



# DOLPHIN INTERNATIONAL BERHAD (1001521-X)

## QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS PERIOD ENDED		3 MONTHS PERIOD ENDED	
	31 MARCH 2015	31 MARCH 2014	31 MARCH 2015	31 MARCH 2014
	RM'000	RM'000	RM'000	RM'000
Revenue	10,618	N/A	10,618	N/A
Cost of sales	(7,708)	N/A	(7,708)	N/A
Gross Profit	2,910	N/A	2,910	N/A
Other income	2,492	N/A	2,492	N/A
Administrative expenses	(1,567)	N/A	(1,567)	N/A
Profit from operations	3,835	N/A	3,835	N/A
Finance costs	(317)	N/A	(317)	N/A
Profit before income tax	3,518	N/A	3,518	N/A
Income tax expenses	(404)	N/A	(404)	N/A
Profit for the period	3,114	N/A	3,114	N/A
<b>Profit attributable to:</b>				
Owners of the Company	3,107	N/A	3,107	N/A
Non-controlling interests	7	N/A	7	N/A
	3,114	N/A	3,114	N/A
<b>Earnings per share attributable to Owners of the Company</b>				
- Basic (sen)	B10	26.23	N/A	26.23
- Diluted (sen)	B10	N/A	N/A	N/A

**Notes:**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Proforma Consolidated Financial Information and Accountants' Report for the financial year ended ("FYE") 31 December 2014 as disclosed in the Prospectus of the Company dated 20 May 2015 and the accompanying explanatory notes as attached to this interim financial statements.

(2) No comparative figures for the preceding quarter and preceding year are available as this is the first interim report on the consolidated results for the first quarter ended 31 March 2015 being announced by the Company in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

(3) N/A - Not applicable



**DOLPHIN INTERNATIONAL BERHAD** (1001521-X)

QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER  
ENDED 31 MARCH 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS PERIOD ENDED		3 MONTHS PERIOD ENDED	
	31 MARCH 2015	31 MARCH 2014	31 MARCH 2015	31 MARCH 2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period	3,114	N/A	3,114	N/A
<b>OTHER COMPREHENSIVE INCOME</b>				
Exchange difference arising on translation of foreign operations	31	N/A	31	N/A
Other comprehensive income, net of tax	31	N/A	31	N/A
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>3,145</b>	<b>N/A</b>	<b>3,145</b>	<b>N/A</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	3,135	N/A	3,135	N/A
Non-controlling interests	10	N/A	10	N/A
	<b>3,145</b>	<b>N/A</b>	<b>3,145</b>	<b>N/A</b>

Notes:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Proforma Consolidated Financial Information and Accountants' Report for the FYE 31 December 2014 as disclosed in the Prospectus of the Company dated 20 May 2015 and the accompanying explanatory notes as attached to this interim financial statements.

(2) No comparative figures for the preceding quarter and preceding year are available as this is the first interim report on the consolidated results for the first quarter ended 31 March 2015 being announced by the Company in compliance with the MMLR of Bursa Securities.

(3) N/A - Not applicable



QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER  
ENDED 31 MARCH 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 MARCH 2015 RM'000	As at 31 DECEMBER 2014 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	18,848	N/A
Investment properties	199	N/A
Investment in an associate	202	N/A
Development costs	8,853	N/A
Intangible assets	2,627	N/A
Goodwill on consolidation	20	N/A
	30,749	-
<b>CURRENT ASSETS</b>		
Inventories	550	N/A
Trade receivables	26,004	N/A
Other receivables, deposit and prepayment	2,848	N/A
Amount due from customers for contract works	60,718	N/A
Fixed deposits with licensed banks	6,169	N/A
Cash and bank balances	2,019	N/A
	98,308	N/A
<b>TOTAL ASSETS</b>	<b>129,057</b>	<b>N/A</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	35,200	N/A
Share premium	12,240	N/A
Foreign currency translation reserve	545	N/A
Reserve arising from reverse acquisition	(23,145)	N/A
Retained earnings	29,327	N/A
<b>Shareholders' Fund</b>	<b>54,167</b>	<b>N/A</b>
Non-controlling interests	72	N/A
<b>TOTAL EQUITY</b>	<b>54,239</b>	<b>N/A</b>
<b>NON-CURRENT LIABILITIES</b>		
Hire purchase payables	1,471	N/A
Bank borrowings	3,621	N/A
	5,092	N/A
<b>CURRENT LIABILITIES</b>		
Trade payables	27,492	N/A
Other payables and accruals	1,520	N/A
Hire purchase payables	532	N/A
Bank borrowings	26,813	N/A
Tax payables	6,775	N/A
Bank overdrafts	6,594	N/A
	69,726	N/A
<b>TOTAL LIABILITIES</b>	74,818	N/A
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>129,057</b>	<b>N/A</b>
Number of ordinary shares at RM0.20 each	176,000	N/A
Net Assets per share attributable to ordinary equity owners of the Company (sen)	30.8	N/A

Note:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Proforma Consolidated Financial Information and Accountants' Report for the FYE 31 December 2014 as disclosed in the Prospectus of the Company dated 20 May 2015 and the accompanying explanatory notes as attached to this interim financial statements.

(2) No comparative figures for the preceding quarter and preceding year are available as this is the first interim report on the consolidated results for the first quarter ended 31 March 2015 being announced by the Company in compliance with the MMLR of Bursa Securities.

(3) Based on the issued share capital of 176,000,010 after the completion of the acquisitions of subsidiary companies as disclosed in Note A10 but prior to the Public Issue as detailed in Note A9.



# DOLPHIN INTERNATIONAL BERHAD (1001521-X)

## QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



	Share Capital RM'000	Share Premium RM'000	Reserve arising from Reverse Acquisition RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Sub-total RM'000	Non Controlling Interest RM'000	Total Equity RM'000
<b>Current period-to-date ended 31 March 2015</b>								
As at 1 January 2015	2,000	-	-	586	26,220	28,806	(22)	28,784
<b>Translation with owners</b>								
Arising from the acquisition of subsidiary companies	33,200	12,240	(23,145)	-	-	22,295	15	22,310
Share of foreign currency of translation reserve by non-controlling interests	-	-	-	(69)	-	(69)	69	-
Profit for the period	-	-	-	-	3,107	3,107	7	3,114
Other Comprehensive income for the period	-	-	-	28	-	28	3	31
<b>Total comprehensive income for the period</b>	-	-	-	28	3,107	3,135	10	3,145
<b>Balance as at 31 March 2015</b>	<b>35,200</b>	<b>12,240</b>	<b>(23,145)</b>	<b>545</b>	<b>29,327</b>	<b>54,167</b>	<b>72</b>	<b>54,239</b>

**Note:**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Proforma Consolidated Financial Information and Accountants' Report for the FYE 31 December 2014 as disclosed in the Prospectus of the Company dated 20 May 2015 and the accompanying explanatory notes as attached to this interim financial statements.

(2) No comparative figures for the preceding quarter and preceding year are available as this is the first interim report on the consolidated results for the first quarter ended 31 March 2015 being announced by the Company in compliance with the MMLR of Bursa Securities.



QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER  
ENDED 31 MARCH 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT PERIOD ENDED 31 MARCH 2015 RM'000	CORRESPONDING PERIOD ENDED 31 MARCH 2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	3,518	N/A
Adjustments for:		
Depreciation of property, plant & equipment	112	N/A
Amortisation of investment properties and leasehold land	12	N/A
Interest income	(1)	N/A
Interest expenses	317	N/A
Gain on disposal of property, plant and equipment	(10)	N/A
Gain from bargain purchase arising from acquisition of subsidiary companies	(2,481)	N/A
Unrealised foreign exchange gain	(348)	N/A
<b>Operating profit before working capital changes</b>	<b>1,119</b>	<b>N/A</b>
Changes in Working Capital		
Inventories	82	N/A
Receivables	2,569	N/A
Payables	(1,619)	N/A
Net cash generated from operations	2,151	N/A
Income tax paid	(369)	N/A
Interests paid	(258)	N/A
Interests received	1	N/A
<b>Net Operating Cash Flows</b>	<b>1,525</b>	<b>N/A</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(187)	N/A
Net cash and cash equivalents acquired from the acquisitions of subsidiary companies	(4,272)	N/A
Proceeds from disposal of property, plant and equipment	53	N/A
Addition of development costs	(119)	N/A
<b>Net Investing Cash Flows</b>	<b>(4,525)</b>	<b>N/A</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Fixed deposits pledged as security values	(316)	N/A
Repayment of hire purchase payables	(52)	N/A
Net change in bills payables	(11,505)	N/A
Repayment of term loans	(109)	N/A
Repayment of amount owing to an associate	(208)	N/A
Interest paid	(59)	N/A
<b>Net Financing Cash Flows</b>	<b>(12,249)</b>	<b>N/A</b>
<b>Net change in cash and cash equivalents</b>	<b>(15,249)</b>	<b>N/A</b>
Effects of exchange rate changes	24	N/A
Cash and cash equivalents at the beginning of the period	10,650	N/A
<b>Cash and cash equivalents at the end of the period</b>	<b>(4,575)</b>	<b>N/A</b>
<b>Cash and cash equivalents comprise of:</b>		
Fixed deposits with licensed banks	6,169	N/A
Cash and bank balances	2,019	N/A
Bank overdrafts	(6,594)	N/A
	1,594	N/A
Less: Fixed deposits pledged as security values	(6,169)	N/A
	<b>(4,575)</b>	<b>N/A</b>

**Notes :**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Proforma Consolidated Financial Information and Accountants' Report for the FYE 31 December 2014 as disclosed in the Prospectus of the Company dated 20 May 2015 and the accompanying explanatory notes as attached to this interim financial statements.

(2) No comparative figures for the preceding quarter and preceding year are available as this is the first interim report on the consolidated results for the first quarter ended 31 March 2015 being announced by the Company in compliance with the MMLR of Bursa Securities.



## **DOLPHIN INTERNATIONAL BERHAD** (1001521-X)

### **NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2015**

#### **PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRSs") 134**

##### **A1 Basis of Preparation**

The interim financial report of Dolphin International Berhad ("DIB" or the "Company") and its subsidiaries (the "Group") are unaudited and has been prepared in accordance with MFRS 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Appendix 9B of the MMLR of Bursa Securities.

This is the first interim financial report on the consolidated results for the first quarter ended 31 March 2015 announced by the Company in compliance with the MMLR and as such, there are no comparative figures for the preceding year's corresponding period.

Dolphin International Berhad ("Dolphin" or "the Company") was incorporated by the former shareholders of Dolphin Applications Sdn Bhd ("Dolphin Applications") mainly to effect the re-organisation of the group structure prior to the listing of the ordinary shares of the Company on the Main Market of Bursa Securities. Hence, the directors of Dolphin have made a significant judgement that the business combination for Dolphin Applications has been accounted for as reverse acquisition using the purchase method of accounting under the Malaysian Financial Reporting Standards ("MFRSs") 3: Business Combination as in substance Dolphin Applications, is the accounting acquirer. Under the reverse acquisition accounting method, although legally Dolphin is regarded as the legal parent and Dolphin Applications is regarded as the legal subsidiary company, Dolphin Applications should be identified as the acquirer in accordance with MFRS 3 as it has the power to govern the financial and operating policies of Dolphin so as to obtain benefits from its activities.

Accordingly, the unaudited condensed consolidated financial statements of the Group represent the continuation of the financial statements of Dolphin Applications and its subsidiary companies ("Dolphin Applications Group") that reflect:-

- i) The results from the beginning of the accounting period to the date of the combination are those of the Dolphin Applications Group;
- ii) The assets and liabilities of the Dolphin Applications Group being recognised and measured in the financial statements at their pre-combination carrying amounts without restatement to fair values;
- iii) The retained earnings and other equity balances of the Dolphin Applications Group immediately before the combination are those of the Group; and
- iv) The equity structure, however, reflects that of the Company, including the equity instruments issued to effect the acquisition with the difference between the issued equity of the Company and the issued equity of Dolphin Applications recorded under the equity component as reserve arising from the reverse acquisition.

The detailed implications of the above accounting treatment are as follows:-

##### **a) Unaudited Condensed Consolidated Statement of Profit or Loss and Comprehensive Income**

The Unaudited Condensed Consolidated Statement of Profit or Loss and Comprehensive Income for the financial quarter ended 31 March 2015 comprise the Dolphin Applications Group's results for the three (3) months from 1 January 2015 to 31 March 2015 (the date of business combination) and the adjustments resulting from the Acquisition of Dolphin Engineering and Acquisition of Dolphin Systems reported under other income as detailed in Note A10.

##### **b) Unaudited Condensed Consolidated Statement of Financial Position**

The Unaudited Condensed Consolidated Statement of Financial Position as at 31 March 2015 represents the financial position of the Group after reflecting the effects of the acquisitions during the current financial quarter.

##### **c) Unaudited Condensed Consolidated Statement of Changes in Equity**

The Unaudited Condensed Consolidated Statement of Changes in Equity for the current financial quarter ended 31 March 2015 comprises:-

- the equity balances of the Dolphin Applications Group at the beginning of the financial year.
- the transactions for the current financial quarter for the three (3) months from 1 January 2015 to 31 March 2015 (the date of business combination).
- the equity balances of the Group at the end of the current financial quarter.



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2015**

**PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRSs") 134**

**d) Unaudited Condensed Consolidated Statement of Cash Flows**

The Unaudited Condensed Consolidated Statement of Cash Flows for the current financial quarter comprises:-

- the cash and cash equivalents of the Dolphin Applications Group at the beginning of the financial quarter.
- the transactions for the current financial quarter, being the Dolphin Applications Group's transactions for the three (3) months from 1 January 2015 to 31 March 2015 (the date of business combination).
- the cash and cash equivalent balances of the Group at the end of the current financial quarter.

This interim financial statements should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the FYE 31 December 2014 as disclosed in the Prospectus of the Company dated 20 May 2015.

**A2 Significant Accounting Policies**

The significant accounting policies and presentations adopted by the Group are consistent with those adopted for the audited financial statements of the Group for the financial year ended 31 December 2014 as disclosed in the Accountants' Report in the Prospectus of the Company dated 20 May 2015 except for the adoption of the following amendments/improvements to MFRSs which are applicable to the Group with effect from 1 January 2015:-

**Amendments/Improvements to MFRSs**

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 2	Share-Based Payment
MFRS 3	Business Combinations
MFRS 8	Operating Segments
MFRS 13	Fair Value Measurement
MFRS 116	Property, Plant and Equipment
MFRS 119	Employee Benefits
MFRS 124	Related Party Disclosures
MFRS 138	Intangible Assets
MFRS 140	Investment Property

The adoption of the above amendments/improvements to MFRSs did not result in any significant impact on the Group's results and financial position.

**A3 Seasonal or Cyclical Factors**

The Group does not experience significant fluctuations in operations due to seasonal factors.

**A4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter under review.

**A5 Changes in estimates**

There were no changes in estimates that have had a material effect in the current financial quarter under review.

**A6 Debt and equity securities**

Saved as the issuance of new ordinary shares arising from the Acquisition of Dolphin Applications and Dolphin Engineering (M) Sdn Bhd as disclosed in Note A10, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial quarter under review.

**A7 Dividend Paid**

No dividend was paid during the current financial quarter under review.



# DOLPHIN INTERNATIONAL BERHAD (1001521-X)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2015

### PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRSs") 134

#### A8 Segmental Information

##### (a) Analysis of revenue and segmental results

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
<b>Segment revenue</b>				
- Provision of milling systems and solutions	10,003	N/A	10,003	N/A
- Supply of parts and maintenance services	615	N/A	615	N/A
- Investment holding and management services	-	N/A	-	N/A
Elimination of inter-segment sales	-	N/A	-	N/A
Total operations	10,618	-	10,618	-
<b>Segment Results</b>				
- Provision of milling systems and solutions	424	N/A	424	N/A
- Supply of parts and maintenance services	209	N/A	209	N/A
- Investment holding and management services	2,481	N/A	2,481	N/A
Consolidation adjustments	-	N/A	-	N/A
Total Profit after Tax	3,114	-	3,114	-

Comparative figures for the preceding financial period are not presented as this is the first interim financial report for the first quarter ended 31 March 2015 being announced by the Company.

##### (b) Analysis of revenue by geographic markets

Revenue	3 months ended 31 March 2015			
	Malaysia RM'000	Overseas RM'000	Eliminations RM'000	Consolidated RM'000
External sales	9,015	1,603	-	10,618
Inter-segment	-	-	-	-
Total	9,015	1,603	-	10,618

#### A9 Material Events Subsequent to the end of the current quarter

In conjunction with the Company's listing on the Main Market of Bursa Securities, on 20 May 2015, the Company issued its prospectus for its initial public offering ("IPO") entailing the public issue of 46,000,000 new ordinary shares of RM0.20 each in Dolphin International Berhad ("Dolphin Share(s)") at an issue price of RM0.68 per Dolphin Share ("Public Issue") allocated in the following manner :-

- i) 15,000,000 new Dolphin Shares made available for application by the Malaysian public ;
- ii) 8,250,000 new Dolphin Shares made available for application by the eligible Directors and employees of the Group and persons who have contributed to the success of the Group ; and
- iii) 22,750,000 new Dolphin Shares made available for application by way of private placement of which 2,500,000 of Dolphin Shares are offered to selected investors and 20,250,000 Dolphin Shares are offered to Bumiputera investors approved by the Ministry of International Trade and Industry.

Upon completion of the Public Issue, the issued and paid up share capital of the Company will increase from RM35,200,020 comprising 176,000,010 Dolphin Shares to RM44,400,002 comprising 222,000,010 Dolphin Shares.

Pursuant thereto, the Company's entire enlarged issued and paid-up share capital is expected to be listed and quoted on the Main Market of Bursa Securities on 9 June 2015.





# DOLPHIN INTERNATIONAL BERHAD (1001521-X)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2015

### PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRSs") 134

#### A10 Changes in the Composition of the Group

The following acquisitions of subsidiary companies were completed on 31 March 2015.

##### i) Acquisition of Dolphin Applications

Acquisition by the Company of the entire issued and paid-up capital in Dolphin Applications comprising 2,666,666 ordinary shares of RM1.00 each for the total purchase consideration of RM28,100,000 which was entirely satisfied by the issuance of 140,500,000 new Dolphin Shares at an issue price of RM0.20 per share, credited as fully paid ("Acquisition of Dolphin Applications").

##### ii) Acquisition of Dolphin Engineering (M) Sdn Bhd ("Dolphin Engineering")

Acquisition by the Company of the entire issued and paid-up capital in Dolphin Engineering comprising 2,000,000 ordinary shares of RM1.00 each for the total purchase consideration of RM5,100,000 which was entirely satisfied by the issuance of 25,500,000 new Dolphin Shares at an issue price of RM0.20 per share, credited as fully paid ("Acquisition of Dolphin Engineering").

##### iii) Acquisition of Dolphin Systems Sdn Bhd ("Dolphin Systems")

Acquisition by the Company of the entire issued and paid-up capital in Dolphin Systems comprising 500,000 ordinary shares of RM1.00 each for a cash consideration of RM65,000 ("Acquisition of Dolphin Systems").

##### iv) Acquisition of Dolphin Components Sdn Bhd ("Dolphin Components")

Acquisition by the Company of the 75% issued and paid-up capital in Dolphin Components comprising 75,000 ordinary shares of RM1.00 each for a cash consideration of RM65,000 ("Acquisition of Dolphin Components").

Upon completion of the abovementioned acquisitions, the Group structure is as follows:

- i) Dolphin Applications, Dolphin Engineering and Dolphin Systems become wholly-owned subsidiary companies of Dolphin;
- ii) Dolphin Robotic Systems Sdn Bhd becomes an indirect wholly-owned subsidiary company of Dolphin;
- iii) Dolphin Components becomes a 75%-owned subsidiary company of Dolphin;
- iv) PT Dolphin Indonesia becomes an indirect 90%-owned subsidiary company of Dolphin; and
- v) PT Emas Hijau Sejahtera Kapuas ("PT Emas Hijau") becomes an indirect 30%-owned associate of Dolphin.

#### A11 Contingent Liabilities or Contingent Assets

Saved as disclosed in below, there were no other material contingent liabilities as at the end of the current financial quarter and up to the date of this report.

	As at 31.03.2015 RM'000
Bank guarantees issued for contract customers for performance of contracts	<u>5,208</u>

#### A12 Capital Commitments

There were no capital commitments as at the end of the financial quarter and up to the date of this report.

#### A13 Significant Related Party Transactions

There were no significant related party transactions during the current financial quarter under review.



# DOLPHIN INTERNATIONAL BERHAD (1001621-X)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2015

### PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRSs") 134

#### PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MMLR

##### B1 Review of Performance

The Group recorded a revenue of RM10.62 million and profit before tax of RM3.52 million for the first quarter ended 31 March 2015. The revenue was mainly derived from provision of milling systems and solutions projects undertaken in Malaysia which has contributed approximately 85% to the Group's revenue.

Included in other income are amounts totalling RM2.48 million arose from the Acquisition of Dolphin Engineering and Acquisition of Dolphin Systems, being the excess of the net fair values of the identifiable assets of Dolphin Engineering and Dolphin Systems over the fair values of the purchase consideration for the said business combinations.

No comparative figures are presented for the preceding year's corresponding quarter as this is the first interim financial report on the consolidated results for the first quarter ended 31 March 2015 announced by the Group.

##### B2 Comparison with Preceding Quarter's Results

No comparative figures are presented for the immediate preceding quarter as this is the first interim financial report on the consolidated results for the first quarter ended 31 March 2015 announced by the Group in compliance with MMLR of Bursa Securities.

##### B3 Prospects

As disclosed in the prospectus of the Company dated 20 May 2015, the Group's objective is to maximise our shareholder value by consolidating our position as a market leader in the Palm Oil Milling ("POM") automation industry by undertaking continuous development as a driver for future growth, the introduction of Dolphin-branded consumable parts into the market, continuous efforts to expand the Group's customer base and in the future construction and establishment of a POM to show case our products.

Barring any unforeseen circumstances, the Board of Directors is optimistic about the Group's performance for the financial year ending 31 December 2015 given the on-going developments undertaken by the Group, the Group's efforts to secure additional contracts from new and existing customers as well as the introduction of the Group's Dolphin branded side plate in March 2015.

##### B4 Variance of actual profit from Profit forecast and Profit Guarantee

The Group did not provide any profit forecast and profit guarantee in any form of public documentation and announcement.

##### B5 Taxation

	Current Quarter 31.03.2015 RM'000	Cumulative Quarter 31.03.2015 RM'000
Tax payable Current period	404	404

Income tax is calculated at the Malaysian statutory rate of 25% of the estimated assessable profit for the fiscal year.

##### B6 Status of corporate proposals

Saved as disclosed below, there are no other proposals announced but not completed as at the date of this report.

##### a) Initial Public Offering ("IPO")

The details of the IPO exercise is as disclosed in Note A9 of this interim financial report.

**DOLPHIN INTERNATIONAL BERHAD** (1001521-X)**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2015****PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRSs") 134****b) Utilisation of Proceeds**

The Company will receive total gross proceeds of RM31.28 million from the Public Issue and the proceeds will be utilised in the following manner.

Purpose	Proposed Utilisation	Timeframe for utilisation after listing
	RM'000	
Renovation and extension of factory	11,000	Within twenty four (24) months
Working capital	6,080	Within twenty four (24) months
Set up of a R&D facility	4,000	Within twenty four (24) months
Repayment of bank borrowings	6,000	Within six (6) months
Estimated listing expenses	4,200	Within one (1) month
<b>Total</b>	<b>31,280</b>	

As at the date of this report, the IPO is pending completion and hence there were no utilisation of proceeds.

**B7 Group's Borrowings and Debt Securities**

The Group's borrowings as at 31 March 2015 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured :-			
Bank overdrafts	6,594	-	6,594
Bank borrowings	26,813	3,621	30,434
Hire purchase liabilities	532	1,471	2,003
<b>Total</b>	<b>33,939</b>	<b>5,092</b>	<b>39,031</b>

All borrowings are denominated in Ringgit Malaysia.

**B8 Off Balance Sheet Financial Instruments**

There is no off balance sheet financial instruments as at the date of this quarterly report.

**B9 Material Litigation**

The Group is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this interim financial report.

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**DOLPHIN INTERNATIONAL BERHAD** (1001521-X)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
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**B10 Earnings Per Share ("EPS")**

The basic EPS for the current quarter and financial year to date are computed as follows

(a) Basic EPS

	3 months ended		Year-to-date	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity owners of the Company	3,107	N/A	3,107	N/A
Weighted average number of ordinary shares of RM 0.20 each in issue ('000)				
- number of ordinary shares in issue since 1 January 2015	10,000	N/A	10,000	N/A
- new Dolphin shares issued on 31 March 2015 pursuant to the Acquisition of Dolphin Applications and Acquisition of Dolphin Engineering	1,844	N/A	1,844	N/A
	<u>11,844</u>	<u>N/A</u>	<u>11,844</u>	<u>N/A</u>
Basic Earnings per shares (sen)	<u>26.23</u>	<u>N/A</u>	<u>26.23</u>	<u>N/A</u>

The weighted average number of ordinary shares is based on the issued and paid-up share capital after the completion of the Acquisition as disclosed in Note A10 but prior to the Public Issue as detailed in Note A9.

Diluted earnings per share was not computed as the Company does not have any potential dilutive shares as at the end of the financial period ended 31 March 2015.

Comparative figures for the preceding financial period are not presented as this is the first interim financial report for the first quarter ended 31 March 2015 being announced by the Company.

**B11 Dividends**

No dividends has been declared or proposed for the current financial quarter under review.

**B12 Disclosure of Realised and Unrealised Profits/(Losses)**

The determination of realised and unrealised profits is based on Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

	As at 31.03.2015 RM'000	As at 31.03.2014 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	28,845	N/A
- Unrealised	482	N/A
Total retained earnings as per unaudited condensed consolidated financial statements	<u>29,327</u>	<u>N/A</u>

Comparative figures for the preceding financial period are not presented as this is the first interim financial report on the consolidated results for the first quarter ended 31 March 2015 being announced by the Company in compliance with the MMLR of Bursa Securities.

**DOLPHIN INTERNATIONAL BERHAD** (1001521-X)NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
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**B13 Notes to the Condensed Consolidated Statement of Profit or Loss**

	3 months ended		Year-to-date	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
Profit before taxation is arrived at after charging:-				
Interest expenses	317	N/A	317	N/A
Rental expenses	101	N/A	101	N/A
Amortisation and depreciation of property, plant and equipment	124	N/A	124	N/A
Realised loss on foreign exchange	655	N/A	655	N/A
	<hr/>			
After crediting:-				
Interest Income	1	N/A	1	N/A
Realised gain on foreign exchange	1	N/A	1	N/A
Unrealised gain on foreign exchange	348	N/A	348	N/A
	<hr/>			

Other disclosure items pursuant to Appendix 9B Note 16 of the MMLR of Bursa Securities are not applicable.

Comparative figures for the preceding financial period are not presented as this is the first interim financial report for the first quarter ended 31 March 2015 being announced by the Company.

**B14 Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 4 June 2015.