

**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.**

The approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") in relation to the Proposed Private Placement (as defined herein) shall not be taken to indicate that Bursa Securities recommends Proposed Private Placement. Shareholders should rely on their own evaluation to assess the merits and risks of the Proposed Private Placement.

Bursa Securities has perused Part B of this Circular on a limited review basis pursuant to Paragraph 4.1(c) of Practice Note 18 of the Main Market Listing Requirements of Bursa Securities, prior to the issuance of this Circular.

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**

**PROPOSED PRIVATE PLACEMENT OF UP TO 335,669,500 NEW ORDINARY SHARES IN DOLPHIN INTERNATIONAL BERHAD ("DIB") REPRESENTING APPROXIMATELY 36% OF THE EXISTING TOTAL NUMBER OF ISSUED SHARES OF DIB**

**PART B**

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

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Adviser for Part A*

**MALACCA SECURITIES SDN BHD**

Registration No: 197301002760 (16121-H)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

In view of the COVID-19 outbreak and as part of the safety measures, the Extraordinary General Meeting of Dolphin International Berhad ("**DIB**" or the "**Company**") ("**EGM**") will be conducted on a fully virtual basis through live streaming and online Remote Participation and Electronic Voting ("**RPEV**") facilities via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657), provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia on Monday, 1 November 2021 at 10.00 a.m. or at any adjournment thereof. The Notice of EGM together with the Form of Proxy, are enclosed herein.

A member entitled to attend, speak and vote (collectively, "**participate**") remotely at the EGM via the RPEV facilities provided is entitled to appoint a proxy or proxies to participate on his/her behalf. The completed and signed Form of Proxy must be lodged at the office of the Share Registrar of the Company situated at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. In the case of an appointment of a proxy made in electronic form, the Form of Proxy must be deposited through the Share Registrar's website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please refer to the procedures as set out in the Administrative Guide for the electronic lodgement of Form of Proxy. All Form of Proxy submitted must be received by the Company on or before the date and time indicated below in order for it to be valid.

The Administrative Guide for the Fully Virtual EGM is enclosed in Appendix V of this Circular.

Last date and time for lodging the Form of Proxy : Saturday, 30 October 2021 at 10.00 a.m.

Date and time of the EGM : Monday, 1 November 2021 at 10.00 a.m.

This Circular is dated 13 October 2021

---

## DEFINITIONS

---

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

|                              |  |
|------------------------------|--|
| “Act”                        | : The Companies Act 2016 as amended from time to time and includes every statutory modifications of any re-enactment thereof for the time being in force |
| “AGM”                        | : Annual general meeting   |
| “AP F&B”                     | : Asia Poly Food and Beverage Sdn. Bhd. (Registration No. 201601000614 (1171539-W)), a wholly-owned subsidiary of DIB                                    |
| “APHB”                       | : Asia Poly Holdings Berhad (Registration No. 200301016756 (619176-A))   |
| “Audit Committee”            | : Audit and Risk Management Committee of DIB   |
| “BNM”                        | : Bank Negara Malaysia   |
| “Board”                      | : Board of Directors of DIB  |
| “Bursa Securities”           | : Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))  |
| “CAGR”                       | : Compounded annual growth rate  |
| “CDS”                        | : Central Depository System  |
| “Circular”                   | : This circular dated 13 October 2021 in relation to the Proposed Private Placement and Proposed Shareholders’ Mandate                                   |
| “CMCO”                       | : Conditional MCO  |
| “COVID-19”                   | : Coronavirus disease 2019   |
| “DASB”                       | : Dolphin Applications Sdn. Bhd. (Registration No. 200701033516 (791544-V)), a wholly-owned subsidiary of DIB  |
| “Deed Poll”                  | : Deed poll dated 2 July 2020 constituting the Warrants-B  |
| “DESB”                       | : Dolphin Engineering (M) Sdn. Bhd. (Registration No. 199201019115 (250619-K)), a wholly-owned subsidiary of DIB   |
| “DIB” or “Company”           | : Dolphin International Berhad (Registration No. 201201016010 (1001521-X))   |
| “DIB Group” or “Group”       | : DIB and its subsidiaries, collectively   |
| “DIB Share(s)” or “Share(s)” | : Ordinary share(s) in DIB   |
| “Director(s)”                | : Director(s) of the Company and has the meaning given in Section 2(1) of the Capital Market and Services Act 2007.                                      |

For the Proposed Shareholders’ Mandate, “Director(s)” includes any person who is or was, within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of DIB or DIB Group.

---

**DEFINITIONS (Cont'd)**

---

|                        |   |
|------------------------|---|
| “DRSSB”                | : Dolphin Robotic Systems Sdn. Bhd. (Registration No. 201401016023 (1092109-T)), an indirect wholly-owned subsidiary of DIB |
| “E&E”                  | : Electrical and electronic   |
| “EIS”                  | : Employment insurance system   |
| “EGM”                  | : Extraordinary general meeting of DIB to be convened for the Proposed Private Placement and Proposed Shareholders’ Mandate |
| “EMCO”                 | : Enhanced MCO  |
| “EPF”                  | : Employees’ Provident Fund   |
| “EPS”                  | : Earnings per Share  |
| “F&B”                  | : Food & beverage   |
| “FPE”                  | : Financial period ending/ended, as the case may be   |
| “FYE”                  | : Financial year ending/ended, as the case may be   |
| “GDP”                  | : Gross domestic product  |
| “Government”           | : Federal Government of Malaysia  |
| “Interested Person”    | : A Director, Major Shareholder or chief executive of the Company or a holding company of DIB                               |
| “LAT”                  | : Loss after taxation   |
| “LBT”                  | : Loss before taxation  |
| “Licensor” or “UDRSB”  | : Uncle Don’s Restaurants Sdn. Bhd. (Registration No. 201501039890 (1165208-K))   |
| “Listing Requirements” | : Main Market Listing Requirements of Bursa Securities  |
| “LPD”                  | : 30 September 2021, being the latest practicable date prior to the printing of this Circular                               |
| “LPS”                  | : Loss per Share  |
| “LTD”                  | : 30 July 2021, being the last trading day prior to the announcement of the Proposed Private Placement                      |

***[The rest of this page has been intentionally left blank]***

---

**DEFINITIONS (Cont'd)**

---

|                                       |   |
|---------------------------------------|---|
| “Major Shareholder(s)”                | : A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is:<br><br>(a) 10% or more of the total number of voting shares in the Company; or<br><br>(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company,<br><br>and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company or any other company which is its subsidiary or holding company.<br><br>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act |
| “Malacca Securities” or the “Adviser” | : Malacca Securities Sdn. Bhd. (Registration No. 197301002760 (16121-H))  |
| “Master Licensing Agreement”          | : Master licensing agreement entered into between United Delight and the Licensor dated 12 July 2021  |
| “MCO”                                 | : Movement Control Order  |
| “MCO 2.0”                             | : Second Movement Control Order   |
| “MCO 3.0”                             | : Third Movement Control Order  |
| “NA”                                  | : Net assets  |
| “PAT”                                 | : Profit after taxation   |
| “Placee(s)”                           | : Independent third party investor(s) to be identified later  |
| “Placement Share(s)”                  | : Up to 335,669,500 DIB Shares to be issued pursuant to the Proposed Private Placement  |
| “Price Fixing Date”                   | : Date where the issue price of each tranche of the Placement Shares is determined and fixed by the Board after the receipt of all relevant approvals for the Proposed Private Placement  |
| “Private Placement 1”                 | : A private placement of up to 29,970,000 new DIB Shares which was announced on 29 November 2019 and completed on 23 November 2020  |
| “Private Placement 2”                 | : A private placement of up to 186,322,592 new DIB Shares which was announced on 26 January 2021 and completed on 25 February 2021  |
| “Proposed Private Placement”          | : Proposed private placement of up to 335,669,500 Placement Shares representing approximately 36% of the existing total number of issued Shares to the Placee(s) at an issue price to be determined later   |
| “Proposed Shareholders’ Mandate”      | : Proposed new shareholders’ mandate for recurrent related party transactions of a revenue or trading nature  |

---

**DEFINITIONS (Cont'd)**

---

|   |  |
|---|--|
| “Providence”                                    | : Providence Strategic Partners Sdn. Bhd. (Registration No. 201701024744 (1238910-A)), the independent market researcher for the Proposed Private Placement  |
| “PTDI”  | : PT Dolphin Indonesia, an indirect wholly-owned subsidiary of DIB   |
| “Rights Issue”                                  | : A proposed renounceable rights issue of up to 412,087,515 Rights Shares with up to 247,252,509 Warrants-B at an issue price of RM0.06 per Rights Share on the basis of 5 Rights Shares for every 4 existing DIB Shares held by the entitled shareholders on 24 July 2020 together with 3 Warrants-B for every 5 Rights Shares subscribed which was announced on 27 February 2020 and completed on 1 October 2020 |
| “Rights Share(s)”                               | : New DIB Shares issued pursuant to the Rights Issue and listed on the Official List of Bursa Securities on 1 October 2020   |
| “Record of Depositors”                          | : A record of securities holders established and maintained by Bursa Malaysia Depository Sdn. Bhd.   |
| “Related Party or Parties” or “Related Parties” | : Director(s), Major Shareholder(s) or person(s) connected with such director(s) or Major Shareholder(s) of DIB  |
| “RM” and “Sen”                                  | : Ringgit Malaysia and sen, respectively   |
| “RRPT”  | : Recurrent related party transaction(s) entered into by DIB Group which involves the interest, direct or indirect, of the Related Parties, which is recurrent, of a revenue or trading nature and which is necessary for day-to-day operations of DIB Group   |
| “Shareholder(s)”                                | : Shareholder(s) of DIB  |
| “SLPOM”   | : Seri Langat Palm Oil Mill Sdn. Bhd. (Registration No. 197401000973 (18111-P))  |
| “SOCISO”  | : Social Security Organization   |
| “Substantial Shareholder(s)”                    | : A person who has interest or interests in one or more voting shares in DIB and the number or aggregate number of those shares is not less than 5% of the total number of voting shares in DIB  |
| “UD Express”                                    | : A trademark which has been licensed to United Delight by the Licensor to operate F&B convenience concept stores pursuant to the Master Licensing Agreement   |
| “UD Express Outlets”                            | : F&B convenience concept stores under the trade name “UD Express”   |
| “UDHSB”   | : Uncle Don’s Holdings Sdn. Bhd. (Registration No. 201801039364 (1301395-T))   |
| “UDMSB”   | : Uncle Don’s Manufacturing Sdn. Bhd. (Registration No. 201501040414 (1165734-P))  |
| “UDRSB”   | : Uncle Don’s Restaurants Sdn. Bhd. (Registration No. 201501039890 (1165208-K))  |

---

**DEFINITIONS (Cont'd)**

---

|                       |   |
|-----------------------|---|
| “Uncle Don’s Outlets” | : AP F&B’s restaurant outlets with the license to operate under the trade name of “Uncle Don’s”               |
| “United Delight”      | : United Delight Sdn. Bhd. (Registration No. 202101004255 (1404554-P)), a wholly-owned subsidiary of DIB      |
| “United Distribution” | : United Distribution Sdn. Bhd. (Registration No. 202001043738 (1400060-W)), a wholly-owned subsidiary of DIB |
| “Warrant(s)-B”        | : Warrants 2020/2023, which were issued by DIB on 29 September 2020 and constituted by the Deed Poll          |
| “5D-VWAP”             | : 5-day volume weighted average market price  |

All references to “our Company” and “the Company” in this Circular are to DIB. References to “the Group” and “the DIB Group” are to our Company and subsidiaries, collectively. Reference to “we”, “us”, “our”, and “ourselves” are to our Company and save where the context otherwise requires, shall include our subsidiaries.

All references to “you” or “your” in this Circular are to the Shareholders who are entitled to participate and vote at the EGM.

Words denoting the singular number shall, where applicable, include the plural and vice-versa and words denoting the masculine gender shall, where applicable, include the feminine gender, neuter gender and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any provision of the statutes, rules, regulations or rules of stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations or rules of stock exchange (as the case may be) as modified by any written law and any amendments to the statutes, rules, regulations or rules of stock exchange for the time being in force or their respective re-enactment or amendment.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that the Company’s plans and objectives will be achieved.

***[The rest of this page has been intentionally left blank]***

---

**TABLE OF CONTENTS**

---

**PART A:  
LETTER TO SHAREHOLDERS OF DIB IN RELATION TO THE PROPOSED PRIVATE  
PLACEMENT CONTAINING THE FOLLOWING:**

|   | <b>PAGE</b> |
|---|-------------|
| 1. INTRODUCTION   | 4           |
| 2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT  | 5           |
| 3. RATIONALE  | 10          |
| 4. OVERVIEW, OUTLOOK AND PROSPECTS  | 12          |
| 5. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT  | 18          |
| 6. APPROVALS REQUIRED AND INTER-CONDITIONALITY OF THE PROPOSED PRIVATE PLACEMENT                  | 23          |
| 7. HISTORICAL SHARE PRICE PERFORMANCE   | 24          |
| 8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM | 24          |
| 9. DIRECTORS' RECOMMENDATION  | 24          |
| 10. ADVISER AND PLACEMENT AGENT   | 24          |
| 11. ESTIMATED TIMEFRAME FOR COMPLETION  | 25          |
| 12. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION  | 25          |
| 13. EGM   | 25          |
| 14. FURTHER INFORMATION   | 26          |

**PART B:  
LETTER TO SHAREHOLDERS OF DIB IN RELATION TO THE PROPOSED SHAREHOLDERS'  
MANDATE CONTAINING THE FOLLOWING:**

|   |    |
|---|----|
| 1. INTRODUCTION   | 27 |
| 2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE          | 28 |
| 3. RATIONALE OF THE PROPOSED SHAREHOLDERS' MANDATE        | 36 |
| 4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE          | 36 |
| 5. INTERESTED DIRECTORS AND INTERESTED MAJOR SHAREHOLDERS | 37 |
| 6. APPROVAL REQUIRED                                      | 37 |
| 7. DIRECTORS' RECOMMENDATION                              | 38 |
| 8. EGM  | 38 |
| 9. FURTHER INFORMATION                                    | 38 |

---

**TABLE OF CONTENTS (Cont'd)**

---

**APPENDICES**

|     |   |          |
|-----|---|----------|
| I   | DETAILS OF PAST EQUITY FUND RAISING EXERCISES           | 39       |
| II  | HISTORICAL FINANCIAL INFORMATION                        | 42       |
| III | INFORMATION ON ADDRESSING THE GROUP'S FINANCIAL CONCERN | 44       |
| IV  | FURTHER INFORMATION                                     | 46       |
| V   | ADMINISTRATIVE GUIDE                                    | 51       |
|     | <b>NOTICE OF EGM</b>                                    | ENCLOSED |
|     | <b>FORM OF PROXY</b>                                    | ENCLOSED |

**PART A**

**LETTER TO THE SHAREHOLDERS OF DIB IN RELATION TO THE  
PROPOSED PRIVATE PLACEMENT**

## EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION REGARDING THE PROPOSED PRIVATE PLACEMENT. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF PART A OF THIS CIRCULAR, INCLUDING THE APPENDICES, BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED PRIVATE PLACEMENT TO BE TABLED AT THE FORTHCOMING EGM.

| Key information  | Description  |                         |    |  |           |                                       |           |                                    |           |                         |           |   |           |   |         |                                 |                   |
|--|--|-------------------------|----|--|-----------|---------------------------------------|-----------|------------------------------------|-----------|-------------------------|-----------|---|-----------|---|---------|---------------------------------|-------------------|
| <b>Summary</b><br>(Section 2 of this Circular)                   | The Proposed Private Placement entails the issuance of up to 335,669,500 Placement Shares, representing approximately 36.0% of the number of issued DIB Shares as at the LPD or representing approximately 30.0% of the enlarged number of issued DIB Shares assuming all Warrants-B are exercised prior to the implementation of the Proposed Private Placement.  |                         |    |  |           |                                       |           |                                    |           |                         |           |   |           |   |         |                                 |                   |
| <b>Utilisation of proceeds</b><br>(Section 2.5 of this Circular) | For illustrative purposes, the gross proceeds to be raised pursuant to the Proposed Private Placement based on an indicative issue price of RM0.0776 per Placement Share and up to 335,669,500 Placement Shares that may be issued by the Company is approximately RM26.05 million. The gross proceeds to be raised from the Proposed Private Placement are intended to be used by DIB Group in the following manner: <table border="1" data-bbox="443 824 1377 1066"> <thead> <tr> <th>Utilisation of proceeds</th> <th>RM</th> </tr> </thead> <tbody> <tr> <td>Working capital for UD Express Outlets</td> <td>5,000,000</td> </tr> <tr> <td>General working capital for DIB Group</td> <td>4,465,953</td> </tr> <tr> <td>Set up cost for UD Express Outlets</td> <td>9,982,000</td> </tr> <tr> <td>Repayment of borrowings</td> <td>3,000,000</td> </tr> <tr> <td>Future expansion and acquisition for F&amp;B business</td> <td>3,000,000</td> </tr> <tr> <td>Estimated expenses for the Proposed Private Placement</td> <td>600,000</td> </tr> <tr> <td><b>Total estimated proceeds</b></td> <td><b>26,047,953</b></td> </tr> </tbody> </table>   | Utilisation of proceeds | RM | Working capital for UD Express Outlets | 5,000,000 | General working capital for DIB Group | 4,465,953 | Set up cost for UD Express Outlets | 9,982,000 | Repayment of borrowings | 3,000,000 | Future expansion and acquisition for F&B business | 3,000,000 | Estimated expenses for the Proposed Private Placement | 600,000 | <b>Total estimated proceeds</b> | <b>26,047,953</b> |
| Utilisation of proceeds  | RM   |                         |    |  |           |                                       |           |                                    |           |                         |           |   |           |   |         |                                 |                   |
| Working capital for UD Express Outlets                           | 5,000,000  |                         |    |  |           |                                       |           |                                    |           |                         |           |   |           |   |         |                                 |                   |
| General working capital for DIB Group                            | 4,465,953  |                         |    |  |           |                                       |           |                                    |           |                         |           |   |           |   |         |                                 |                   |
| Set up cost for UD Express Outlets                               | 9,982,000  |                         |    |  |           |                                       |           |                                    |           |                         |           |   |           |   |         |                                 |                   |
| Repayment of borrowings  | 3,000,000  |                         |    |  |           |                                       |           |                                    |           |                         |           |   |           |   |         |                                 |                   |
| Future expansion and acquisition for F&B business                | 3,000,000  |                         |    |  |           |                                       |           |                                    |           |                         |           |   |           |   |         |                                 |                   |
| Estimated expenses for the Proposed Private Placement            | 600,000  |                         |    |  |           |                                       |           |                                    |           |                         |           |   |           |   |         |                                 |                   |
| <b>Total estimated proceeds</b>                                  | <b>26,047,953</b>  |                         |    |  |           |                                       |           |                                    |           |                         |           |   |           |   |         |                                 |                   |
| <b>Rationale</b><br>(Section 3 of this Circular)                 | <p>The Proposed Private Placement will enable the Group to raise additional funds for the purposes as set out in Section 2.5 of Part A of this Circular, which is expected to contribute positively to the Group's earnings in the future.</p> <p>After due consideration of the various options available and the past fund raising exercises in the past 12 months, the Board is of the view that it is in the best interest of DIB to undertake the Proposed Private Placement, as it is the most appropriate avenue to raise funds for the Group due to the following reasons:</p> <ul style="list-style-type: none"> <li>(i) the Proposed Private Placement will enable the Group to raise funds expeditiously and in a more cost-effective manner as opposed to other fund-raising options such as a pro-rata issuance of securities like a rights issue, which would typically entail longer implementation process and is significantly dependent on the market sentiment. Additionally, a rights issue also requires an underwriting arrangement or undertaking commitment from Shareholders, which may be challenging in view of the current uncertain condition of the economy;</li> <li>(ii) the Proposed Private Placement is expected to strengthen the shareholders equity and capital base of the Group. The repayment of bank borrowings via the proceeds to be raised from the Proposed Private Placement will improve the Group's cash flow, gearing position and allows for greater flexibilities for the Group to gear up in the future for its business needs, if required;</li> <li>(iii) the Proposed Private Placement will serve as a preferred option for source of funding for the Group without incurring interest expenses as compared to borrowings;</li> </ul> |                         |    |  |           |                                       |           |                                    |           |                         |           |   |           |   |         |                                 |                   |

**EXECUTIVE SUMMARY (Cont'd)**

|  | <p>(iv) the Proposed Private Placement will improve the cash flow and financial flexibility of the Group by strengthening its financial position; and</p> <p>(v) the additional allocation of up to RM4.47 million of the gross proceeds to be raised from the Proposed Private Placement for DIB Group's general working capital should enable DIB Group to retain an adequate cash level and flexibility in respect of its financial allocations for its operational requirements and short term obligations and liabilities, which will in turn enable DIB Group to effectively and efficiently carry out its day-to-day operations.</p>   |                      |           |                      |     |  |                |      |   |                |       |  |                |      |  |                |
|--|---|----------------------|-----------|----------------------|-----|--|----------------|------|---|----------------|-------|--|----------------|------|--|----------------|
| <p><b>Approvals required and inter-conditionality of the Proposed Private Placement</b><br/>(Section 6 of this Circular)</p> | <p>The Proposed Private Placement is subject to the approvals being obtained from the following:</p> <p>(i) Bursa Securities, for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities which was obtained vide its letter dated 29 September 2021 and is subject to the following conditions:</p> <table border="1" data-bbox="512 763 1378 1619"> <thead> <tr> <th data-bbox="512 763 587 824">No.</th> <th data-bbox="587 763 1107 824">Condition</th> <th data-bbox="1107 763 1378 824">Status of compliance</th> </tr> </thead> <tbody> <tr> <td data-bbox="512 824 587 1003">(i)</td> <td data-bbox="587 824 1107 1003">DIB and Malacca Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement;</td> <td data-bbox="1107 824 1378 1003">To be complied</td> </tr> <tr> <td data-bbox="512 1003 587 1160">(ii)</td> <td data-bbox="587 1003 1107 1160">DIB and Malacca Securities are required to inform Bursa Securities upon the completion of the Proposed Private Placement;</td> <td data-bbox="1107 1003 1378 1160">To be complied</td> </tr> <tr> <td data-bbox="512 1160 587 1406">(iii)</td> <td data-bbox="587 1160 1107 1406">DIB/Malacca Securities is required to furnish Bursa Securities with a certified true copy of the resolution passed by the Shareholders approving the Proposed Private Placement, prior to the listing of the new shares to be issued pursuant to the Proposed Private Placement; and</td> <td data-bbox="1107 1160 1378 1406">To be complied</td> </tr> <tr> <td data-bbox="512 1406 587 1619">(iv)</td> <td data-bbox="587 1406 1107 1619">Malacca Securities is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed.</td> <td data-bbox="1107 1406 1378 1619">To be complied</td> </tr> </tbody> </table> <p>(ii) Shareholders at the forthcoming EGM to be convened; and</p> <p>(iii) any other relevant persons or authorities, if required.</p> <p>The Proposed Private Placement is not conditional upon any other corporate proposals undertaken or to be undertaken by DIB.</p> | No.                  | Condition | Status of compliance | (i) | DIB and Malacca Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement; | To be complied | (ii) | DIB and Malacca Securities are required to inform Bursa Securities upon the completion of the Proposed Private Placement; | To be complied | (iii) | DIB/Malacca Securities is required to furnish Bursa Securities with a certified true copy of the resolution passed by the Shareholders approving the Proposed Private Placement, prior to the listing of the new shares to be issued pursuant to the Proposed Private Placement; and | To be complied | (iv) | Malacca Securities is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed. | To be complied |
| No.  | Condition   | Status of compliance |           |                      |     |  |                |      |   |                |       |  |                |      |  |                |
| (i)  | DIB and Malacca Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement;  | To be complied       |           |                      |     |  |                |      |   |                |       |  |                |      |  |                |
| (ii)   | DIB and Malacca Securities are required to inform Bursa Securities upon the completion of the Proposed Private Placement;   | To be complied       |           |                      |     |  |                |      |   |                |       |  |                |      |  |                |
| (iii)  | DIB/Malacca Securities is required to furnish Bursa Securities with a certified true copy of the resolution passed by the Shareholders approving the Proposed Private Placement, prior to the listing of the new shares to be issued pursuant to the Proposed Private Placement; and  | To be complied       |           |                      |     |  |                |      |   |                |       |  |                |      |  |                |
| (iv)   | Malacca Securities is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed.  | To be complied       |           |                      |     |  |                |      |   |                |       |  |                |      |  |                |

---

**EXECUTIVE SUMMARY (Cont'd)**

---

|   |  |
|---|--|
| <b>Interests of Directors, Major Shareholders, chief executive and/or persons connected with them</b><br>(Section 8 of this Circular) | None of the Directors, Major Shareholders, chief executive of DIB and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Private Placement.   |
| <b>Directors' recommendation</b><br>(Section 9 of this Circular)  | <p>The Board, after having considered all aspects of the Proposed Private Placement (including, but not limited to the proposed utilisation of proceeds, rationale and the effects of the Proposed Private Placement), is of the opinion that the Proposed Private Placement is in the best interest of our Group and its Shareholders.</p> <p>Accordingly, the Board recommends that you vote in favour of the resolution in relation to the Proposed Private Placement to be tabled at the forthcoming EGM to be convened.</p> |

*[The rest of this page has been intentionally left blank]*



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

**Registered office:**  
308, Block A (3rd Floor)  
Kelana Business Centre  
97, Jalan SS 7/2  
Kelana Jaya  
47301 Petaling Jaya  
Selangor Darul Ehsan

13 October 2021

**Board of Directors**

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

**To: The Shareholders**

Dear Sir/Madam,

**PROPOSED PRIVATE PLACEMENT**

---

**1. INTRODUCTION**

On 2 August 2021, Malacca Securities had on behalf of the Board, announced that DIB proposed to undertake the Proposed Private Placement.

On 29 September 2021, Malacca Securities had on behalf of the Board, announced that Bursa Securities had vide its letter dated 29 September 2021 approved the listing of and quotation for the Placement Shares. The approval of Bursa Securities is subject to the conditions as set out in Section 6 of this Circular.

Details of the Proposed Private Placement are set out in the ensuing sections of Part A of this Circular.

**THE PURPOSE OF PART A OF THIS CIRCULAR IS TO PROVIDE YOU WITH RELEVANT INFORMATION ON THE PROPOSED PRIVATE PLACEMENT AND TO SET OUT THE VIEWS AND RECOMMENDATION OF THE BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED PRIVATE PLACEMENT AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART A OF THIS CIRCULAR IN RELATION TO THE PROPOSED PRIVATE PLACEMENT INCLUDING THE APPENDICES CONTAINED HEREIN BEFORE VOTING BY WAY OF POLL ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED PRIVATE PLACEMENT TO BE TABLED AT THE FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT**

The Proposed Private Placement entails the issuance of up to 335,669,500 Placement Shares, representing approximately 36.0% of the number of issued DIB Shares as at the LPD or representing approximately 30.0% of the enlarged number of issued DIB Shares assuming all Warrants-B are exercised prior to the implementation of the Proposed Private Placement.

As at the LPD, DIB has:

- (i) a share capital of RM65,770,887 comprising 935,748,431 DIB Shares; and
- (ii) 183,150,003 existing and outstanding Warrants-B. Each Warrant-B entitles the registered holders of the Warrants-B to subscribe for 1 new DIB Share at any time up to 28 September 2023 at an exercise price of RM0.08 per DIB Share, subject to the provisions of the Deed Poll.

### **2.1 Basis of arriving at the issue price of the Placement Shares**

The issue price of each tranche of the Placement Shares shall be determined separately and fixed by the Board at a later Price Fixing Date, after the receipt of all relevant approvals for the Proposed Private Placement.

The Placement Shares will be priced at not more than 10% discount to the 5D-VWAP of DIB Shares immediately before the Price Fixing Date.

For illustrative purposes, the 5D-VWAP of DIB Shares up to and including the LPD is RM0.0862 per DIB Share. Hence, for the purpose of Part A of this Circular, the issue price of each Placement Share is assumed at RM0.0776, representing a discount of approximately 9.97% or RM0.0086 to the 5D-VWAP of DIB Shares up to the LPD.

### **2.2 Placement arrangement**

The Placement Shares will be placed out to the Placee(s). The Placee(s) shall also be person(s) or party(ies) who/which qualify under Schedule 6 and Schedule 7 of the Capital Markets and Services Act 2007.

In addition, the Placement Shares are not to be placed out to the following persons or parties:

- (i) Interested Person;
- (ii) a person connected with an Interested Person; and
- (iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

Subject to prevailing market conditions and the timing of identification of Placee(s), the Proposed Private Placement may be implemented in 1 or more tranches within 6 months from the date of the approval given by Bursa Securities for the Proposed Private Placement or any extended period as may be approved by Bursa Securities. The implementation of the Proposed Private Placement in multiple tranches would accord flexibility to the Company to procure interested investors to subscribe for the Placement Shares from time to time.

For avoidance of doubt, the issue price for each tranche of the Placement Shares shall be determined separately and will be in accordance with market-based principles.

DIB believes that the Placee(s) may be identified and procured simultaneously or over a period of time. The details of Placee(s) and the number of Placement Shares to be placed to each Placee in accordance with Paragraph 6.15(1)(a) of the Listing Requirements will be submitted to Bursa Securities before the listing of the Placement Shares to be issued pursuant to the Proposed Private Placement.

## 2.3 Ranking of the Placement Shares

The Placement Shares shall, upon allotment and issuance, rank equally in all respects with the then existing DIB Shares in issue, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/or any other distributions where the relevant entitlement date is prior to the date of allotment and issuance of such Placement Shares.

## 2.4 Listing of and quotation for the Placement Shares

The Placement Shares to be issued will be listed and quoted on the Main Market of Bursa Securities. Bursa Securities had via its letter dated 29 September 2021 approved the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities.

## 2.5 Utilisation of proceeds

For illustrative purposes, the gross proceeds to be raised pursuant to the Proposed Private Placement based on an indicative issue price of RM0.0776 per Placement Share and up to 335,669,500 Placement Shares that may be issued by the Company is approximately RM26.05 million. The gross proceeds to be raised from the Proposed Private Placement are intended to be used by DIB Group in the following manner:

| Utilisation of proceeds                               | Notes | RM                | Expected timeframe for utilisation of proceeds* |
|---|-------|-------------------|---|
| Working capital for UD Express Outlets                | (i)   | 5,000,000         | Within 42 months                                |
| General working capital for DIB Group                 | (ii)  | 4,465,953         | Within 24 months                                |
| Set up cost for UD Express Outlets                    | (iii) | 9,982,000         | Within 42 months                                |
| Repayment of borrowings                               | (iv)  | 3,000,000         | Within 6 months                                 |
| Future expansion and acquisition for F&B business     | (v)   | 3,000,000         | Within 24 months                                |
| Estimated expenses for the Proposed Private Placement | (vi)  | 600,000           | Within 1 month                                  |
| <b>Total estimated proceeds</b>                       |       | <b>26,047,953</b> |   |

Notes:

\* From the listing date of each tranche of the Placement Shares.

(i) The proceeds intended to be utilised for the working capital for UD Express Outlets is mainly for the UD Express Outlets' branding fee, royalty fee, promotional and advertising materials and overhead costs which comprise, amongst others, staff costs, other staff related costs such as SOSCO, EPF, EIS and staff amenities, utilities charges, food and drink supplies and rental charges. The actual breakdown of the utilisation of the proceeds cannot be determined at this juncture and will be dependent on the operating and funding requirements of the UD Express Outlets at the relevant point in time as required. On a best estimate basis, the percentage of the allocation of the proceeds to be utilised for each component of the working capital for UD Express Outlets are as follows:

| Details  | Estimated allocation of proceeds (%) |
|--|--------------------------------------|
| Food and drinks supplies   | 69                                   |
| Staff and other staff related costs                              | 8                                    |
| Rental and utilities charges                                     | 18                                   |
| Repair and maintenance   | 1                                    |
| Administrative expenses  | 1                                    |
| Royalty fee, branding fee, promotional and advertising materials | 3                                    |
| <b>Total</b>   | <b>100</b>                           |

United Delight shall pay the Licensor the branding fee, royalty fee, promotional and advertising materials as well as to also purchase food and drink supplies from the Licensor or authorised suppliers of the Licensor. The payment for the branding fee, royalty fee, promotional and advertising materials, the purchases of food and drink supplies from the Licensor are deemed as RRPTs by virtue of the following:

- (a) Ian Ong Ming Hock being an indirect major shareholder and director of the Licensor and a director of AP F&B, a wholly-owned subsidiary of DIB; and
- (b) Dato' Yeo Boon Leong by virtue of his 10% indirect shareholding interest in the Licensor and being a person connected to Mr. Yeo Boon Ho, a non-independent non-executive Director of DIB. Dato' Yeo Boon Leong is also a major shareholder and Executive Chairman of APHB, a Major Shareholder of DIB.

DIB intends to seek its Shareholders' mandate for the RRPTs which involve the payment for the branding fee, royalty fee, promotional and advertising materials, the purchases of food and drink supplies from the Licensor in the forthcoming general meeting.

Please refer to Part B of this Circular for the details of the Proposed Shareholders' Mandate.

- (ii) The Group had allocated approximately RM2.38 million for the Group's working capital from proceeds raised from the Private Placement 2 which was completed on 25 February 2021. This amount of proceeds from the Private Placement 2 was intended to be utilised for the Group's existing business operations that were affected by the impact of the MCO implemented by the Government as follows:

- (a) pay trade creditors for the purchase of inventories, mechanical parts and electrical components. As at the LPD, the total amount owing to trade creditors was approximately RM4.3 million (inclusive of approximately RM3.7 million of trade creditors under legal suit). Approximately RM3.3 million of the trade creditors under legal suit relates to the material litigations disclosed in Section 3 (ii), (iii) and (iv) of Appendix IV of this Circular. The balance of approximately RM0.4 million of the trade creditor under legal suit relates to a litigation case where the Court has awarded summary judgement against a subsidiary; and
- (b) the Group's day-to-day operating expenses to support its existing on-going business operations which shall include, but not limited to the payment of salaries to staff and other staff related costs such as SOSCO, EPF, EIS and staff amenities as well as administrative expenses such as office and factory expenses, professional fees and utilities expenses.

As at the LPD, the balance of the proceeds earmarked for the Group's working capital of approximately RM0.955 million is intended to be utilised in the following manner over the next 8 months:

| Details                             | RM'000     |
|-------------------------------------|------------|
| Staff and other staff related costs | 210        |
| Trade creditors                     | 645        |
| Administrative expenses             | 45         |
| Compliance and professional costs   | 55         |
| <b>Total</b>                        | <b>955</b> |

**[The rest of this page is intentionally left blank]**

The Group had incurred operating expenses and the revenue was unable to cover its operating expenses resulting in the Group recording an unaudited LAT of approximately RM40.24 million for the FYE 30 June 2021 mainly due to the MCO imposed by the Government in years 2020 and 2021 and the impairment of capital work-in-progress and development costs amounting to approximately RM29.32 million, impairment of goodwill of approximately RM2.30 million and the one-off recognition payment for ex-key management employees and directors and expenses arising from its corporate restructuring exercise. Although the Board is optimistic of the long term prospects of the Group as disclosed in Section 4.4 of this Circular, the Group requires working capital to support, sustain and revitalise its businesses. As such, the Company has proposed to allocate up to RM4.47 million to be utilised for the general working capital of the DIB Group which comprise, amongst others, staff costs, other staff related costs, utilities charges and rental charges, payment to trade creditors, professional fee and other administrative expenses. The breakdown of such proceeds has not been determined at this juncture and will be dependent on the operating and funding requirements at the relevant point in time of utilisation. On a best estimate basis, the percentage of the allocation of the proceeds to be utilised for each component of the general working capital are as follows:

| <b>Details</b>  | <b>Estimated allocation of proceeds (%)</b> |
|---|---|
| Staff and other staff related costs                                     | 46  |
| Rental and utilities charges  | 4   |
| Payment to trade creditors  | 6   |
| Compliance expenses   | 19  |
| Professional fee for existing legal suit of a subsidiary <sup>(a)</sup> | 13  |
| Other administrative and operating expenses                             | 12  |
| <b>Total</b>  | <b>100</b>                                  |

Note:

- (a) Estimated legal fees in relation to the material litigation suits as disclosed in Section 3 (ii), (iii) and (iv) of Appendix IV of this Circular.

For information purposes, the total trade and other payables of the DIB Group as at the LPD stood at RM4.3 million (inclusive of approximately RM3.7 million of trade creditors under legal suit) with the average turnover period for trade payables of 45 days. As at the LPD, DIB Group's cash and bank balances stood at RM11.3 million.

For Shareholders' information, the additional allocation of up to RM4.47 million of the gross proceeds to be raised from the Proposed Private Placement allocated for DIB Group's general working capital should enable DIB Group to retain an adequate cash level and flexibility in respect of financial allocations for its operational requirements and short term obligations and liabilities, which will in turn enable DIB Group to effectively and efficiently carry out its day-to-day operations.

- (iii) United Delight had on 12 July 2021 entered into the Master Licensing Agreement with the Licensor for a 5-year plus a renewable 5-year exclusive master license for the use and/or sub-license of the operating system developed by the Licensor for developing, opening and operating of F&B convenience concept stores under the trademark "UD Express". Such UD Express Outlets shall sell ready-to-eat convenient F&B within the territory of Malaysia.

Notwithstanding the aforesaid, it is agreed between the Licensor and United Delight that the parties shall enter into a master franchise agreement on the same terms and conditions as the Master Licensing Agreement, following the grant of the approval of the Licensor's franchise application.

**[The rest of this page is intentionally left blank]**

The Company had allocated approximately RM9.98 million from the proceeds to be raised pursuant to the Proposed Private Placement for the cost of setting up new UD Express Outlets. The Company intends to set up 18 new UD Express Outlets (i.e. approximately 5 new UD Express Outlets per year over the period of 42 months), which was determined based on the following:

- (a) the fund raising amount allocated for renovation costs and kitchen equipment costs; and
- (b) the terms of the Master Licensing Agreement to set up 2 outlets in the 1<sup>st</sup> year and subsequently 10 outlets every year thereafter to achieve a minimum of 40 outlets during the tenure of the Master Licensing Agreement. In order to meet the target of setting up 10 outlets every year, United Delight will procure interested third-party operators to sub-license the right to use the standard operating procedures, systems and reporting formats developed by the Licensor, including the use of the "UD Express" brand name, menu for food and beverages, recipes, preparation methods and presentation styles to operate an outlet.

The detailed breakdown of the utilisation of proceeds in relation to the setting up of 18 new UD Express Outlets is as follows:

| <b>Details</b>    | <b>RM</b>        |
|-------------------|------------------|
| Rental deposits   | 2,800,000        |
| Renovation costs  | 3,528,000        |
| Kitchen equipment | 3,654,000        |
| <b>Total</b>      | <b>9,982,000</b> |

The renovation costs earmarked for the design and decor of the UD Express Outlets include the cost of demolition, wet works, renovation works, floors, walls and ceilings finishes, plumbing, air-conditioning, electrical works, surveillance, ironmongeries, lightings, glassworks and furniture. The estimated renovation costs for each UD Express Outlet is approximately RM196,000.

The kitchen equipment consists of burners, broilers, deep fryers, pizza ovens, microwaves, rice cookers, steamers, raw material freezer storage and chillers, display freezer, chillers, warmers, soft serve ice-cream machine, coffee machine, tea machine, oden machine, bib machine (soft drinks), point-of-sale and ordering systems as well as the necessary safety fittings. The estimated kitchen equipment costs for each UD Express Outlet is approximately RM203,000.

In order to maintain the uniformity and quality of the renovation, the Licensor requires United Delight to only purchase furniture, fittings and kitchen equipment from the authorised suppliers of the Licensor for the UD Express Outlets.

- (iv) As at the LPD, the Group has an outstanding term loan facility of RM8.6 million with Alliance Bank Malaysia Berhad. The term loan facility is scheduled to be fully repaid before or by February 2031.

The Group had raised approximately RM1.7 million for repayment of bank borrowings under the Private Placement 2 which was completed on 25 February 2021. Part of the proceeds raised has been utilised to repay the term loan facility on a monthly instalment basis. As at the LPD, the Group has an unutilised balance of approximately RM0.807 million to repay bank borrowings under the Private Placement 2. No interest saving is expected in the repayment of bank borrowings under the Private Placement 2.

In relation to the Proposed Private Placement, the Company proposes to use RM3.0 million of the proceeds to further pare down the outstanding balance of the term loan facility with Alliance Bank Malaysia Berhad. The repayment of the Group's borrowings is expected to result in gross interest savings of up to approximately RM165,000 per annum based on an average interest rate of 5.5% per annum. The Group had undertaken such measure to ease the Group's cash flow position after taking into consideration the business disruptions of its existing businesses due to the implementation of MCOs by the Government to curb COVID-19 cases.

- (v) The Group will also utilise the proceeds from the Proposed Private Placement to accelerate its expansion plan by acquiring and/or investing in new F&B business. The said additional funds to be raised from the Proposed Private Placement will provide financial capability for DIB Group to finance any working capital requirements for future acquisitions, business opportunities and/or participation of new potential business ventures to be materialised/ secured without relying on bank borrowings.

*Presently, United Delight owns 42% equity interest in Caritas et Veritas Sdn. Bhd. that operates an Italian restaurant by the brand of Verona Trattoria (“VT”). VT is a premier Italian restaurant. The Group is in the midst of negotiating with the remaining shareholder(s) to acquire an additional 28% equity interest in Caritas et Veritas Sdn. Bhd. by first quarter of year 2022. Upon completion of the acquisition of the additional 28% equity interest in Caritas et Veritas Sdn. Bhd., the Group will be able to consolidate the financial results of Caritas et Veritas Sdn. Bhd. as a subsidiary.*

*Caritas et Veritas Sdn. Bhd, which was established over the past 10 years also has a wholly owned subsidiary, Verona Wines Sdn. Bhd. which is in the business of importing and wholesaling of luxury and branded wines and liquors*

*The Company will make the relevant announcements immediately upon signing of the relevant agreements to acquire the additional 28% equity interest in Caritas et Veritas Sdn. Bhd.. In addition, Shareholders’ approval shall be sought at an extraordinary general meeting to be convened, if required.*

- (vi) *The estimated expenses in relation to the Proposed Private Placement consist of professional fees, fees payable to the relevant authorities, expenses for the printing of circulars, advertisement for EGM and other ancillary expenses to be incurred in relation to the Proposed Private Placement. Any surplus or shortfall for such expenses will be adjusted accordingly against the amount allocated for the general working capital for DIB Group.*

The actual proceeds to be raised from the Proposed Private Placement are dependent on the final issue price of the Placement Shares and the actual number of Placement Shares to be issued.

In the event the gross proceeds raised from the Proposed Private Placement is less than RM26.05 million, the proceeds will be utilised in the following priority:

- (a) estimated expenses for the Proposed Private Placement;
- (b) set-up cost for UD Express Outlets;
- (c) working capital for UD Express Outlets;
- (d) repayment of borrowings; and
- (e) general working capital for DIB Group.

In the event the gross proceeds raised from the Proposed Private Placement is more than RM26.05 million, all excess proceeds shall be utilised for the Group’s general working capital.

Pending utilisation of the proceeds from the Proposed Private Placement for the abovementioned purposes, the proceeds will be placed in interest bearing 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 be used as additional working capital of the Group.

### **3. RATIONALE**

The Proposed Private Placement will enable the Group to raise additional funds for the purposes as set out in Section 2.5 of Part A of this Circular, which is expected to contribute positively to the Group’s earnings in the future.

In the past 12 months, DIB had undertaken three (3) fund raising exercises (i.e. the Rights Issue, the Private Placement 1 and the Private Placement 2). The details of the Group’s past equity fund raising exercises are as set out in Appendix I of this Circular.

The Company undertook the Right Issue that had raised approximately RM18.3mil mainly to acquire AP F&B that currently owns 3 Uncle Don's restaurant outlets, to repay long overdue creditors as well as overdue ex-employee's salary and director fees. The Rights Issue was announced on 27 September 2020 and completed on 1 October 2020.

Subsequently the Company undertook the Private Placement 1 and had raised approximately RM1.85 million as working capital to settle amount owing to creditors of DIB Group. The Company undertook the Private Placement 2 and had raised approximately RM9.7mil for the working capital of the 3 Uncle Don's restaurants outlets owned by AP F&B, set up costs for new distribution of new chili and tomato sauce business, set up costs for a new Uncle Don's restaurant outlet in Batu Pahat and to pay for the renovation costs of the Group's factory in Puchong, Selangor.

The additional funds required by DIB, for the purposes as set out in Section 2.5 of Part A of this Circular, were not raised together in the previous fund raising exercises undertaken in the past 12 months as the Group had not anticipated and sought the additional funds required for further expansion of its F&B business into UD Express Outlets as the Master Licensing Agreement was only entered into on 12 July 2021 after the completion of the past 3 fund raising exercises and also due to the COVID-19 pandemic that had caused unexpected prolonged lockdowns by the Government which has necessitated the Group to raise additional working capital to support and sustain its businesses.

After due consideration of the various options available and the past fund raising exercises in the past 12 months, the Board is of the view that it is in the best interest of DIB to undertake the Proposed Private Placement, as it is the most appropriate avenue to raise funds for the Group due to the following reasons:

- (i) the Proposed Private Placement will enable the Group to raise funds expeditiously and in a more cost-effective manner as opposed to other fund-raising options such as a pro-rata issuance of securities like a rights issue, which would typically entail longer implementation process and is significantly dependent on the market sentiment. Additionally, a rights issue also requires an underwriting arrangement or undertaking commitment from Shareholders, which may be challenging in view of the current uncertain condition of the economy;
- (ii) the Proposed Private Placement is expected to strengthen the shareholders equity and capital base of the Group. The repayment of bank borrowings via the proceeds to be raised from the Proposed Private Placement will improve the Group's cash flow, gearing position and allows for greater flexibilities for the Group to gear up in the future for its business needs, if required;
- (iii) the Proposed Private Placement will serve as a preferred option for source of funding for the Group without incurring interest expenses as compared to borrowings;
- (iv) the Proposed Private Placement will improve the cash flow and financial flexibility of the Group by strengthening its financial position; and
- (v) the additional allocation of up to RM4.47 million of the gross proceeds to be raised from the Proposed Private Placement for DIB Group's general working capital should enable DIB Group to retain an adequate cash level and flexibility in respect of its financial allocations for its operational requirements and short term obligations and liabilities, which will in turn enable DIB Group to effectively and efficiently carry out its day-to-day operations.

***[The rest of this page is intentionally left blank]***

## 4. OVERVIEW, OUTLOOK AND PROSPECTS

### 4.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 16.1% in the second quarter of 2021 (1st quarter (“1Q”) of 2021: -0.5%). Growth was supported mainly by the improvement in domestic demand and continued robust exports performance. The strong growth also reflected continued policy support and the low base from the significant decline in activity during the second quarter of 2020. Economic activity picked up at the start of the second quarter but slowed following the re-imposition of stricter nationwide containment measures, particularly under phase 1 of the Full Movement Control Order (“FMCO”). For the second quarter as a whole, all economic sectors registered an improvement, particularly the manufacturing sector. On the expenditure side, growth was driven by higher private sector spending and strong trade activity. On a quarter-on-quarter seasonally adjusted basis, the economy registered a decline of 2.0% (1Q 2021: 2.7%), due to the containment measures.

The construction sector registered a strong positive growth of 40.3% (1Q 2021: -10.4%). Growth was supported by the continuation of construction works in large infrastructure projects and on-going implementation of small-scale projects under the 2021 Budget, PEMERKASA and PEMERKASA+ stimulus packages. However, on a seasonally adjusted, quarter-on-quarter basis, construction growth declined by 3.2%. Activity was disrupted by the restrictions under phase 1 of the FMCO, where only essential construction projects were allowed to operate, albeit at a reduced capacity.

Gross fixed capital formation (GFCF) growth rebounded to 16.5% (1Q 2021: -3.3%), supported by the recovery in capital spending from both private and public sectors. By type of asset, both investment in structures and machinery & equipment (M&E) expanded by 20.2% (1Q 2021: -10.4%) and 15.1% (1Q 2021: 10.3%), respectively.

Private investment registered a growth of 17.4% (1Q 2021: 1.3%). The higher investment activity was underpinned mainly by the continued capital spending in telecommunication related equipment, as firms’ automation and digitalisation efforts gain further traction, as well as the continued progress in national digital infrastructure investments. In addition, further expansions of new and ongoing investment projects amid improving external demand, particularly in the export-oriented industries such as electrical and electronics (E&E) and metal, also provided further impetus to growth.

After 12 quarters of contraction, public investment recorded a positive growth of 12.0% (1Q 2021: -18.6%). The performance mainly reflects the higher spending on fixed assets by the Government amid continued weak capital spending by public corporations.

Headline inflation, as measured by the annual percentage change in the Consumer Price Index (“CPI”), recorded a sharp increase to 4.1% during the quarter (1Q 2021: +0.5%), driven mainly by transitory factors. In particular, as expected, the elevated headline inflation was largely due to base effects from the low domestic retail fuel prices last year, as well as the lapse in the effect from the tiered electricity tariff rebate.

In terms of the monthly trajectory, headline inflation peaked at 4.7% in April 2021. Following this, headline inflation remained elevated during the quarter, but moderated to 4.4% and 3.4% in May and June 2021, respectively.

Despite the increase in headline inflation, upward pressures on prices during the quarter were not broad-based, as the share of CPI items recording month-on-month price increases was lower than the long-term average (2<sup>nd</sup> quarter of 2021 average: 36%; 2010-2019 average: 45%).

*[The rest of this page is intentionally left blank]*

Notably, a larger proportion of CPI items recorded unchanged price movements (2<sup>nd</sup> quarter of 2021 average: 50%; 2010-2019 average: 33%), particularly towards the end of the quarter, due mainly to temporary business closures and uncertainties in demand following the re-imposition of movement restrictions. More specifically, price movements of core discretionary items (27.9% of CPI basket), while positive for the second quarter as a whole, became more subdued during the FMCO period. In line with this, core inflation remained stable at 0.7% during the quarter (1Q 2021: 0.7%).

*(Source: Developments in the Malaysian Economy, BNM Quarterly Bulletin, Second Quarter 2021, BNM)*

#### **4.2 Overview and outlook of the palm oil industry in Malaysia**

The agriculture sector is expected to turnaround by 4.7% in 2021, supported mainly by higher production of palm oil and rubber. The oil palm subsector is anticipated to rebound following improvements in global demand, particularly from China and India. The crude palm oil (“CPO”) price is projected to remain stable with higher demand following recovery in the hotel, restaurant and catering operations as well as higher biodiesel mandate in Indonesia and Malaysia. The rubber subsector is expected to surge as global demand for natural rubber increases in line with the expansion of the automotive industry.

In 2020, gross exports are projected to decline by 5.2% weighed down by global supply disruptions as a result of the unprecedented crisis. Consequently, exports of manufactured goods are estimated to contract by 3.8% following lower demand for E&E and non-E&E products which are expected to fall by 3.8% and 3.7% respectively. Nonetheless, exports of agriculture goods are anticipated to rise by 0.7%, buoyed by palm oil and palm oil-based agriculture products. Exports of palm oil are projected to increase by 5.6% with higher demand, particularly from China, India and the Netherlands. The exemption of export duties on CPO, crude palm kernel oil as well as refined, bleached and deodorised (RBD) palm kernel oil is also expected to support the exports of palm oil.

*(Source: Economic Outlook 2021, Chapter 3 Macroeconomic outlook, Ministry of Finance Malaysia)*

The agriculture sector, however, contracted by 1.5% (1Q 2021: 0.2%). This was mainly attributed to a larger decline in oil palm output as harvesting activity was affected by continued labour shortages. While the forestry and logging subsector also declined, agricultural activity was partially supported by a rebound in the rubber and fisheries sub-sectors. Additionally, the livestock and other agriculture sub-sectors continued to register positive growth amid a turnaround in domestic demand.

*(Source: Developments in the Malaysian Economy, BNM Quarterly Bulletin, Second Quarter 2021, BNM)*

#### **4.3 Overview and outlook of the F&B service industry for ready meals market in Malaysia**

Ready meals refer to packaged meals that have been prepared or cooked in advance, and can either be consumed immediately or consumed once it is re-heated. These ready meals can either be sold fresh, chilled or frozen.

Ready meals can be sold through various sales channels including:

- (i) Grocery retail stores which include independent grocery stores, supermarkets and hypermarkets;
- (ii) convenience stores;
- (iii) online platforms which include e-commerce platforms and independent platforms;
- (iv) independent outlets selling ready meals; and
- (v) F&B outlets.

Ready meals sold through grocery retail stores and online platforms are typically frozen. Thus, consumers consume these frozen ready meals at their own homes. Ready meals sold at convenience stores or independent outlets selling ready meals are typically either fresh or chilled, and can be consumed immediately or reheated in a short time span using a microwave, oven or hot water.

In Malaysia, ready meals are generally sold in grocery retail stores, convenience stores and online platforms. There are no independent outlets selling only ready meals in the country. Nevertheless, increasingly, convenience stores in Malaysia have seating areas and facilities such as microwaves and hot water dispensers, allowing consumers to have the ready meal at the convenience store or on-the-go. These convenience stores are also increasingly selling complementary on-the-go snacks, dessert and drinks to provide consumers with a more complete meal. Examples of convenience stores which offer these products include “7-Eleven”, “Family Mart” and “MyNews”.

The MCO was implemented in Malaysia to curb the spreading of the COVID-19 pandemic restricted dine-ins at F&B outlets. This has led to F&B outlets offering frozen ready meals to customers, allowing them to reheat and prepare these meals at the customers’ convenience.

The ready meals market size can be measured by the sales of ready meals. Globally, the ready meals market grew from approximately USD101.8 billion (RM397.5 billion) in 2015 to USD130.4 billion (RM547.9 billion) in 2020, a CAGR of 5.1% over the period. Providence forecasts that the global ready meal market will grow from an estimated USD143.8 billion (RM604.2 billion) in 2021 to USD167.0 billion (RM701.7 billion) in 2023, registering a CAGR of 7.8% over the period.

In Malaysia, the ready meals market in Malaysia has been on steady uptrend, increasing at a CAGR of 4.1% between the years 2015 and 2019, from RM121.3 million in 2015 to RM142.5 million in 2019.

In 2020, the ready meals market experienced a significant increase in sales, as it rose by 10.5% from RM142.5 million in 2019 to RM157.5 million in 2020. While the demand for ready meals have been growing due to the convenience it provides, the significant rise in sales in 2020 was largely due to the COVID-19 pandemic which resulted in the implementation of several phases of MCOs throughout the country in 2020. Several phases of the MCOs involved the restriction of dine-ins at F&B outlets and this led to consumers dining at their homes and/or workplace. In some of these phases, a curfew was also put in place resulting in the early closure of F&B outlets on a daily basis, i.e. 8 pm. As a result, consumers began to not only opt for takeaways and deliveries from F&B outlets, but also consume ready meals. Frozen and chilled ready meals were especially popular for meals that change in texture and taste after it is cold, rendering it less attractive to be obtained via takeaways or deliveries.

Providence forecasts that the ready meal market in Malaysia is expected to grow from an estimated RM170.3 million in 2021 to RM190.3 million in 2023 registering a CAGR of 5.7%.

The growth of the ready meals market in Malaysia has been, and is expected to continue to be driven by the following factors:

**(i) Growing need for convenience will increase market preference for ready meals**

Malaysia continues to experience a rise in urbanisation, resulting in more women joining the workforce and people working longer hours. The rate of urbanisation in Malaysia, as measured by the percentage of urban population out of the total population, has been steadily increasing from approximately 74.2% in 2015 to 77.2% in 2020. Furthermore, the women’s participation in the workforce has also been on an uptrend, increasing from 54.1% in 2015 to 55.3% in 2020, of the total workforce size in Malaysia.

As urban residents have greater spending power and lead busier lives than rural dwellers, convenience have become essential in the lifestyle of the society. Urban residents are thus expected to spend less time cooking. Instead, urban residents are increasingly seeking more convenient alternatives such as dining in at F&B outlets, having takeaway meals or meals delivered to their homes, and having ready meals.

As mentioned above, the MCOs implemented to curb the spreading of the COVID-19 pandemic in Malaysia had resulted in restrictions in dining in at F&B outlets in 2020 and 2021. In order to seek convenient and accessible options for meals, there was thus higher volume of takeaways and deliveries of meals, and consumption of ready meals in these years.

In addition, the greater need for convenience increases market preferences for purchasing ready meals from convenience stores over larger retail formats such as grocery retail stores (supermarkets and hypermarkets). As consumers lead a fast-paced lifestyle, they tend to have, or want to spend, less time searching for ready meals. This results in consumers seeking ready meals from convenience stores or F&B outlets where they will save time retrieving these products and queueing for payment. Furthermore, some convenience stores also offer complementary on-the-go snacks, dessert and drinks to provide consumers with a more complete meal.

**(ii) Shift in consumer lifestyle towards accepting more convenient options of dining, including consuming ready meals**

While dining at F&B outlets has become a common lifestyle habit amongst consumers to not only have a meal but also socialise, consumers have also increasingly been seeking convenient options for dining such as takeaways and deliveries and/or ready meals. This is in line with the growing need for convenience due to consumers leading busier lives in urban areas, as indicated above in (i).

Ready meals were especially popular for meals that change in texture and taste if not consumed immediately once it is hot. In addition, due to the longer shelf life, consumers are able to store these ready-to-eat meals for long periods in their freezers, thus having meal options ready at hand.

Further, as mentioned above, the Government implemented several MCO phases throughout 2020 and 2021 as a measure to curb the spread of the COVID-19 pandemic. Several of these MCO phases involved the restriction of dine-ins at F&B outlets. As a result of these MCOs, there were higher volumes of takeaways and deliveries from F&B outlets and/or ready meals from F&B outlets, convenience stores, grocery retail stores or online platforms. In addition, the MCOs have also led to a trend to prepare own meals at home. Ready meals also provide consumers with the novelty of assembling and easily preparing their meals at their homes.

While the COVID-19 pandemic has accelerated the growth of ready meals, consumers are expected to continue purchasing ready meals as they have been introduced to the convenience of ready meals and availability of different options in the market.

**(iii) Increase in selection and choices of ready meals to accommodate different diets and preferences**

Malaysia is a racially diverse country with various cultures and ethnic backgrounds and is thus exposed to various types of cuisines. Likewise, the ready meals market has grown to include meals of various cuisines ranging from local cuisines such as Malay, Chinese and Indian to foreign cuisines such as Thai, Vietnamese and Italian.

There are also various diets and strict meal plans such as vegetarian diet, vegan diet, kosher diet, halal, low-sodium diet and low sugar diet that are being consumed by the society today. Likewise, increasingly, the increase in selection and options for ready meals in the market are expected to cater to these diets and meal plans.

Therefore, an increase in selections and choices of ready meals will drive the growth of the market, as the wide variety of ready meals will appeal and accommodate to a wider market of consumers.

**(iv) Increase in disposable income signified growth potential over the long term**

Malaysia is a developing economy with hopes to achieve developed status in the near future. Over the years, Malaysia's GDP per capita has been increasing at a CAGR of 6.3% from approximately RM40,219 in 2015 to approximately RM42,759 in 2020.

The long-term growth of disposable income will support the population's growing demand for ready meals in Malaysia, thus supporting the growth of the ready meals market in the country.

*(Source: Independent Market Research Report on the Ready Meals Market in Malaysia by Providence)*

**4.4 Prospects of the Group**

The Group's operations and financial performance were impacted by the restrictions imposed by the Government due to the COVID-19 pandemic. The management had undertaken cost-cutting measures to minimise cash outflow from the Group. During the 1<sup>st</sup> quarter of year 2021, the Group had incurred a one-off severance pay for certain staff of DIB Group.

The Group had continued to pay salary to their staff, service its bank borrowings and pay off their rental expenses and fixed costs on a monthly basis. The financial burden of the Group had been partially mitigated as the Group had raised proceeds to be utilised as working capital and to pare down bank borrowings from the Rights Issue, Private Placement 1 and Private Placement 2.

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

In regards to the Group's F&B business segment, the Group had ventured into the F&B business in October 2020 through the acquisition of AP F&B. Presently, AP F&B owns 3 Uncle Don's restaurant outlets. During the national lockdown period imposed by the Government to curb the COVID-19 cases, AP F&B's 3 Uncle Don's restaurant outlets have been experiencing fewer patrons and lower sales. However, this has been partially mitigated with takeaway orders that had helped to contribute to the revenue and earnings of the Group.

Overall, the F&B service industry, though adversely impacted in the short-term, is expected to recover when the population resume dining out at F&B service outlets as a growing percentage of the population in Malaysia has been vaccinated for COVID-19. While dining at F&B outlets has become a common lifestyle habit amongst consumers to not only have a meal but also socialise, consumers have also increasingly been seeking convenient options for dining such as takeaways and deliveries and/or ready meals. The COVID-19 pandemic has accelerated the growth of ready meals, as consumers are expected to continue purchasing ready meals as they have been introduced to the convenience of ready meals and availability of different options in the market.

The short-term prospects of the Group appear to be challenging mainly due to the COVID-19 pandemic. Nevertheless, the Group has implemented steps to improve its financial condition as set out in Appendix III of this Circular.

***[The rest of this page is intentionally left blank]***

The Board is optimistic of the long-term prospects of the Group, after taking into account the following:

**(i) The positive economic benefits arising from the Malaysian economic stimulus packages**

Despite the re-imposition of MCOs in 2021, the impact on growth is expected to be less severe than that experienced in 2020 as the economy is expected to benefit from various initiatives and stimulus packages announced by the Government including the lower Overnight Policy Rate (OPR), the Short-Term Economic Recovery Plan (PENJANA) and the eBelia programme under the Budget 2021 which aims to relieve financial burden and promote cashless spending amongst the younger population by offering electronic wallet credits. Concurrently, the rollout of vaccines also began since February 2021 and as at 4 October 2021, 88.0% of the adult population has been fully vaccinated. In the first quarter of 2021, Malaysia's gross national income per capita increased to RM44,458 from RM42,598 in 2020.

With the Malaysian economic stimulus packages and as the population reaches immunisation, the economy in Malaysia is expected to recover in 2021 and the following years. This is thus expected to provide a lift to consumer sentiments and spending, which will in turn benefit the F&B service industry.

**(ii) The prospects of F&B service industry for ready meals market in Malaysia as advised by Providence**

Providence forecasts that the ready meal market in Malaysia is expected to grow at a CAGR of 5.7% between 2021 and 2023. This is expected to be driven by the growing need for convenience, acceptance of more convenient options of dining, increase in selection and choice of ready meals and increase in disposable income.

**(iii) The prospects of DIB Group's F&B business**

While the short-term prospects of the F&B industry appear to be challenging largely due to the global outbreak of COVID-19 pandemic, the segment is expected to recover in the following years as it will continue to be driven by the:

- rising urbanisation and recovery of economic prospects. Urban residents have greater spending power and lead busier lives than rural dwellers, and are expected to seek convenient alternatives such as dining at F&B outlets, having takeaway meals or meals delivered to their homes, and having ready meals;
- on-going lifestyle trends to dine out. While the trend for ready meals and/or takeaways and deliveries is growing, dining at F&B outlets will still remain as a common lifestyle habit amongst consumers in Malaysia, particularly to socialise and/or enjoy the ambiance in F&B service outlets; and
- applications and electronic wallets which serve as a new marketing avenue for the F&B service industry. Delivery and takeaway service applications such as "DeliverEat", "Foodpanda" and "GrabFood" enable full-service restaurants to not only serve the customers patronising their outlets, but also customers ordering through these applications. These delivery and takeaway service applications have also been essential in allowing full-service restaurants to operate during the MCOs, and it is anticipated that these applications will continue supporting the growth of the full-service restaurant segment after the national lockdown policy has been lifted in the country.

**(iv) The SLPOM project**

On 24 May 2017, DRSSB had entered into a collaboration with SLPOM for the provision of an enhancement and optimisation program to a palm oil mill owned by SLPOM under a build-own-operate model. DRSSB had expected to incur approximately RM18.0 million for the enhancement and optimisation program, of which, approximately RM15.0 million of the total expected costs had been defrayed as at the LPD.

DIB had allocated RM2.7 million out of the proceeds raised from the Rights Issue to fund the SLPOM project which is still yet to be utilised as at the LPD. The collaboration has been delayed due to the COVID-19 pandemic standard operating procedures that were enforced by the Government during the MCO, which had hindered the progress of the implementation of the enhancement and optimisation program as the Group's personnel were prevented from entering SLPOM's premises for face-to-face meetings, discussions and to carry out all work necessary to implement the said program.

As such, due to the prolonged delay, Board had requested for a further feasibility study to be conducted for this collaboration to ensure that the SLPOM project is still financially viable before any further investment is made into the SLPOM project.

In the event the SLPOM project is still viable, DRSSB will continue with the collaboration with SLPOM to complete the enhancement and optimisation program where DRSSB is expected to benefit from the sharing of the revenue to be generated from the project as per the terms of the collaboration agreement with SLPOM. In the event the SLPOM is found to be not viable, the Board will have to decide if DRSSB should terminate the agreement with SLPOM and abort the project where DRSSB may lose the amount incurred in the SLPOM project. Due to the prolonged delay and uncertainty of the project as at the LPD, DIB had provided for the impairment of the expenditure and costs incurred for the project categorised as capital work-in-progress of approximately RM11.69 million in its financial results for FYE 30 June 2021.

**5. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT**

For illustrative purposes, the effects of the Proposed Private Placement shall be illustrated based on the following 2 scenarios:

|                         |  |
|-------------------------|--|
| <b>Minimum Scenario</b> | Issuance of up to 335,669,500 Placement Shares and assuming none of the Warrants-B are exercised prior to the implementation of the Proposed Private Placement |
| <b>Maximum Scenario</b> | Issuance of up to 335,669,500 Placement Shares and assuming all of the Warrants-B are exercised prior to the implementation of the Proposed Private Placement  |

*[The rest of this page has been intentionally left blank]*

## 5.1 Share capital

The pro forma effects of the Proposed Private Placement on the share capital of DIB are as follows:

|  | Minimum Scenario     |                           | Maximum Scenario     |                           |
|--|----------------------|---------------------------|----------------------|---------------------------|
|  | No. of Shares        | RM                        | No. of Shares        | RM                        |
| Share capital as at the LPD                                | 935,748,431          | 65,770,887                | 935,748,431          | 65,770,887                |
| Assuming full exercise of Warrants-B                       | -                    | -                         | 183,150,003          | 14,652,000 <sup>(1)</sup> |
| To be issued in relation to the Proposed Private Placement | 935,748,431          | 65,770,887                | 1,118,898,434        | 80,422,887                |
|  | 335,669,500          | <sup>(2)</sup> 26,047,953 | 335,669,500          | <sup>(2)</sup> 26,047,953 |
| <b>Enlarged share capital</b>                              | <b>1,271,417,931</b> | <b>91,818,840</b>         | <b>1,454,567,934</b> | <b>106,470,840</b>        |

Notes:

(1) Assuming full exercise of 183,150,003 Warrants-B at the exercise price of RM0.08.

(2) Assuming the Placement Shares are issued at an issue price of RM0.0776 each.

## 5.2 NA and gearing

The pro forma effects of the Proposed Private Placement on the NA and gearing of the DIB Group are as follows:

### Minimum Scenario

|   | (I)                        |  |
|---|----------------------------|--|
|   | As at 30 June 2020<br>(RM) | Subsequent events up to<br>the LPD <sup>(1)</sup><br>(RM)        |
| Share capital                           | 58,415,108                 | 65,770,887   |
| Foreign currency translation reserve    | 744,651                    | 744,651  |
| Accumulated losses                      | (36,173,168)               | (36,173,168)   |
| <b>NA attributable to owners of DIB</b> | <b>22,986,591</b>          | <b>30,342,370</b>  |
| No. of Shares                           | 244,200,010                | 935,748,431  |
| No. of Warrants-B                       | -                          | 183,150,003  |
| NA per Share (RM)                       | 0.09                       | 0.03   |
| Total borrowings (RM)                   | 10,451,955                 | 8,751,955  |
| Gearing (times)                         | 0.45                       | 0.29   |
|   |                            | <b>After (I) and the Proposed<br/>Private Placement<br/>(RM)</b> |
|   |                            | 91,818,840 <sup>(2)</sup>  |
|   |                            | 744,651  |
|   |                            | (36,773,168) <sup>(3)</sup>                                      |
|   |                            | <b>55,790,323</b>  |
|   |                            | 1,271,417,931  |
|   |                            | 183,150,003  |
|   |                            | 0.04   |
|   |                            | 5,751,955 <sup>(4)</sup>   |
|   |                            | 0.10   |

## Maximum Scenario

|   | (I)                        |   | (II)   |   |
|---|----------------------------|---|--|---|
|   | As at 30 June 2020<br>(RM) | Subsequent events up<br>to the LPD <sup>(1)</sup><br>(RM) | After (I) and assuming<br>full exercise of<br>Warrants-B<br>(RM) | After (II) and the<br>Proposed Private<br>Placement<br>(RM) |
| Share capital                           | 58,415,108                 | 65,770,887  | 80,422,887 <sup>(b)</sup>  | 106,470,840 <sup>(2)</sup>                                  |
| Foreign currency translation reserve    | 744,651                    | 744,651   | 744,651  | 744,651   |
| Accumulated losses                      | (36,173,168)               | (36,173,168)  | (36,173,168) <sup>(3)</sup>                                      | (36,773,168) <sup>(3)</sup>                                 |
| <b>NA attributable to owners of DIB</b> | <b>22,986,591</b>          | <b>30,342,370</b>   | <b>44,994,370</b>  | <b>68,562,574</b>   |
| No. of Shares                           | 244,200,010                | 935,748,431   | 1,118,898,434  | 1,454,567,934   |
| No. of Warrants-B                       | -                          | 183,150,003   | -  | -   |
| NA per Share (RM)                       | 0.09                       | 0.03  | 0.04   | 0.05  |
| Total borrowings (RM)                   | 10,451,955                 | 8,751,955   | 8,751,955  | 5,751,955 <sup>(4)</sup>                                    |
| Gearing (times)                         | 0.45                       | 0.29  | 0.19   | 0.08  |

Notes:

(1) After taking into consideration the following:

- (a) the reduction of share capital pursuant to the capital reduction undertaken by the Company amounting to RM62.9 million which was completed on 3 September 2020;
- (b) the issuance of 305,250,005 Rights Shares pursuant to the Rights Issue;
- (c) the issuance of 94,690,341 new DIB Shares at RM0.076 per DIB Share pursuant to the capitalisation of an aggregate amount of RM7,196,466 owing by the Group to its identified creditors and a Shareholder ("Settlement Shares"), whereby, the Settlement Shares were listed on the Official List of Bursa Securities on 1 October 2020;
- (d) the issuance of 131,578,947 new DIB Shares at RM0.076 per DIB Share ("Consideration Shares") pursuant to the acquisition of the entire equity interest in AP F&B by the Company from UDHSB and APHB, whereby, the Consideration Shares were listed on the Official List of Bursa Securities on 1 October 2020;
- (e) the issuance of 24,420,000 new DIB Shares at RM0.0757 per DIB Share pursuant to the Private Placement 1;
- (f) the issuance of 135,607,860 new DIB Shares at RM0.0719 per DIB Share pursuant to the Private Placement 2;



#### 5.4 Earnings and EPS

The Proposed Private Placement is not expected to have any immediate material effect on the consolidated earnings of DIB for the FYE 30 June 2022, save for the dilution in LPS as a result of the increase in the number of Shares arising from the Proposed Private Placement.

For illustration purposes, based on the FYE 30 June 2020 audited consolidated financial statements of DIB and assuming that the Proposed Private Placement had been effected at the beginning of FYE 30 June 2020, the pro forma effects of the Proposed Private Placement on the LAT and LPS are as follows:

##### Minimum Scenario

|  | Audited as at 30 June 2020 | (I)  |  |
|--|----------------------------|--|--|
|  | (RM)                       | Subsequent events up to the LPD <sup>(1)</sup> | After (I) and the Proposed Private Placement |
| <b>LAT attributable to:</b>                |                            |  |  |
| Shareholders                               | (1,058,440)                | (1,058,440)                                    | (1,493,440) <sup>(2)</sup>                   |
| Non-controlling interest                   | (18,095)                   | (18,095)                                       | (18,095)                                     |
|  | <b>(1,076,535)</b>         | <b>(1,076,535)</b>                             | <b>(1,511,535)</b>                           |
| No. of Shares                              | 244,200,010                | 935,748,431                                    | 1,271,417,931 <sup>(3)</sup>                 |
| LPS attributable to the Shareholders (sen) | (0.43)                     | (0.11)   | (0.12)                                       |

##### Maximum Scenario

|  | Audited as at 30 June 2020 | (I)  | (II)   | After (II) and the Proposed Private Placement |
|--|----------------------------|--|--|---|
|  | (RM)                       | Subsequent events up to the LPD <sup>(1)</sup> | After (I) and assuming full exercise of Warrants-B | (RM)  |
| <b>LAT attributable to:</b>                |                            |  |  |   |
| Shareholders                               | (1,058,440)                | (1,058,440)                                    | (1,058,440)  | (1,493,440) <sup>(2)</sup>                    |
| Non-controlling interest                   | (18,095)                   | (18,095)                                       | (18,095)   | (18,095)                                      |
|  | <b>(1,076,535)</b>         | <b>(1,076,535)</b>                             | <b>(1,076,535)</b>                                 | <b>(1,511,535)</b>                            |
| No. of Shares                              | 244,200,010                | 935,748,431                                    | 1,118,898,434 <sup>(4)</sup>                       | 1,454,567,934 <sup>(3)</sup>                  |
| LPS attributable to the Shareholders (sen) | (0.43)                     | (0.11)   | (0.09)   | (0.10)  |

Notes:

- (1) Please refer to Note 1 of Section 5.2 of Part A of this Circular.
- (2) After deducting the estimated expenses for the Proposed Private Placement of approximately RM0.6 million and including an estimated saving in interest payment of approximately RM165,000 per annum based on the repayment of approximately RM3.0 million at the average interest rate of 5.5% per annum.
- (3) After taking into consideration the issuance of 335,669,500 Placement Shares at RM0.072 per Placement Share.
- (4) After taking into consideration the exercise of 183,150,003 Warrants-B at the exercise price of RM0.08 into 183,150,003 new DIB Shares.

## 5.5 Convertible securities

Save for the 183,150,003 outstanding Warrants-B at the exercise price of RM0.08, the Company does not have any other outstanding convertible securities as at the LPD.

In accordance with the provisions of the Deed Poll governing the Warrants-B, the Proposed Private Placement will not result in any adjustment to the exercise price and number of outstanding Warrants-B.

## 6. APPROVALS REQUIRED AND INTER-CONDITIONALITY OF THE PROPOSED PRIVATE PLACEMENT

The Proposed Private Placement is subject to the approvals being obtained from the following:

- (i) Bursa Securities, for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities, which was obtained vide its letter dated 29 September 2021 and is subject to the following conditions:

| No.   | Condition  | Status of compliance |
|-------|--|----------------------|
| (i)   | DIB and Malacca Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement;   | To be complied       |
| (ii)  | DIB and Malacca Securities are required to inform Bursa Securities upon the completion of the Proposed Private Placement;  | To be complied       |
| (iii) | DIB/Malacca Securities is required to furnish Bursa Securities with a certified true copy of the resolution passed by the Shareholders approving the Proposed Private Placement, prior to the listing of the new shares to be issued pursuant to the Proposed Private Placement; and | To be complied       |
| (iv)  | Malacca Securities is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed.   | To be complied       |

- (ii) Shareholders at the forthcoming EGM to be convened; and
- (iii) any other relevant persons or authorities, if required.

The Proposed Private Placement is not inter-conditional upon the Proposed Shareholders' Mandate. The Proposed Private Placement is not conditional upon any other corporate proposals undertaken or to be undertaken by DIB.

## 7. HISTORICAL SHARE PRICE PERFORMANCE

The historical share prices of DIB Shares for the past 12 months up to the LPD are as follows:

|  | High<br>(RM) | Low<br>(RM)  |
|--|--------------|--------------|
| <b>2020</b>                                    |              |              |
| October  | 0.080        | 0.060        |
| November                                       | 0.105        | 0.060        |
| December                                       | 0.100        | 0.085        |
| <b>2021</b>                                    |              |              |
| January  | 0.950        | 0.075        |
| February                                       | 0.130        | 0.070        |
| March  | 0.110        | 0.085        |
| April  | 0.130        | 0.090        |
| May  | 0.115        | 0.080        |
| June   | 0.100        | 0.080        |
| July   | 0.090        | 0.075        |
| August   | 0.080        | 0.070        |
| September                                      | 0.100        | 0.075        |
| <b>Last transacted market price on the LTD</b> |              | <b>0.080</b> |
| <b>Last transacted market price on the LPD</b> |              | <b>0.085</b> |

(Source: Bloomberg)

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

None of the Directors, Major Shareholders, chief executive of DIB and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Private Placement as the Placement Shares will be placed out to Placee(s) as detailed in Section 2.2 of Part A of this Circular.

## 9. DIRECTORS' RECOMMENDATION

The Board, after having considered all aspects of the Proposed Private Placement (including, but not limited to the proposed utilisation of proceeds, rationale and the effects of the Proposed Private Placement), is of the opinion that the Proposed Private Placement is in the best interest of our Group and its Shareholders.

Accordingly, the Board recommends that you vote in favour of the resolution in relation to the Proposed Private Placement to be tabled at the forthcoming EGM.

## 10. ADVISER AND PLACEMENT AGENT

Malacca Securities has been appointed as the Adviser and Placement Agent to the Company for the Proposed Private Placement.

## 11. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained by the Company, the Proposed Private Placement is expected to be completed by the 1<sup>st</sup> quarter of year 2022.

The tentative timetable in relation to the Proposed Private Placement assuming that it is to be completed in one tranche is as follows:

| Date            | Events   |
|-----------------|--|
| 1 November 2021 | EGM to approve the Proposed Private Placement  |
| 1 December 2021 | Listing and quotation of the Placement Shares and completion of the Proposed Private Placement |

## 12. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Private Placement and Proposed Shareholders' Mandate, there are no other corporate exercises that have been announced but are pending completion as at the date of this Circular.

## 13. EGM

The resolution to vote on the Proposed Private Placement is set out in the Notice of EGM contained therein. The EGM will be conducted on a fully virtual basis through live streaming and online RPEV facilities via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657), provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia on Monday, 1 November 2021 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution with or without modification, the ordinary resolution so as to give effect to the Proposed Private Placement.

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

The completion and return of Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Please refer to Appendix V of this Circular for the Administrative Guide for the Fully Virtual EGM.

*[The rest of this page has been intentionally left blank]*

**14. FURTHER INFORMATION**

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

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

**SERENA GOH FHEN FHEN**  
Executive Director / Chief Executive Officer

**PART B**

**LETTER TO SHAREHOLDERS OF DIB IN RELATION TO THE  
PROPOSED SHAREHOLDERS' MANDATE**



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

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

13 October 2021

**Board of Directors**

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

**To: The Shareholders**

Dear Sir/Madam,

**PROPOSED SHAREHOLDERS' MANDATE**

---

**1. INTRODUCTION**

The Company wishes to seek and obtain the general mandate from the Shareholders to enter into RRPTs in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are necessary for DIB Group's day-to-day operations. The aforesaid mandate shall, in accordance with the Listing Requirements, will lapse at the conclusion of the forthcoming Ninth ("9<sup>th</sup>") AGM of the Company unless authority for its renewal is obtained from the Shareholders.

On 23 August 2021, the Company has announced its intention to seek the Shareholders' approval for the Proposed Shareholders' Mandate pursuant to Paragraph 10.09 of the Listing Requirements.

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

**THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

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

## **2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE**

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

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

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

***[The rest of this page has been intentionally left blank]***

## 2.1 Principal activities of DIB Group

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

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

Further to the completion of acquisition of entire equity interest in AP F&B on 1 October 2020, AP F&B in the normal ordinary course of business, entered and will continue to enter into transactions with the Related Parties, details of which are set out in Section 2.4 of this Circular. The aforesaid acquisition is detailed in the Company's circular to shareholders dated 14 May 2020.

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

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

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

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

## 2.2 Categories of RRPTs

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

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

## 2.3 Validity Period of the Proposed Shareholders' Mandate

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

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

whichever is earlier.

***[The rest of this page has been intentionally left blank]***

## 2.4 Classes of Related Parties and nature of RRPTs

The details of the RRPTs and their estimated values for which approval is sought at the forthcoming EGM of the Company pursuant to the Proposed Shareholders' Mandate are set out below:

| Transacting companies within DIB Group | Transacting Party    | Nature of transaction(s)   | Interest Parties <sup>(5)</sup>                          | Value of the transaction(s) from 1 October 2020 up to the LPD (RM) | Estimated aggregate value of transaction(s) for the period from the LPD to the forthcoming EGM <sup>(6)</sup> (RM) | Estimated aggregate value of transaction(s) for the period from the forthcoming EGM to the next AGM <sup>(6)</sup> (RM) |
|--|----------------------|--|--|--|--|---|
| AP F&B                                 | UDMSB <sup>(4)</sup> | Purchases of raw food materials, pre-cooked food, cooking ingredients, drinks, alcoholic and non-alcoholic beverages, packaging materials, cleaning supplies, thermal paper, staff uniform, aprons, gloves and accessories, face masks and sanitizers for Uncle Don's outlets <sup>(1)</sup> | Ian Ong Ming Hock<br>Dato' Yeo Boon Leong<br>Yeo Boon Ho | 868,485  | 116,200  | 365,600   |
| AP F&B                                 | UDRSB <sup>(4)</sup> | Purchases of bar and kitchen equipment and utensils, tableware, glassware, cutlery, logo embossed tissues, toiletries, beer tokens, order slips, and other items required for the daily operation of Uncle Don's outlets <sup>(1)</sup>  | Ian Ong Ming Hock<br>Dato' Yeo Boon Leong<br>Yeo Boon Ho | 114,541  | 35,900   | 74,600  |
| United Distribution                    | UDMSB <sup>(4)</sup> | Purchases of Uncle Don's brand bottled chili sauce and tomato sauce for distribution <sup>(2)</sup>  | Ian Ong Ming Hock<br>Dato' Yeo Boon Leong<br>Yeo Boon Ho | 9,518  | 2,000  | 10,000  |

| Transacting companies within DIB Group | Transacting Party    | Nature of transaction(s)   | Interest Parties <sup>(5)</sup>                          | Value of the transaction(s) from 1 October 2020 up to the LPD (RM) | Estimated aggregate value of transaction(s) for the period from the LPD to the forthcoming EGM <sup>(6)</sup> (RM) | Estimated aggregate value of transaction(s) for the period from the forthcoming EGM <sup>(6)</sup> to the next AGM <sup>(6)</sup> (RM) |
|--|----------------------|--|--|--|--|--|
| United Delight                         | UDRSB <sup>(4)</sup> | Payment of Royalty Fee, Branding Fee and promotional and advertising materials, purchases of equipment and utensils, tableware, glassware logo embossed tissues, and other items required for take-aways or consuming ready-made meals, freshly cooked meals, on-the-go snacks, dessert and drinks at the seating areas of UD Express outlets <sup>(3)</sup> | Ian Ong Ming Hock<br>Dato' Yeo Boon Leong<br>Yeo Boon Ho | NIL  | NIL  | 40,000   |
| United Delight                         | UDMSB <sup>(4)</sup> | Purchases of raw food materials, pre-cooked food, cooking ingredients, drinks, packaging materials and cleaning supplies, thermal paper, staff uniform, aprons, gloves and accessories, face masks and sanitizers for UD Express outlets <sup>(3)</sup>  | Ian Ong Ming Hock<br>Dato' Yeo Boon Leong<br>Yeo Boon Ho | NIL  | NIL  | 200,000  |

Notes:

- (1) Pursuant to the terms of the Licensing Agreements entered into between AP F&B and UDRSB which grant AP F&B exclusive rights to operate and manage the restaurants under the style and brand known as "Uncle Don's". This shall include transactions to be carried out for any new Uncle Don's outlets of AP F&B.
- (2) Pursuant to UDMSB's letter of award granted to United Distribution for the exclusive distributorship rights in relation to the distribution of Uncle Don's brand bottled of chili sauce and tomato sauce to retailers and restaurants and in accordance to the terms of the Distribution Agreement entered into between UDMSB and United Distribution.
- (3) Pursuant to the terms of the Master Licensing Agreement entered into between United Delight and UDRSB which grants United Delight an exclusive master license for the use and/or sub-license of the operating system developed by UDRSB for developing, opening and operating of F&B convenience concept stores under the trademark "UD Express".
- (4) UDMSB is principally engaged in business of producing, sourcing, processing and manufacturing food products, beverages, products, distinctive food products and is the proprietor of the intellectual property for the preparation of, know how, ingredients and recipes of Uncle's Don's Homemade Chili Sauce and Tomato Sauce.  
Whereas, UDRSB is principally engaged in food and beverage business and operating restaurant business outlets under the trade name of "Uncle Don's" and the trademark logo associated with the same ("proprietary marks") in accordance with a distinctive system and plan utilising and comprising certain proprietary marks, intellectual property, confidential information, standards, specifications, techniques, designs, identifying schemes and materials, insignia, management methods and standard operational procedures and has expanded substantial time, effort and expense in the development and implementation of the same, including its recipes, preparation methods and presentation styles.

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

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

- (5) *Ian Ong Ming Hock being an indirect major shareholder and director of UDMSB and UDRSB and a director of AP F&B;  
Dato' Yeo Boon Leong by virtue of his 10% indirect shareholding interests in the UDMSB and UDRSB and being a person connected to Mr. Yeo Boon Ho, a non-independent non-executive Director of DIB. Dato' Yeo is also a major shareholder and Executive Chairman of APHB, a major shareholder of DIB; and  
Yeo Boon Ho, a non-independent non-executive Director of DIB and brother of Dato' Yeo Boon Leong.*
- (6) *The estimated values are calculated based on the historical data and/or best estimates by the management. Accordingly, the actual value of the transactions may vary from the estimated value disclosed above and subject to changes.*

***[The rest of this page has been intentionally left blank]***

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

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

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

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

The review and disclosure procedures are as follows:

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

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

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

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

## **2.7 Statement by Audit Committee**

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

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

## **2.8 Disclosure of RRPTs**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**6. APPROVAL REQUIRED**

The Proposed Shareholders' Mandate is conditional upon the approval of the Shareholders being obtained at the forthcoming EGM to be convened.

## **7. DIRECTORS' RECOMMENDATION**

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

## **8. EGM**

The resolution to vote on the Proposed Shareholders' Mandate is set out in the Notice of EGM contained therein. The EGM will be conducted on a fully virtual basis through live streaming and online RPEV facilities via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657), provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia on Monday, 1 November 2021 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the resolution with or without modification, the ordinary resolution so as to give effect to the Proposed Shareholders' Mandate.

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

The completion and return of Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Please refer to Appendix V of this Circular for the Administrative Guide for the Fully Virtual EGM.

## **9. FURTHER INFORMATION**

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

Yours faithfully

For and on behalf of the Board of

**DOLPHIN INTERNATIONAL BERHAD**

**SERENA GOH FHEN FHEN**

Executive Director / Chief Executive Officer

**DETAILS OF PAST EQUITY FUND RAISING EXERCISES**

The details of past equity fund raising exercises undertaken by DIB in the past 12 months are as follows:

**(i) Rights Issue**

On 27 February 2020, the Company had proposed to undertake a renounceable rights issue of up to 412,087,515 Rights Shares together with up to 247,252,509 Warrants-B at an issue price of RM0.06 per Rights Share on the basis of 5 Rights Shares for every 4 existing DIB Shares held by the entitled shareholders on the entitlement date together with 3 Warrants-B for every 5 Rights Shares subscribed.

Bursa Securities had vide its letter dated 1 April 2020, resolved to approve the listing of and quotation for up to 412,087,515 Rights Shares and up to 247,252,509 Warrants-B to be issued pursuant to the Rights Issue.

On 1 October 2020, the Rights Shares and Warrants-B were listed on the Main Market of Bursa Securities and the Rights Issue was completed.

The proceeds of the Rights Issue have been utilised as follows:

| Details  | Intended timeframe for utilisation from listing date | Actual proceeds raised (RM'000) | Amount utilised as at the LPD (RM'000) | Balance (RM'000)  |
|--|--|---------------------------------|--|-------------------|
| Acquisition of the entire equity interest in AP F&B by the Company from UDHSB and APHB | Within 1 month                                       | 9,800                           | 9,800                                  | -                 |
| SLPOM project  | Within 12 months                                     | 2,744                           | -                                      | 2,744             |
| Operational expenditures and working capital requirements of secured contracts         | Within 12 months                                     | 1,229                           | 800                                    | 429               |
| Repayment of borrowings  | Within 3 months                                      | 819                             | 819                                    | -                 |
| Working capital  | Within 12 months                                     | 2,223                           | 2,217                                  | 6                 |
| Estimated expenses for the proposals   | Within 1 months                                      | 1,500                           | 1,440                                  | 60 <sup>(1)</sup> |
| <b>Total</b>   |  | <b>18,315</b>                   | <b>15,076</b>                          | <b>3,239</b>      |

Note:

- (1) The unutilised balance of RM60,000 arising from the estimated expenses relating to the previous proposals undertaken by the Company had been re-allocated to the working capital as the actual expenses incurred is lower than the estimated expenses budgeted.

*[The rest of this page has been intentionally left blank]*

**DETAILS OF PAST EQUITY FUND RAISING EXERCISES (Cont'd)****(ii) Private Placement 1**

On 29 November 2019, the Company had proposed to undertake the Private Placement 1. The Private Placement 1 was undertaken in accordance with the approval obtained from the Shareholders at the 7<sup>th</sup> AGM of the Company convened on 28 June 2019, whereby the Board had been authorised to allot and issue Shares of not more than 10% of the total number of issued Shares in the Company for the time being and that such authority shall continue to be in force until the conclusion of the Company's next AGM.

Bursa Securities had vide its letter dated 16 December 2019, resolved to approve the listing of and quotation for up to 29,970,000 new DIB Shares to be issued pursuant to the Private Placement 1. Subsequently, Bursa Securities had vide its letter dated 5 June 2020 resolved to grant DIB an extension of time of 6 months until 15 December 2020 to complete the implementation of Private Placement 1.

24,420,000 new DIB Shares were issued at RM0.0757 per DIB Share and listed on the Main Market of Bursa Securities on 23 November 2020. The Private Placement 1 was completed on the same date.

The proceeds of the Private Placement 1 have been utilised as follows:

| Details  | Intended timeframe for utilisation from listing date | Actual proceeds raised (RM'000) | Amount utilised as at the LPD (RM'000) | Balance (RM'000)  |
|--|--|---------------------------------|--|-------------------|
| Working capital                                | Within 12 months                                     | 1,749                           | 1,665                                  | 84                |
| Estimated expenses for the Private Placement 1 | Within 2 weeks                                       | 100                             | 60                                     | 40 <sup>(1)</sup> |
| <b>Total</b>                                   |  | <b>1,849</b>                    | <b>1,725</b>                           | <b>124</b>        |

Note:

(1) The unutilised balance of RM40,000 arising from the estimated expenses relating to the Private Placement 1 had been re-allocated to the working capital as the actual expenses incurred was lower than the estimated expenses budgeted.

*[The rest of this page has been intentionally left blank]*

**DETAILS OF PAST EQUITY FUND RAISING EXERCISES (Cont'd)**

**(iii) Private Placement 2**

On 26 January 2021, the Company had proposed to undertake the Private Placement 2. The Private Placement 2 was undertaken in accordance with the approval obtained from the Shareholders at the 8<sup>th</sup> AGM of the Company convened on 7 December 2020, whereby the Board had been authorised to allot and issue Shares of not more than 20% of the total number of issued Shares in the Company for the time being and that such authority shall continue to be in force until the conclusion of the Company's next AGM.

Bursa Securities had vide its letter dated 16 February 2021, resolved to approve the listing of and quotation for up to 186,322,592 new DIB Shares to be issued pursuant to the Private Placement 2.

135,607,860 new DIB Shares were issued at RM0.0719 per DIB Share and listed on the Main Market of Bursa Securities on 25 February 2021. The Private Placement 2 was completed on the same date.

The proceeds of the Private Placement 2 have been utilised as follows:

| Details  | Intended timeframe for utilisation from listing date | Actual proceeds raised (RM'000) | Amount utilised as at the LPD (RM'000) | Balance (RM'000) |
|--|--|---------------------------------|--|------------------|
| Working capital for the Uncle Don's outlets    | Within 12 months                                     | 2,000                           | -                                      | 2,000            |
| Set up costs for a new distribution company    | Within 9 months                                      | 1,150                           | -                                      | 1,150            |
| Set up costs for a new Uncle Don's outlet      | Within 9 months                                      | 1,500                           | -                                      | 1,500            |
| Building renovation works                      | Within 3 months                                      | 900                             | 330                                    | 570              |
| Repayment of bank borrowings                   | Within 12 months                                     | 1,700                           | 893                                    | 807              |
| Group working capital                          | Within 9 months                                      | 2,376                           | 1,421                                  | 955              |
| Estimated expenses for the Private Placement 2 | Within 1 month                                       | 139                             | 139                                    | -                |
| <b>Total</b>                                   |  | <b>9,765</b>                    | <b>2,783</b>                           | <b>6,982</b>     |

Save for the Rights Issue, Private Placement 1 and Private Placement 2, there were no other fund raising exercises undertaken by DIB during the past 12 months immediately preceding the LPD.

*[The rest of this page has been intentionally left blank]*

## HISTORICAL FINANCIAL INFORMATION

The summary of the financial information of DIB for the FYE 31 December 2017, FYE 31 December 2018, 18-month FPE 30 June 2020 and the FYE 30 June 2021 are as follows:

|  | Audited                         |                                 |  | 18-month FPE<br>30 June 2020 <sup>(1)</sup><br>(RM) | Unaudited<br>FYE 30 June<br>2021<br>(RM) |
|--|---------------------------------|---------------------------------|--|---|--|
|  | FYE 31<br>December 2017<br>(RM) | FYE 31<br>December 2018<br>(RM) |  |   |  |
| Revenue  | 10,641,265                      | 13,353,488                      |  | 12,511,858  | 8,947,298                                |
| LBT  | (57,940,975)                    | (4,389,826)                     |  | (2,312,279)   | (40,011,010)                             |
| LAT attributable to owners of the Company from continuing operations   | (57,139,388)                    | (4,230,342)                     |  | (1,886,075)   | (40,241,065)                             |
| PAT attributable to owners of the Company from discontinued operations | -                               | -                               |  | 827,635   | -  |
| Shareholders' funds/ NA attributable to owners of the Company          | 26,234,032                      | 23,948,018                      |  | 22,986,591  | 29,826,494                               |
| Share capital  | 81,559,823                      | 58,415,1081                     |  | 58,415,108  | 51,118,737                               |
| Weighted average number of DIB Shares in issue                         | 227,859,522                     | 244,200,010                     |  | 244,200,010   | 935,748,431                              |
| Total borrowings   | 32,903,143                      | 38,237,173                      |  | 10,451,955  | 8,822,779                                |
| NA per DIB Share (RM)  | 0.12                            | 0.10                            |  | 0.09  | 0.03                                     |
| EPS/(LPS) (RM)   | (2.178)                         | (0.177)                         |  | (0.046)   | (5.69)                                   |
| - Continuing operations <sup>(2)</sup>                                 | -                               | -                               |  | 0.003   | -  |
| - Discontinued operations <sup>(3)</sup>                               | 1.25                            | 1.60                            |  | 0.45  | 0.30                                     |
| Gearing (times)  |                                 |                                 |  |   |  |

Notes:

(1) As stated in DIB's Annual Report 2020, the Group and the Company changed their financial period from 31 December to 30 June. Accordingly, the financial statements of the Group and the Company cover an 18 months period from 1 January 2019 to 30 June 2020 compared to the previous 12 months period ended 31 December 2018. Annualised financial information for 18-month FPE 30 June 2020 is as follows:

|  | Annualised<br>RM |
|--|------------------|
| Revenue  | 8,341,239        |
| LBT  | (1,541,519)      |
| LAT attributable to owners of the Company from continuing operations   | (1,257,383)      |
| PAT attributable to owners of the Company from discontinued operations | 551,757          |

(2) Calculated based on LAT from the continuing operations over weighted average number of DIB Shares in issue.

(3) Calculated based on PAT from the discontinued operations over weighted average number of DIB Shares in issue.

---

**HISTORICAL FINANCIAL INFORMATION (Cont'd)**

---

**Financial commentaries:****FYE 31 December 2018 compared to FYE 31 December 2017**

The Group's revenue increased by RM2.7 million or 25.5% as compared to the FYE 31 December 2017 mainly due to a new contract secured in the FYE 31 December 2018 for the supply of construction materials for the upgrading of facilities at the train cargo terminal at Padang Besar.

The Group recorded a lower LBT of RM4.4 million in FYE 31 December 2018 as compared to the FYE 31 December 2017 with a LBT of RM57.9 million mainly due to the gross profit achieved during the FYE 31 December 2018 as well as the absence of one-off expenses incurred in the FYE 31 December 2017 such as provision for foreseeable losses on amount due from customers for contract works and provision for liquidated and ascertained damages amounting to RM35.6 million and RM3.3 million respectively.

**18-month FPE 30 June 2020 compared to FYE 31 December 2018**

The Group's revenue decreased by RM0.8 million or 6.3% as compared to the FYE 31 December 2018 (annualised revenue for the 18-month FPE 30 June 2020 was RM8.3 million, representing 37.5% decrease in revenue on an annualised basis). The decrease in revenue was mainly due to the focus of the Group on smaller projects and trading of machinery parts as a result of the Group's limited financial resources.

The Group recorded a lower LBT of RM2.3 million in 18M-FPE 30 June 2020 (annualised LBT for the 18M-FPE 30 June 2020 was RM1.5 million) as compared to the FYE 31 December 2018 with a LBT of RM4.4 million mainly due to the recognition of gains on disposals of properties amounting to RM3.1 million as well as lower administrative expenses by RM2.9 million due to lower staff costs and reversal of overprovisions of administrative expenses made in the FYE 31 December 2018.

**FYE 30 June 2021 compared to the 18-month FPE 30 June 2020**

The Group's revenue decreased by RM3.57 million or 28.49% in FYE 30 June 2021 as compared to the 18 month-FPE 30 June 2020. However, the annualised revenue for the 18-month FPE 30 June 2020 was RM8.3 million, representing a 7.26% increase in revenue in FYE 30 June 2021 on an annualised basis. The increase in revenue was mainly due to the RM4.43 million contribution from the Group's F&B business.

The Group recorded a higher LBT of RM40.01 million in FYE 30 June 2021 as compared to the 18 month-FPE 30 June 2020. The increase in LBT was mainly due to the impairment of capital work-in-progress, impairment of intangible asset, impairment of goodwill, one-off recognition payment for ex-key management employees and directors, and expenses arising from the Group's corporate restructuring exercise.

*[The rest of this page has been intentionally left blank]*

---

**INFORMATION ON ADDRESSING THE GROUP'S FINANCIAL CONCERN**

---

**1. Impact of the Proposed Private Placement and value creation to DIB and its Shareholders**

The Proposed Private Placement is intended to raise funds for amongst others, the working capital for the Group's ready-to-eat convenient outlets under the trademark "UD Express" and repayment of borrowings. The Proposed Private Placement will enable the Group to tap into the equity market to raise funds without incurring additional interest cost associated with bank borrowings, thereby, minimising any potential cash outflow in respect of interest servicing costs and preserving the Group's cash flow and directly enhancing Shareholder value.

The Proposed Private Placement is expected to have a positive impact on the future earnings of the Group by providing the Group with the necessary funding to launch and expand UD Express Outlets which are expected to generate cash flow to the Group in the future.

Notwithstanding the above, the consolidated EPS of DIB shall be diluted as a result of the increase in the number of DIB Shares arising from the Proposed Private Placement. Further details on the effects of the Proposed Private Placement on the NA and gearing as well as the earnings and EPS of DIB are set out in Section 5 of Part A of this Circular.

**2. The adequacy of Proposed Private Placement in addressing the Group's financial concerns**

The Group has been in a loss position for the last for the FYE 31 December 2017 to FYE 30 June 2021. The proceeds from the Proposed Private Placement which have been earmarked for the working capital and set up costs for the UD Express operations is expected to provide the necessary funding required by the Group to support the Group's UD Express operations. Besides, the proceeds from the Proposed Private Placement will also be allocated for the repayment of bank borrowings and general working capital of DIB Group which will ease the Group's cash flow position.

The Board is of the view that the Proposed Private Placement is the most appropriate avenue of fund raising at this juncture to address the Group's current financial concern as the Proposed Private Placement will enable the Company to raise funds expeditiously to address the Group's short-term financing needs and for setting up of the UD Express operations.

**3. Steps taken by DIB Group to improve its financial performance and condition**

The Company had taken the following steps to improve its financial performance and condition:

**(a) Reduce finance costs**

The Group is striving to reduce its borrowings and finance cost, whereby, the Company had allocated RM3.0 million from the proceeds to be raised from the Proposed Private Placement for the repayment of term loans, and subsequently resulting in a proportionate reduction in the Group's gearing. The Group also expects that the proceeds to be raised from the Proposed Private Placement will ease the Group's cash flow position.

**(b) Improving cost effectiveness**

The Group is taking all reasonable actions to improve the Group's cost effectiveness. These include regular review of human resources and manpower requirements, amongst others, the Group's prevailing scale of operations, reduce dispensable, closely monitor ageing schedule of receivables to ensure timely collection of receivables and/or optimising usage of utilities and limiting spending on non-operating expenses.

---

**INFORMATION ON ADDRESSING THE GROUP'S FINANCIAL CONCERN (Cont'd)**

---

**(c) Entering into the F&B service industry**

The acquisition of the entire equity interest in AP F&B by the Company from UDHSB and APHB which was completed on 1 October 2020 represents an opportunity for the Group to venture into the F&B service industry, particularly operation of restaurants. The Board believes that F&B service industry is an attractive business proposition mainly due to the positive prospects of the F&B service industry in Malaysia and that it is expected to provide the Group with a good long-term viable business with growth opportunity.

The Group intends to set up a new Uncle Don's outlet in Batu Pahat with the proceeds raised from the Private Placement 2. The setting up of a new Uncle Don's outlet is expected to contribute positively to the Group's future earnings. As at the LPD, the new Uncle Don's outlet in Batu Pahat has yet to be set up due to the restrictions imposed by the Government for the COVID-19 pandemic.

In addition, United Distribution was set up to undertake the distribution of Uncle Don's brand of chili sauce and tomato sauce. United Distribution had on 5 January 2021 accepted the letter of award from UDMSB for the exclusive distributorship rights in relation to the distribution of Uncle Don's brand of chili sauce and tomato sauce. The awarded exclusive distributorship rights is expected to contribute positively to the future earnings of the Group through the distribution of the chilli sauce and tomato sauce to retailers and restaurants.

**(d) Setting up of UD Express operations**

To broaden the Group's revenue stream within the F&B service industry, the Board had decided to venture into ready-to-eat convenient outlets through UD Express operations to cater to a different consumer segment, in particular, consumers who visit convenient outlets for ready to consume meals.

The Proposed Private Placement will enable the Group to set up approximately 18 UD Express Outlets within 42 months from the date the proceeds are raised from the Proposed Private Placement. The Group intends to expand up to 40 UD Express Outlets in Malaysia within the next 5 years. The Company expects the UD Express operations to contribute positively to the Group's future earnings.

*[The rest of this page has been intentionally left blank]*

---

**FURTHER INFORMATION**

---

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors and they 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 AND DECLARATION OF CONFLICT OF INTEREST****2.1 Malacca Securities**

Malacca Securities, being the Adviser and Placement Agent for the Proposed Private Placement, 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.

Malacca Securities confirms that it is not aware of any circumstances that exist or are likely to exist which would give rise to a possible conflict of interest situation in relation to its role.

**2.2 Providence**

Providence, being the Independent Market Researcher for the Proposed Private Placement, 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 and the independent market research report dated 27 July 2021 to be made available for inspection at DIB's registered office.

Providence confirms that it is not aware of any circumstances that exist or are likely to exist which would give rise to a possible conflict of interest situation in relation to its role.

**3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

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

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

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

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

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

---

**FURTHER INFORMATION (Cont'd)**

---

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

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

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

The solicitors have filed a notice of appeal against the order made by the High Court of Kuching on 6 October 2021. The solicitors are of the view that although there is an arguable case, the appeal may not have a good prospect of success.

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

Tori Construction had on 5 February 2020 filed the OS2 for the registration and enforcement of the Adjudication Decision ("**Enforcement Application**"). In opposing Tori Construction's application, DESB filed a notice of application for striking out of OS2. The striking out application filed by DESB has been dismissed by the High Court of Kuching.

The High Court of Kuching had on 20 August 2021 allowed the Enforcement Application and the Adjudication Decision shall be enforceable as if it was a judgment at Court under the CIPAA. Tori Construction had on 6 September 2021 issued a statutory notice under Section 466 of the Act to demand for payment of the total sum of RM3,777,467.84 within 21 days. To prevent Tori Construction from taking any further execution action, DESB filed a stay application and a Fortuna Injunction application. The hearing for such applications has been fixed on 13 October 2021.

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

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

DESB had on 6 March 2020 initiated a suit against Tori Construction for claim of special damages amounting to RM3,265,437.45, being the costs and expenses incurred by DESB to rectify the defective works done by Tori Construction ("**the said Defects**").

As at the LPD, the trial for Suit No. 7 is still ongoing.

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

*[The rest of this page has been intentionally left blank]*

---

**FURTHER INFORMATION (Cont'd)**


---

- (v) **Claim by Nor Anita binti Abu Talib and 19 others (collectively, the “Plaintiffs”) against DASB, DRSSB and 5 others (collectively, the “Defendants”) (Shah Alam High Court Civil Suit No.: BA-22NCvC-104-03/2021)**

The Plaintiffs filed their claim for various declaratory relief and damages against the Defendants for breach of contract and trust, misrepresentation, fraud, deceit and conspiracy to defraud in respect of a purported investment scheme.

DASB and DRSSB filed their respective defence on 17 May 2021 and the Plaintiffs filed their reply to defence on 9 August 2021. DASB and DRSSB filed the striking out applications to strike out the Plaintiffs’ claim against DASB and DRSSB (“**Striking Out Applications**”) and the hearing of the Striking Out Applications has been fixed by the Shah Alam High Court on 21 January 2022.

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

- (vi) **Claims between PTDI and PT Himalaya Transmeka (“PTHT”) (Case Register No.: 93/Pdt.G/2018/PN.TNG (“Suit No. 1”) and Case Register Number: 700/Pdt.G/2020/PN.JKT.UTR (“Suit No. 2”))**

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

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

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

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

#### 4. MATERIAL COMMITMENTS

Save as disclosed below, as at the LPD, the Board is unaware of any material commitments incurred or known to be incurred by the Group, which upon becoming enforceable, may have a material impact on the financial results or position of the Group:

| Material commitments  | RM'000       |
|---|--------------|
| Payments to sub-contractors and purchase of proprietary systems related to SLPOM project <sup>(1)</sup> | 2,834        |
| <b>Total</b>  | <b>2,834</b> |

Note:

- (1) *This material commitment for the payments to sub-contractors and purchase of proprietary systems related to SLPOM project has been approved by the Board but has not been contracted for.*

---

**FURTHER INFORMATION (Cont'd)**


---

**5. MATERIAL CONTRACTS**

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

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

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

The Capitalisation was completed on 1 October 2020; and

*[The rest of this page has been intentionally left blank]*

**FURTHER INFORMATION (Cont'd)**

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

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

**6. CONTINGENT LIABILITIES**

Save as disclosed below, as at the LPD, the Board was 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 or position of the Group:

| <b>Contingent Liabilities</b>   | <b>RM'000</b> |
|---|---------------|
| Corporate guarantee granted to a licensed bank for credit facilities granted to a subsidiary    | 8,600         |
| Corporate guarantee granted to a corporate entity for credit facilities granted to a subsidiary | 780           |
| <b>Total</b>  | <b>9,380</b>  |

**7. DOCUMENTS AVAILABLE FOR INSPECTION**

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

- (i) Constitution of DIB;
- (ii) audited consolidated financial statements of DIB for the FYE 31 December 2018 and 18-month FPE 30 June 2020 as well as the latest unaudited financial report for the FYE 30 June 2021;
- (iii) the letters of consent and declarations of conflict of interests referred to in Section 2 of this Appendix IV;
- (iv) the material contracts referred to in Section 5 of this Appendix IV;
- (v) the relevant cause papers in respect of material litigations referred to in Section 3 of this Appendix IV; and
- (vi) the independent market research report dated 27 July 2021 prepared by Providence.



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

**ADMINISTRATIVE GUIDE FOR THE FULLY VIRTUAL EXTRAORDINARY GENERAL MEETING  
 OF DOLPHIN INTERNATIONAL BERHAD (“THE COMPANY”)**

**1. FULLY VIRTUAL EXTRAORDINARY GENERAL MEETING (“EGM”)**

**Day, Date and Time of Meeting** : **Monday, 1 November 2021 at 10.00 a.m.**

**Meeting Venue and  
 Online Meeting Platform** : ***https://meeting.boardroomlimited.my  
 (Domain Registration No. with MYNIC -  
 D6A357657) provided by Boardroom Share  
 Registrars Sdn. Bhd. in Malaysia***

As a precautionary measure amid the COVID-19 outbreak, the Company’s forthcoming EGM will be conducted on a fully virtual basis through live streaming and online Remote Participation and Electronic Voting (“**RPEV**”) facilities via Online Meeting Platform as stated above, as the safety of our shareholders, Directors, staff and other stakeholders who will attend this meeting is of paramount importance to us.

The conduct of a fully virtual meeting of members or general meeting is in line with the revised Guidance Note and Frequently Asked Questions of the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021 (“the Revised Guidance Note and FAQ”). The Revised Guidance Note and FAQ states that in a fully virtual general meeting, all meeting participants including the Chairperson of the meeting, board members, senior management and shareholders are required to participate in the meeting online. Physical gathering irrespective of size is prohibited.

According to the Revised Guidance Note and FAQ, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is located in Malaysia.

Kindly note that the quality of the live stream is highly dependent on the bandwidth and stability of the internet connection of shareholders and proxies. Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained.

**2. ENTITLEMENT TO PARTICIPATE AND VOTE REMOTELY**

Only shareholders whose names appear on the Record of Depositors (“**ROD**”) as at 25 October 2021 shall be eligible to participate and vote remotely in the virtual EGM or appoint proxy(ies)/ the Chairman of the meeting to participate and/or vote on his/her behalf.

## ADMINISTRATIVE GUIDE (Cont'd)

**3. POLL VOTING**

The voting will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Boardroom Share Registrars Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic voting (e-Voting) and will appoint Scrutineers to verify the poll results.

**4. RPEV FACILITIES**

Shareholders and proxies are advised to log in to the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> for the following services:-

- (a) Register participation for the virtual EGM
- (b) Submit eProxy form electronically
- (c) Submit questions prior to the virtual EGM

| <b>Before the day of the virtual EGM</b>   |
|--|
| <p>Step 1 – Register online with Boardroom Smart Investor Portal (For first time registration only)</p> <p><i>Note : If you have already signed with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2</i></p> <ol style="list-style-type: none"> <li>(i) Access website <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a></li> <li>(ii) Click &lt; Register &gt; to sign up as a user.</li> <li>(iii) Complete registration and upload softcopy of MyKad (front and back) or passport in JPG/PNG/PDF format.</li> <li>(iv) An email will be sent to you to verify your email address.</li> <li>(v) Your registration will be verified and approved within one business day and an email notification will be provided.</li> </ol>  |
| <p>Step 2 – Submit request for remote participation</p> <p><i>Note : The registration for RPEV will be opened on 13 October 2021 and end on 30 October 2021 at 10.00 a.m.</i></p> <p><u>Individual Shareholder</u></p> <ol style="list-style-type: none"> <li>(i) Login to <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a> using your user ID and password from Step 1 above.</li> <li>(ii) Select “DOLPHIN INTRNATIONAL BERHAD EXTRAORDINARY GENERAL MEETING” from the list of Corporate Meeting and click “Enter”.</li> <li>(iii) Click on “Register for RPEV”.</li> <li>(iv) Read and accept the General Terms and Conditions and enter your CDS account number to submit your request.</li> </ol> <p><u>Appointment of Proxy</u></p> <ol style="list-style-type: none"> <li>(i) Login to <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a> using your user ID and password from Step 1 above.</li> <li>(ii) Select “DOLPHIN INTRNATIONAL BERHAD EXTRAORDINARY GENERAL MEETING” from the list of Corporate Meeting and click “Enter”.</li> <li>(iii) Click on “Submit eProxy Form”</li> <li>(iv) Read and accept the General Terms and Conditions and enter your CDS account number to appoint proxy and insert proxy details and voting instructions.</li> </ol> |

## ADMINISTRATIVE GUIDE (Cont'd)

|  |
|--|
| <p><b>Corporate Shareholder, Authorised Nominee and Exempt Authorised Nominee</b></p> <p>(i) Write to <a href="mailto:bsr.helpdesk@boardroomlimited.com">bsr.helpdesk@boardroomlimited.com</a> and provide the name of shareholder, CDS account number and Certificate of Appointment of Corporate Representative or Form of Proxy (as the case may be) to submit the request.</p> <p>(ii) Provide a softcopy of the corporate representative's or proxy's MyKad (front and back) or passport in JPG/PNG/PDF format together with his / her email address.</p> |
| <p><b>Step 3 – Verification and email notification</b></p> <p>(i) You will receive an email from Boardroom that your request has been received and is being verified.</p> <p>(ii) Upon verification against the General Meeting Record of Depositors, you will receive an email from Boardroom with the Meeting ID, user ID and password for the virtual EGM. You will also be notified in the event your registration is rejected.</p>  |
| <p style="text-align: center;"><b>On the day of the virtual EGM</b></p>  |
| <p><b>Step 4 – Login to RPEV</b></p> <p>(i) The RPEV will be opened for login commencing from 9.00 a.m. on 1 November 2021 (virtual EGM to commence at 10.00 a.m.).</p> <p>(ii) Click the link provided in the email in Step 3(ii) above to join the virtual EGM. Insert the Meeting ID and sign in with the user ID and password provided to you via the same email.</p>  |
| <p><b>Step 5 – Participate</b></p> <p>(i) Please follow the User Guides to view the live webcast, submit questions and vote.</p> <p>(ii) To view the live webcast, select the broadcast icon.</p> <p>(iii) To ask a question during the virtual EGM, select the messaging icon, type your question in the chat box and click the send button to submit.</p>  |
| <p><b>Step 6 – Vote</b></p> <p>1. Once voting has commenced, the voting icon will appear with the resolutions and voting choices until the Chairman declares the end of the voting session.</p> <p>2. To vote, select your voting preference from the options provided. A confirmation message will appear to indicate that your vote has been received.</p> <p>3. To change your vote, re-select your voting preference.</p> <p>4. If you wish to cancel your vote, please press "Cancel".</p>  |
| <p><b>Step 7 – End</b></p> <p>(i) Upon declaration by the Chairman of the closure of the virtual EGM, the live webcast will end.</p>   |

---

**ADMINISTRATIVE GUIDE (Cont'd)**

---

**5. Appointment of Proxy and Lodgement of Form of Proxy**

Shareholders are encouraged to go online, participate and vote at the EGM via remote participation. If you are unable to attend the virtual EGM, you are encouraged to appoint proxy(ies) or the Chairman of the virtual EGM as your proxy and indicate the voting instructions in the Form of Proxy.

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

The Form of Proxy can be deposited at the office of the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. at **11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not later than Saturday, 30 October 2021, 10.00 a.m.**, 48 hours before the time appointed for holding the virtual EGM.

You may also submit the proxy appointment electronically via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> **not later than Saturday, 30 October 2021, 10.00 a.m.** For further information on the electronic submission of Form of Proxy, kindly refer to the steps in the item 4 above.

If you have submitted your Form of Proxy prior to the virtual EGM and subsequently decide to appoint another person or wish to participate in the virtual EGM by yourself, please write in to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) to revoke the earlier appointed proxy(ies) not later than Saturday, 30 October 2021, 10.00 a.m., 48 hours before the virtual EGM. On revocation, your proxy(ies) will not be allowed to participate in the virtual EGM. In such an event, you should advise your proxy(ies) accordingly.

**6. SUBMISSION OF QUESTIONS****(a) Prior to the virtual EGM**

Shareholders may submit questions in relation to the agenda items by logging in to the Boardroom Portal at <https://investor.boardroomlimited.com>, select "Submit Questions" after select "DOLPHIN INTERNATIONAL BERHAD EXTRAORDINARY GENERAL MEETING" from the list of Corporate Meeting latest by 30 October 2021 at 10.00 a.m.

**(b) During the virtual EGM**

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

**7. NO RECORDING OR PHOTOGRAPHY**

No recording or photography of the virtual EGM is allowed without the prior written permission of the Company.

---

**ADMINISTRATIVE GUIDE (Cont'd)**

---

**8. ENQUIRY**

If you have any enquiry prior to the virtual EGM, please contact our Share Registrar during office hours on Mondays to Fridays, from 9.00 a.m. to 5.00 p.m. (except on public holidays):-

**Boardroom Share Registrars Sdn. Bhd.**

Registration No. 199601006647 (378993-D)

**Address** : 11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan

**General Line** : +603-7890 4700

**Fax Number** : +603-7890 4670

**Email** : [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com)

**PERSONAL DATA PRIVACY**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the virtual EGM and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the virtual EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the virtual EGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.



**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 (“**DIB**” or “**Company**”) will be conducted on a fully virtual basis through live streaming and online Remote Participation and Electronic Voting (“**RPEV**”) facilities via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657), provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia on Monday, 1 November 2021 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

### **ORDINARY RESOLUTION 1**

#### **PROPOSED PRIVATE PLACEMENT OF UP TO 335,669,500 NEW ORDINARY SHARES IN THE COMPANY (“PROPOSED PRIVATE PLACEMENT”)**

“**THAT**, subject to and conditional upon the approvals of the relevant authorities and/or parties (if any) being obtained, approval be and is hereby given to the Board of Directors of the Company (“**Board**” or “**Directors**”) to allot and issue up to 335,669,500 new ordinary shares in the Company (“**DIB Shares**” OR “**Shares**”) (“**Placement Shares**”) by way of private placement to independent third party investor(s) to be identified later in one or more tranches at an issue price for each tranche to be determined and fixed by the Board at a later date(s) (“**Price-Fixing Date**”) after all the relevant approvals have been obtained and **THAT** the issue price shall not be at a discount of more than 10% from the 5-day volume weighted average market price of the DIB Shares immediately preceding the Price-Fixing Date;

**THAT** the Directors be and are hereby authorised to utilise the proceeds to be derived from the Proposed Private Placement for such purposes as set out in the circular to shareholders of the Company dated 13 October 2021 and the Board be and is hereby authorised with full power to vary the manner and/or purpose of the utilisation of such proceeds from the Proposed Private Placement in the manner as the Board may deem fit, necessary and/or expedient in the best interest of the Company, subject to the compliance of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approval of the relevant authorities (where required);

**THAT**, such Placement Shares shall, upon allotment and issuance, rank equally in all respects with the then existing issued DIB Shares, save and except that the holders of such Placement Shares will not be entitled to any dividends, rights, allotments and/or any other distributions where the relevant entitlement date is prior to the date of allotment and issuance of such Placement Shares;

**AND THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements as may be necessary to give effect and complete the Proposed Private Placement and to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Directors may deem necessary in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise, give full effect and to complete the Proposed Private Placement.”

## ORDINARY RESOLUTION 2

### PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

"**THAT** subject always to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("**DIB Group**") to enter into the recurrent related party transactions of a revenue or trading nature as specified in Section 2.4 of Part B of the circular to shareholders of the Company dated 13 October 2021, which are necessary for the DIB Group's day-to-day operations and are in the ordinary course of business and are carried out at arm's length basis on normal commercial terms which are not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company;

**THAT** the authority conferred shall continue to be in force until:-

- (i) the conclusion of the next annual general meeting of the Company following the EGM at which such ordinary resolution for the Proposed Shareholders' Mandate will be passed, at which time it will lapse, unless by a resolution passed at the general meeting, the authority is renewed;
- (ii) the expiration of the period within which the next annual general meeting of the Company after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by a resolution passed by the shareholders in general meeting,

whichever is the earlier;

**AND THAT** the Directors of the Company be and are hereby authorised to complete and do all such acts, deeds and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

**BY ORDER OF THE BOARD OF  
DOLPHIN INTERNATIONAL BERHAD**

**HO MENG CHAN (MACS 00574)**  
**SSM PC No. 202008003175**  
**WU SIEW HONG (MAICSA 7039647)**  
**SSM PC No. 202008002457**  
Company Secretaries  
PETALING JAYA  
13 October 2021

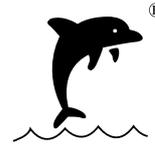
Notes:

1. *The EGM will be conducted on a fully virtual basis through live streaming and online RPEV facilities provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia via <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657). Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the EGM via RPEV. Please read these Notes carefully and follow the procedures in the Administrative Guide for the Fully Virtual EGM in order to participate remotely via RPEV. The Administrative Guide for the Fully Virtual EGM is enclosed in Appendix V of the circular to shareholders dated 13 October 2021.*
2. *A member of the Company entitled to participate, speak and vote at the meeting shall be entitled to appoint up to 2 proxies or attorney or other duly authorised representative to participate, speak and vote in his/her stead. Where a member appoints 2 proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy may not be a member of the Company.*

3. *The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his/her attorney duly authorised in writing, and in the case of a corporation, shall either be given under its common seal or under the hand of an officer or attorney of the corporation duly authorised.*
4. *Where a member who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 (“**SICDA**”) may appoint not more than 2 proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.*
5. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
6. *The instrument appointing a proxy and the power of attorney or other authority duly authorised in writing or if such appointor is a Corporation, under its common seal or under the hand of an officer or attorney of the Corporation duly authorised, shall either be deposited at the office of the Company’s Share Registrar at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or be electronically deposited through the Share Registrar’s website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.*
7. *Depositors who appear in the Record of Depositors as at 25 October 2021 shall be regarded as Member of the Company entitled to participate, speak and vote at the meeting or appoint a proxy or proxies to participate and vote on his/her behalf.*

***[The rest of this page has been intentionally left blank]***

# FORM OF PROXY



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

| No. of Shares Held | CDS Account No. |
|--------------------|-----------------|
|                    |                 |

I/We \_\_\_\_\_ NRIC/Company No. \_\_\_\_\_  
 (FULL NAME IN BLOCK LETTERS)

of \_\_\_\_\_

Contact No. \_\_\_\_\_ Email Address \_\_\_\_\_

being a member/members of **DOLPHIN INTERNATIONAL BERHAD** ("Company"), hereby appoint:

| Full Name (IN BLOCK LETTERS) | NRIC /Passport No.     | % of shareholdings |
|------------------------------|------------------------|--------------------|
|                              |                        |                    |
| <b># Contact No.</b>         | <b># Email Address</b> |                    |
|                              |                        |                    |
| <b>Address:</b>              |                        |                    |
|                              |                        |                    |

\*and/or

| Full Name (IN BLOCK LETTERS) | NRIC /Passport No.   | % of shareholdings |
|------------------------------|----------------------|--------------------|
|                              |                      |                    |
| <b>Contact No.</b>           | <b>Email Address</b> |                    |
|                              |                      |                    |
| <b>Address:</b>              |                      |                    |
|                              |                      |                    |

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company ("EGM") to be conducted on a fully virtual basis through live streaming and online Remote Participation and Electronic Voting ("RPEV") facilities via online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657), provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia on Monday, 1 November 2021 at 10.00 a.m. or at any adjournment thereof .

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

| Resolution            | Proposal                       | For | Against |
|-----------------------|--------------------------------|-----|---------|
| Ordinary resolution 1 | Proposed Private Placement     |     |         |
| Ordinary resolution 2 | Proposed Shareholders' Mandate |     |         |

\*Strike out whichever is not applicable

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

\_\_\_\_\_  
 Signature of Member/  
 Common Seal of Shareholder



Notes:

1. *The EGM will be conducted on a fully virtual basis through live streaming and online RPEV facilities provided by Boardroom Share Registrars Sdn. Bhd. in Malaysia via <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657). Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “**participate**”) remotely at the EGM via RPEV. Please read these Notes carefully and follow the procedures in the Administrative Guide for the Fully Virtual EGM in order to participate remotely via RPEV. The Administrative Guide for the Fully Virtual EGM is enclosed in Appendix V of the circular to shareholders dated 13 October 2021.*
2. *A member of the Company entitled to participate, speak and vote at the meeting shall be entitled to appoint up to 2 proxies or attorney or other duly authorised representative to participate, speak and vote in his/her stead. Where a member appoints 2 proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy may not be a member of the Company.*
3. *The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his/her attorney duly authorised in writing, and in the case of a corporation, shall either be given under its common seal or under the hand of an officer or attorney of the corporation duly authorised.*
4. *Where a member who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 (“**SICDA**”) may appoint not more than 2 proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.*
5. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
6. *The instrument appointing a proxy and the power of attorney or other authority duly authorised in writing or if such appointor is a Corporation, under its common seal or under the hand of an officer or attorney of the Corporation duly authorised, shall either be deposited at the office of the Company’s Share Registrar at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan or be electronically deposited through the Share Registrar’s website, Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.*
7. *Depositors who appear in the Record of Depositors as at 25 October 2021 shall be regarded as Member of the Company entitled to participate, speak and vote at the meeting or appoint a proxy or proxies to participate and vote on his/her behalf.*

Fold this flap for sealing

Then fold here

AFFIX  
STAMP

THE SHARE REGISTRAR

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

*C/O Boardroom Share Registrars Sdn. Bhd.*

11th Floor, Menara Symphony  
No.5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan

1st fold here

