ir. Tan Chin Leng Loke Mee Leng Phuah Jessie	Non-Independent Non-Executive Director Non-Independent Executive Director Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director

3.10 Utilisation of proceeds from the Proposed ESOS

The actual amount of proceeds to be raised from the Proposed ESOS will depend on the number of ESOS Options granted and exercised at the relevant point of time and the exercise price payable upon the exercise of the ESOS Options, respectively.

The proceeds arising from the exercise of the ESOS Options as and when received will be utilised for the working capital requirements of the Group, which may include the purchase of input materials, utilities, general expenses such as but not limited to staff costs, as well as business expansion which includes potential acquisitions and/ or investments in companies and/ or assets and/ or strategic collaborations, joint-ventures or alliances that are expected to create synergies and add value to the Group's existing business. The proceeds are expected to be utilised within 12 months from the receipt of such proceeds throughout the tenure of the Proposed ESOS.

However, the proceeds to be utilised for each component of working capital requirements are subject to the operating and funding requirements of the Group at the point of utilisation and therefore cannot be determined at this juncture.

Pending utilisation of proceeds raised as and when the ESOS Options are exercised, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used to fund the Group's working capital requirement.

3.11 Other fund raising exercises in the past 5 years

Private Placement

On 29 November 2019, the Board had announced the private placement of up to 10% of the total number of issued Shares pursuant to the general mandate ("**Private Placement**"). A total of 24,420,000 Dolphin Shares were placed out, raising gross proceeds of RM1.85 million. The Private Placement was subsequently completed on 23 November 2020. The utilisation of proceeds as at the LPD are set out below:-

Details of utilisation	Timeframe for utilisation from receipt of funds	Proposed utilisation	Revised utilisation from variation	Balance unutilised
		RM'000	RM'000	RM'000
Working capital	Within 12 months	1,749	1,789 ^{*1}	-
Estimated expenses	Within 2 weeks	100	60 ^{*1}	-
Total		1,849	1,849	-

Note:-

^{*1} The Company had re-allocated RM40,000 from the estimated expenses towards the working capital as the actual expenses incurred was lower than the estimated expenses budgeted

Rights Issue

On 27 February 2020, the Board had announced the renounceable rights issue of up to 412,087,515 new Shares at the issue price of RM0.06 per Share on the basis of 5 rights shares for every 4 existing Shares held together with up to 247,252,509 free detachable warrants on the basis of 3 warrants for every 5 rights shares subscribed for on the entitlement date ("**Rights Issue**").

A total of 305,250,005 Dolphin Shares and 183,150,003 warrants were issued pursuant to the Rights Issue, which was subsequently completed on 1 October 2020. The utilisation of proceeds as at the LPD are set out below:-

Details of utilisation	Timeframe for utilisation from receipt of funds	Proposed utilisation	Revised utilisation from variation	Balance unutilised
		RM'000	RM'000	RM'000
Partial funding for the acquisition of AP F&B	Within 1 month	9,800	9,800	-
Seri Langat Palm Oil Mill Sdn Bhd project	Within 12 months	2,744	- ^{*2}	-

Details of utilisation	Timeframe for utilisation from receipt of funds	Revised utilisation from variation		Balance unutilised
		Proposed utilisation	variation	
		RM'000	RM'000	RM'000
Operational expenditures and working capital requirements of secured contracts	Within 12 months	1,229	1,173 ²	-
Repayment of borrowings	Within 3 months	819	819	-
Working capital	Within 12 months	2,223	2,283 ¹	-
Estimated expenses	Within 1 month	1,500	1,440 ¹	-
Partial payment for the Previous Acquisition	Not applicable	-	2,800 ²	-
Total		18,315	18,315	-

Notes:-

¹ The Company had re-allocated RM60,000 from the estimated expenses to the working capital as the actual expenses incurred was lower than the estimated expenses budgeted

² The Company had re-allocated RM2,800,000 in aggregate from Seri Langat Palm Oil Mill Sdn Bhd project and the operational expenditures and working capital requirements of secured contracts towards the payment of deposit and partial payment of the Cash Consideration in respect of the Previous Acquisition, which had been fully paid on 24 February 2022 and 20 July 2022, respectively

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Private Placement I

On 26 January 2021, the Board had announced the private placement of up to 186,322,592 new Shares, representing approximately 20% of the total number of issued Shares pursuant to the general mandate ("**Private Placement I**"). A total of 135,607,860 Dolphin Shares were placed out, raising gross proceeds of RM9.76 million. The Private Placement I was subsequently completed on 25 February 2021. The utilisation of proceeds as at the LPD are set out below:-

Details of utilisation	Timeframe for utilisation from receipt of funds	Proposed utilisation		Revised utilisation from variation		Balance unutilised
		RM'000		RM'000		
Working capital for Uncle Don's restaurant outlets	Within 12 months	2,000	-	2,000	-	-
Set up costs for a new distribution company	Within 33 months	1,150	-	- ¹	-	-
Set up cost for new Uncle Don's restaurant outlets	Within 21 months	1,500	-	- ²	-	-
Building renovation works	Within 15 months	900	-	421 ²	-	-
Repayment of bank borrowings	Within 12 months	1,700	-	1,700	-	-
Group working capital	Within 21 months	2,376	-	2,376	-	-
Estimated expenses	Within 1 month	139	-	139	-	-
Partial payment for the Previous Acquisition	Not applicable	-	-	3,129 ^{1 2}	-	-
Total		9,765	-	9,765	-	-

Notes:-

¹ The Company had re-allocated RM1,150,000 from the set up costs for a new distribution company towards the partial payment of the Cash Consideration in respect of the Previous Acquisition, which had been fully utilised following the approval of the shareholders of Dolphin at the EGM held on 23 August 2023

² The Company had re-allocated RM1,979,000 from the set up cost for new Uncle Don's restaurant outlets and building renovation works towards the payment of deposit and partial payment of the Cash Consideration in respect of the Previous Acquisition, which had been fully paid on 24 February 2022 and 20 July 2022, respectively

Private Placement II

On 2 August 2021, the Board had announced the private placement of up to 335,669,500 new Shares, representing approximately 36% of the total number of issued Shares ("Private Placement II"). A total of 119,260,000 Dolphin Shares were placed out, raising gross proceeds of RM9.15 million. The Private Placement II was subsequently completed on 29 September 2022. The utilisation of proceeds as at the LPD are set out below:-

Details of utilisation	Timeframe for utilisation from receipt of funds	Approved utilisation	Proposed utilisation	Revised utilisation from variation	Balance unutilised
		RM'000	RM'000	RM'000	RM'000
Working capital for Uncle Don express outlets	Within 42 months	5,000	-	-	-
General working capital for Dolphin Group	Within 24 months	4,466	-	216 ²	-
Set up cost for Uncle Don express outlets	Within 42 months	9,982	5,775	3,775 ¹	-
Repayment of borrowings	Within 6 months	3,000	-	-	-
Future expansion and acquisition for F&B Business	Within 24 months	3,000	2,772	2,772	-
Estimated expenses	Within 1 month	600	600	384 ²	-
Partial payment for the Previous Acquisition	Not applicable	-	-	2,000 ¹	-
Total		26,048	9,147	9,147	-

Notes:-

¹ The Company had re-allocated RM2,000,000 from the set up cost for Uncle Don express outlets towards the payment of deposit and partial payment of the Cash Consideration in respect of the Previous Acquisition, which had been fully paid on 24 February 2022 and 20 July 2022, respectively

² The Company had re-allocated RM216,000 from the estimated expenses to the working capital as the actual expenses were lower than the estimated expenses budgeted, which had been fully utilised as at 18 October 2022

Rights Issue I

On 11 January 2023, the Board had announced the Rights Issue I. Subsequently, on 10 April 2023, the Board had announced the decision to withdraw the listing application in relation to the Rights Issue I, after taking into consideration the need to revise the structure of the Rights Issue.

On 26 May 2023, the Board had announced a revision to the structure of the Rights Issue I. The Rights Issue I was approved by the shareholders of Dolphin on 23 August 2023 at an EGM. Subsequently on 13 October 2023, the Company had announced that the Board has decided not to proceed with the implementation of the Rights Issue I as the Board intends to relook into the Rights Issue I in its entirety and amongst others, revise the utilisation of proceeds to be raised from the Rights Issue I after taking into consideration amongst others, the Group's recent financial performance as well as the changes in the financial needs of the Group.

Rights Issue II

On 26 October 2023, the Board had announced the renounceable rights issue of up to 178,384,776 new Dolphin Shares together with up to 133,788,582 free detachable warrants of Dolphin at an issue price of RM0.075 per new Share on the basis of 4 new Shares together with 3 free detachable warrants for every 3 existing Shares held ("**Rights Issue II**"). Subsequently, on 2 April 2024, the Board had announced the decision to abort Rights Issue II as Dolphin intends to explore other more expeditious manner to raise funds for its working capital.

Private Placement III

On 9 July 2024, the Board had announced the Private Placement III. The Company had obtained the approval from its shareholders at the AGM convened on 14 December 2023, whereby pursuant to Sections 75 and 76 of the Act, the Board has been authorised to allot and issue new Dolphin Shares at any time, at such price(s) as the Directors may, in their absolute discretion, deem fit, provided that the number of new Dolphin Shares to be issued does not exceed 10% of the total number of issued Shares (excluding treasury shares, if any) ("**General Mandate**"). Such authority shall continue to be in force until the conclusion of the next AGM of the Company. Further, Bursa Securities had vide its letter dated 6 September 2024 approved the Private Placement III.

For information purposes, as set out in the announcement dated 9 July 2024, based on the illustrative issue price of RM0.182 per Placement Share, the Private Placement III is expected to raise gross proceeds of up to RM2.44 million. The proceeds are intended to be utilised by Dolphin Group in the manner set out below:-

Details of utilisation	Timeframe for utilisation	RM'000
Working capital for the F&B Business and trading segment ^{*1}	Within 24 months from completion	1,912
Estimated expenses ^{*2}	Upon completion	523
Total		2,435

Save for the Rights Issue, Private Placement, Private Placement I, Private Placement II, Rights Issue I, Rights Issue II and Private Placement III, the Company has not undertaken any other fund raising exercises in the past 5 years prior to the date of this Circular.

4. PROPOSED CHANGE OF NAME

The Company proposes to change the Company's name from "Dolphin International Berhad" to "Oasis Harvest Corporation Berhad".

The proposed name "Oasis Harvest Corporation Berhad" was approved by the Companies Commission of Malaysia ("**CCM**") on 17 July 2024 for a period of 30 days from the date of approval and has been extended to 13 January 2025. Subsequently, and if so required, the Company will continue to extend the reservation period with the CCM.

The Proposed Change of Name, if approved by Dolphin shareholders, will be effective from the date of issuance of the Notice of Registration of New Name by the CCM.

5. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSALS

5.1 Proposed Variation

As set out in **Section 2**, Part A of this Circular, subsequent to the Previous Acquisition, the financial performance of High Reserve Group had deteriorated during the FYE 30 June 2023 and FPE 30 June 2024, where the revenue of High Reserve Group had decreased from RM9.19 million to RM8.41 million and RM7.61 million respectively, as a result of declining customer traffic in the Uncle Don's outlets (in particular the Rawang and previously Kajang outlets) during the recovery phase after the COVID-19 pandemic in 2022 whereby the opening of new restaurants in the vicinity of the said outlets had resulted in higher competition (such as fusion of pan-asian and modern western pubs in the same shopping mall) and therefore diverted customers to other dining options that offer different menu variety and dining ambiance.

The LAT of High Reserve Group had also increased from RM0.56 million to RM4.61 million during the FYE 30 June 2023, mainly due to the recognition of impairment losses on investment in subsidiary companies amounting to RM3.95 million. Specifically, High Reserve had recognised full impairment to its total cost of investment in its 2 wholly-owned subsidiaries, namely Oharu Inn Sdn Bhd and Edaran TCQ Sdn Bhd, due to the recoverable amount (determined based on the discounted future cash flows of the subsidiaries) being less than the carrying amount of the subsidiaries, mainly as a result of the underperforming Uncle Don's outlets held under the subsidiaries of High Reserve.

Based on the latest unaudited financial statements of High Reserve Group for the FPE 30 June 2024, High Reserve Group has incurred LAT of approximately RM0.25 million. Additionally, the increase in overall cost of purchase and rental expenses had also added an extra weight towards the underperformance of High Reserve Group.

In view that High Reserve Group has failed to achieve the Profit Guarantee within the Profit Guarantee Periods pursuant to the terms and conditions of the SSA, the Proposed Variation will enable AP F&B to:-

- i. waive the payment of the Balance Cash Consideration I;
- ii. forfeit and not proceed with the payment of the Balance Cash Consideration II given that High Reserve Group did not meet the Profit Guarantee and has suffered an Aggregate Loss; and
- iii. receive compensation from the Vendors for the Aggregate Loss by way of 6 instalment payments over the total period of 3 years.

In other words, AP F&B will not be required to pay for the Balance Cash Considerations amounted to an aggregate of RM9.55 million to the Vendors upon obtaining approval from the shareholders of Dolphin for the Proposed Variation. In addition, AP F&B shall also be entitled to receive an Aggregate Loss amount of RM4.85 million, being the compensation from the Vendors for the losses incurred from High Reserve Group during the Profit Guarantee Periods.

5.2 Proposed ESOS

The Proposed ESOS is expected to achieve the following objectives:-

- i. to recognise and reward the Eligible Persons by giving recognition to their contributions and services that are considered vital to the operations, hence motivating employee performance to create sustainable growth and profitability for the Group;
- ii. to retain, motivate and reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of Dolphin Shares upon disposal;
- iii. to align the interests of Eligible Persons with that of the shareholders through the achievement of the Group's objectives and plans;
- iv. to attract prospective employees with relevant skills and experience to the Group by making compensation packages offered more competitive; and
- v. to foster and reinforce the Eligible Persons' loyalty and sense of belonging to the Group by enabling them to participate directly in the Company's equity, thereby incentivising the Eligible Persons to contribute more actively to the operations and future growth and success of the Group.

The Proposed ESOS is also extended to non-executive Directors of the Group in recognition of their contributions towards the growth and performance of the Group. Specifically, the non-executive Directors have been able to advise the Board in the aspects of corporate governance, risk management, business management and finance-related matters. Further, the non-executive Directors have been working closely with the executive Directors of Dolphin as well as contributing to the decision-making process of the Board.

5.3 Proposed Change of Name

The Proposed Change of Name is in line with the Company's rebranding exercise to better reflect the Company's updated corporate identity and purpose which is more aligned with the Company's current core business and values, to improve the public's confidence in the Company and to enhance stakeholder engagement.

6. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS

6.1 Overview and outlook of the Malaysian economy

Global growth is projected to moderate in 2023 and 2024 following slow growth in advanced economies; volatile financial markets due to tightening monetary policy; prolonged geopolitical tensions; and increasing climatic changes. Nevertheless, inflation continues to soften as markets head towards supply chain stabilisation. In addition, world trade is projected to moderate in 2023 in line with weaker global demand. However, global trade is expected to increase in 2024 in tandem with improved trade activity in advanced economies and emerging market and developing economies ("**EMDEs**"). In the case of Malaysia, the economy continued to expand amid these persistent challenges in the external environment. During the first half of 2023, gross domestic product ("**GDP**") posted a growth of 4.2%, supported by resilient domestic demand, in particular private expenditure. The services sector, the largest contributor to the economy, continued to lead growth following higher tourist arrivals and improved consumer spending.

The construction sector continued to expand in tandem with the acceleration of infrastructure projects and realisation of investment in non-residential and residential developments. These developments helped to cushion the negative impact from the external sector following slow external demand, particularly from Malaysia's major trading partners.

The increased external uncertainties will pose risks to economic growth. Notwithstanding these challenges, the economy continues reaping the benefits from policies and initiatives undertaken over the years to enhance resilience and competitiveness. Overall, the economy is projected to expand moderately in the second half of the year as external demand is expected to remain low and high base effect from the previous year. Nevertheless, domestic demand will continue to drive growth. Hence, GDP is anticipated to register a growth of approximately 4% in 2023.

For 2024, the economy is projected to grow within the range of 4% to 5%. The growth is envisaged to be broad-based, led by the services sector as intermediate and final services groups are anticipated to rise further driven by sustained domestic consumption and improved export activities. The retail trade, accommodation and restaurants as well as communication segments are expected to increase in line with consumption trend, while the wholesale trade segment and transport and storage subsector will benefit from higher trade-related activities.

The manufacturing sector is expected to accelerate, driven by improved export-oriented industries, particularly in the electrical & electronic products, as external demand recovers while the domestic-oriented industries are anticipated to remain favourable in line with robust domestic consumption and investment.

The construction sector is expected to grow supported by expansion across all subsectors. Prospects for the agriculture sector remain positive supported by higher production of crude palm oil, other agricultural products, and livestock. The mining sector is estimated to turn around owing to the recovery in the production of natural gas, crude oil, and condensates.

(Source: Economic Outlook 2024, Ministry of Finance Malaysia)

6.2 Overview and outlook of the F&B industry

The services sector increased by 6% in the first half of 2023, mainly attributed to the wholesale and retail trade; transportation and storage; and food & beverages and accommodation subsectors. However, finance and insurance contracted during the period. The performance of the sector in the second half of the year is anticipated to rise by 5.1% driven by tourism- and travel-related subsectors following higher tourist arrivals and improved consumer spending. Overall, the sector is projected to grow by 5.5% in 2023, with nearly all subsectors recording positive growth, except for the finance and insurance subsector.

The food & beverages and accommodation subsector is projected to record a significant growth of 10.4% in 2023 following the expansion in all segments. The subsector grew by 10.7% in the first half of 2023 supported by high hotel occupancy rates and patronage at eateries, mainly attributed to the increase of tourist arrivals to 9.2 million. The subsector is expected to increase by 10.1% in the second half of the year, on the back of vibrant tourism related activities. The favourable outlook is in line with the revised projection of 18.6 million tourist arrivals in 2023 by the Ministry of Tourism, Arts and Culture. The upsurge revision is echoed in the Global Muslim Travel Index 2023, of which Malaysia continues to maintain the top position as a Muslim travel destination for five consecutive years.

The services sector is forecast to increase by 5.6% in 2024 driven by expansion in all subsectors. In addition, vibrant tourism-related activities as well as continuous consumer spending are expected to further spur the growth of the sector.

The food & beverages and accommodation subsector is poised to grow by 7.9%, attributed to the steady rise in tourist arrivals that will drive the hospitality industry, surpassing the pre-pandemic level. The tourism industry will benefit from the provision and upgrading of tourism facilities as well as the adoption of digital platforms for promotional activities. In addition, 2024 visit state year programmes in Melaka, Perak and Perlis are expected to contribute to the subsector's growth.

(Source: Economic Outlook 2024, Ministry of Finance Malaysia)

6.3 Prospects of Dolphin Group

Dolphin Group is principally involved in the operation of restaurants, trading of alcohol related products as well as 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.

For information purposes, the segmental revenue of the Group for the past 3 financial years up to the FYE 30 June 2023 are set out as below:-

Segment	FYE 30 June 2021	FYE 30 June 2022	FYE 30 June 2023
	RM'000	RM'000	RM'000
Palm oil mill solutions	3,712	145	-
Trading and supply of parts & services	826	73	-
Investment holdings	240	240	-
F&B Business	4,433	7,838	17,171
Trading	-	2,355	3,849

Palm oil mill business and trading and supply of parts & services

The palm oil mill business has been consecutively loss-making from the FYE 30 June 2015 to the FYE 30 June 2022 and the trading and supply of parts & services has been consecutively loss-making since FYE 30 June 2022. As part of the Group's efforts to improve its financial performance, Dolphin Group had in 2020 diversified into the F&B Business. Following thereto, the Group have been focused on growing the F&B Business and at the same time, progressively scale down its palm oil mill business and trading and supply of parts & services in order to reduce the Group's losses.

The Group had carried out a gradual wind up/ disposal of non-operating subsidiaries under the palm oil milling business and has not secured any new engineering solutions project over the past two years up to the FYE 30 June 2023. The last palm oil milling projects and trading and supply of parts & services carried out by the Company was completed in FYE June 2022 and as such, there was no revenue contribution recorded for this business segment during the FYE 30 June 2023. Moving forward, Dolphin Group has no intentions to procure new projects for the palm oil milling business and secure new orders for the trading and supply of parts & services as it intends to reallocate and focus its resources entirely on growing the F&B Business.

Investment holdings

The Company is principally involved in investment holdings and recorded revenue of RM0.24 million for the FYE 30 June 2021 and FYE 30 June 2022 from management fees charged to Dolphin Engineering Sdn Bhd. However, for the FYE 30 June 2023, there was no management fee imposed due to winding up of Dolphin Engineering Sdn Bhd in 2023, which resulted in no revenue contribution for the FYE 30 June 2023.

F&B Business and trading

The F&B Business and trading segment have been the Group's largest revenue contributor during the FYEs 30 June 2022 and 2023. In particular, the Group had expanded into the business of Italian restaurant namely 'Verona Trattoria' and trading of alcohol related products during the FYE 30 June 2022, in which the F&B Business and trading segment contributed higher revenue to the Group by RM3.41 million to RM7.84 million (FYE 30 June 2021: RM4.43 million) and RM2.36 million (FYE 30 June 2021: nil), respectively. Further, on 20 July 2022, the Group had completed the Previous Acquisition, resulting in the increase of Uncle Don's restaurants owned by the Group from 3 outlets to 7 outlets.

Notwithstanding the above, there are certain non-performing Uncle Don's restaurant outlets that experienced declining customer traffic during the recovery phase after the COVID-19 pandemic in 2022, which partly contributed to the Group losses throughout the financial years under review. In view of the foregoing, the Company has closed down 2 Uncle Don's restaurant outlets located in Setia Alam and Danau Desa (held under AP F&B) due to poor performance from the said outlets, resulting in the need to streamline overall restaurant operations and optimise resource allocation within Dolphin Group. In addition, the Company has 1 other Uncle Don's restaurant outlet located in Kajang (held under High Reserve Group) which encountered operational challenges with low customer traffic and had been converted to a Thai restaurant named 'Suwan Thai', to better align with the existing market trends and customer preferences of the local population surrounding the said restaurant outlet located in Kajang.

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Steps taken to improve the financial condition of the Group and the adequacy of the Proposals in addressing the Group's financial concerns

In view that the Group's Uncle Don's restaurant outlets have been experiencing declining customer traffic during the recovery phase after the COVID-19 pandemic in 2022 whereby the opening of new restaurants in the vicinity of the said outlets had resulted in higher competition, the Board has decided to re-organise the said Uncle Don's restaurant outlets and to re-strategise the Group's F&B Business moving forward based on the initiatives as further set out below, which include, amongst others, implementing a customer relationship management system to enhance customer retention and satisfaction across all restaurant outlets, initiating targeted marketing strategies to cater for changing customer preferences as well as to shift its focus to growing the business of the Italian restaurant, 'Verona Trattoria' at Petaling Jaya and trading segment (i.e. trading, wholesale and import of all alcohol related products).

As such, the management has undertaken the Private Placement III to raise the requisite funds to meet the Group's immediate funding requirements for its F&B Business as highlighted in **Section 3.11**, Part A of this Circular. The Board is of the view that the proceeds to be raised from the Private Placement III is adequate to address the Group's short-term funding requirements for the time being. The management of the Company will review and assess the Group's general working capital requirements from time to time to further strengthen its financial position. The proceeds raised from the Private Placement III will allow the Group to maintain flexibility over the cash flow funding of its working capital to finance the Group's day to day operations without being over reliant on bank borrowings.

Moving forward, as part of the Board's immediate initiatives to improve the Group's financial condition, the Board and management of the Group have outlined several preliminary strategies to improve the Group's earnings and overall operating structure with the objective of returning the Group to full year profitability, with main focus on its F&B Business and trading segment as further elaborated below:-

- i. To re-organise the remaining 4 Uncle Don's restaurant outlets held by the Group which are located in Sri Petaling, Kepong, Rawang and Ipoh, respectively. This will be undertaken through a thorough assessment on the performance of each outlet and ascertaining the most suitable initiative to be taken, such as closure of the outlet, relocation of the outlet or refurbishment to the outlet. For information purposes, the summary of the key financial information of Dolphin Group's outlets for its F&B Business for the past 3 financial years up to the 12-month FPE 30 June 2024 is set out as follows:-

Location/ Outlet	Audited						Unaudited		
	12-month FYE 30 June 2022			12-month FYE 30 June 2023			12-month FPE 30 June 2024		
	Revenue	GP	PAT/(LAT)	Revenue	GP	PAT/(LAT)	Revenue	GP	PAT/(LAT)
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Sri Petaling	2,340	838	(53)	2,242	826	(169)	2,354	1,030	168
Kepong	3,264	1,146	306	3,187	1,036	232	3,225	1,130	395
Rawang	1,193	406	(151)	1,418	528	(1,225)	1,087	354	(430)
Ipoh	2,233	1,074	28	1,756	639	(203)	1,528	571	(123)
Kajang/ Suwan Thai	2,267	824	(10)	1,560	461	653	104	48	(177)
Verona Wines	2,369	352	865	3,849	665	(62)	2,240	365	(105)
Verona Trattoria	2,171	782	232	3,908	970	334	2,013	641	245

In view of the Sri Petaling and Kepong outlets are still profitable as at FPE 30 June 2024, the Group's reorganisation plan for the Uncle Don's restaurant will prioritize the improvement of the Rawang and Ipoh outlets. In the event that the Group decides to undertake a relocation of the aforementioned outlets to a more strategic location, it is expected to incur an estimated relocation and set up cost of between RM0.70 million to RM1.00 million per outlet, with an estimated timeframe of completion within 2 months. In the case of refurbishment to outlet (e.g. updating the outlet's décor, lighting and layout to create a more inviting atmosphere as well as reconfiguring the layout and maximizing seating capacity, etc.), the Group is expected to incur an estimated cost of RM0.50 million per outlet (to be financed via internally generated funds, bank borrowings and/ or proceeds raised from the compensation of the Aggregate Loss), with an estimated timeframe of completion within 2 months;

- ii. To implement customer loyalty programmes or a customer relationship management system (i.e. a technology platform used to manage interactions and relationships with current and potential customers, which typically includes functionalities such as centralised database to store customer contact information, purchase history and preferences, sales management and customer service activities) as an initiative to maximise customer retention and satisfaction across all restaurant outlets. Based on the quotations received from the vendors as at the LPD, the implementation of such customer loyalty programmes or setup of customer relationship management system is expected to incur an estimated cost of approximately RM0.15 million (to be financed via the Private Placement III), with an estimated timeframe of completion within 1 month;
- iii. To conduct targeted promotions and initiating marketing strategies to help boost the sales of underperforming outlets, such as weekday lunch promotions and happy hours (i.e. 3 p.m. to 8 p.m.) which can attract crowds during off-peak hours. The Group will keep abreast with the latest market trends and consumer preferences to modify the menu and service offerings of the outlets, specifically via the introduction of new items or removal of less popular items. These promotions and marketing initiatives is expected to incur an estimated cost of approximately RM0.20 million (to be financed via the Private Placement II) and will be undertaken as an on-going effort to improve the customer footprint to the outlets;
- iv. To further improve the results of the trading segment, the Group will leverage on the wine import license held by its subsidiary, namely Verona Wines Sdn Bhd to purchase niche wine stocks (to be financed via the Private Placement III), specifically Chilean red wine which many wine enthusiasts adore due to its very fruity flavour. Further, the Group will actively look for potential collaborations with other event planning companies to organise wine tasting events targeted at the communities around Petaling Jaya, where its restaurant outlet, Verona Trattoria is located at; and
- v. Apart from expanding the F&B Business organically, the Group may also consider growing the said business inorganically, via joint ventures, collaborative arrangements, business agreements, and/ or mergers and acquisitions of businesses or investments that are similar or complementary to the nature of the F&B Business, if the need arises to further improve its earnings base. At this juncture, the Board is still exploring options and has yet to finalise the terms of any such business opportunities. The Company shall make the necessary announcements in accordance with the Listing Requirements as and when new business(es)/ investment(s) which are likely to materialise have been identified. If the nature of the transaction requires shareholders' approval pursuant to the Listing Requirements, the Company will also seek to do so.

Value creation and impact of the Proposals to the Company and shareholders

Pursuant to the completion of the Proposals, the Group is expected to benefit from the following outcome which may possibly contribute positively to the Group's financial position:-

- The Proposed Variation is undertaken in view of High Reserve Group's loss-making position and the high likelihood of its inability in achieving the Profit Guarantee within the Profit Guarantee Periods. By taking the initiative to renegotiate the terms of the SSA, it had been mutually agreed between Dolphin, AP F&B and the Vendors to waive and forfeit the entire Balance Cash Considerations that is outstanding to the Vendors. Accordingly, the Proposed Variation will relieve AP F&B from its obligation to make any further payments to the Vendors for the Balance Cash Considerations of the Previous Acquisition. This in turn shall aid the Company in preserving its cashflow and allowing for any funds raised in the future to be utilised for the working capital and expansion plans of the Group. Additionally, AP F&B will also be entitled to receive an Aggregate Loss amount from the Vendors for the losses incurred from High Reserve Group during the Profit Guarantee Periods by way of 6 instalment payments each in equal amount. The instalments are to be paid every 6 months over the total period of 3 years. This entitlement is expected to safeguard Dolphin from any losses arising from the High Reserve Group. Hence, the Proposed Variation is expected to improve the cash position of Dolphin Group.
- The Proposed ESOS may allow Dolphin Group to attract prospective employees with relevant skillsets to help drive the growth of the Group. The Proposed ESOS can also help Dolphin Group in retaining and motivating the existing Eligible Persons by allowing their direct participation in the Company's equity, thus incentivising them to contribute and create more value for the future growth and success of Dolphin Group.
- As set out in **Section 8.1**, Part A of this Circular, assuming all Placement Shares are placed out, the Proposed ESOS is expected to enlarge the issued Share capital from approximately RM27.27 million to RM32.38 million. The Proposed ESOS may also increase the shareholders' funds/ NA from approximately RM36.38 million to RM40.96 million. Further details on the effects of the Proposed ESOS on Dolphin Group's issued share capital, substantial shareholdings structure, NA, gearing level and earnings and EPS are disclosed in **Section 8**, Part A of this Circular.
- Following the corporate exercises undertaken by Dolphin Group for the expansion its business in the recent financial years, the Proposed Change of Name is in line with the Company's rebranding exercise to better reflect the Company's updated corporate identity and purpose which is more aligned with the Company's current core business and values. This shall aid the Company in enhancing stakeholder engagement by allowing better public recognition on the Company's current image.

Premised on the above, and barring any unforeseen circumstances, the Board is cautiously optimistic about the future prospects of the Group. The Board will continue to monitor and review the performance and progress of the Group's operations and financial performance, and to introduce measures to enhance the Group's financial, as and when required.

(Source: Management of Dolphin)

7. RISK FACTORS

7.1 Completion risk

The Proposed Variation is conditional upon the fulfilment of the condition precedent in the Agreement. If the condition precedent is not fulfilled within the stipulated time frame, the Agreement will be terminated and as a result, the Company will not be able to effect the Proposed Variation. Nevertheless, the Board endeavours to ensure the satisfaction of the condition precedent in order to effect the Proposed Variation.

8. EFFECTS OF THE PROPOSALS

The Proposed Variation and Proposed Change of Name will not have any effect on the issued share capital of Dolphin, NA and gearing of the Group, earnings and EPS of the Group, convertible securities of Dolphin and substantial shareholders' shareholdings of Dolphin.

8.1 Issued share capital

The Proposed ESOS will not have an immediate effect on the issued share capital of Dolphin until such time when new Dolphin Shares are issued pursuant to the exercise of the ESOS Options. The issued share capital of Dolphin will increase progressively depending on the number of new Dolphin Shares that are issued pursuant to the exercise of the ESOS Options.

The pro forma effects of the Proposed ESOS on the issued share capital of the Company are set out below:-

	No. of Shares	RM
Issued share capital as at the LPD	133,788,582	27,273,504
Shares to be issued pursuant to the Private Placement III	13,378,858	1,926,556 ^{*1}
	147,167,440	29,200,060
Shares to be issued assuming full exercise of ESOS Options	22,075,116	3,178,817 ^{*2}
Enlarged issued share capital	169,242,556	32,378,877

Notes:-

^{*1} Computed based on the illustrative issue price of RM0.144 per Placement Share

^{*2} Computed based on the illustrative exercise price of RM0.144 per ESOS Option, representing approximately 9.66% discount to the 5-day VWAP of Dolphin Shares up to and including the LPD of RM0.1594 per Dolphin Share

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8.2 NA and gearing level

Based on the latest audited consolidated statements of financial position of the Group as at 30 June 2023, the pro forma effects of the Proposed ESOS on the NA per Share and gearing of the Group are set out as follows:-

		I	II	III
	Audited as at 30 June 2023	Subsequent adjustments up to the LPD ^{*1}	After I and the Private Placement III	After II and assuming all ESOS Options are granted and exercised
	RM'000	RM'000	RM'000	RM'000
Share capital	23,427	27,274	29,200 ^{*2}	32,379 ^{*3}
Foreign currency translation reserve	615	615	615	615
Warrants reserve	3,846	3,846	3,846	3,846
Retained profits	4,642	4,642	4,119 ^{*4}	4,119 ^{*4}
Shareholder's fund/ NA	32,530	36,377	37,780	40,959
Number of Shares in issue ('000)	1,337,883	133,788	147,167	169,242
NA per Share (RM)	0.02	0.27	0.26	0.24
Total borrowings (RM'000)	8,899	8,899	8,899	8,899
Gearing level (times)	0.27	0.24	0.24	0.22

Notes:-

^{*1} After adjusting for the following:-

- i. consolidation of every 10 existing Dolphin Shares into 1 consolidated Share effective on 3 October 2023;
- ii. issuance of 3,000 Shares pursuant to the exercise of warrants 2020/2023; and
- iii. transfer of warrants reserve to share capital after the expiration of warrants 2020/2023

^{*2} After the issuance of 13,378,858 Placement Shares at the illustrative issue price of RM0.144 per Share

^{*3} Assuming all 22,075,116 ESOS Options are granted and exercised at the illustrative exercise price of RM0.144 per ESOS Option

^{*4} After deducting estimated expenses of RM0.52 million

The Proposed ESOS is not expected to have an immediate effect on the NA, NA per Share and gearing of the Group until such time when the ESOS Options are exercised. The effects on the NA, NA per Share and gearing of the Group would depend on factors such as the number of ESOS Options granted and the fair value of the ESOS Options after taking into account, amongst others, the exercise price of the ESOS Options as well as any vesting conditions.

Whilst the granting of ESOS Options under the Proposed ESOS is expected to result in recognition of a charge in the statement of comprehensive income of the Group pursuant to the MFRS 2 – Share-based Payment as issued by the Malaysian Accounting Standards Board, the recognition of such MFRS 2 charge would not affect the Group's NA as the corresponding amount will be classified as an equity compensation reserve which forms part of the shareholders' equity.

Upon vesting of the ESOS Options and/ or exercise of the ESOS Options pursuant to the Proposed ESOS, the NA per Share of the Group is expected to:-

- i. increase if the exercise price of the ESOS Options is higher than the NA per Share of the Group; and
- ii. decrease if the exercise price of the ESOS Options is lower than the NA per Share of the Group,

at such point of exercise.

8.3 Earnings and EPS

8.3.1 Proposed Variation

The Proposed Variation is not expected to have any material effect on the earnings and EPS of the Group for the 18-month FPE 31 December 2024. However, the Proposed Variation is expected to contribute positively to the earnings of the Company in view that the one-off gain arising from the waiver/ forfeiture of the entire Balance Cash Considerations of RM9.55 million and the compensation to be received from the Vendors for the Aggregate Loss of RM4.85 million.

For illustrative purpose, assuming the Proposed Variation had been completed and the one-off gains has been recognised as at 1 July 2022, the pro forma effects of the Proposed Variation on the earnings and EPS of the Group are as follows:-

	Audited for FYE 30 June 2023	After the Proposed Variation
	RM'000	RM'000
LAT	(8,797)	(8,797)
One-off gains pursuant to the waiver/ forfeiture of the Balance Cash Considerations (i.e. RM9.550 million) and the compensation for Aggregate Loss (i.e. RM4.854 million)	-	14,404
Less: Estimated expenses in relation to the Proposals	-	(523)
Pro forma PAT/ (LAT)	(8,797)	5,084
Weighted average number of Shares ('000)	1,326,096	1,326,096
Basic EPS/ (LPS) (sen)	(0.67)	0.38

8.3.2 Proposed ESOS

The Proposed ESOS is not expected to have any material effect on the earnings of the Group for FYE 31 December 2024, save for the possible impact of the MFRS 2 upon granting of the ESOS Options. However, any potential effect on the earnings and EPS of the Group in the future would depend on the impact of MFRS 2, the number and exercise price of the ESOS Options exercised as well as the utilisation of the proceeds arising therefrom.

Under the MFRS 2, the potential cost arising from the issuance of the ESOS Options, which is measured by the fair value of the ESOS Options after taking into account, amongst others, the number of ESOS Options granted and vested and the exercise price, will need to be measured at the grant date and to be recognised as an expense over the vesting period, and therefore may affect the future earnings of the Group, the quantum of which can only be determined at the grant date. However, the estimated cost does not represent a cash outflow by Dolphin as it is merely an accounting treatment.

The fair value of the ESOS Options will be determined after taking into consideration, amongst others, the historical volatility of Dolphin Shares, the risk-free rate, the exercise price of the ESOS Options and time to maturity of the ESOS Options from the vesting date of the ESOS Options. Nevertheless, we have taken note of the potential impact of MFRS 2 on the Group's future earnings and shall take into consideration such impact in the allocation and granting of the ESOS Options to the Eligible Persons.

Notwithstanding the above, the EPS of the Group may be diluted depending on the number of new Dolphin Shares to be issued and/ or transferred via treasury shares pursuant to the exercise of the ESOS Options. The effects of any exercise of the ESOS Options on the EPS of the Group would also depend on the returns to be generated by the Group from the utilisation of proceeds from the exercise of the ESOS Options.

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8.4 Substantial shareholders' shareholding

The pro forma effects of the Proposed ESOS on the substantial shareholders' shareholdings of the Company as at the LPD are set out below:-

	Shareholdings as at the LPD				I After the Private Placement III			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ^{*1}	No. of Shares	% ^{*1}	No. of Shares	% ^{*2}	No. of Shares	% ^{*2}
	Asia Poly Holdings Berhad	14,091,318	10.53	-	-	14,091,318	9.58	-
Oasis Harvest Holdings Sdn Bhd	13,655,000	10.21	-	-	13,655,000	9.28	-	-
Dato' Sri Tan Ooi Han	13,050,000	9.75	13,655,000 ^{*4}	10.21	13,050,000	8.87	13,655,000 ^{*4}	9.28

	II After I and the issuance of shares pursuant to the Proposed ESOS			
	Direct		Indirect	
	No. of Shares	% ^{*3}	No. of Shares	% ^{*3}
	Asia Poly Holdings Berhad	14,091,318	8.33	-
Oasis Harvest Holdings Sdn Bhd	13,655,000	8.07	-	-
Dato' Sri Tan Ooi Han	13,050,000	7.71	13,655,000 ^{*4}	8.07

Notes:-

^{*1} Based on the total issued Shares of 133,788,582 as at the LPD

^{*2} Based on the total issued Shares of 147,167,440 after the Private Placement III

^{*3} Based on the total issued Shares of 169,242,556 after the exercise of ESOS Options

^{*4} Deemed interested by virtue of his shareholding in Oasis Harvest Holdings Sdn Bhd pursuant to Section 8 of the Act

8.5 Convertible securities

As at the LPD, the Company does not have any convertible securities.

9. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Dolphin Shares as traded on Bursa Securities for the past 12 months from September 2023 to August 2024 are set out below:-

	High	Low
	RM	RM
2023		
September	0.340	0.020
October	0.290	0.150
November	0.250	0.150
December	0.195	0.135
2024		
January	0.215	0.155
February	0.180	0.145
March	0.210	0.160
April	0.250	0.190
May	0.230	0.200
June	0.220	0.195
July	0.205	0.185
August	0.200	0.170
Last transacted market price on the LTD		0.195
Last transacted market price on the LPD		0.145

(Source: Bloomberg)

10. APPROVALS REQUIRED/ OBTAINED

The Proposals are subject to the following approvals being obtained from :-

- i. Bursa Securities for the listing of and quotation for such number of new Dolphin Shares, representing up to 15% of Company's total number of issued shares (excluding treasury shares, if any), which may be issued pursuant to the Proposed ESOS on the Main Market of Bursa Securities,

the approval of which has been obtained vide Bursa Securities' letter dated 6 September 2024 subject to the following conditions:-

	Conditions	Status of compliance
a.	Dolphin and UOBKH must fully comply with the relevant provisions under the Listing Requirements at all times pertaining to the implementation of the Proposals;	To be complied
b.	UOBKH to inform Bursa Securities upon the completion of the Private Placement III;	To be complied
c.	UOBKH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Private Placement III is completed;	To be complied
d.	UOBKH to submit a confirmation to Bursa Securities of full compliance of the Proposed ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation, together with the following:-	To be complied
i.	A certified true copy of the resolution passed by the shareholders in general meeting approving the Proposed ESOS; and	

	Conditions	Status of compliance
	ii. Letter of compliance in relation to the Bylaws pursuant to Paragraph 2.12 of the Listing Requirements together with a copy of the final Bylaws;	To be complied
e.	Dolphin is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the Proposed ESOS as at the end of each quarter together with a detailed computation of listing fees payable	

- ii. the shareholders of Dolphin at an EGM to be convened; and
- iii. any other relevant authority, if required.

The proposed name "Oasis Harvest Corporation Berhad" was approved by the CCM on 17 July 2024 for a period of 30 days from the date of approval and has been extended to 13 January 2025. Subsequently, and if so required, the Company will continue to extend the reservation period with the CCM.

The Proposed Change of Name is subject to the approval being obtained from the shareholders of Dolphin at an EGM of the Company to be convened. The Proposed Change of Name, if approved by Dolphin shareholders, will be effective from the date of issuance of the Notice of Registration of New Name by the CCM.

The Proposals are not inter-conditional upon each other. The Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.

It is the intention of the Board to implement the Private Placement III first, followed by the implementation of the Proposals and thereafter the Proposed ESOS.

11. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Private Placement III and the Proposals (being the subject matter of this Circular), the Board confirms that there are no other outstanding corporate proposals that have been announced but not yet completed as at the LPD.

12. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED WITH THEM

12.1 Proposed Variation

Save as disclosed below, none of the Directors, major shareholders, chief executive of Dolphin and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Variation:-

- i. Yeo Boon Thai, as the Non-Independent Non-Executive Director of Dolphin, is deemed interested in the Proposed Variation by virtue of him being one of the Vendors.
- ii. For information purposes, Yeo Boon Ho is one of the Vendors in relation to the Previous Acquisition and has resigned as the Non-Independent Non-Executive Director of Dolphin on 31 May 2024. Yeo Boon Ho was a Director of Dolphin within the preceding 6 months of the date on which the terms of Proposed Variation were agreed. Yeo Boon Ho is also a sibling to the other Vendors in respect of the Previous Acquisition. Hence, Yeo Boon Ho is a person connected with the Interested Director. As at the LPD, Yeo Boon Ho holds 609 Dolphin Shares, representing less than 1% of equity interest in Dolphin.

Accordingly, the Interested Director has abstained and will continue to abstain from deliberation and voting on the Proposed Variation at all Board meetings. In addition, the Interested Director will abstain from voting and will also ensure that the persons connected with him, if any, will abstain from voting in respect of their direct and/ or indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Variation to be tabled at an EGM of the Company to be convened.

12.2 Proposed Change of Name

None of the Directors, major shareholders, chief executive of Dolphin, and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Change of Name.

12.3 Proposed ESOS

All Directors are eligible to participate in the Proposed ESOS and are therefore deemed interested to the extent of their respective proposed allocation and the proposed allocations to persons connected to them under the Proposed ESOS. Notwithstanding that, all Directors have deliberated on the Proposed ESOS, and have agreed to present the Proposed ESOS to shareholders for their consideration and approval.

All Directors have and will continue to abstain from all Board deliberations and voting in respect of their respective proposed allocation, and the proposed allocations to persons connected to them under the Proposed ESOS, at the relevant Board meetings. The Directors who are deemed persons connected to Eligible Person under the Proposed ESOS, have and will continue to abstain from all Board deliberations and voting in respect of the proposed allocations to persons connected to them under the Proposed ESOS, at the relevant Board meetings.

All Directors will abstain from voting in respect of their direct and/ or indirect shareholdings, at an EGM of the Company to be convened in respect of the resolutions to be tabled for their respective proposed allocation as well as the proposed allocations to the persons connected to them, under the Proposed ESOS.

All Directors will undertake to ensure that persons connected to them, will abstain from voting in respect of their direct and/ or indirect shareholdings, on the resolutions pertaining to their respective proposed allocations, and the proposed allocations to the persons connected to them, under the Proposed ESOS, to be tabled at an EGM of the Company to be convened.

The direct and indirect shareholdings of the Directors in Dolphin as at the LPD are as follows:-

	Shareholdings as at the LPD			
	Direct		Indirect	
	No. of Dolphin Shares	%	No. of Dolphin Shares	%
Yeo Boon Thai	-	-	-	-
Loke Mee Leng	-	-	-	-
Dato' Sri Tan Ooi Han	13,050,000	9.75	13,655,000 ^{*1}	10.21
Ir. Tan Chin Leng	100,000	0.07	-	-
Ch'ng Eu Vern	-	-	-	-
Phuah Jessie	-	-	-	-

Note:-

^{*1} Deemed interested by virtue of his shareholding in Oasis Harvest Holdings Sdn Bhd pursuant to Section 8 of the Act

13. TRANSACTIONS WITH THE INTERESTED PARTIES FOR THE PRECEDING 12 MONTHS

Save as disclosed below, there have been no transactions entered into by the Company with the Interested Parties for the 12 months preceding the date of this Circular:-

- i. the recurrent related party transactions as set out in the circular to shareholders of the Company dated 31 October 2023; and
- ii. the Proposed Variation.

14. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of Dolphin, after taking into consideration the advice of the Independent Adviser, namely SCS Global, is of the opinion that the Proposed Variation is:-

- i. in the best interest of the Company;
- ii. fair, reasonable and on normal commercial terms; and
- iii. not detrimental to the interest of the non-interested shareholders of Dolphin.

In forming its views, the Audit Committee of Dolphin has taken into consideration, amongst others, the following:-

- i. the rationale and justification of the Proposed Variation;
- ii. the salient terms of the Agreement; and
- iii. the prospects of High Reserve Group and Dolphin Group.

15. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board (save for the Interested Director), having considered all aspects of the Proposals, including but not limited to the rationale and effects, is of the opinion that it is in the best interest of the Company.

However, in view that all Directors are eligible to participate in the Proposed ESOS, the Directors have abstained and will continue to abstain from deliberating and forming any opinion on and making any recommendations on the resolutions pertaining to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed ESOS. They will also abstain and ensure that persons connected to them, if any, abstain from voting in respect of their direct and/ or indirect interests in Dolphin, on the resolutions pertaining to their respective allocations as well as allocations to persons connected to them, if any, under the Proposed ESOS at a general meeting of the Company to be convened. Where the resolutions are not related to their respective allocations or to the persons connected to them, if any, the Directors, after having considered all aspects of the Proposed ESOS, are of the opinion that the Proposed ESOS is in the best interest of the Group.

Accordingly, the Board (save for the Interested Director) recommends that you **vote in favour** of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

16. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the approvals being obtained from the relevant authorities and the condition precedent to the Agreement being fulfilled, the Proposals are expected to be completed by the fourth quarter of 2024. The Proposed Change of Name will take immediate effect upon obtaining the approval from the shareholders of Dolphin at an EGM to be convened.

The tentative timetable for the implementation of the Private Placement III and the Proposals are set out below:-

Date	Events
7 October 2024	<ul style="list-style-type: none">• Convening of EGM for the Proposals• Fulfilment of condition precedent of the Agreement
End December 2024	<ul style="list-style-type: none">• Completion of the Private Placement III• Implementation of the Proposed ESOS

17. EGM

The EGM, the notice of which is enclosed in this Circular, is scheduled to be conducted entirely through a virtual meeting through live streaming and Remote Participation and Voting ("**RPV**") Facilities via Vote2U Online at <https://web.vote2u.my> provided by Agmo Digital Solutions Sdn Bhd (Domain registration number with MYNIC D6A471702) from the Broadcast Venue at Meeting Room, E-G-2, Block E, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, 47301 Petaling Jaya, Selangor on Monday, 7 October 2024 at 11.00 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolutions to give effect to the Proposals.

If you are unable to attend, participate, speak and vote at the EGM, you may appoint a proxy or proxies to attend, participate, speak and vote on their behalf. In such event, the Proxy Form must be lodged at the Company's Share Registrar Office, Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time for holding the EGM or at any adjournment thereof. The completion, signing and return of the Proxy Form will not preclude you from attending and voting in person, should you subsequently decide to do so.

18. FURTHER INFORMATION

Shareholders are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
DOLPHIN INTERNATIONAL BERHAD

DATO' SRI TAN OOI HAN
Non-Independent Executive Director

PART B

**INDEPENDENT ADVICE LETTER TO THE SHAREHOLDERS OF DOLPHIN IN RELATION TO
THE PROPOSED VARIATION**

EXECUTIVE SUMMARY

All definitions used in this Executive Summary shall have the same meanings as the words and expressions provided in the “Definitions” section of the Circular, except where the context otherwise requires or where otherwise defined herein.

All references to “we”, “us” and “our” are to SCS Global, being the Independent Adviser for the Proposed Variation. All references to “you” and “your” are to the non-interested shareholders of Dolphin.

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT POINTS OF OUR EVALUATION OF THE PROPOSED VARIATION. YOU ARE ADVISED TO READ AND UNDERSTAND THIS IAL IN ITS ENTIRETY, TOGETHER WITH THE LETTER FROM THE BOARD IN PART A OF THE CIRCULAR AND THE ACCOMPANYING APPENDICES FOR OTHER RELEVANT INFORMATION. YOU SHOULD NOT RELY SOLELY ON THIS EXECUTIVE SUMMARY BEFORE FORMING AN OPINION ON THE PROPOSED VARIATION.

YOU ARE ALSO ADVISED TO CONSIDER CAREFULLY THE RECOMMENDATION CONTAINED IN BOTH THIS IAL AND THE LETTER FROM THE BOARD BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED VARIATION TO BE TABLED AT DOLPHIN’S FORTHCOMING EGM.

IF YOU HAVE ANY DOUBT ABOUT THE PROPOSED VARIATION, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

1. INTRODUCTION

On 9 July 2024, on behalf of the Board, UOBKH announced that the Parties had entered into the Agreement to vary the terms of the SSA (as supplemented by the Supplemental Letter).

In view of the interests of the Interested Director of Dolphin and person connected to him as set out in Section 12.1, Part A of the Circular, the Proposed Variation is deemed as a RPT pursuant to Paragraph 10.08 of the Listing Requirements.

In accordance with Paragraph 10.08(2) of the Listing Requirements, the non-interested Directors of the Board had on 26 June 2024 appointed us to act as the Independent Adviser to advise the non-interested Directors and non-interested shareholders of the Company in relation to the Proposed Variation.

The purpose of this IAL is to provide you with our independent evaluation of the Proposed Variation together with our recommendation on whether you should vote in favour of or against the resolution pertaining to the Proposed Variation at Dolphin’s forthcoming EGM, subject to our scope and limitations specified herein.

2. EVALUATION OF THE PROPOSED VARIATION

In evaluating the Proposed Variation, we have taken into consideration the following factors:

Consideration Factors	Our Evaluation
Financial evaluation of the Proposed Variation	<p>We acknowledged that the Balance Cash Consideration I of RM5.35 million, which shall be waived absolutely and entirely pursuant to the Agreement, is greater than the Aggregate Loss of RM4,853,775.00.</p> <p>The forfeiture of the Balance Cash Consideration II of RM4.20 million mitigates any potential financial losses to the Dolphin Group due to an underperforming asset, i.e. the High Reserve Group.</p>

EXECUTIVE SUMMARY (Cont'd)

Consideration Factors	Our Evaluation
	<p>The Proposed Variation is considered fair and we are of the view that the Proposed Variation is in the best interests of the Company and is not detrimental to your interests.</p>
Rationale for the Proposed Variation	<p>The entire balance of the deferred Balance Cash Consideration I of RM5.35 million owing by Dolphin to the Vendors is waived, and the entire balance of the remaining Balance Cash Consideration II of RM4.20 million payable by Dolphin is forfeited. Furthermore, the Vendors shall compensate the Aggregate Loss to AP F&B in accordance with the terms and conditions of the SSA in view of the LAT to be recorded by the High Reserve Group for the Profit Guarantee Periods.</p> <p>The overall rationale for the Proposed Variation is deemed reasonable as it represents an amicable settlement.</p>
Salient terms of the Agreement	<p>Our commentaries on the salient terms of the Agreement are as follows:</p> <ul style="list-style-type: none">(i) we believe the waiver of the Group's obligation to pay the entire balance of the deferred Balance Cash Consideration I of RM5.35 million to the Vendors is in the best interests of the Company and not detrimental to you;(ii) we find the forfeiture of the Balance Cash Consideration II to be reasonable;(iii) we consider the agreement for the Vendors to pay the Aggregate Loss in the Agreed Liability Ratio through 6 equal semi-annual instalment payments represents a negotiated and amicable resolution between the Vendors and the Dolphin Group, in view of the following:<ul style="list-style-type: none">(a) the Dolphin Group has been waived from the obligation to pay the entire balance of the deferred Balance Cash Consideration I of RM5.35 million to the Vendors;(b) the Vendors require additional time to fulfil their payment obligations over a manageable repayment period, rather than making a lump sum payment due to significant amount of the Aggregate Loss; and(c) payment of the Aggregate Loss on an instalment basis minimises the likelihood of deferred payment and default risk as compared to lump sum payment.(iv) we consider the Condition Precedent to be reasonable as the Proposed Variation requires the Company's shareholders' approval;(v) we are of the opinion that relying on the Management Account is reasonable, taking into consideration the following:

EXECUTIVE SUMMARY (Cont'd)

<u>Consideration Factors</u>	<u>Our Evaluation</u>
	(a) the Company has changed its financial year end from 30 June 2024 to 31 December 2024, and the High Reserve Group's audited accounts for the 18-month financial period ending 31 December 2024 will only be made available by April 2025;
	(b) there will be additional costs and administrative burdens if the Dolphin Group audits the High Reserve Group's accounts specifically for the Second Profit Guarantee Period;
	(c) the Dolphin Group can recognise the Proposed Variation's outcomes and its contractual entitlements and rights related to the Profit Guarantee pursuant to the SSA dated 24 February 2022 by the fourth quarter of 2024 without any unnecessary delays; and
	(d) the High Reserve Group's financial performance has improved from the audited LAT of RM4,607,135.00 for the First Profit Guarantee Period to the unaudited LAT of RM246,640.00 million for the Second Profit Guarantee Period;
	(vi) based on our enquiries with the Board and the Group's senior management, the Dolphin Group will not be compensated with any amount exceeding the Aggregate Loss if the High Reserve Group's audited LAT is greater than RM246,640.00. We are of the view that any potential fluctuation in the High Reserve Group's LAT for the Second Profit Guarantee Period will not be detrimental to you and the Company; and
	(vii) we are of the opinion that the termination provisions of the Agreement are reasonable, safeguarding the interest of the Dolphin Group.

The overall salient terms of the Agreement are reasonable.

Risk factors in relation to the Proposed Variation You should give due and careful regard to the risk factors in relation to the Proposed Variation as set out in Section 7.2 of this IAL.

Effects of the Proposed Variation The effects of the Proposed Variation, taken as a whole, are reasonable and not detrimental to you and the Company.

3. CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed Variation. Based on our evaluation in Section 7 and Section 8 of this IAL, we are of the opinion that, on the basis of the information available to us, the Proposed Variation is **FAIR AND REASONABLE** insofar as you are concerned and is not detrimental to your interests.

Accordingly, we recommend that you **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Variation to be tabled at Dolphin's forthcoming EGM.



SCS Global Advisory (M) Sdn. Bhd. 200901020913 (864010-V)

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Kuala Lumpur Sentral
50470 Kuala Lumpur

13 September 2024

To: The Non-Interested Shareholders of Dolphin International Berhad (“Dolphin” or the “Company”)

Dear Sir/Madam,

INDEPENDENT ADVICE LETTER IN RELATION TO THE PROPOSED VARIATION (“IAL”)

This IAL is prepared for inclusion in the circular to shareholders of Dolphin dated 13 September 2024 and should be read in conjunction with the same. All definitions used in this IAL shall have the same meanings as defined in the “Definitions” section of the Circular, except where the context otherwise requires or is otherwise defined herein.

All references to “we”, “us” and “our” are to SCS Global, being the Independent Adviser for the Proposed Variation. All references to “you” and “your” are to the non-interested shareholders of Dolphin.

1. INTRODUCTION

On 9 July 2024, on behalf of the Board, UOBKH announced that the Parties had entered into the Agreement to vary the terms of the SSA.

In view of the interests of the Interested Director of Dolphin and person connected with him as set out in Section 12.1, Part A of the Circular, the Proposed Variation is deemed as a RPT pursuant to Paragraph 10.08 of the Listing Requirements.

In accordance with Paragraph 10.08(2) of the Listing Requirements, the non-interested Directors of the Board had on 26 June 2024 appointed us to act as the Independent Adviser to advise the non-interested Directors and non-interested shareholders of the Company in relation to the Proposed Variation.

The purpose of this IAL is to provide you with our independent evaluation of the Proposed Variation together with our recommendation on whether you should vote in favour of or against the resolution pertaining to the Proposed Variation at Dolphin’s forthcoming EGM, subject to our scope and limitations specified herein.

This IAL is prepared solely for the purpose of assisting the non-interested Directors and advising you, as the non-interested shareholders, to evaluate the fairness and reasonableness of the Proposed Variation. You should nonetheless rely on your own examination of the merits of the Proposed Variation before making a decision in connection with the resolution pertaining to the Proposed Variation at the forthcoming EGM.

YOU ARE ALSO ADVISED TO CONSIDER CAREFULLY THE RECOMMENDATION CONTAINED IN BOTH THIS IAL AND THE LETTER FROM THE BOARD BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED VARIATION TO BE TABLED AT DOLPHIN’S FORTHCOMING EGM.

IF YOU HAVE ANY DOUBT ABOUT THE PROPOSED VARIATION, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE PROPOSED VARIATION

The Proposed Variation entails the following:

- (i) to waive the payment of the Balance Cash Consideration I;
- (ii) to forfeit and not proceed with the payment of the Balance Cash Consideration II given that the High Reserve Group did not meet the Profit Guarantee and has suffered an Aggregate Loss; and
- (iii) to receive compensation from the Vendors for the Aggregate Loss by way of 6 equal semi-annual instalment payments over a total period of 3 years.

The details of the Proposed Variation and the salient terms of the Agreement in relation to the Proposed Variation are set out in Section 2, Part A and Appendix II of the Circular, respectively.

You should read and fully understand the entirety of the Proposed Variation.

3. INTERESTED DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors, major shareholders and/or chief executive of Dolphin and/or persons connected with them have any interests, whether direct or indirect, in relation to the Proposed Variation:

- (i) Yeo Boon Thai, as the Non-Independent Non-Executive Director of Dolphin, is deemed interested in the Proposed Variation by virtue of him being one of the Vendors; and
- (ii) for information purposes, Yeo Boon Ho is one of the Vendors in relation to the Previous Acquisition and has resigned as the Non-Independent Non-Executive Director of Dolphin on 31 May 2024. Yeo Boon Ho was a Director of Dolphin within the preceding 6 months of the date on which the terms of Proposed Variation were agreed. Yeo Boon Ho is also a sibling to the other Vendors in respect of the Previous Acquisition. Hence, Yeo Boon Ho is a person connected with the Interested Director. As at the LPD, Yeo Boon Ho holds 609 Dolphin Shares, representing less than 1% of equity interest in Dolphin.

Accordingly, the Interested Director has abstained and will continue to abstain from deliberation and voting on the Proposed Variation at all Board meetings. In addition, the Interested Director will abstain from voting and will also ensure that the persons connected with him, if any, will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Variation to be tabled at the forthcoming EGM of the Company.

4. SCOPE AND LIMITATIONS TO OUR EVALUATION OF THE PROPOSED VARIATION

SCS Global was not involved in any formulation of or any deliberations and negotiations on the terms and conditions pertaining to the Proposed Variation. The terms of reference of our appointment as the Independent Adviser are in accordance with the requirements relating to independent adviser as set out in Paragraph 10.08(3) of the Listing Requirements and the Best Practice Guide in relation to Independent Advice Letters issued by Bursa Securities.

Our scope as the Independent Adviser is limited to expressing an independent opinion on the Proposed Variation as to whether the Proposed Variation is fair and reasonable insofar you are concerned as well as providing our recommendation based on information and documents made available to us as set out below:

- (i) the information contained in Part A of the Circular and the accompanying appendices in the Circular;
- (ii) the Agreement dated 9 July 2024 entered by the Parties;
- (iii) discussions with the Board and the management of Dolphin as well as representations made by them;
- (iv) other relevant information, documents, confirmations and/or representations furnished to us by the Board and the management of Dolphin; and
- (v) other publicly available information which we deem to be relevant for our evaluation.

We have relied on the Board and the management of Dolphin to take due care to ensure that all information, documents, confirmations and representations provided to us to facilitate our evaluation of the Proposed Variation and which had been used, referred to and/or relied upon in this IAL have been fully disclosed to us, are accurate, valid and complete in all material aspects.

The Board has seen, reviewed and accepted this IAL. The Board, collectively and individually, accepts full responsibility for the accuracy and completeness of the information contained herein (save for our assessment, evaluation and opinion) and confirms, after having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this IAL the omission of which would make any information in this IAL misleading.

The responsibility of the Board in respect of:

- (i) the information relating to Dolphin and the High Reserve Group is limited to ensuring that such information is accurately reproduced in this IAL; and
- (ii) the independent advice and expression of opinion by us in relation to the Proposed Variation is limited to ensuring that accurate information in relation to Dolphin and the High Reserve Group was provided to us for our evaluation of the Proposed Variation and to ensure that all information in relation to Dolphin and the High Reserve Group that are relevant to our evaluation of the Proposed Variation have been completely disclosed to us and that there is no material fact the omission of which would make any information provided to us false or misleading.

We are satisfied that sufficient information has been disclosed to us in enabling us to formulate our recommendation. After making all reasonable checks, corroborating with independent sources where possible and to the best of our knowledge and belief, the information used is reasonable, accurate, complete and free from material omission. Notwithstanding that, we shall not be under any responsibility or liability for any misstatement of fact or from any omissions therein.

In rendering our advice, we have taken note of the pertinent matters which we believe are necessary and of importance to an assessment of the implications of the Proposed Variation and therefore are of general concern to you to consider and form your views thereon.

Notwithstanding the foregoing:

- (i) it is not within our terms of reference to express any opinion on the legal, accounting and taxation issues relating to the Proposed Variation; and

- (ii) we have not considered the specific investment objectives, financial situation, risk profile or particular needs of any individual shareholders or any specific group of shareholders. We recommend that in the event you are in doubt as to the action to be taken in relation to the Proposed Variation in the context of your individual investment objectives, financial situation, risk profile or particular needs, you should consult your respective stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Our advice should be considered in the context of the entirety of this IAL. Our evaluation and opinion as set out in this IAL are based on, amongst others, equity capital market, economic, industry, regulatory and/or other prevailing conditions, and the information/documents made available to us as at the LPD or such other period specified herein. Such conditions may change significantly over a short period of time. Accordingly, our evaluation and opinion expressed herein do not take into account the information, events or conditions arising after the LPD.

5. DECLARATION OF CONFLICT OF INTEREST AND OUR CREDENTIALS, EXPERIENCE AND EXPERTISE

Save for our current appointment as the Independent Adviser for the Proposed Variation, we did not have any professional relationship with Dolphin in the past 2 years prior to the date of this IAL. Premised on the above, we confirm that we are not aware of any conflict of interest that exists or is likely to exist in relation to our role as the Independent Adviser for the Proposed Variation.

We are a holder of a Capital Markets Services Licence issued by the Securities Commission Malaysia as a licensed adviser who is permitted to carry on the regulated activity of advising on corporate finance under the Capital Markets and Services Act 2007. Our corporate finance team comprises experienced personnel with the requisite qualification and experience to provide a range of advisory services encompassing, amongst others, initial public offerings, mergers and acquisitions, capital market advisory, valuation and independent advice for related party transactions.

Our key management's credentials and experiences as an independent adviser include, amongst others, the following:

- (i) the selective capital reduction and repayment exercise of Kwantas Corporation Berhad pursuant to Section 116 of the Companies Act 2016, whereby the independent advice letter was issued on 30 October 2020;
- (ii) the unconditional take-over offer by Dato' Dr. Ir. Mohd Abdul Karim bin Abdullah ("**Dato' Dr. Karim**") to acquire all the remaining ordinary shares in Reneuco Berhad (formerly known as Kumpulan Powernet Berhad) not already owned by Dato' Dr. Karim and its persons acting in concert for a cash offer price of RM1.00 per share, whereby the independent advice circular was issued on 4 November 2019;
- (iii) the disposal of SIG Gases Berhad's 100% equity interest in Southern Industrial Gas Sdn Bhd, whereby the independent advice letter was issued on 26 September 2019;
- (iv) the selective capital reduction and repayment exercise of MAA Group Berhad pursuant to Section 116 of the Companies Act 2016, whereby the independent advice letter was issued on 3 May 2019;
- (v) the exemption under Paragraph 4.08 of the Rules On Take-Overs, Mergers and Compulsory Acquisitions to Tan Sri Mohamed Azman Bin Yahya and person acting in concert with him in accordance with Section 216 of Capital Markets And Services Act 2007 from the obligation to undertake a mandatory offer for the remaining ordinary shares and outstanding warrants 2013/2020 in Symphony Life Berhad not already owned by them., whereby the independent advice letter was issued on 19 August 2018;

- (vi) the unconditional take-over offer by Malaysia Hengyuan International Limited to acquire all the remaining ordinary shares in Shell Refining Company (Federation of Malaya) Berhad not already owned by Malaysia Hengyuan International Limited and its persons acting in concert for a cash offer price of RM1.92 per share, whereby the independent advice circular was issued on 19 January 2017;
- (vii) the acquisition by MISC Berhad of the 305,700,001 ordinary shares of USD1.00 each in Gumusut-Kakap Semi-Floating Production System (L) Limited (“**GKL**”), representing 50% of the issued and paid-up share capital of GKL from E&P Venture Solutions Co Sdn Bhd (“**EPV**”), a wholly-owned subsidiary of PETRONAS Carigali Sdn Bhd, which in turn is a wholly-owned subsidiary of Petroliam Nasional Berhad (“**PETRONAS**”) for a cash consideration of USD445.0 million (approximately RM1,849.0 million); whereby the independent advice letter was issued on 28 March 2016;
- (viii) the unconditional mandatory take-over offer by Dayang Enterprise Holdings Berhad to acquire all the remaining ordinary shares in Perdana Petroleum Berhad (“**PPB**”) (“**PPB Shares**”) and such number of new PPB Shares that may be issued pursuant to the exercise of any outstanding warrants issued by PPB (“**PPB Warrants**”) and all the remaining PPB Warrants not already owned by Dayang Enterprise Holdings Berhad at the cash offer price of RM1.55 per PPB Share and RM0.84 per PPB Warrant, whereby the independent advice circular was issued on 3 August 2015;
- (ix) the selective capital reduction and repayment exercise of Malaysian Airline System Berhad pursuant to Sections 60 and 64 of the Companies Act 1965, whereby the independent advice letter was issued on 15 October 2014;
- (x) the unconditional take-over offer by TER Equity Sdn Bhd to acquire all the remaining ordinary shares in Sunsuria Berhad (formerly known as Malaysia Aica Berhad) which are not already held by TER Equity Sdn Bhd and its persons acting in concert for a cash consideration of RM0.85 per share, whereby the independent advice circular was issued on 21 February 2014;
- (xi) the conditional take-over offer by PETRONAS to acquire all the ordinary shares in MISC Berhad which are not already held by PETRONAS at a cash offer price of RM5.30 per share, whereby the independent advice circular was issued on 8 March 2013;
- (xii) the disposal by MISC Berhad of the 305,700,001 ordinary shares of USD1.00 each in GKL, representing 50% of the issued and paid-up share capital of GKL to EPV, a wholly-owned subsidiary of PETRONAS Carigali Sdn Bhd, which in turn is a wholly-owned subsidiary of PETRONAS, for a cash consideration of USD305.7 million (approximately RM934.4 million), whereby the independent advice letter was issued on 12 November 2012;
- (xiii) the disposal of principal subsidiaries of PacificMas Berhad, whereby the independent advice letter was issued on 24 April 2012; and
- (xiv) the take-over offer of Sindora Berhad, whereby the independent advice letter was issued on 15 September 2011.

For the avoidance of doubt, the credentials and experiences mentioned above are independent advisory cases advised by our key management, but are not projects undertaken by SCS Global.

6. EVALUATION OF THE PROPOSED VARIATION

In arriving at our conclusion and recommendation in respect of the Proposed Variation, we have assessed and evaluated the fairness and reasonableness of the Proposed Variation in accordance with the relevant provisions relating to the Best Practice Guide in relation to Independent Advice Letters issued by Bursa Securities.

We have considered the following factors in our evaluation of the Proposed Variation:

Fairness of the Proposed Variation	Section 7
• Financial evaluation of the Proposed Variation	Section 7
Reasonableness of the Proposed Variation	Section 8
• Rationale for the Proposed Variation	Section 8.1
• Salient terms of the Agreement	Section 8.2
• Risk factors in relation to the Proposed Variation	Section 8.3
• Effects of the Proposed Variation	Section 8.4

7. FAIRNESS OF THE PROPOSED VARIATION

As set out in Section 2, Part A of the Circular, we note that the Proposed Variation will enable AP F&B to:

- (i) waive the payment of the Balance Cash Consideration I;
- (ii) forfeit and not proceed with the payment of the Balance Cash Consideration II given that the High Reserve Group did not meet the Profit Guarantee and has suffered an Aggregate Loss; and
- (iii) receive compensation from the Vendors for the Aggregate Loss by way of 6 equal semi-annual instalment payments over the total period of 3 years.

Our commentary:

In arriving at the fairness of the Proposed Variation, we have acknowledged that the Balance Cash Consideration I of RM5.35 million, which shall be waived absolutely and entirely pursuant to the Agreement, is greater than the Aggregate Loss of RM4,853,775.00. While the Dolphin Group was originally entitled to receive the compensation for the Aggregate Loss in a lump sum according to the SSA dated 24 February 2022, the present value of the 6 equal semi-annual instalment payments over 30 months will be lower than the lump sum amounts due to the time value of money. However, this reduction is more than offset by the benefit of the waiver of the entire balance of the Balance Cash Consideration I of RM5.35 million.

In our quantitative perspective, the forfeiture of the Balance Cash Consideration II of RM4.20 million reduces the Group's financial exposure to an underperforming asset, i.e. the High Reserve Group, thereby protecting Dolphin's shareholders from further cash flow outlay or financial obligations for an asset that did not deliver the Previous Acquisition's anticipated returns. You are advised to also refer to Section 8.2 of this IAL for our commentaries on the related salient terms of the Agreement about the forfeiture of Balance Cash Consideration II.

Premised on the above, we are of the view that the Proposed Variation is considered fair and we opined that the Proposed Variation is in the best interest of the Company and is not detrimental to your interests.

8. REASONABLENESS OF THE PROPOSED VARIATION

8.1. Rationale for the Proposed Variation

We note the rationale for the Proposed Variation as set out in Section 5.1, Part A of the Circular.

Our commentary:

We note that on 15 July 2022, the Company entered into the Supplemental Letter with AP F&B and the Vendors to vary the payment terms of the Previous Acquisition's partial Cash Consideration, amounting to RM7.90 million. According to the variation pursuant to the Supplemental Letter, a partial Cash Consideration of RM1.40 million was paid to the Vendors whereas the remaining balance of RM6.50 million was to be paid to the Vendors within 3 months from the completion date of the Previous Acquisition (i.e. 19 October 2022).

We also note there were a series of events that resulted in a delay to the payment of the partial Cash Consideration amounting to RM6.50 million, as set out in Section 2.1, Part A of the Circular. Subsequently, RM1.15 million of the deferred Cash Consideration was partially paid via the unutilised proceeds from the Private Placement I after obtaining approval from Dolphin's shareholders at an EGM held on 23 August 2023 for the variation to the Private Placement I, while the balance of the deferred Balance Cash Consideration I of RM5.35 million remains payable as at the LPD. On 1 August 2024, the Board announced that the Parties had mutually agreed to extend the payment date for the partial Cash Consideration from 1 August 2024 to 31 December 2024.

The Proposed Variation is deemed reasonable as it represents an amicable settlement. The entire balance of the deferred Balance Cash Consideration I of RM5.35 million owing by Dolphin to the Vendors is waived, and the entire balance of the remaining Balance Cash Consideration II of RM4.20 million payable by Dolphin is forfeited given that the High Reserve Group did not meet the Profit Guarantee and has suffered an Aggregate Loss.

Furthermore, the Agreement also stipulates that in view of the LAT to be recorded by the High Reserve Group for the Profit Guarantee Periods, the Vendors shall compensate the Aggregate Loss to AP F&B in accordance with the terms and conditions of the SSA.

Premised on the above, we are of the view that the overall rationale for the Proposed Variation is reasonable.

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8.2. Salient terms of the Agreement

As set out in Appendix II of the Circular, the salient terms of the Agreement and our comments thereon are as follows:

Reference in Appendix II of the Circular

Clause 2

Salient Terms of the Agreement

Condition Precedent

- 2.1 The Agreement shall be conditional upon and subject to Dolphin obtaining its shareholders' approval for the variation to the terms of the SSA (as supplemented by the Supplemental Letter) ("**Condition Precedent**"). The Condition Precedent shall be fulfilled within 4 months from the date of the Agreement or such further period as may be mutually agreed by the Parties in writing.
- 2.2 The Agreement shall be effective on the date of the Condition Precedent being fulfilled ("**Unconditional Date**").

Our Comments

We consider the Condition Precedent to be reasonable, given that the Proposed Variation is deemed to be a RPT pursuant to Paragraph 10.08 of the Listing Requirements. It is the Company's continuing listing obligation to comply with the Listing Requirements.

Furthermore, the duration allowed to fulfil the Condition Precedent is reasonable based on our knowledge of processes required to secure the Company's shareholder's approval for the Proposed Variation. Additionally, the Agreement provides flexibility by allowing the Parties to mutually agree in writing to extend the period for fulfilling the Condition Precedent if necessary. This ensures that the Proposed Variation can proceed in a timely manner while the Company complying to the Listing Requirements and safeguarding the interests of the Dolphin Group.

Clause 3

Variation to the terms of the SSA (as supplemented by the Supplemental Letter)

- 3.1 The Parties agree to vary the outstanding terms and conditions that have yet to be performed under the SSA (as supplemented by the Supplemental Letter) in accordance with the terms and conditions set out therein.
- 3.2 With reference to Clause 8.3(b) of the SSA, the Parties agree that the unaudited management account of High Reserve Group as at 30 June

We take cognisance that the Vendors shall pay the amount of the Aggregate Loss to the Purchaser in the Agreed Liability Ratio through 6 equal semi-annual instalment payments. These instalments shall be paid every 6 months over a total period of 3 years, commencing on 1 October 2024 or within 14 days from the Unconditional Date, whichever is later.

**Reference
in Appendix
II of the
Circular**

Salient Terms of the Agreement

2024 ("**Management Account**") together with the audited accounts of High Reserve Group for financial year ended 30 June 2023 will be used to determine High Reserve Group's PAT or LAT for the Profit Guarantee Periods.

- 3.3 Based on the Management Account, High Reserve Group had recorded an aggregate LAT of RM246,640.00 and accordingly the High Reserve Group has suffered an Aggregate Loss RM4,853,775.00 for the Profit Guarantee Periods ("**Agreed Aggregate Loss**"). The Vendors acknowledge that they shall pay the Agreed Aggregate Loss amount to AP F&B to fulfil their obligation of the Profit Guarantee.
- 3.4 With reference to Clause 8.3(b)(ii) of the SSA, the Parties agree that the Vendors shall pay the amount of the Agreed Aggregate Loss to AP F&B in the Agreed Liability Ratio* by way of 6 instalment payments to be paid in every 6 months over the total period of 3 years. Further details of the instalments are set out below:

No. of Instalment Payment	Amount Payable by the Vendors (RM)	Payment Due Date
1 st	808,962.50	1 October 2024 or within 14 days from the Unconditional Date, whichever the later.
		The date the 1 st instalment payment is made shall be referred to as "T".
2 nd	808,962.50	6 months from T
3 rd	808,962.50	12 months from T
4 th	808,962.50	18 months from T
5 th	808,962.50	24 months from T
6 th	808,962.50	30 months from T
Total	4,853,775.00	

Our Comments

We have reviewed the Proposed Variation from a holistic perspective, noting that it is a negotiated and amicable resolution between the Vendors and the Dolphin Group with the following:

- (i) the waiver of the entire balance of the deferred Balance Cash Consideration I of RM5.35 million;
- (ii) the forfeiture of the entire balance of the Balance Cash Consideration II of RM4.20 million; and
- (iii) the payment of RM4,853,775.00 by the Vendors to the Dolphin Group to fulfil the Vendor's obligation under the SSA dated 24 February 2022.

We have evaluated the rationale for the Parties using the Management Account instead of the audited accounts in determining the High Reserve Group's PAT or LAT for the Second Profit Guarantee Period. Based on our evaluation, we are of the opinion that relying on the Management Account is reasonable, taking into consideration the following:

- (i) the Board, on 24 May 2024, announced that it had approved the change of financial year end from 30 June 2024 to 31 December 2024. Consequently, the audited accounts for Dolphin and its subsidiaries, including the High Reserve Group for the 18-month financial period ending 31 December 2024, will only be made available by April 2025.

Salient Terms of the Agreement

Our Comments

*Agreed Liability Ratio are as set out below:

Vendors	Agreed Liability Ratio (%)
Yeo Boon Leong (Dato')	50
Yeo Soon Bee	10
Yeo Boon Ho	20
Yeo Boon Thai	20

- 3.5 The Parties agree that the AP F&B's obligation to pay the Balance Cash Consideration I of RM5,350,000.00 shall be waived absolutely and entirely. The Vendors shall have no claim whatsoever for the said amount against AP F&B.

Based on our enquiries with the Board and the Group's senior management, the Dolphin Group does not intend to audit the High Reserve Group's accounts specifically for the Second Profit Guarantee Period, as a separate audit conducted solely for the Second Profit Guarantee Period would likely incur additional costs and administrative burdens to the Dolphin Group.

By using the Management Account, the Dolphin Group can proceed with the financial assessments and negotiation among the Parties in relation to the Proposed Variation and avoid unnecessary delays in recognising the outcomes of the Proposed Variation and the Dolphin Group's contractual entitlements and rights related to the Profit Guarantee pursuant to the SSA dated 24 February 2022 by the fourth quarter of 2024; and

- (ii) the High Reserve Group's financial performance has improved from the audited LAT of RM4,607,135.00 for the First Profit Guarantee Period to the unaudited LAT of RM246,640.00 for the Second Profit Guarantee Period.

Our Comments

Based on our enquiries with the Board and the Group's senior management, the Dolphin Group will not be compensated with any amount exceeding the Aggregate Loss if the High Reserve Group's audited LAT is greater than RM246,640.00. However, we find the benefit of waiving the RM5.35 million Balance Cash Consideration I outweighs any potential variance in the Aggregate Loss if the Dolphin Group uses the High Reserve Group's audited accounts to determine its LAT for the Second Profit Guarantee Period.

We are of the opinion that the method of paying the Aggregate Loss by the Vendors to the Dolphin Group in the Agreed Liability Ratio through 6 equal semi-annual instalment payments represents a negotiated and amicable resolution between the Vendors and the Dolphin Group, taking into consideration the following:

- (i) the Dolphin Group has been waived from the obligation to pay the entire balance of the deferred Balance Cash Consideration I of RM5.35 million to the Vendors;
- (ii) the Vendors require additional time to fulfil their payment obligations over a manageable repayment period, rather than making a lump sum payment due to significant amount of the Aggregate Loss; and
- (iii) payment of the Aggregate Loss on an instalment basis minimises the likelihood of deferred payment and default risk as compared to lump sum payment.

**Reference
in Appendix
II of the
Circular**

Salient Terms of the Agreement

Our Comments

Clause 4

Balance Cash Consideration II of RM4,200,000.00

- 4.1 Pursuant to the SSA and in view of that the High Reserve Group has suffered an Aggregate Loss, the Parties acknowledge that AP F&B shall be entitled to forfeit the Balance Cash Consideration II and be discharged from its obligation to pay to the Vendors the Balance Cash Consideration II.
- 4.2 Pursuant to Clause 4.1 of the Agreement, the Vendors acknowledge AP F&B's entitlement to the forfeiture of the Balance Cash Consideration II and shall have no further claims whatsoever against AP F&B on the Balance Cash Consideration II.

Furthermore, we are of the view that the Agreed Liability Ratio is reasonable based on the proportionate interests of the Vendors in the Previous Acquisition.

We have also considered the waiver of the Group's obligation to pay the entire balance of the deferred Balance Cash Consideration I of RM5.35 million to the Vendors, pursuant to the Agreement, to be in the best interests of the Company and not detrimental to your interests. We view this to be pertinent given that the High Reserve Group had suffered an Aggregate Loss of RM4,853,775.00 during the Profit Guarantee Periods.

We consider it reasonable that the Vendors have acknowledged the Group's entitlement to the forfeiture of the Balance Cash Consideration II and have agreed to waive any further claims against the Purchaser in relation to the Balance Cash Consideration II.

This acknowledgement aligns with the terms stipulated in the SSA dated 24 February 2022, ensuring that the contractual obligations and rights in the SSA dated 24 February 2022 are clearly defined and respected by the Parties in the Agreement. This provision safeguards the Dolphin Group's interests and upholds the integrity of the agreed terms in the SSA dated 24 February 2022.

**Reference
in Appendix
II of the
Circular**

Clause 5

Salient Terms of the Agreement

Termination Prior to Completion

- 5.1 It is a terminating event by AP F&B, if:
- (a) the Vendors shall fail to make 2 consecutive instalment payments in accordance with Clause 3.4 of the Agreement;
 - (b) any of the Vendors fail or neglect to observe, perform or proceed regularly and diligently with performance of any of its obligations or undertakings in the Agreement and shall fail to remedy such failure (if capable of remedy) within 14 days (or such further period as may be specified by AP F&B) upon its receipt of a notice from AP F&B specifying such breach;
 - (c) any representation, warranty or undertaking relating to any of the Vendors or given by any of the Vendors in the Agreement becomes false, misleading or incorrect when made or deemed to be made in the Agreement; and
 - (d) a receiving order or adjudication order, creditor's petition or debtor's petition of bankruptcy is issued or threatened against any of the Vendors, which could involve the appointment of receiver, receiver and manager, administrator or similar officials over their assets.
- 5.2 Upon occurrence of any such event on or prior to the Completion Date of Agreement (as defined herein), AP F&B shall be entitled to terminate the Agreement with immediate effect by giving written notice to the Vendors, whereupon the Agreed Aggregate Loss (after deduction of the amount paid by the Vendors in instalment basis under Clause 3.4 of the Agreement, if any) shall be due for payment immediately by the Vendors to AP F&B. Further thereto, AP F&B shall also have the right of specific performance of the Agreement against the Vendors and all such reliefs flowing therefrom and such remedy shall be in addition to and not in lieu

Our Comments

We are of the opinion that the provisions related to termination before the completion of the Agreement are reasonable, considering that the Proposed Variation represents a mutually negotiated resolution between the Vendors and the Dolphin Group. Notably, upon any occurrence of the terminating events as set out under Clause 5 of the Agreement, the Group's obligation to pay the entire balance of the deferred Balance Cash Consideration I of RM5.35 million to the Vendors will still be waived, and the entire balance of the remaining Balance Cash Consideration II will continue to be forfeited pursuant to the Agreement, which serves the best interests of the Group and is not detrimental to your interests.

We further note that upon occurrence of a terminating event, the Aggregate Loss, after deducting any amounts already paid by the Vendors on an instalment basis under Clause 3.4 of the Agreement, shall become immediately payable by the Vendors to AP F&B. Additionally, the Group is entitled to retain the right to seek specific performance of the Agreement against the Vendors, along with all such associated reliefs. This remedy is supplementary to, but not a substitute for, any other remedies available to the Group under the Agreement, at law, or in equity, including the right to claim damages resulting from the Vendors' breach.

We opined that the termination provisions in the Agreement ensure robust protection for the Dolphin Group.

**Reference
in Appendix
II of the
Circular**

Salient Terms of the Agreement

Our Comments

of, limitation or diminution of other remedies provided to AP F&B in the Agreement or otherwise at law or in equity to claim for damages as a result of such breach by the Vendors.

Clause 6

Completion

6.1 Subject always to the fulfilment of the Condition Precedent, the Agreement shall complete on the day the last instalment payment under Clause 3.4 of the Agreement is paid by the Vendors to AP F&B i.e. the date the Agreed Aggregate Loss is fully paid to AP F&B ("**Completion Date of Agreement**").

We are of the opinion that the manner of completion pursuant to the Agreement, as well as its validity, construction, and performance under Malaysian law, is both customary and reasonable in the context of an arm's length transaction.

The Agreement provides a clear framework for the completion process. The provisions outlined within the Agreement align with standard legal practices and industry norms, ensuring that the interests of all parties are adequately safeguarded.

Clause 7

Governing Law

7.1 The Agreement shall be governed by the laws of Malaysia and its validity construction and performance shall be interpreted in accordance with Malaysian law.

Our commentary:

Premised on the above, we are of the view that the overall salient terms of the Agreement are reasonable.

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8.3. Risk Factors in relation to the Proposed Variation

We have taken cognisance of the risk associated with the Proposed Variation as outlined in Section 7, Part A of the Circular, which are reproduced as below for your ease of reference:

“The Proposed Variation is conditional upon the fulfilment of the condition precedent in the Agreement. If the condition precedent is not fulfilled within the stipulated timeframe, the Agreement will be terminated and as a result, the Company will not be able to effect the Proposed Variation. Nevertheless, the Board endeavours to ensure the satisfaction of the condition precedent in order to effect the Proposed Variation.”

Our commentaries:

We note that the Agreement is conditional upon Dolphin obtaining its shareholders' approval for the variation to the terms of the SSA (as supplemented by the Supplemental Letter) ("**Condition Precedent**"). The Condition Precedent shall be fulfilled within 4 months from the date of the Agreement (i.e., by 8 November 2024). Additionally, the Parties may mutually agree to extend the period to fulfil the Condition Precedent if it is not met within the stipulated timeframe.

If the Condition Precedent is not met and the Agreement is terminated in accordance to its terms, the Dolphin Group will not undertake the Proposed Variation. Consequently, the Group will be unable to benefit from the Proposed Variation by seeking waiver/forfeiture for the Balance Cash Considerations from the Vendors, despite having invested time and resources into the Proposed Variation.

However, we also acknowledge the Board's dedication to ensuring the timely satisfaction of the Condition Precedent.

In evaluating the Proposed Variation, we advise you to carefully consider the abovementioned risk factor. Please note that this risk factor is not exhaustive.

8.4. Effects of the Proposed Variation

We note the following effects of the Proposed Variation on Dolphin as set out in Section 8, Part A of the Circular:

Effects of the Proposed Variation	Our Comments
Issued share capital	The Proposed Variation will not have any effect on the Company's issued share capital.
Substantial shareholders' shareholdings	The Proposed Variation will not have any effect on the Company's substantial shareholders' shareholdings.
NA per share and gearing level	The Proposed Variation will not have any effect on the Group's consolidated NA and gearing.
Earnings and EPS	We acknowledged that: (i) the Proposed Variation is not expected to have any material effect on the earnings and EPS of the Group for the 18-month FPE 31 December 2024; and (ii) the Proposed Variation is expected to contribute positively to the earnings of the Company in view that the one-off gain arising from the waiver/forfeiture of the entire Balance Cash Considerations of RM9.55 million and the compensation to be received from the Vendors for the Aggregate Loss of RM4,853,775.00.

Effects of the Proposed Variation	Our Comments
Convertible securities	The Company does not have any convertible securities in issue as at the LPD.

Premised on the above, we are of the view that the effects of the Proposed Variation, taken as a whole, are reasonable and are not detrimental to you and the Company.

9. CONCLUSION AND RECOMMENDATION

Before arriving at the decision to vote on the resolution pertaining to the Proposed Variation at Dolphin's forthcoming EGM, it is important that you consider all relevant and pertinent factors in this IAL carefully as well as those highlighted by the Board in its letter to shareholders as set out in Part A of the Circular.

After taking into consideration the pertinent factors above and on an overall basis, we are of the opinion that the Proposed Variation is **FAIR AND REASONABLE** insofar as you are concerned and is not detrimental to you.

Accordingly, we recommend that you to **VOTE IN FAVOUR** of the special resolution pertaining to the Proposed Variation to be tabled at Dolphin's forthcoming EGM.

Yours faithfully
For and on behalf of
SCS GLOBAL ADVISORY (M) SDN BHD

VINCENT LEE
Executive Director

PHUA YEE BOON, CFA
Director
Corporate Finance

APPENDIX I – ADDITIONAL INFORMATION

1. Financial performance and financial position of Dolphin Group

A summary of the key audited financial information of Dolphin Group for the past 3 financial years up to the latest FYE 30 June 2023 are set out below:-

	Audited		
	FYE 30 June 2021	FYE 30 June 2022	FYE 30 June 2023
	RM'000	RM'000	RM'000
Revenue	8,937	9,522	17,706
GP	3,868	3,471	5,677
LBT	(40,263)	(14,558)	(8,800)
LAT	(40,477)	(15,049)	(8,797)
(Loss) per Share	(0.04)	(0.01)	neg.
Cash and cash equivalents	13,820	4,360	1,646
Total borrowings	10,301	9,001	8,899
Gearing ratio (times)	0.35	0.39	0.27
Current assets	16,037	16,843	7,811
Non-current assets	39,881	33,328	47,288
Current liabilities	18,284	19,020	11,117
Non-current liabilities	8,545	7,952	11,199
Current ratio (times)	2.08	1.86	2.47
GP margin (%)	43.28	36.45	32.06
Total equity/ NA	29,090	23,199	32,783
Number of Dolphin Shares in issue ('000)	935,748	1,055,008	1,337,883
NA per share (RM)	0.03	0.02	0.02

FYE 30 June 2022

For the FYE 30 June 2022, the Group recorded revenue of RM9.52 million, compared to the preceding financial year of RM8.94 million. The increase in revenue of approximately RM0.59 million or 6.55% was mainly attributable to the newly acquired business of Italian restaurant namely 'Verona Trattoria' and trading of alcohol related products, in which the F&B Business and trading segment contributed higher revenue to the Group by 3.11 times to RM7.54 million (FYE 30 June 2021: RM4.43 million) and RM2.36 million (FYE 30 June 2021: nil), respectively. However, this was partially offset by lower revenue recorded for the palm oil mills of RM0.14 million pursuant to the completion of the last palm oil milling project in Kerteh, Terengganu undertaken by the Company in FYE June 2022 where lower revenue was recognised during the final stages of the said project (FYE 30 June 2021: RM2.44 million).

For the FYE 30 June 2022, the Group recorded LBT of RM14.56 million, compared to the preceding financial year of RM40.26 million. Despite the increase in revenue, the Group incurred one-off expenses which includes the impairment of goodwill of RM9.40 million arising from AP F&B, one-off recognition payment for past key management employees and directors of RM0.19 million, and expenses arising from the Group's corporate restructuring exercise of RM0.60 million.

APPENDIX I – ADDITIONAL INFORMATION (CONT'D)

FYE 30 June 2023

For the FYE 30 June 2023, the Group recorded revenue of RM17.71 million, compared to the preceding financial year of RM9.52 million. The increase in revenue of approximately RM8.18 million or 85.95% was mainly attributable to the newly acquired 4 Uncle Don's restaurant outlets held under High Reserve Group and the higher revenue generated from the alcohol trading business due to expansion of customer base.

For the FYE 30 June 2023, the Group recorded LBT of RM8.80 million, compared to the preceding financial year of RM14.56 million mainly due to higher impairment of goodwill RM15.64 million, in which RM3.64 million arose from AP F&B and the balance RM12.00 million arose from High Reserve Group. There were also additional expenses from the Group's corporate exercise of RM0.38 million. However, the loss was offset by the gain on disposal of 2 of its subsidiaries, namely Dolphin Engineering (M) Sdn Bhd and Dolphin Robotic Systems Sdn Bhd. An interim liquidator was appointed on 10 February 2023 to wind up Dolphin Engineering (M) Sdn Bhd and the subsequent deconsolidation of accounts generated a gain of RM6.40 million. Dolphin Robotic Systems Sdn Bhd was disposed on 24 May 2023, subsequently recognising a gain on disposal of RM10.20 million.

APPENDIX II – SALIENT TERMS OF THE AGREEMENT

The salient terms of the agreement to vary the terms of the SSA (as supplemented by the Supplemental Letter) ("**Agreement**") are as follows:-

1. Agreement

The Vendors, AP F&B and Dolphin (collectively the "**Parties**") agree to enter into the Agreement to vary the terms of the SSA (as supplemented by the Supplemental Letter).

2. Condition Precedent

- 2.1 The Agreement shall be conditional upon and subject to Dolphin obtaining its shareholders' approval for the variation to the terms of the SSA (as supplemented by the Supplemental Letter) ("**Condition Precedent**"). The Condition Precedent shall be fulfilled within 4 months from the date of the Agreement or such further period as may be mutually agreed by the Parties in writing.
- 2.2 The Agreement shall be effective on the date of the Condition Precedent being fulfilled ("**Unconditional Date**").

3. Variation to the terms of the SSA (as supplemented by the Supplemental Letter)

- 3.1 The Parties agree to vary the outstanding terms and conditions that have yet to be performed under the SSA (as supplemented by the Supplemental Letter) in accordance with the terms and conditions set out therein.
- 3.2 With reference to Clause 8.3(b) of the SSA, the Parties agree that the unaudited management account of High Reserve Group as at 30 June 2024 ("**Management Account**") together with the audited accounts of High Reserve Group for financial year ended 30 June 2023 will be used to determine High Reserve Group's PAT or LAT for the Profit Guarantee Periods.
- 3.3 Based on the Management Account, High Reserve Group had recorded an aggregate LAT of RM246,640.00 and accordingly the High Reserve Group has suffered an aggregate loss RM4,853,775.00 for the Profit Guarantee Periods ("**Agreed Aggregate Loss**"). The Vendors acknowledge that they shall pay the Agreed Aggregate Loss amount to AP F&B to fulfil their obligation of the Profit Guarantee.
- 3.4 With reference to Clause 8.3(b)(ii) of the SSA, the Parties agree that the Vendors shall pay the amount of the Agreed Aggregate Loss to AP F&B in the Agreed Liability Ratio* by way of 6 instalment payments to be paid in every 6 months over the total period of 3 years. Further details of the instalments are set out below:-

No. of Instalment Payment	Amount Payable by the Vendors	Payment Due Date
1st	RM808,962.50	1 October 2024 or within 14 days from the Unconditional Date, whichever the later. The date the 1st instalment payment is made shall be referred to as " T ".
2nd	RM808,962.50	6 months from T
3rd	RM808,962.50	12 months from T
4th	RM808,962.50	18 months from T
5th	RM808,962.50	24 months from T
6th	RM808,962.50	30 months from T
Total	RM4,853,775.00	

APPENDIX II – SALIENT TERMS OF THE AGREEMENT (CONT'D)

*Agreed Liability Ratio are as set out below:-

Vendors	Agreed Liability Ratio (%)
Yeo Boon Leong (Dato')	50
Yeo Soon Bee	10
Yeo Boon Ho	20
Yeo Boon Thai	20

3.5 The Parties agree that the AP F&B's obligation to pay the Balance Cash Consideration I of RM5,350,000.00 shall be waived absolutely and entirely. The Vendors shall have no claim whatsoever for the said amount against AP F&B.

4. Balance Cash Consideration II of RM4,200,000.00

4.1 Pursuant to the SSA and in view of that the High Reserve Group has suffered an Aggregate Loss, the Parties acknowledge that AP F&B shall be entitled to forfeit the Balance Cash Consideration II and be discharged from its obligation to pay to the Vendors the Balance Cash Consideration II.

4.2 Pursuant to **Clause 4.1** above, the Vendors acknowledge AP F&B's entitlement to the forfeiture of the Balance Cash Consideration II and shall have no further claims whatsoever against AP F&B on the Balance Cash Consideration II.

5. Termination Prior to Completion

5.1 It is a terminating event by AP F&B, if:

- a. the Vendors shall fail to make 2 consecutive instalment payments in accordance with **Clause 3.4** above;
- b. any of the Vendors fail or neglect to observe, perform or proceed regularly and diligently with performance of any of its obligations or undertakings in the Agreement and shall fail to remedy such failure (if capable of remedy) within 14 days (or such further period as may be specified by AP F&B) upon its receipt of a notice from AP F&B specifying such breach;
- c. any representation, warranty or undertaking relating to any of the Vendors or given by any of the Vendors in the Agreement becomes false, misleading or incorrect when made or deemed to be made in the Agreement; and
- d. a receiving order or adjudication order, creditor's petition or debtor's petition of bankruptcy is issued or threatened against any of the Vendors, which could involve the appointment of receiver, receiver and manager, administrator or similar officials over their assets.

5.2 Upon occurrence of any such event on or prior to the Completion Date of Agreement (as defined herein), AP F&B shall be entitled to terminate the Agreement with immediate effect by giving written notice to the Vendors, whereupon the Agreed Aggregate Loss (after deduction of the amount paid by the Vendors in instalment basis under **Clause 3.4** above, if any) shall be due for payment immediately by the Vendors to AP F&B. Further thereto, AP F&B shall also have the right of specific performance of the Agreement against the Vendors and all such reliefs flowing therefrom and such remedy shall be in addition to and not in lieu of, limitation or diminution of other remedies provided to AP F&B in the Agreement or otherwise at law or in equity to claim for damages as a result of such breach by the Vendors.

APPENDIX II – SALIENT TERMS OF THE AGREEMENT (CONT'D)

6. Completion

- 6.1 Subject always to the fulfilment of the Condition Precedent, the Agreement shall complete on the day the last instalment payment under **Clause 3.4** above is paid by the Vendors to AP F&B i.e. the date the Agreed Aggregate Loss is fully paid to AP F&B ("**Completion Date of Agreement**").

7. Governing Law

- 7.1 The Agreement shall be governed by the laws of Malaysia and its validity construction and performance shall be interpreted in accordance with Malaysian law.

APPENDIX III – DRAFT BYLAWS

1. NAME OF SCHEME

This Scheme shall be called the "Dolphin Employees' Share Options Scheme".

1A. RATIONALE OF THE SCHEME

The rationale of the Scheme is as follows:

- (i) to recognise and reward the Eligible Persons by giving recognition to their contributions and services that are considered vital to the operations, hence motivating employee performance to create sustainable growth and profitability for the Group;
- (ii) to retain, motivate and reward the Eligible Persons by allowing them to participate in the Group's profitability and eventually realise any potential capital gains arising from possible appreciation in the value of the Shares upon disposal;
- (iii) to align the interests of Eligible Persons with that of the shareholders through the achievement of the Group's objectives and plans;
- (iv) to attract prospective employees with relevant skills and experience to the Group by making compensation packages offered more competitive; and
- (v) to foster and reinforce the Eligible Persons' loyalty and sense of belonging to the Group by enabling them to participate directly in the Company's equity, thereby incentivising the Eligible Persons to contribute more actively to the operations and future growth and success of the Group.

The ESOS is also extended to the eligible non-executive directors of the Dolphin Group (excluding dormant subsidiaries) in recognition of their contributions towards the growth and performance of the Group.

2. DEFINITIONS AND INTERPRETATION

2.1 In these By-Laws, except where the context otherwise requires, the following terms and expressions shall have the following meanings:-

Act	:	The Companies Act 2016 as amended from time to time and including all regulations made thereunder and any re-enactment thereof
Adviser	:	A person who is eligible to act as a principal adviser under the Guidelines on Submission of Corporate and Capital Market Product Proposals and the Licensing Handbook issued by the Securities Commission Malaysia, including any amendments thereto that may be made from time to time
Board	:	The Board of Directors of Dolphin
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
By-Laws	:	The rules, terms and conditions of the Scheme (as may be modified, varied and/or amended from time to time in accordance with By-Law 21)

APPENDIX III – DRAFT BYLAWS (CONT'D)

CDS	:	Central Depository System
CDS Account	:	A securities account established by Bursa Depository for a depositor for the recording of deposits and withdrawals of securities and for dealings in such securities by the depositor
Constitution	:	The Constitution of the Company, including any amendments thereto that may be made from time to time
Date of Expiry	:	Last day of the Duration of the Scheme as defined in By-Law 19.2
Date of Offer	:	The date on which an Offer is made by the ESOS Committee to an Eligible Person in the manner provided in By-Law 6
Director	:	Either an executive director or a non-executive director of the Dolphin Group within the meaning of Section 2 of the Act
Dolphin or the Company	:	Dolphin International Berhad (Registration No. 201201016010 (1001521-X))
Dolphin Group or the Group	:	The Company and its subsidiary company(ies) (including foreign subsidiaries) as defined in Section 4 of the Act, which are not dormant. Subject to the foregoing, subsidiaries include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the Duration of the Scheme but exclude subsidiaries which have been divested in the manner provided in By-Law 17
Duration of the Scheme	:	Period of five (5) years or such period as extended by the Board in accordance with By-Law 19.3 from the Effective Date, as the case may be
Effective Date	:	The date on which the Scheme comes into force as provided in By-Law 19.1
EGM	:	Extraordinary General Meeting
Eligible Person(s)	:	A Director or Employee of the Dolphin Group who meets the criteria of eligibility for participation in the ESOS as stipulated in By-Law 4
Employee	:	A natural person who is employed by and on the payroll of any company in the Group
Entitlement Date	:	The date as at the close of business on which shareholders' names must appear on Dolphin's Record of Depositors and/or Register of Members in order to be entitled to any dividends, rights, allotments or other distributions
ESOS Committee	:	The committee duly authorised and appointed by the Board to administer the Scheme, comprising such persons appointed from time to time by the Board
ESOS or Scheme	:	The scheme for the grant of Option(s) to Eligible Persons to subscribe for new Shares according to the terms set out herein known as the "Dolphin Employees' Share Option Scheme"

APPENDIX III – DRAFT BYLAWS (CONT'D)

Grantee	:	Any Eligible Person who has accepted an Offer in the manner provided in By-Law 7
Listing Requirements	:	The Main Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time
Market Day(s)	:	A day on which Bursa Securities is open for trading in securities
Maximum Allowable Allotment	:	The maximum number of new Shares that may be offered and allotted to an Eligible Person under the Scheme in the manner provided in By-Law 5
Offer	:	A written offer made by the ESOS Committee from time to time to an Eligible Person to participate in the Scheme in the manner provided in By-Law 6
Offer Period	:	The period stipulated in By-Law 6.5
Option(s)	:	The right of a Grantee to subscribe for new Shares pursuant to the contract constituted by the acceptance of an Offer by an Eligible Person in the manner provided in By-Law 7
Option Certificate	:	The certificate issued by the ESOS Committee confirming the grant of the Option to an Eligible Person and the Option Price together with the number of Shares comprised in the Option
Option Period	:	The period commencing from the date an Offer is accepted by a Grantee and expiring on the Date of Expiry or such other date as may be stipulated by the ESOS Committee in the Offer or upon the date of termination of the Scheme as provided in By-Law 19, whichever is the earlier
Option Price	:	The subscription price at which a Grantee shall be entitled to subscribe for each new Share upon the exercise of the Option, as initially determined in the Offer and as may be adjusted pursuant thereto in accordance with the provisions of By-Law 10
RM and sen	:	Ringgit Malaysia and sen respectively
Share(s)	:	Ordinary share(s) in the Company
Vesting Conditions	:	The conditions determined by the ESOS Committee which must be fulfilled for the Options to be vested in the Grantee.

2.2 Headings are for ease of reference only and do not affect the meaning of a By-Law.

2.3 Any reference to statutory provisions shall include:-

- (a) any subordinate legislation made from time to time under that provision and any Listing Requirements, policies, practice notes and/or guidelines of Bursa Securities and/or other relevant authorities (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies, practice notes and/or guidelines are addressed to by Bursa Securities and/or the relevant authorities); and

APPENDIX III – DRAFT BYLAWS (CONT'D)

- (b) that provision as from time to time modified or re-enacted whether before or after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to any Option(s) offered and accepted prior to the Date of Expiry and shall include also any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced.
- 2.4 Words importing the masculine gender shall include the feminine and neuter genders.
- 2.5 Words importing the singular number shall include the plural number and vice versa.
- 2.6 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day, save and except if the Date of Expiry falls on a stipulated day that is not a Market Day, the Date of Expiry shall be taken to be the Market Day prior to the stipulated day.
- 2.7 A "Day" or "Month" shall mean a calendar day or a calendar month.
- 2.8 Any liberty or power which may be exercised or any decision or determination which may be made hereunder by the ESOS Committee shall be exercised in the ESOS Committee's absolute and unfettered discretion and the ESOS Committee shall not be under any obligation to give any reasons therefore, except as may be required by the relevant authorities.

3. MAXIMUM NUMBER OF NEW SHARES AVAILABLE UNDER THE SCHEME

- 3.1 The maximum number of new Shares which may be issued and allotted pursuant to the exercise of the Options which may be granted under the Scheme shall not in aggregate exceed fifteen per centum (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the Duration of the Scheme as provided in By-Law 19.2.
- 3.2 Notwithstanding the provision of By-Law 3.1 and any other provision contained in these By-Laws, in the event the maximum number of new Shares that may be made available under the Scheme exceeds fifteen per centum (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) as a result of the Company purchasing, cancelling and/or reducing its Shares in accordance with the provisions of the Act or the Company undertaking any corporate proposal and thereby diminishing the total number of issued shares of the Company, then such Options granted prior to the adjustment of the total number of issued shares of the Company (excluding treasury shares, if any) shall remain valid and exercisable in accordance with the provisions of these By-Laws. However, in such a situation, the ESOS Committee shall not make any further Offer until the total number of Shares under the subsisting Options, including those Shares that have been issued under the Scheme falls below fifteen per centum (15%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the Duration of the Scheme as provided in By-Law 19.2.
- 3.3 Each Option shall be exercisable into one (1) new Share, in accordance with the provisions of these By-laws.

APPENDIX III – DRAFT BYLAWS (CONT'D)

4. ELIGIBILITY

- 4.1 Only Eligible Persons who fulfil the following conditions shall be eligible to participate in the Scheme:-
- (a) In respect of an Employee of the Dolphin Group, the Employee must fulfil the following criteria as at the Date of Offer:-
 - (i) is at least eighteen (18) years of age;
 - (ii) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (iii) is an employee:-
 - (aa) on full time basis (not under any probationary period) and has been in the employment of the Company or any company in Dolphin Group for such period as may be determined by the ESOS Committee prior to and up to the Date of Offer and has not served a notice to resign nor received a notice of termination; or
 - (bb) under an employment contract for a fixed duration with any company in Dolphin Group for such period as may be determined by the ESOS Committee excluding those who are employed for a specific project; and
 - (iv) fulfils any other criteria and/or falls within such category as may be determined by the ESOS Committee from time to time at its absolute discretion.
 - (b) In respect of a Director, the Director must fulfil the following criteria as at the Date of Offer:-
 - (i) is at least eighteen (18) years of age;
 - (ii) is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (iii) is a Director of the Company or any company in Dolphin Group (including executive or non-executive and/or independent or non-independent Directors of Dolphin Group but excluding alternate and/or similar substitute directors) for such period as may be determined by the ESOS Committee prior to and up to the Date of Offer and has not served a notice to resign nor received a notice of termination; and
 - (iv) fulfils any other criteria and/or falls within such category as may be determined by the ESOS Committee from time to time at its absolute discretion.

Provided always that the selection of any Director or employee for participation in the Scheme under the Scheme shall be at the sole discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

APPENDIX III – DRAFT BYLAWS (CONT'D)

A set of criteria on eligibility and allocation as determined by the ESOS Committee from time to time shall be made available to the Eligible Persons.

Notwithstanding the above, the ESOS Committee may, in its absolute discretion, waive any of the conditions of eligibility as set out in this By-Law 4.1. The eligibility and number of Options to be offered to an Eligible Person under the Scheme shall be at the sole and absolute discretion of the ESOS Committee and the decision of the ESOS Committee shall be final and binding.

- 4.2 Notwithstanding By-Law 4.1, the specific allotment to be made to any person, who is a director or major shareholder or the chief executive of Dolphin or holding company of Dolphin or person connected to any of them (as defined in the Listing Requirements) who is an Eligible Person, shall be approved by the shareholders of the Company in general meeting.
- 4.3 Any Eligible Person who holds more than one (1) position within the Dolphin Group and by holding such positions, the Eligible Person is in more than one category, shall only be entitled to the Maximum Allowable Allotment of any one of those categories. The ESOS Committee shall be entitled at its discretion to determine the applicable category of such Eligible Person.
- 4.4 An Employee or Director of a dormant company within the Group is not eligible to participate in the Scheme.
- 4.5 An Employee or Director who during the Duration of the Scheme becomes an Eligible Person may, at the discretion of the ESOS Committee, be eligible to participate in the Scheme, subject to the Maximum Allowable Allotment.
- 4.6 Eligibility under the Scheme does not confer upon the Eligible Person a claim or right to participate in or any other rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the Options or the Shares comprised herein unless an Offer has been made by the ESOS Committee to the Eligible Person and the Eligible Person has accepted the Offer in accordance with By-Law 7 hereof.

5. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOTMENT

- 5.1 Subject to By-Law 3 and any adjustment which may be made under By-Law 15, the number of Options to be allocated to an Eligible Person at any time in each Offer made pursuant to the Scheme shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, *inter alia* and where relevant, the employment grade, length of service, performance appraisal, past and future contributions of the Eligible Person and such other factors as the ESOS Committee deems relevant, and subject to the following conditions:-
 - (a) the total number of new Shares made available under the Scheme shall not exceed the amount stipulated in By-Law 3.1;
 - (b) the Directors and senior management of Dolphin Group do not participate in the deliberation or discussion of their respective allocation of the Options as well as allocation of Options to persons connected with them, if any;

APPENDIX III – DRAFT BYLAWS (CONT'D)

- (c) not more than ten per centum (10%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) of the total Shares made available under the Scheme shall be allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person (as defined in the Listing Requirements), holds twenty per centum (20%) (or such other percentage as may be permitted by Bursa Securities or any other relevant authorities from time to time) or more of the total number of issued shares of the Company (excluding treasury shares, if any);
- (d) not more than seventy per centum (70%) of the total Shares to be made available under the Scheme shall be allocated, in aggregate, to the Directors and senior management of Dolphin Group, on the basis that they are crucial to the performance of the Group as determined by the ESOS Committee at their sole and absolute discretion,

provided always that it is in accordance with any prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

- 5.2 The ESOS Committee shall be entitled to determine the Maximum Allowable Allotment in relation to each class or grade of Employees and Directors from time to time, and the decision of the ESOS Committee shall be final and binding. To the extent possible and subject always to By-Law 5.1, the ESOS Committee will ensure that there should be equitable allocation to various grades or classes of Eligible Persons.
- 5.3 In the event that an Eligible Person is promoted, the Maximum Allowable Allotment applicable to such Eligible Person shall be the Maximum Allowable Allotment corresponding to the new category of Employee, subject always to the maximum number of Shares available under the Scheme as stipulated under By-Law 3.1.
- 5.4 The Company shall ensure that allocation of Options pursuant to the Scheme is verified by the Audit Committee of Dolphin at the end of each financial year as being in compliance with the criteria for allocation of Options which have been disclosed to the Employees and Directors of the Group.
- 5.5 The decision as to whether to stagger the allocation of the Options to Eligible Persons over the Duration of the Scheme will be determined by the ESOS Committee at a later date.
- 5.6 The ESOS Committee (subject to necessary approvals being obtained if required) have the discretion to make the necessary adjustments so that the number of new Dolphin Shares comprised in an Option that may be offered to any one of the Eligible Persons shall be in accordance with the provisions of the Listing Requirements prevailing during the period commencing from the Date of Offer for each Eligible Person and expiring on a date which the ESOS Committee may at its discretion decide, provided that no Option Period shall extend beyond the duration of the ESOS.

6. OFFER

- 6.1 During the Duration of the Scheme, the ESOS Committee may at its discretion at any time and from time to time make an Offer to an Eligible Person, subject to the Eligible Person's Maximum Allowable Allotment and in accordance with the terms of this Scheme. Each Offer shall be in a multiple of not less than one hundred (100) units of Shares constituting one (1) board lot or such other units of Shares as may be determined by the ESOS Committee. The Options shall only be accepted in multiples of one hundred (100) Shares or such other units of Shares constituting one (1) board lot as may be determined by the ESOS Committee.

APPENDIX III – DRAFT BYLAWS (CONT'D)

- 6.2 The ESOS Committee shall have the sole and absolute discretion in determining whether the Options under the Scheme are to be offered to the Eligible Persons via:-
- (a) one (1) single Offer at a time determined by the ESOS Committee; or
 - (b) several Offers, where the vesting of the Options comprised in those Offers is staggered or made in several tranches at such times and on such terms and conditions as may be determined by the ESOS Committee,

PROVIDED ALWAYS that the aggregate number of Shares in respect of the Options granted to any Eligible Persons (inclusive of Shares already offered under previous Offer(s), if any) during the Duration of the Scheme shall not exceed the Maximum Allowable Allotment of such Eligible Person and shall not exceed amount stipulated in By-Law 3.1 and By-Law 5.1(c). In deciding between (a) and (b) above, the ESOS Committee shall consider, amongst others, whether it wishes to provide a one-off reward for the relevant Grantee's contribution to the Group to incentivise the Grantee's continued employment with the Group, or to motivate the relevant Grantee to achieve certain milestones throughout the course of the Grantee's career progression with the Group moving forward.

In the event the ESOS Committee decides that the vesting of the Options is to be staggered or made in several tranches, the number of Options to be granted pursuant to each vesting of the Options and the timing for the vesting of the same shall be decided by the ESOS Committee at its sole and absolute discretion and each vesting of the Options shall be separate and independent from the others. Each Offer made to any Eligible Person by the ESOS Committee shall be separate and independent from any previous or later Offer made by the ESOS Committee to that Eligible Person.

- 6.3 An Offer may be made upon such terms and conditions as the ESOS Committee may decide from time to time. Each Offer shall be made in writing and is personal to the Eligible Person to whom the Offer is made, and is non-assignable, non-transferable, non-chargeable and non-disposable in any manner whatsoever. The ESOS Committee may, give notice in writing to the Eligible Person, vary or waive the terms of any Vesting Condition, performance targets, vesting period or other conditions.
- 6.4 The ESOS Committee shall state the following particulars in the letter of Offer:-
- (a) the number of Options that are being offered to the Eligible Person;
 - (b) the number of new Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the Options being offered;
 - (c) the Option Period;
 - (d) the Option Price;
 - (e) the Offer Period;
 - (f) the closing date for acceptance of the Offer;
 - (g) vesting period, Vesting Conditions and performance targets (if any);
 - (h) the manner of exercise of the Options; and
 - (i) any other information deemed necessary by the ESOS Committee.
- 6.5 An Offer shall be valid for acceptance for a period of thirty (30) days from the Date of Offer or such other period as may be determined by the ESOS Committee on a case-by-case basis at its sole and absolute discretion, and specified in the Offer.

APPENDIX III – DRAFT BYLAWS (CONT'D)

- 6.6 No Offer shall be made to any director, major shareholder and/or chief executive of the Company or its holding company or persons connected with them who are Eligible Persons unless such Offer and the related allotment of new Shares have previously been approved by the shareholders of the Company in a general meeting. For the purpose of these By-Laws, "persons connected with a director, major shareholder and/or chief executive" shall have the meaning given in relation to persons connected with a director or major shareholder as defined in Paragraph 1.01 of the Listing Requirements.
- 6.7 Nothing herein shall prevent the ESOS Committee from making more than one (1) Offer to an Eligible Person PROVIDED THAT the total aggregate number of Options offered to such Eligible Person (inclusive of Shares already offered under previous Offers, if any) during the Duration of the Scheme shall not exceed the Maximum Allowable Allotment of such Eligible Person.
- 6.8 Where it involves a grant of Options to Eligible Persons who are members of the ESOS Committee, such grant of Options shall be decided by the Board. No Eligible Person shall participate in the deliberation and/or discussion of their own respective allocations under the Scheme and any persons connected with them.
- 6.9 The Options offered to an Eligible Person may, subject to the compliance or fulfilment by the Eligible Person of the Vesting Conditions, be vested in the Eligible Person in such number of tranche or tranches and in such number of Options in each tranche as shall be determined by the ESOS Committee.
- 6.10 In the event of an error on the part of the Company or the ESOS Committee in stating any of the particulars referred to in By-Law 6.4, the following provisions shall apply:
- (a) Within thirty (30) days after discovery of the error, the Company or ESOS Committee shall issue a supplemental letter of Offer, stating the correct particulars of the Offer referred to in By-Law 6.4;
 - (b) In the event that the error relates to particulars other than the Option Price, the Option Price applicable in the supplemental letter of Offer shall remain as the Option Price as per the original letter of Offer; and
 - (c) In the event that the error relates to the Option Price, the Option Price applicable in the supplemental letter of Offer shall be the Option Price applicable as at the date of the original letter of Offer, save and except with respect to any Options which have already been exercised as at the date of issue of the supplemental letter of Offer.

7. ACCEPTANCE

- 7.1 An Offer shall be accepted by an Eligible Person within the Offer Period by written notice to the Company or in such manner as may be prescribed by the ESOS Committee from time to time accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only for the acceptance of the Offer.
- 7.2 If an Offer is not accepted in the manner aforesaid within the Offer Period, the Offer shall automatically lapse upon the expiry of the Offer Period and be null and void and be of no further force and effect.
- 7.3 Options not taken up resulting from the non-acceptance of Offers within the Offer Period may, at the discretion of the ESOS Committee, thereafter form part of the balance of the Options available under the Scheme for future Offers.

APPENDIX III – DRAFT BYLAWS (CONT'D)

- 7.4 Any Offer shall automatically lapse and be null and void on the day the Eligible Person's employer accepts his/her notice of resignation or the Eligible Person's employer notifies the Eligible Person of termination of his/her employment or on the day the Eligible Person notifies his/her employer of his/her resignation or on the Eligible Person's last day of employment, whichever is the earlier.
- 7.5 The Company shall within thirty (30) days of the acceptance of the Offer by the Eligible Person, issue to the Eligible Person an Option Certificate in such form as may be determined by the ESOS Committee.
- 7.6 The Company shall keep and maintain a register of Grantees at its expense and shall enter in that register the names and addresses of the Grantees and such information as may be prescribed by the ESOS Committee.
- 7.7 The ESOS Committee shall have full discretion to determine whether any Vesting Condition has been satisfied, whether fully or partially, or exceeded and in making any such determination, the ESOS Committee shall have the right to make reference to, amongst others, the audited financial results of the Company or the Group, as the case may be, and to take into account such factors as the ESOS Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend and/or waive any Vesting Condition.

8. NON-TRANSFERABILITY

- 8.1 An Option is personal to the Grantee and subject to the provisions of By-Laws 14.2 to 14.6, is exercisable only by the Grantee personally during his/her lifetime whilst he/she is in the employment of any company in the Group and within the Option Period.
- 8.2 An Option prior to the allotment and/or transfer to the Grantee of the Shares to which the Option relates, shall not be transferred save and except in the event of the death of the Grantee as provided under By-Law 14.6, charged, assigned, pledged or otherwise disposed of in whole or in part, except with the prior approval of the ESOS Committee and if a Grantee shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Option without the prior approval of the ESOS Committee, that Option shall immediately lapse and be null and void.
- 8.3 Unless permitted under these By-Laws, an Option shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee. Any attempt to transfer, assign, dispose or encumber any Option shall result in the automatic cancellation of the Option.
- 8.4 In the event a Grantee is transferred to another company within the Group which has its own share issuance scheme, the Grantee shall be entitled to the Option previously granted under this Scheme, in accordance with these By-Laws, but such Grantee shall not upon such transfer taking effect be eligible to participate further Option under the Scheme.

9. EXERCISE OF OPTIONS

- 9.1 An Option granted to a Grantee under the Scheme is, subject to the provisions of By-Laws 9.12, 14.1, 16 and 17, exercisable only by that Grantee during his/her lifetime and whilst he/she is in the employment of the Group and within the Option Period.
- 9.2 The ESOS Committee may with its power under By-Law 20, at any time and from time to time, before and after an Option is granted, impose terms and/or conditions deemed appropriate by the ESOS Committee in its sole discretion.

APPENDIX III – DRAFT BYLAWS (CONT'D)

- 9.3 Unless otherwise stated in the Offer in the manner set out in By-Law 6, there are no performance targets to be achieved by the Grantee before the Options can be granted and/or exercised and the new Shares arising from the Scheme can be issued and allotted.
- 9.4 Where an Option is exercised only in part, the Option Certificate shall be endorsed by the ESOS Committee stating, *inter alia*, the number of new Shares which remain capable of being exercised.
- 9.5 A Grantee shall exercise the Options granted to him/her in multiples of and not less than one hundred (100) new Shares or such other units of Shares constituting one (1) board lot as may be determined by Bursa Securities save and except where a Grantee's balance of Options exercisable in accordance with these By-Laws shall be less than one hundred (100) new Shares or such other units of Shares constituting one (1) board lot as may be determined by Bursa Securities, in which case the said balance shall, if exercised, be exercised in a single tranche. Such partial exercise of an Option shall not preclude the Grantee from exercising the Option as to the balance of any new Option, if any, which he is entitled to subscribe under the Scheme.
- 9.6 Options which are exercisable in a particular year but are not exercised may be carried forward to subsequent years subject to the Option Period and any other impositions which is or may be determined by the ESOS Committee. Any Option which remains unexercised at the expiry of the Option Period shall be automatically terminated and lapse without any claim against the Company.
- 9.7 Subject to the discretion of the ESOS Committee, where a Grantee is serving under an employment contract, he/she may exercise any remaining unexercised Options within sixty (60) days before the expiry of the employment contract if the remaining duration of the employment contract from the date on which the Options are granted is less than the Option Period.
- 9.8 A Grantee shall exercise his/her Options by notice in writing to the Company in such form as the ESOS Committee may prescribe or approve ("Notice of Exercise"). The procedure for the exercise of Options to be complied with by a Grantee shall be determined by the ESOS Committee from time to time.
- 9.9 Every Notice of Exercise shall state the number of new Shares an Eligible Person intends to subscribe and the Grantee's CDS Account and shall be accompanied by the relevant Option Certificate and a remittance in Ringgit Malaysia in the form of a banker's draft, cashier's order or any other mode of payment acceptable to the ESOS Committee, drawn and payable for the full amount of the subscription monies in respect thereof PROVIDED THAT the number of new Shares stated therein shall not exceed the amount exercisable by such Eligible Person.
- 9.10 Within eight (8) Market Days (or such other period as may be prescribed by Bursa Securities and subject to the Constitution) after the receipt of the complete and valid Notice of Exercise together with the remittance from the Grantee, the Company shall allot and/or issue the relevant number of Shares, despatch a notice of allotment to the Grantee and then make an application for the listing of and quotation for the Shares, upon and subject to the provisions of the Listing Requirements, Constitution, Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Depository. The said Shares will be credited directly into the CDS Account of the Grantee. No physical certificates will be issued. For Grantees who do not have CDS Account, such Grantees are required to open a CDS Account at their own expense before they can exercise their Options.

APPENDIX III – DRAFT BYLAWS (CONT'D)

- 9.11 Any failure to comply with the procedures specified by the ESOS Committee or to provide information as required by the Company in the Notice of Exercise or inaccuracy in the CDS Account number provided shall result in the Notice of Exercise being rejected at the discretion of the ESOS Committee. The ESOS Committee shall inform the Grantee of the rejection of the Notice of Exercise within ten (10) Market Days from the date of rejection and the Grantee shall then be deemed not to have exercised his/her Option.
- 9.12 Notwithstanding anything contrary herein contained in these By-Laws, the ESOS Committee shall have the right, at its absolute discretion by notice in writing to that effect, to suspend the right of any Grantee who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Grantee or are found to have had no basis or justification) to exercise his/her Options pending the outcome of such disciplinary proceedings. In addition to this right of suspension, the ESOS Committee may impose such terms and conditions as the ESOS Committee shall deem appropriate at its sole and absolute discretion, on the Grantee's right to exercise his/her Options having regard to the nature of the charges made or brought against such Grantee, PROVIDED ALWAYS that:-
- (a) in the event such Grantee is found not guilty of the charges which gave rise to such disciplinary proceedings, the ESOS Committee shall reinstate the right of such Grantee to exercise his/her Options;
 - (b) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Grantee, all unexercised and partially exercised Options of the Grantee shall immediately lapse and be null and void and of no further force and effect, without notice to the Grantee, upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the Grantee in any other forum;
 - (c) in the event the Grantee is found guilty but no dismissal or termination of service is recommended, the ESOS Committee shall have the right to determine at its absolute discretion whether or not the Grantee may continue to exercise his/her Options or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise rights; and
 - (d) in the event that no decision is made and/or disciplinary proceedings are not concluded prior to the expiry of the Option Period, the Option of such Grantee shall immediately lapse on the expiry of the Option Period without notice.
- 9.13 The Company, the Board and the ESOS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities howsoever arising in the event of any delay on the part of the Company in allotting and issuing the Shares, or in procuring Bursa Securities to list and quote the Shares subscribed for by a Grantee, or any delay in receipt or non-receipt by the Company of the Notice of Exercise, or for any errors in any Offer.
- 9.14 Every Option shall be subjected to the condition that no new Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Option Period or such period as may be extended.

APPENDIX III – DRAFT BYLAWS (CONT'D)

9.15 The Grantee shall be solely responsible for filing the necessary form/notice to the Company, Bursa Securities and the Securities Commission Malaysia within the prescribed timeframe pursuant to Section 137 and/or Section 219 of the Act and Securities Industry (Reporting of Substantial Shareholding) Regulations, 1998 who as a result of allotment and issuance of new Shares from the exercise his/her Option(s), become a shareholder and/or substantial shareholder of the Company.

9.16 The Grantee shall be solely responsible to observe the Rules on Take-overs, Mergers and Compulsory Acquisition issued by the Securities Commission Malaysia and the Capital Markets and Services Act, 2007 relating to potential take-over obligations as prescribed therein, when exercising the Options.

10. OPTION PRICE

Subject to any adjustments in accordance with By-Law 15 and pursuant to the Listing Requirements, the Option Price shall be fixed based on a price to be determined by the Board upon recommendation of the ESOS Committee based on the volume weighted average market price of the Shares for the five (5) Market Days immediately preceding the Date of Offer with a discount to the volume weighted average market price of the Shares of not more than ten per centum (10%) or such other percentage of discount as may be permitted by Bursa Securities and/or any other relevant authorities from time to time during the Duration of the Scheme. The Option Price as determined by the ESOS Committee shall be conclusive and binding on the Grantees.

11. RIGHTS OF A GRANTEE

11.1 The Options shall not carry any right to vote at any general meeting of the Company.

11.2 A Grantee shall not be entitled to any dividends, rights and/or other distributions on his/her unexercised Options.

12. RIGHTS ATTACHING TO NEW SHARES

The new Shares to be allotted and issued upon the exercise of any Options granted under the Scheme will, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued Shares of the Company, save and except that the new Shares so allotted and issued will not be entitled to any dividends, rights, allotments and/or any other distributions, which may be declared, made or paid, the Entitlement Date of which precedes the date of allotment and issuance of such new Shares. The new Shares will be subject to the provisions of the Constitution relating to voting rights, transfer, transmission and otherwise of the Shares including the rights of the holder of Shares on the winding up of the Company and the Listing Requirements, if any.

13. RETENTION PERIOD

13.1 The ESOS Committee shall be entitled to prescribe or impose, in relation to any Offer, any condition relating to any retention period or restriction on sale, transfer, assign or otherwise dispose of the new Shares as it deems fit. Grantees are encouraged to hold the new Shares allotted and issued to them pursuant to the exercise of the Options as investments rather than for any speculative purposes and/or for the realisation of any immediate gain.

APPENDIX III – DRAFT BYLAWS (CONT'D)

- 13.2 Notwithstanding By-Law 13.1, a Grantee who is a non-executive director of Dolphin Group, must not sell, transfer or assign or otherwise dispose of any new Shares obtained through the exercise of Options offered to him under the Scheme within one (1) year from the Date of Offer or such other period as may be prescribed by Bursa Securities.

14. TERMINATION OF OPTIONS

- 14.1 Any Option which has not been exercised by a Grantee shall be automatically terminated and be of no further force or effect in the following circumstances:-

- (a) Termination or cessation of employment of the Grantee with the Group for any reason whatsoever, in which event the Option shall be automatically terminated on the day the Grantee's employer accepts his/her notice of resignation or the Grantee's employer notifies the Grantee of termination of his/her employment or on the day the Grantee notifies his/her employer of his/her resignation or on the Grantee's last day of employment, whichever is the earlier; or
- (b) Bankruptcy of the Grantee, in which event the Option shall be automatically terminated on the date a receiving order is made against the Grantee by a court of competent jurisdiction; or
- (c) Winding up or liquidation of the Company, in which event the Option shall be automatically terminated on the following date:-
 - (i) In the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
 - (ii) In the case of an involuntary winding up, the date on which a petition for winding up is served on the Company;
- (d) Termination of the Scheme pursuant to By-Law 19.7; or
- (e) Any other circumstances acceptable to the ESOS Committee in its exercise of discretion;

whichever shall be applicable.

Upon the termination of the Options pursuant to this By-Law 14.1, the Grantee shall have no right to compensation or damages or any claim against the Company from any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from his/her ceasing to hold office or employment or from the suspension of his/her right to exercise his/her Options or his/her Options ceasing to be valid.

- 14.2 Notwithstanding By-Law 14.1 above, a Grantee may apply in writing to the ESOS Committee to be allowed to continue to hold and to exercise any Option held by him/her upon termination of employment with the Group in the following circumstances:-

- (a) Retirement upon or after attaining the age in accordance with the Company's retirement policy; or
- (b) Retirement before the age specified under the above said retirement policy, with the consent of his/her employer; or
- (c) Ill-health, injury, physical or mental disability; or

APPENDIX III – DRAFT BYLAWS (CONT'D)

- (d) Redundancy, retrenchment or voluntary separation scheme; or
- (e) Transfer to any company outside the Group at the direction of the Company; or
- (f) Any other circumstance as may be deemed as acceptable to the ESOS Committee.

14.3 Applications under By-Law 14.2 shall be made:-

- (a) in a case where By-Law 14.2(a), (b) or (f) is applicable, before the Grantee's last day of employment. The Grantee may exercise his/her Options at any time before his/her last day of employment subject to the provisions of By-Law 9. In the event that no application is received by the ESOS Committee before the Grantee's last day of employment, any Option held by the Grantee on his/her last day of employment shall be automatically terminated;
- (b) in a case where By-Law 14.2(c) is applicable, within one (1) month after the Grantee notifies his/her employer of his/her resignation due to ill health, injury, physical or mental disability. The Grantee may exercise his/her Options within the said period of one (1) month subject to the provisions of By-Law 9. In the event that no application is received by the ESOS Committee within the said period, any Option held by the Grantee at the expiry of the said period shall be automatically terminated;
- (c) in a case where By-Law 14.2(d) is applicable, within one (1) month after the Grantee is notified that he/she will be retrenched or, where he/she is given an offer by his/her employer as to whether he/she wishes to accept retrenchment upon certain terms, within one (1) month after he/she accepts such offer. The Grantee may exercise his/her Options within the said period of one (1) month subject to the provisions of By-Law 9. In the event that no application is received by the ESOS Committee within the said period, any Option held by the Grantee at the expiry of the said period shall be automatically terminated; and
- (d) in a case where By-Law 14.2(e) is applicable, within one (1) month after the Grantee is notified that he/she will be transferred to a company outside the Group. The Grantee may exercise his/her Options within the said period of one (1) month subject to the provisions of By-Law 9. In the event that no application is received by the ESOS Committee within the said period, any Option held by the Grantee at the expiry of the said period shall be automatically terminated.

14.4 The ESOS Committee shall consider applications under By-Law 14.2 on a case-by-case basis and may at its discretion approve or reject any application in whole or in part without giving any reasons thereof and may impose any terms and conditions in granting an approval. The decision of the ESOS Committee shall be final and binding. In the event that the ESOS Committee approves an application in whole or in part, the Grantee may exercise the Options which are the subject of the approval within the period so approved by the ESOS Committee and subject to the provisions of By-Law 9. Any Options in respect of which an application is rejected shall be automatically terminated on the date of termination stipulated in the relevant paragraph of By-Law 14.3 or on the date of the ESOS Committee's decision, whichever is the later.

APPENDIX III – DRAFT BYLAWS (CONT'D)

- 14.5 In the event that the ESOS Committee receives an application under By-Law 14.2 after the expiry of the relevant period under By-Law 14.3, the ESOS Committee shall take into account the reasons given by the Grantee for the delay in making the application, in exercising the ESOS Committee's discretion and powers under By-Law 14.4. In the event that the ESOS Committee approves the application in whole or in part, the Company shall make an Offer in respect of the unexercised Options which are the subject of approval to the Grantee and such Options offered, if accepted by the Grantee shall be exercisable:-
- (a) only within the Option Period of those Options which were terminated due to the Grantee's delay in making the application;
 - (b) in accordance with the provisions of By-Law 9 as applicable in respect of such terminated Options; and
 - (c) at the Option Price applicable in respect of such terminated Options.
- 14.6 In the event a Grantee dies before the expiration of the Option Period and at the time of his/her death held unexercised Options, such unexercised Options may be exercised by the legal or personal representative(s) or heirs (as the case may be) of the deceased Grantee ("Representative") after the date of his/her death provided that such exercise shall be made within the Option Period subject to the approval of the ESOS Committee. For the avoidance of doubt, in the event the Representative exercises such unexercised Options, the provisions in the By-Laws shall apply *mutatis mutandis* to the Representative.

15. ALTERATION OF SHARE CAPITAL

- 15.1 Subject to By-Law 15.5 hereof, in the event of any alteration in the capital structure of the Company during the Option Period, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Shares or reduction of capital or otherwise howsoever, the Company shall cause such adjustment to be made to:-
- (a) the Option Price; and/or
 - (b) the number of Options granted to each Grantee (excluding the Options already exercised),
- for purposes of ensuring that the capital outlay to be incurred by a Grantee in subscribing for the same proportion of the issued share capital of the Company as that to which he/she was entitled prior to the event giving rise to such adjustment (i.e. not taking into account Options already exercised) shall remain unaffected.
- Any adjustment (other than an adjustment pursuant to a bonus issue, subdivision or consolidation of shares) must be confirmed in writing by the external auditors or the Adviser of the Company.
- 15.2 The following provisions shall apply in relation to an adjustment which is made pursuant to By-Law 15.1:-
- (a) Any adjustment to the Option Price shall be rounded up to the nearest one (1) sen; and
 - (b) In determining a Grantee's entitlement to subscribe for new Shares, any fractional entitlements shall be rounded down to the nearest whole number.

APPENDIX III – DRAFT BYLAWS (CONT'D)

15.3 Subject to By-Law 15.2, the Option Price and/or the number of Options granted to each Grantee so far unexercised shall from time to time be adjusted, calculated and determined by the ESOS Committee in accordance with the following relevant provisions in consultation with the external auditors or the Adviser of the Company:-

(a) If and whenever a Share by reason of any consolidation or subdivision or conversion shall have a different total number of issued Shares, the Option Price and/or the additional number of Options to be issued shall be adjusted, calculated or determined in the following manner:-

$$(i) \quad \text{New Option Price} = EP \times \frac{FT}{RT}$$

$$(ii) \quad \text{Additional number of Options} = T \times \left(\frac{RT}{FT} \right) - T$$

Where:-

EP = Existing Option Price;

FT = Former number of total issued Shares;

RT = Revised number of total issued Shares; and

T = existing number of Options held.

Such adjustment will be effective from the close of business on the Market Day immediately preceding the date on which the consolidation or subdivision or conversion becomes effective (being the date when the Shares are traded on Bursa Securities at the new value), or such other period as may be prescribed by Bursa Securities.

(b) If and whenever the Company shall make any issue of new Shares to ordinary shareholders, by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature and including any share premium account and capital redemption reserve fund), the Option Price shall be adjusted by multiplying it by the following fraction:-

$$\frac{A}{A+B}$$

and the additional number of Options to be issued shall be calculated as follows:-

$$\text{Additional number of Options} = T \times \left(\frac{A+B}{A} \right) - T$$

Where:-

A = the aggregate number of issued Shares on the Entitlement Date;

B = the aggregate number of new Shares to be issued pursuant to any allotment to ordinary shareholders of the Company by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature and including any share premium account and capital redemption reserve fund); and

APPENDIX III – DRAFT BYLAWS (CONT'D)

T = T as in By-Law 15.3(a) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(c) If and whenever the Company shall make:-

- (i) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (ii) any offer or invitation to ordinary shareholders whereunder they may acquire or subscribe new Shares by way of rights; or
- (iii) any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares attached thereto,

then and in respect of each such case, the Option Price shall be adjusted by multiplying it by the following fraction:-

$$\frac{C - D}{C}$$

and in respect of the case referred to in By-Law 15.3(c)(ii) hereof, the number of additional Options to be issued shall be calculated as follows:-

$$\text{Additional number of Options} = T \times \left(\frac{C}{C - D^*} \right) - T$$

Where:-

T = T as in By-Law 15.3(a) above;

C = the Current Market Price (as defined in paragraph (g) below) of one (1) Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and

D = (aa) in the case of an offer or invitation to acquire or subscribe for new Shares under By-Law 15.3(c)(ii) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 15.3(c)(iii) above, the value of rights attributable to one (1) existing Share (as defined below); or

(bb) in the case of any other transaction falling within By-Law 15.3(c) hereof, the fair market value as determined by the external auditor or the Adviser of the Company of that portion of the Capital Distribution attributable to one (1) existing Share; and

APPENDIX III – DRAFT BYLAWS (CONT'D)

D* = The "value of rights attributable to one (1) existing Share" (as defined below).

For the purpose of definition (aa) of "D" above, the "value of rights attributable to one (1) existing Share" shall be calculated in accordance with the formula:-

$$\frac{C - E}{F + 1}$$

Where:-

C = C as in By-Law 15.3(c) above;

E = the subscription price for one (1) additional Share under the terms of such offer or invitation or one (1) additional security convertible into Shares or one (1) additional security with rights to acquire or subscribe for Shares; and

F = the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share or security convertible into Shares or one (1) additional security with rights to acquire or subscribe for Shares.

For the purpose of definition D* above, the "value of the rights attributable to one (1) existing Share" shall be calculated in accordance with the formula:-

$$\frac{C - E^*}{F^* + 1}$$

Where:-

C = C as in By-Law 15.3(c) above;

E* = the subscription price for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for Shares; and

F* = the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

T = T as in By-Law 15.3(a) above.

For the purpose of By-Law 15.3(c) hereof, "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of new Shares (not falling under By-Law 15.3(b) hereof) or other securities by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature and including any share premium account and capital redemption reserve fund).

Any dividend charged or provided for in the audited accounts of the Company for any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited statement of comprehensive income of the Company for any period as shown in the audited statement of comprehensive income of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

APPENDIX III – DRAFT BYLAWS (CONT'D)

- (d) If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 15.3(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 15.3(c)(ii) or (iii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:-

$$\frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$

and where the Company makes any allotment to its ordinary shareholders as provided in By-Law 15.3(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 15.3(c)(ii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional Options to be issued shall be calculated as follows:-

$$\text{Additional number of Options} = T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:-

B = B as in By-Law 15.3(b) above;

C = C as in By-Law 15.3(c) above;

G = the aggregate number of issued Shares on the Entitlement Date;

H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares, as the case may be;

H* = the aggregate number of Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;

I = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share, as the case may be;

I* = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares; and

T = T as in By-Law 15.3(a) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

APPENDIX III – DRAFT BYLAWS (CONT'D)

- (e) If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in By-Law 15.3(c)(ii) above together with an offer or invitation to acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for Shares as provided in By-Law 15.3(c)(iii) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:-

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the number of additional Options to be issued shall be calculated as follows:-

$$\text{Additional number of Options} = T \times \left(\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:-

C = C as in By-Law 15.3(c) above;

G = G as in By-Law 15.3(d) above;

H = H as in By-Law 15.3(d) above;

H* = H* as in By-Law 15.3(d) above;

I = I as in By-Law 15.3(d) above;

I* = I* as in By-Law 15.3(d) above;

J = the aggregate number of Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders;

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share; and

T = T as in By-Law 15.3(a) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions.

- (f) If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 15.3(b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in By-Law 15.3(c)(ii) above, together with rights to acquire or subscribe for securities convertible into new Shares or with rights to acquire or subscribe for Shares as provided in By-Law 15.3(c)(iii) above, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Option Price shall be adjusted by multiplying it by the following fraction:-

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

APPENDIX III – DRAFT BYLAWS (CONT'D)

and the number of additional Options to be issued shall be calculated as follows:-

$$\text{Additional number of Options} = T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:-

- B = B as in By-Law 15.3(b) above;
- C = C as in By-Law 15.3(c) above;
- G = G as in By-Law 15.3(d) above;
- H = H as in By-Law 15.3(d) above;
- H* = H* as in By-Law 15.3(d) above
- I = I as in By-Law 15.3(d) above;
- I* = I* as in By-Law 15.3(d) above
- J = J as in By-Law 15.3(e) above;
- K = K as in By-Law 15.3(e) above; and
- T = T as in By-Law 15.3(a) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions.

- (g) For the purpose of By-Laws 15.3(c), (d), (e) and (f), the Current Market Price in relation to one (1) existing Share for any relevant day shall be the volume weighted average of the last traded prices for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

Such adjustments must be confirmed in writing by the external auditors of the Company for the time being or the Adviser (acting as experts and not as arbitrators), upon reference to them by the ESOS Committee, to be in their opinion, fair and reasonable, PROVIDED ALWAYS THAT:-

- (i) any adjustment to the Option Price shall be rounded up to the nearest one (1) sen;
- (ii) in the event that a fraction of a new Share arising from the adjustment referred to in these By-Laws would otherwise be required to be issued upon the exercise of an Option by the Grantee, the Grantee's entitlement shall be rounded down to the nearest whole number;
- (iii) upon any adjustment being made pursuant to these By-Laws, the ESOS Committee shall, within thirty (30) calendar days of the effective date of the alteration in the capital structure of the Company, notify the Grantee (or his/her Representative where applicable) in writing informing him of the adjusted Option Price thereafter in effect and/or the revised number of Options to be issued; and

APPENDIX III – DRAFT BYLAWS (CONT'D)

- (iv) any adjustments made must be in compliance with the provisions for adjustment as provided in these By-Laws.

Notwithstanding the foregoing, any adjustments to the Option Price and/or the number of Options to be issued so far as unexercised arising from bonus issues, need not be confirmed in writing by the external auditors of the Company or the Adviser.

- 15.4 Save as expressly provided for herein, the external auditors or the Adviser must confirm in writing that the adjustments are in their opinion fair and reasonable. The opinion of the external auditors or the Adviser shall be final, binding and conclusive.
- 15.5 The provisions of this By-Law 15 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:-
 - (a) An issue of Shares pursuant to the exercise of Options under the Scheme or any further issue of Shares or other securities of the Company or rights to acquire or subscribe for Shares to officers, including Directors or employees of the Company or any of its subsidiaries pursuant to purchase schemes or option schemes approved by the Shareholders in a general meeting; or
 - (b) An issue of Shares or other securities convertible into Shares or securities with rights to acquire or subscribe for Shares or other securities, in any such case in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business; or
 - (c) An issue of Shares or other securities convertible into Shares or other securities with rights to acquire or subscribe for Shares or other securities to Bumiputra investors pursuant to a special issue approved and required by the relevant authorities; or
 - (d) An issue of Shares or other securities convertible into Shares or other securities with rights to acquire or subscribe for Shares pursuant to a private placement or restricted issue or special issue; or
 - (e) An issue of Shares arising from the exercise of any conversion rights attached to securities convertible to Shares or upon exercise of any other rights including warrants and/or convertible loan stocks (if any) issued by the Company; or
 - (f) A purchase by the Company of its own Shares and cancellation or sale of all or a portion of such Shares purchased, pursuant to Section 127 of the Act; or
 - (g) An issue of further Options to Eligible Persons under these By-Laws of the Scheme; or
 - (h) An issue of Shares pursuant to a dividend reinvestment scheme undertaken in accordance with the Listing Requirements.
- 15.6 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Subdivision 2 of Division 7 of Part III of the Act, By-Law 15.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company, but By-Law 15.1 shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 15.1 is not applicable as described in By-Law 15.5.

APPENDIX III – DRAFT BYLAWS (CONT'D)

15.7 An adjustment pursuant to By-Law 15.1 shall be made according to the following terms:-

- (a) In the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or
- (b) In the case of a consolidation or subdivision of Shares or reduction of capital, on the close of business on the Market Day immediately preceding the date on which the consolidation or subdivision or capital reduction becomes effective (being the date when the sub-divided or consolidated or reduced number of Shares, as the case may be are traded on Bursa Securities), or such period as may be prescribed by Bursa Securities.

Upon any adjustment being made, the ESOS Committee shall give notice in writing within thirty (30) days from the date of adjustment to the Grantee, or his/her Representative where the Grantee is deceased, to inform him/her of the adjustment and the event giving rise thereto.

15.8 Notwithstanding the provisions referred to in this By-Law, the ESOS Committee may exercise its discretion to determine whether any adjustments to the Option Price and/or the number of Options be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the Option Price and/or the number of Options notwithstanding that no such adjustment formula has been explicitly set out in this By-Law in consultation with the Adviser and certified by the external auditors when the adjustment is made.

16. TAKE-OVERS AND MERGERS, SCHEMES OF ARRANGEMENT, AMALGAMATIONS AND RECONSTRUCTIONS

16.1 In the event of:-

- (a) A take-over offer being made for, under the Rules on Take-Overs, Mergers and Compulsory Acquisitions (or any replacement thereof), to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over offer ("Offeror") or any persons acting in concert with the Offeror), a Grantee will be entitled within such period to be determined by the ESOS Committee, to exercise all or any part of his/her Options and the Board shall use their best endeavours to procure that such a general offer be extended to the new Shares that may be issued pursuant to the exercise of the Options under this By-Law; or
- (b) The Offeror becoming entitled or bound to exercise the right of compulsory acquisition of new Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the Grantee that it intends to exercise such rights on a specific date ("Specified Date"), the Grantee will be entitled to exercise all or any part of his/her Options from the date of service of the said notice to the Grantee until the expiry of the Specified Date.

In the foregoing circumstances, if the Grantee fails to exercise his/her Options or elects to exercise only in respect of a portion of such Shares, then any Options to the extent unexercised by the expiry of the periods stipulated in the aforesaid circumstances shall automatically lapse and be null and void.

APPENDIX III – DRAFT BYLAWS (CONT'D)

- 16.2 Notwithstanding the provisions of By-Law 9 and subject to the discretion of the ESOS Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its creditors and members proposed for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 366 of the Act or its amalgamation with any other company or companies under Section 370 or any other provisions of the Act or the Company decided to merge with other company or companies, a Grantee may be entitled to exercise all or any part of his/her Options which remain unexercised at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court until the date upon which such compromise or arrangement becomes effective PROVIDED ALWAYS THAT no Option shall be exercised after the expiry of the Option Period. Upon the compromise or arrangement becoming effective, all unexercised Options shall automatically lapse and become null and void and of no further force and effect.

17. DIVESTMENT FROM AND TRANSFER TO/FROM THE GROUP

- 17.1 If a Grantee is in the employment of a company within the Group and such company is subsequently divested, wholly or in part, from the Group, then the ESOS Committee will have the right to determine at its discretion whether or not the Grantee:-
- (a) will be entitled to continue to hold and to exercise all the unexercised or partially exercised Options which were granted to him/her under the Scheme within a period which will be decided by the ESOS Committee, failing which the right of such Grantee to subscribe for that number of new Shares or any part thereof granted under such unexercised or partially exercised Option(s) shall automatically lapse and be null and void and of no further force and effect upon the expiry of the relevant period; and
 - (b) shall be eligible to participate for further Options under the Scheme.
- 17.2 For the purposes of By-Law 17.1, a company shall be deemed to be divested from the Group or disposed of from the Group in the event that the effective interest of the Company in such company is reduced from above fifty per centum (50%) to fifty per centum (50%) or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act.
- 17.3 In the event that:-
- (a) an employee who was employed in a company which is related to the Company pursuant to Section 7 of the Act (that is to say, a company which does not fall within the definition of "the Group") and is subsequently transferred from such company to any company within the Group; or
 - (b) an employee who was in the employment of a company which subsequently becomes a member of the Group as a result of a restructuring or acquisition exercise or otherwise involving the Company and/or any company within the Group with any of the first mentioned company stated in (a) above;

(the first abovementioned company in (a) and (b) herein referred to as the "Previous Company"), such an employee of the Previous Company will be eligible to participate in this Scheme prior to the Date of Expiry, if the affected employee becomes an "Eligible Person" within the meaning under these By-Laws.

For the avoidance of doubt, in the event of any acquisition or incorporation of any company into the Group pursuant to part (b) above as a subsidiary as defined in Section 4 of the Act or any other statutory regulation in place thereof during the Duration of the Scheme, the Scheme shall apply to the employees of such company on the date of such company becomes a subsidiary of the Group (provided that such subsidiary is not dormant) falling within the meaning of the expression of "Eligible Person" under By-Law 2.1 and the provisions of the By-Laws shall apply.

18. WINDING-UP

All outstanding Options shall be automatically terminated and be of no further force and effect in the event that a resolution is passed or a court order is made for the winding-up of the Company commencing from the date of such resolution or the date of the court order. In the event a petition is presented in court for the winding-up or liquidation of the Company, all rights to exercise the Options shall automatically be suspended from the date of the presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to exercise the Options shall accordingly be reinstated.

19. DURATION, TERMINATION AND EXTENSION OF SCHEME

19.1 The Effective Date for the implementation of the Scheme shall be the date of full compliance with all relevant requirements in the Listing Requirements, including the following:-

- (a) submission of the final copy of the By-Laws to Bursa Securities together with a letter of compliance pursuant to Paragraph 2.12 of the Listing Requirements and a checklist showing compliance with Appendix 6E of the Listing Requirements;
- (b) receipt of the approval or approval-in-principle from Bursa Securities, as the case may be, for the listing of and quotation for the total number of new Shares to be issued pursuant to the exercise of Options granted under the Scheme;
- (c) procurement of the approval of the shareholders of the Company for the Scheme in a general meeting;
- (d) receipt of the approval of any other relevant authorities whose approvals are necessary in respect of the Scheme; and
- (e) fulfilment of all conditions attached to any of the abovementioned approvals, if any.

The Adviser of the Company shall submit a confirmation letter to Bursa Securities of full compliance with the relevant requirements of Bursa Securities stating the Effective Date of implementation of the Scheme together with a certified true copy of the relevant resolution passed by the shareholders of the Company in the general meeting. The confirmation letter shall be submitted to Bursa Securities no later than five (5) Market Days after the Effective Date.

19.2 The Scheme shall be in force for a duration of five (5) years from the Effective Date subject however to any extension of the Scheme as provided under By-Law 19.3 below.

19.3 The Scheme may be extended at the sole and absolute discretion of the Board upon the recommendation of the ESOS Committee, provided always that the initial Scheme period stipulated above and such extension of the Scheme made pursuant to these By-laws shall not in aggregate exceed a duration of ten (10) years or such other period as may be prescribed by Bursa Securities or any other relevant authorities from the Effective Date. For the avoidance of doubt, no further sanction, approval or authorisation of the shareholders of the Company in a general meeting is required for any such extension or renewal (as the case may be).

19.4 Any extended Scheme under this provision shall be implemented in accordance with the terms of these By-Laws, subject however to any revisions and/or changes to the relevant laws and/or regulations then in force. Unless otherwise required by the relevant authorities, no further approvals shall be required for the extension of the Scheme and the Company shall serve appropriate notices on each Grantee and make any announcements to Bursa Securities (if required).

APPENDIX III – DRAFT BYLAWS (CONT'D)

- 19.5 An Offer can only be made during the Duration of the Scheme before 5.00p.m. on the Date of Expiry.
- 19.6 Notwithstanding anything to the contrary, all unexercised or partially exercised Options shall lapse at 5.00p.m. on the Date of Expiry.
- 19.7 Subject to compliance with the Listing Requirements, other requirements of Bursa Securities and any other relevant authorities, the Company may, if the Board deems fit and upon the recommendation of the ESOS Committee, at any time during the Duration of the Scheme and before the Date of Expiry, terminate the Scheme in accordance with this By-Law 19 PROVIDED THAT the Company makes an announcement immediately to Bursa Securities. The announcement shall include:-
- (a) the effective date of termination ("Termination Date");
 - (b) the number of Options exercised or Shares vested under the Scheme; and
 - (c) the reasons for termination.
- 19.8 In the event of termination as stipulated in By-Law 19.7 above, the following provisions shall apply:-
- (a) no further Offer shall be made by the ESOS Committee from the Termination Date;
 - (b) all Offers which have yet to be accepted by Eligible Persons shall automatically lapse and deemed cancelled and be null and void on the Termination Date; and
 - (c) all outstanding Options (whether fully or partially) which have yet to be exercised by Grantees and/or not vested (if applicable) shall be automatically terminated and be null and void on the Termination Date.
- 19.9 Approval or consent of the shareholders of the Company by way of a resolution in an EGM and written consent of Grantees who have yet to exercise their Options are not required to effect a termination of the Scheme unless otherwise required by the Listing Requirements and/or other applicable laws.

20. ADMINISTRATION

- 20.1 The Scheme shall subject to these By-Laws be administered by the ESOS Committee. The ESOS Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall think fit and with such powers and duties as are conferred upon it by the Board. The decision of the ESOS Committee shall be final and binding.
- 20.2 Without limiting the generality of By-Law 20.1, the ESOS Committee may, for the purpose of administering the Scheme, do all acts and things, execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its discretion consider to be necessary or desirable for giving effect to the Scheme including the powers to:-
- (a) subject to the provisions of the Scheme, construe and interpret the Scheme and Options granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the Scheme and its administration. The ESOS Committee in the exercise of these power may correct any defect, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for an Option in a manner and to the extent it deems necessary to expedite and make the Scheme fully effective; and

APPENDIX III – DRAFT BYLAWS (CONT'D)

- (b) determine all questions of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interests of the Company.
- 20.3 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person in the ESOS Committee as it shall deem fit.

21. MODIFICATION, VARIATION AND/OR AMENDMENT TO THE SCHEME

- 21.1 Subject to By-Law 21.2, the ESOS Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its discretion think fit, subject to the provisions of any guidelines on share issuance schemes stipulated under the Listing Requirements and/or any other relevant regulatory authority in relation to a share issuance scheme, and the Board shall have the power at any time and from time to time by resolution to add to, amend, modify and/or delete all or any of these By-Laws upon such recommendation by the ESOS Committee subject to the Company submitting the amended By-Laws and a confirmation letter to Bursa Securities each time an amendment and/or modification is made, stating that the amendment and/or modification is in compliance with the provisions of the Listing Requirements pertaining to share issuance scheme and the Rules of Bursa Depository.
- 21.2 Subject to By-Law 21.3, the approval of the shareholders of the Company in general meeting shall not be required in respect of additions, modifications or amendments to or deletions of these By-Laws PROVIDED THAT no additions, modifications or amendments to or deletions of these By-Laws shall be made which would:-
 - (a) prejudice any rights which would have accrued to any Grantee without the prior consent or sanction of that Grantee;
 - (b) increase the number of Shares available under the Scheme beyond the maximum imposed under By-Law 3.1; or
 - (c) alter any matter which are required to be contained in the By-laws by virtue of the Listing Requirements to the advantage of the Eligible Person and/or Grantee.
- 21.3 For the purpose of complying with the provisions of the Listing Requirements, By-Laws 3, 4, 5, 7, 9, 10, 11, 12, 13, 15, 18 and 19 shall not be amended or altered in any way whatsoever for the advantage of Eligible Persons or Grantees without the prior approval of shareholders obtained at a general meeting unless allowed otherwise by the provisions of the Listing Requirements.
- 21.4 The Grantees shall be given written notices in the term prescribed by the ESOS Committee from time to time in the event of any conditions, amendments to and/or modifications of these By-Laws within fourteen (14) Market Days of any of the foregoing taking effect.

22. INSPECTION OF ACCOUNTS

All Grantees are entitled to inspect the latest audited financial statements of the Company at the registered office of the Company during normal business hours on any working day of the registered office.

23. SCHEME NOT A TERM OF EMPLOYMENT

This Scheme shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment in the Group under which the Eligible Person is employed nor any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment. The Scheme shall not form part of or constitute or be in any way construed as a term or condition of employment of any Eligible Person.

24. NO COMPENSATION FOR TERMINATION

No Eligible Persons shall be entitled to any compensation for damages arising from the termination of any Options or this Scheme pursuant to the provisions of these By-Laws. Notwithstanding any provisions of these By-Laws:-

- (a) this Scheme shall not form part of any contract of employment between the Company or any company within the Group and any Eligible Person of any company of the Group. The rights of any Eligible Person under the terms of his/her office and/or employment with any company within the Group shall not be affected by his/her participation in the Scheme, nor shall such participation or the Offer or consideration for the Offer afford such Eligible Person any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever;
- (b) this Scheme shall not confer on any person any legal or equitable right or other rights under any other theory of law (other than those constituting the Options) against the Company or any company of the Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other theory of law against any company within the Group;
- (c) no Grantee or his/her Representative shall bring any claim, action or proceeding against any company of the Group, the ESOS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights/exercise of his/her Options or his/her rights/Options ceasing to be valid pursuant to the provisions of these By-Laws; and
- (d) the Company, the Board or the ESOS Committee shall in no event be liable to the Grantee or his/her Representative or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation lost profits or savings, directly or indirectly arising from the breach or non-performance of these By-Laws or any loss suffered by reason of any change in the price of the Shares or from any other cause whatsoever whether known or unknown, contingent, absolute or otherwise, whether based in contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any company of the Group, the Board or the ESOS Committee has been advised of the possibility of such damage.

APPENDIX III – DRAFT BYLAWS (CONT'D)

25. DISPUTES

- 25.1 In case any dispute or difference shall arise between the ESOS Committee and an Eligible Person or a Grantee or in the event of an appeal by an Eligible Person, as the case may be, as to any matter of any nature arising hereunder, such dispute or appeal must have been referred to and received by the ESOS Committee during the Duration of the Scheme, then the ESOS Committee shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) given to the Eligible Person and/or Grantee, as the case may be PROVIDED THAT where the dispute or difference is raised by a member of the ESOS Committee, the said member shall abstain from voting in respect of the decision of the ESOS Committee in that instance. In the event the Eligible Person or Grantee, as the case may be, shall dispute the same by written notice to the ESOS Committee within fourteen (14) days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, provided that any Director of the Company who is also in the ESOS Committee shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the ESOS Committee shall be borne by such party.
- 25.2 Notwithstanding the foregoing provisions of By-Law 25.1 above, matters concerning adjustments made pursuant to By-Law 15 shall be referred to external auditors of the Company or the Adviser who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

26. COSTS AND EXPENSES

Unless otherwise stipulated by the Company in the Offers, all fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment and/or transfer of the Shares pursuant to the exercise of Options, shall be borne by the Company. Notwithstanding this, the Grantee shall bear any fees, costs and expenses incurred in relation to his/her acceptance of the Offers and exercise of the Options under the Scheme.

27. CONSTITUTION

In the event of a conflict between any of the provisions of these By-Laws and the Constitution, the Constitution shall at all times prevail.

28. TAXES

All taxes (including income tax), if any, arising from the exercise of any Options, including the transfer, issuance and allotment of Shares under the Scheme shall be borne by the Grantee.

29. LISTING OF AND QUOTATION FOR NEW SHARES

- 29.1 An application shall be made to Bursa Securities for the listing of and quotation for the new Shares pursuant to the exercise of the Options on the Main Market of Bursa Securities.
- 29.2 Upon the exercise of any Options in accordance with By-Law 9, the Company shall, subject to it having obtained the prior written approval of Bursa Securities and/or other relevant authorities, and making applications to Bursa Securities for the listing of and quotation for such new Shares, use its best endeavours to obtain permission for the dealing of such new Shares.

APPENDIX III – DRAFT BYLAWS (CONT'D)

- 29.3 The Company and the ESOS Committee shall not under any circumstances be held liable for any costs, losses and damages whatsoever and however relating to the delay on the part of the Company in allotting and issuing the Shares or in procuring Bursa Securities to list the Shares for which the Grantee is entitled to subscribe.

30. NOTICE

- 30.1 Any notice under the Scheme required to be given to or served upon the ESOS Committee by an Eligible Person or Grantee or any correspondence to be made between an Eligible Person or Grantee to the ESOS Committee shall be given or made in writing and either delivered by hand or sent to the ESOS Committee or the Company by facsimile or ordinary post. Notwithstanding the foregoing, proof of posting shall not be evidence of receipt of the letter.
- 30.2 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given:-
- (a) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee at the last address known to the Company as being his/her address, such notice or request shall be deemed to have been received three (3) Market Days after posting;
 - (b) if it is delivered by hand to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery; and
 - (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received upon confirmation or notification received after the sending of notice or request by the Company.

Any change of address of the Eligible Person or the Grantee shall be communicated in writing to the Company.

- 30.3 Where any notice which the Company or the ESOS Committee is required to give, or may desire to give, in relation to matters which may affect all the Eligible Persons or the Grantees (as the case may be) pursuant to the Scheme, the Company or the ESOS Committee may give such notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the ESOS Committee (including via electronic media). Upon the making of such an announcement, the notice to be made under By-Law 30.2 shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Grantees, as the case may be.

31. SEVERABILITY

Any term, condition, stipulation or provision in these By-Laws which is or becomes illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

APPENDIX III – DRAFT BYLAWS (CONT'D)

32. DISCLOSURES IN ANNUAL REPORT

The Company will make such disclosures pertaining to the Scheme in its annual report from time to time if required by the Listing Requirements.

33. SUBSEQUENT SHARE ISSUANCE SCHEME

Subject to the approval of Bursa Securities and any other relevant authorities, the Company may implement more than one (1) scheme provided that the aggregate number of Shares available under all the schemes does not breach the maximum limit prescribed in the prevailing guidelines issued by Bursa Securities, the Listing Requirements and any other relevant authorities as amended from time to time.

34. ERRORS AND OMISSIONS

34.1 If in consequence of an error or omission, the ESOS Committee discovers/determines that:-

- (a) an Eligible Person who was selected by the ESOS Committee/Company has not been given the opportunity to participate in the Scheme on any occasion;
or
- (b) the number of Shares allotted and issued and/or transferred to any Eligible Person (including those allotted and issued and/or transferred pursuant to an exercise of Option) on any occasion is found to be incorrect;

and such error or omission cannot be corrected within the relevant period specified in the Scheme, the ESOS Committee may do all such acts and things to rectify such error or omission and ensure that the Eligible Person is given the opportunity to participate in the Scheme and/or the aggregate number of Shares to which the Eligible Person is correctly entitled to.

35. GOVERNING LAW AND JURISDICTION

The Scheme, these By-Laws, all Offers made and Options granted and actions taken under the Scheme shall be governed by and construed in accordance with the laws of Malaysia. The Eligible Persons, by accepting the Offer in accordance with the By-Laws and terms of the Scheme and the Constitution, irrevocably submit to the exclusive jurisdiction of the courts in Malaysia.

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APPENDIX IV – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT

UOBKH, being the Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

SCS Global, being the Independent Adviser for the Proposed Variation, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTEREST

UOBKH and SCS Global have given their written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to their respective roles as the Adviser to Dolphin for the Proposals and Independent Adviser to Dolphin for the Proposed Variation, respectively.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at the LPD, Dolphin Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Group:-

i. **Dolphin Engineering (M) Sdn Bhd ("Dolphin Engineering") vs Tori Construction (Originating Summon No.: KCH-24C-1/1-2020) ("OS1")**

Tori Construction initiated an adjudication proceeding in the High Court of Kuching under the Construction Industry Payment and Adjudication Act 2012 by way of a notice of adjudication against Dolphin Engineering, for monies due and owing amounting to RM953,023.47 and for release of retention sums amounting to RM2,165,306.38 with costs and interests. An adjudication decision was delivered in favour of Tori Construction by the adjudicator on 13 January 2020 ("**Adjudication Decision**").

On 24 January 2020, the OS1 was filed by Dolphin Engineering to set aside and stay the execution of the Adjudication Decision. On 15 July 2021, the High Court of Kuching dismissed the OS1 with costs in favour of Tori Construction.

Dolphin Engineering has subsequently filed appeals to set aside and stay the execution of the Adjudication Decision.

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

APPENDIX IV – FURTHER INFORMATION (CONT'D)

Dolphin Engineering has no intention to proceed with the appeal as Dolphin Engineering had on 10 February 2023 appointed an interim liquidator to commence creditors' voluntary winding up of the company. The creditors' meeting was held on 7 March 2023 with a liquidator appointed and who has taken over all affairs of the company.

For information purposes, Dolphin Engineering has ceased operation in June 2022 and our Group has not provided any guarantees on behalf of Dolphin Engineering in respect of the amount claimed by Tori Construction. Hence the claim is not expected to have any material impact on the financial position or business of our Group when Dolphin Engineering is wound-up.

ii. **Tori Construction vs Dolphin Engineering
(Originating Summon No.: KCH-24C-2/2-2020) ("OS2")**

Tori Construction had on 5 February 2020 filed OS2 for the registration and enforcement of the Adjudication Decision. The High Court of Kuching has on 20 August 2021 allowed Tori Construction's application to enforce the Adjudication Decision as a court judgement. Dolphin Engineering has filed an appeal on the Court's decision.

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

Dolphin Engineering has no intention to proceed with the appeal as Dolphin Engineering had on 10 February 2023 appointed an interim liquidator to commence creditors' voluntary winding up of the company. The creditors' meeting was held on 7 March 2023 with a liquidator appointed and who has taken over all affairs of the company.

For information purposes, Dolphin Engineering has ceased operation in June 2022 and our Group has not provided any guarantees on behalf of Dolphin Engineering in respect of the amount claimed by Tori Construction. Hence the claim is not expected to have any material impact on the financial position or business of our Group when Dolphin Engineering is wound-up.

iii. **Sarawak Land Consolidation and Rehabilitation Authority ("SLCRA") vs Dolphin Engineering
(Originating Summon No.: KCH-22NCvC-56/12-2022)**

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

On 17 February 2023, Dolphin Engineering received from Reddi & Co, the advocates acting on behalf of SLCRA, a sealed copy of judgment dated 27 January 2023 granted by the High Court in Sabah and Sarawak. Dolphin Engineering was ordered to pay SLCRA the sum of RM3,994,400 and costs.

APPENDIX IV – FURTHER INFORMATION (CONT'D)

Dolphin Engineering has no intention to appoint any solicitors to appeal on the judgement as Dolphin Engineering had on 10 February 2023 appointed an interim liquidator to commence the creditors' voluntary winding up of the company. The creditors' meeting was held on 7 March 2023 with a liquidator appointed and has taken over all affairs of the company.

For information purposes, Dolphin Engineering has ceased operation in June 2022 and our Group has not provided any guarantees on behalf of Dolphin Engineering in respect of the amount claimed by SLCRA. Hence, the claim is not expected to have any material impact on the financial position or business of our Group when Dolphin Engineering is wound-up.

5. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group that has not been provided for which, upon becoming enforceable, may have a material impact on the financial results/ position of the Group:-

	RM'000
Balance Cash Considerations to be paid in respect of the Previous Acquisition (as elaborated in Section 2.2 , Part A of this Circular)	9,550 ^{*1}
Total	9,550

Note:-

^{*1} The timing of settlement of the Balance Cash Considerations of RM9.55 million is as follows:-

Timing of settlement pursuant to the SSA and Supplemental Letter	RM'000	Status of payment milestones and sources of funds
<i>By 31 December 2024 (pursuant to the extensions mutually agreed between the Parties)</i>	5,350	<i>RM5.35 million will be waived pursuant to the Proposed Variation</i>
<i>Within 14 business days from the date the audited consolidated financial statements of High Reserve Group for the financial period from 1 July 2022 to 30 June 2023 is made available</i>	2,100	↑
<i>Within 14 business days from the date the audited consolidated financial statements of High Reserve Group for the financial period from 1 July 2023 to 30 June 2024 is made available</i>	2,100	<i>RM4.20 million will be forfeited pursuant to the Proposed Variation</i>
Total	9,550	↓

6. CONTINGENT LIABILITIES

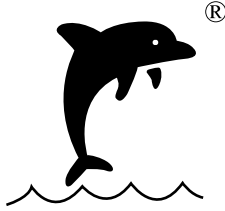
As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a material impact on the financial results/ position of the Group.

APPENDIX IV – FURTHER INFORMATION (CONT'D)

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Dolphin at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the EGM:-

- i. Constitution of Dolphin;
- ii. audited consolidated financial statements of Dolphin Group for the past 2 financial years up to the FYE 30 June 2023 and the latest unaudited financial statements of Dolphin for the 12-month FPE 30 June 2024;
- iii. letters of consent and declaration of conflict of interest as referred to in **Sections 2 and 3** above respectively;
- iv. relevant cause papers in respect of the material litigations of Dolphin Group as referred to in **Section 4** above;
- v. the Agreement as referred to in **Appendix II** of this Circular; and
- vi. the draft Bylaws as referred to in **Appendix III** of this Circular.



DOLPHIN INTERNATIONAL BERHAD

(Registration No. 201201016010 (1001521-X))

(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of Dolphin International Berhad ("**Dolphin**" or the "**Company**") will be conducted entirely through a virtual meeting through live streaming and Remote Participation and Voting ("**RPV**") Facilities via Vote2U Online at <https://web.vote2u.my> provided by Agmo Digital Solutions Sdn Bhd (Domain registration number with MYNIC D6A471702) from the Broadcast Venue at Meeting Room, E-G-2, Block E, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, 47301 Petaling Jaya, Selangor on Monday, 7 October 2024 at 11.00 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:-

SPECIAL RESOLUTION

PROPOSED CHANGE OF THE COMPANY'S NAME FROM "DOLPHIN INTERNATIONAL BERHAD" TO "OASIS HARVEST CORPORATION BERHAD" ("PROPOSED CHANGE OF NAME")

"**THAT** the name of the Company be changed from "Dolphin International Berhad" to "Oasis Harvest Corporation Berhad" effective from the date of issuance of the Notice of Registration of New Name by the Companies Commission of Malaysia to the Company and that all references in the Constitution of the Company in relation to the name of "Dolphin International Berhad", wherever the same may appear, shall be substituted with "Oasis Harvest Corporation Berhad".

AND THAT the Board of Directors of Dolphin ("**Board**") and/ or the Company Secretaries be and are hereby authorised and empowered to do or procure to be done all such acts, deeds and things and to execute, sign and deliver, on behalf of the Company, all such documents to give effect to and complete the Proposed Change of Name with full power to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities and/ or parties and as the Board may deem necessary and expedient to finalise, implement and give full effect to the Proposed Change of Name."

ORDINARY RESOLUTION 1

PROPOSED VARIATION TO THE TERMS OF THE SALE OF SHARES AGREEMENT DATED 24 FEBRUARY 2022 (AS SUPPLEMENTED BY A SUPPLEMENTAL LETTER DATED 15 JULY 2022), ENTERED INTO BETWEEN DOLPHIN, ASIA POLY FOOD AND BEVERAGE SDN BHD (A WHOLLY-OWNED SUBSIDIARY OF DOLPHIN), WITH DATO' YEO BOON LEONG, YEO BOON THAI, YEO BOON HO AND YEO SOON BEE FOR THE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN HIGH RESERVE F&B SDN BHD FOR THE PURCHASE CONSIDERATION OF RM36.00 MILLION ("SSA") ("PREVIOUS ACQUISITION") BY VARYING/ WAIVING CERTAIN PAYMENT TERMS OF THE PREVIOUS ACQUISITION ("PROPOSED VARIATION")

THAT conditional upon the approvals of all relevant regulatory authorities and/ or third parties being obtained, where required, and the condition precedent in the agreement dated 9 July 2024 entered into between Dolphin, Asia Poly Food and Beverage Sdn Bhd (a wholly-owned subsidiary of Dolphin), with Dato' Yeo Boon Leong, Yeo Boon Thai, Yeo Boon Ho and Yeo Soon Bee ("**Agreement**"), for the Proposed Variation being fulfilled, approval be and is hereby given to Dolphin, to vary the outstanding terms and conditions that have yet to be performed under the SSA in accordance with the terms and conditions stipulated in the Agreement, of which the salient terms are set out in Appendix II of the circular to shareholders of Dolphin dated 13 September 2024 ("**Circular**").

AND THAT the Board be and is hereby authorised to sign, execute and deliver, on behalf of Dolphin, all documents, authorised and empowered to do or procure to be done all such acts, deeds and things as may be required to give effect to and to complete the Proposed Variation with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or imposed by the relevant authorities and/ or parties and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Variation.

ORDINARY RESOLUTION 2

PROPOSED ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES IN DOLPHIN (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME OVER THE DURATION OF THE ESOS TO ELIGIBLE PERSONS ("PROPOSED ESOS")

"THAT subject to the approvals of all relevant regulatory authorities being obtained, where required, approval be and is hereby given to the Board for the listing of and quotation for such number of new Dolphin Shares, representing 15% of Dolphin's total number of issued shares (excluding treasury shares, if any) to be issued arising from the exercise of the options granted under the Proposed ESOS ("**ESOS Option(s)**"), approval be and is hereby given for the Board to:-

- i. establish, implement and administer the Proposed ESOS in accordance with the bylaws of the Proposed ESOS ("**Bylaw(s)**"), a draft of which is set out in Appendix I of the Circular, to approve and adopt the Bylaws and to give effect to the Proposed ESOS with full power to assent to any conditions, variations, modifications and/ or amendments as may be required by the relevant authorities;
- ii. make the necessary applications and do all things necessary at the appropriate time or times to Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the new Dolphin Shares, which may from time to time be allotted and issued arising from the exercise of the ESOS Options;
- iii. allot and issue such number of new Dolphin Shares from time to time as may be required arising from the exercise of the ESOS Options, **PROVIDED THAT** the total number of new Dolphin Shares, which may be made available under the Proposed ESOS, shall not in aggregate exceed 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time over the duration of the Proposed ESOS **AND THAT** the new Dolphin Shares to be allotted and issued upon the exercise of the ESOS Options will, upon allotment and issuance, rank equally in all respects with the existing Dolphin Shares, save and except that such Dolphin Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distributions declared, made or paid to shareholders where the entitlement date of such distributions precedes the relevant date of allotment and issuance of such Dolphin Shares. The new Dolphin Shares allotted will be subject to all provisions in the Constitution of the Company and Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**"), if any;
- iv. add, amend, modify and/ or delete all or any part of the terms and conditions as set out in the Bylaws governing the Proposed ESOS from time to time provided that such addition, amendment, modification and/ or deletion are effected in accordance with the provisions of the Bylaws, and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed ESOS;
- v. extend the duration of the Proposed ESOS for a period of up to another 5 years, provided always that such extension of the Proposed ESOS made in accordance with the provisions of the Bylaws shall not in aggregate exceed a duration of 10 years from the date the Proposed ESOS takes effect or such other period determined by the relevant authorities;
- vi. do all things necessary and make the necessary applications to Bursa Securities for the listing of and quotation for new Dolphin Shares that may, hereafter from time to time, be allotted and issued under the Proposed ESOS; and

- vii. to appoint and authorise a committee by the Board ("**ESOS Committee**"), which the Proposed ESOS will be administered in accordance with the Bylaws by the said ESOS Committee, who will be responsible for implementing and administering the Proposed ESOS. The members of the ESOS Committee shall comprise such number of Directors and/ or senior management personnel of the Group to be identified from time to time.

THAT the Board be and is hereby authorised to give effect to the Proposed ESOS with full power to assent to any conditions, modifications, variations and/ or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things as they may consider necessary and/ or expedient to implement, finalise and give full effect to the Proposed ESOS;

THAT pursuant to Section 85(1) of the Companies Act, 2016 ("**Act**") read together with Clause 54 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new Dolphin Shares ranking equally to the existing issued Dolphin Shares arising from any issuance of new Dolphin Shares to the Eligible Persons pursuant to the Proposed ESOS;

AND THAT the draft Bylaws as set out in **Appendix III** of the Circular and which is in compliance with the Listing Requirements, be and is hereby approved and adopted."

ORDINARY RESOLUTION 3 TO 8

PROPOSED ALLOCATION OF ESOS OPTIONS TO THE DIRECTORS OF THE COMPANY ("PROPOSED ALLOCATION")

THAT subject to the passing of the Ordinary Resolution 2 and the approvals of the relevant authorities for the Proposed ESOS, including the approval from Bursa Securities for the listing and quotation for the new Dolphin Shares to be issued arising from the exercise of the ESOS Options, having been obtained, approval be and is hereby given to the Board to authorise the ESOS Committee, at any time and from time to time throughout the duration of the Proposed ESOS, to offer and grant to the following Directors of Dolphin, ESOS Options to subscribe for new Dolphin Shares under the Proposed ESOS:-

i.	Dato' Sri Tan Ooi Han	Ordinary Resolution 3
ii.	Yeo Boon Thai	Ordinary Resolution 4
iii.	Ch'ng Eu Vern	Ordinary Resolution 5
iv.	Ir. Tan Chin Leng	Ordinary Resolution 6
v.	Loke Mee Leng	Ordinary Resolution 7
vi.	Phuah Jessie	Ordinary Resolution 8

Provided always that:-

- i. the aggregate number of Dolphin Shares which may be made available under the Proposed ESOS shall not in aggregate exceed 15% of the total number of issued Dolphin Shares (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESOS;
- ii. not more than 10% of the total number of Shares to be issued under the Proposed ESOS shall be allocated to any one of the abovementioned persons who, either singly or collectively through persons connected with him/her, holds 20% or more of the total number of issued Dolphin Shares (excluding treasury shares, if any);
- iii. not more than 70% of the total ESOS Options available under the Proposed ESOS shall be allocated, in aggregate, to the abovementioned persons and senior management of our Group who are Eligible Persons;
- iv. the abovementioned persons shall not participate in the deliberation or discussion of their respective allocations as well as the allocations to any persons connected with them, if any; and
- v. subject always to such terms and conditions and/ or any adjustments which may be made in accordance with the provisions of the Bylaws of the Proposed ESOS, the Listing Requirements and any prevailing guidelines, rules and/ or regulations issued by Bursa Securities, or any other relevant authorities as amended from time to time.

THAT pursuant to Section 85(1) of the Act read together with Clause 54 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights to be offered new Dolphin Shares ranking equally to the existing issued Dolphin Shares arising from any issuance of new Dolphin Shares to the Eligible Persons pursuant to the Proposed ESOS;

AND THAT the Board be and is hereby authorised to allot and issue from time to time such number of new Dolphin Shares to the abovementioned directors of the Company as may be required pursuant to the exercise of the ESOS Options at any one time during the duration of the Proposed ESOS and to take such steps as are necessary or expedient to implement, finalise or give full effect to the Proposed Allocation, with full powers to assent to any conditions, variations, modifications and/ or amendments as may be imposed or required by the relevant authorities and/ or parties or deemed necessary by the Board in the best interest of the Company, and to do all such acts, deeds and things, and to execute all such documents and to enter into all such transactions, arrangements, agreements, deeds and undertakings with any party or parties as the Board may deem fit, necessary or expedient or appropriate to give full effect to the Proposed Allocation."

Explanatory Note to Ordinary Resolutions 2 to 8:-

Section 85(1) of the Act provides that:-

"Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders".

Clause 54 of the Company's Constitution states as follows:-

"Subject to any direction to the contrary that may be given by the Company in a general meeting any shares or securities from time to time to be created shall before they are issued be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of any intimation from the person to whom the offer is made that he declines to accept the shares or securities offered the Directors may dispose of those Shares or Securities in such manner as they think most beneficial to the Company. The Directors may in like manner dispose of any such new shares or securities as aforesaid which, by reason of the ratio borne by them to the number of shares or securities held by persons entitled to such offer of new shares or securities cannot, in the opinion of the Directors be conveniently offered in the manner herein provided."

Pursuant to Section 85(1) of the Act read together with Clause 54 of the Constitution of the Company, the existing shareholders of the Company have pre-emptive rights to be offered new Shares in our Company in proportion to their shareholdings in the Company. By approving the resolution in relation to the Proposed ESOS which entails the allotment and issuance of new Dolphin Shares arising from the exercise of the ESOS Options in the Company which will rank equally with the existing issued Shares in the Company, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85(1) of the Act and Clause 54 of the Constitution of the Company to be first offered the Dolphin Shares which will result in a dilution to their shareholding percentage in the Company.

By Order of the Board

TAN TONG LANG (MAICSA 7045482) (SSM PC No. 202208000250)

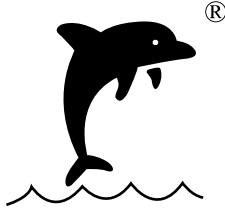
THIEN LEE MEE (LS0010621) (SSM PC No. 201908002254)

Company Secretaries
Kuala Lumpur, Malaysia

13 September 2024

Notes:-

- (1) Please refer to the Administrative Guide for the procedures to register and participate in the virtual meeting.
- (2) A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead. A proxy may, but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
- (3) Where a member appoints more than one (1) proxy, he/she shall specify the proportions of his/her holdings to be represented by each proxy, failing which, the appointment shall be invalid.
- (4) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.
- (5) The instrument appointing a proxy and the power of attorney or other authority (if any) must be deposited at the Company's Share Registrar Office, Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding General Meeting.
- (6) If the appointer is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.
- (7) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of EGM shall be put to vote by poll.
- (8) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors ("**ROD**") as at 25 September 2024 and only a member whose name appears on such ROD shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his/her behalf.



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

PROXY FORM

No. of Ordinary Shares Held

CDS Account No.

Tel./Mobile No.: _____
 (During office hours)

*I/We, _____ *NRIC/Passport/Company Registration No. _____
 (Full name in block)

of _____
 (Address)

being a member(s) of Dolphin International Berhad, hereby appoint(s) the following person(s):-

Full Name <small>(in Block)</small>	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Ordinary Shares	%
Address			
Email Address			
Tel./Mobile Phone No.			

*and/or

Full Name <small>(in Block)</small>	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Ordinary Shares	%
Address			
Email Address			
Tel./Mobile Phone No.			

*or the CHAIRMAN OF THE MEETING as *my/our Proxy(ies) to vote for *me/us and act on *my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be conducted entirely through a virtual meeting through live streaming and remote participation and voting ("RPV") Facilities via Vote2U Online at <https://web.vote2u.my> provided by Agmo Digital Solutions Sdn Bhd (Domain registration number with MYNIC D6A471702) from the Broadcast Venue at Meeting Room, E-G-2, Block E, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, 47301 Petaling Jaya, Selangor on Monday, 7 October 2024 at 11.00 a.m. or at any adjournment thereof.

Special Resolution	First Proxy		Second Proxy	
	For	Against	For	Against
Proposed Change of Name				
Ordinary Resolutions	First Proxy		Second Proxy	
	For	Against	For	Against
1 Proposed Variation				
2 Proposed ESOS				
3 Proposed Allocation to Dato' Sri Tan Ooi Han				
4 Proposed Allocation to Yeo Boon Thai				
5 Proposed Allocation to Ch'ng Eu Vern				
6 Proposed Allocation to Ir. Tan Chin Leng				
7 Proposed Allocation to Loke Mee Leng				
8 Proposed Allocation to Phuah Jessie				



Please indicate with an "X" in the appropriate space above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this _____ day of _____, 2024

Signature/Common Seal of Member

**Delete if not applicable*

Notes:-

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Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar of
DOLPHIN INTERNATIONAL BERHAD
(Registration No. 201201016010 (1001521-X))
c/o Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan

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