



DOLPHIN INTERNATIONAL BERHAD (1001521-X)

QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	3 MONTHS PERIOD ENDED		3 MONTHS PERIOD ENDED		
	31 MARCH 2016	31 MARCH 2015	31 MARCH 2016	31 MARCH 2015	
	RM'000	RM'000	RM'000	RM'000	
Revenue	11,415	10,618	11,415	10,618	
Cost of sales	(9,575)	(7,708)	(9,575)	(7,708)	
Gross Profit	1,840	2,910	1,840	2,910	
Other income	7	2,492	7	2,492	
Administrative expenses	(1,007)	(1,567)	(1,007)	(1,567)	
Profit from operations	840	3,835	840	3,835	
Finance costs	(634)	(317)	(634)	(317)	
(Loss)/Profit before tax	206	3,518	206	3,518	
Income tax expenses	(189)	(404)	(189)	(404)	
(Loss)/Profit for the period	17	3,114	17	3,114	
(Loss)/Profit attributable to:					
Owners of the Company	5	3,107	5	3,107	
Non-controlling interests	12	7	12	7	
	17	3,114	17	3,114	
	-		-		
(Loss)/Earnings per share attributable to Owners of the Company					
- Basic (sen)	B10	0.00	26.23	0.00	26.23
- Diluted (sen)	B10	N/A	N/A	N/A	N/A

Notes:
(1) The Unaudited Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015 and the accompanying explanatory notes to the interim financial report.

(2) N/A - Not applicable



DOLPHIN INTERNATIONAL BERHAD (1001521-X)

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2016**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS PERIOD ENDED 31 MARCH 2016 RM'000	3 MONTHS PERIOD ENDED 31 MARCH 2015 RM'000	3 MONTHS PERIOD ENDED 31 MARCH 2016 RM'000	3 MONTHS PERIOD ENDED 31 MARCH 2015 RM'000
(Loss)/Profit for the period	17	3,114	17	3,114
OTHER COMPREHENSIVE (LOSS)/INCOME				
Exchange difference arising on translation of foreign operations	(91)	31	(91)	31
Other comprehensive (loss)/income, net of tax	(91)	31	(91)	31
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(74)	3,145	(74)	3,145
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(86)	3,135	(86)	3,135
Non-controlling interests	12	10	12	10
	<u>(74)</u>	<u>3,145</u>	<u>(74)</u>	<u>3,145</u>
	-		-	

Notes:
The Unaudited Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015 and the accompanying explanatory notes to the interim financial report.



**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2016**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31 MARCH 2016 RM'000 (Unaudited)	AS AT 31 DECEMBER 2015 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	31,242	18,328
Investment properties	196	197
Investment in an associate	186	186
Development costs	9,411	9,256
Intangible assets	19	164
Goodwill on consolidation	20	20
	<u>41,074</u>	<u>28,151</u>
CURRENT ASSETS		
Inventories	1,070	563
Trade receivables	12,290	13,079
Other receivables, deposit and prepayment	4,388	4,856
Current tax asset	9	9
Amount due from customers for contract works	74,235	80,935
Fixed deposits with licensed banks	19,720	22,192
Cash and bank balances	4,012	3,068
	<u>115,724</u>	<u>124,702</u>
TOTAL ASSETS	<u>156,798</u>	<u>152,853</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	44,400	44,400
Share premium	32,775	32,775
Foreign currency translation reserve	630	721
Reserve arising from reverse acquisition	(23,145)	(23,145)
Retained earnings	29,085	29,080
Shareholders' Fund	<u>83,745</u>	<u>83,831</u>
Non-controlling interests	74	62
TOTAL EQUITY	<u>83,819</u>	<u>83,893</u>
NON-CURRENT LIABILITIES		
Hire purchase payables	815	999
Bank borrowings	12,853	3,358
Deferred tax liabilities	756	756
	<u>14,424</u>	<u>5,113</u>
CURRENT LIABILITIES		
Amount due to customers for contract works	3,463	1,148
Trade payables	10,155	17,999
Other payables and accruals	4,967	8,134
Hire purchase payables	570	618
Bank borrowings	26,273	21,509
Tax payables	3,412	4,746
Bank overdrafts	9,715	9,693
	<u>58,555</u>	<u>63,847</u>
TOTAL LIABILITIES	<u>72,979</u>	<u>68,960</u>
TOTAL EQUITY AND LIABILITIES	<u>156,798</u>	<u>152,853</u>
Number of ordinary shares at RM0.20 each	222,000	222,000
Net Assets per share attributable to ordinary equity owners of the Company (sen)	<u>37.7</u>	<u>37.8</u>

Note:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015 and the accompanying explanatory notes to the interim financial report.



DOLPHIN INTERNATIONAL BERHAD (1001521-X)

QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to Equity Owners of the Company →							Non-Controlling Interests RM'000	Total Equity RM'000
	Non-Distributable				Distributable		Sub-total RM'000		
	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				
Current period-to-date ended 31 March 2016									
As at 1 January 2016	44,400	32,775	(23,145)	721	29,080	83,831	62	83,893	
Translation with owners									
Arising from the acquisition of subsidiary companies	-	-	-	-	-	-	-	-	
Share of foreign currency translation reserve by non-controlling interests	-	-	-	-	-	-	-	-	
(Loss)/Profit for the period	-	-	-	-	5	5	12	17	
Other Comprehensive loss for the period	-	-	-	(91)	-	(91)	-	(91)	
Total comprehensive loss for the period	-	-	-	(91)	5	(86)	12	(74)	
Balance as at 31 March 2016	44,400	32,775	(23,145)	630	29,085	83,745	74	83,819	
Corresponding period-to-date ended 31 MARCH 2015									
As at 1 January 2015	2,000	-	-	586	26,220	28,806	(22)	28,784	
Translation with owners									
Arising from the acquisition of subsidiary companies	33,200	12,240	(23,145)	-	-	22,295	15	22,310	
Share of foreign currency 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	
Total comprehensive income for the period	-	-	-	28	3,107	3,135	10	3,145	
Balance as at 31 March 2015	35,200	12,240	(23,145)	545	29,327	54,167	72	54,239	

Note:

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited statements of the Group for the financial year ended 31 December 2015 and the accompanying explanatory notes to the interim financial report.



**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER
ENDED 31 MARCH 2016**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT PERIOD ENDED 31 MARCH 2016 RM'000	CORRESPONDING PERIOD ENDED 31 MARCH 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	206	3,518
Adjustments for:		
Depreciation of property, plant & equipment	271	112
Amortisation of investment properties and leasehold land	158	12
Interest income	(4)	(1)
Interest expenses	634	317
Gain on disposal of property, plant and equipment	-	(10)
Gain from bargain purchase arising from acquisition of subsidiary companies	-	(2,481)
Unrealised loss/(gain) on foreign exchange	213	(348)
Operating profit before working capital changes	1,478	1,119
Changes in Working Capital		
Inventories	(507)	82
Receivables	10,127	2,569
Payables	(11,011)	(1,619)
Net cash used in operations	87	2,151
Income tax paid	(1,507)	(369)
Interests paid	(577)	(258)
Interests received	4	1
Net Operating Cash Flows	(1,993)	1,525
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,304)	(187)
Net cash and cash equivalents acquired from the acquisitions of subsidiary companies	-	(4,272)
Proceeds from disposal of property, plant and equipment	-	53
Additional development costs	(154)	(119)
Net Investing Cash Flows	(13,458)	(4,525)
CASH FLOWS FROM FINANCING ACTIVITIES		
Fixed deposits pledged as security values	(587)	(316)
Repayment of hire purchase payables	(131)	(52)
Net change in bills payables	3,468	(11,505)
Drawdown / (Repayment) of term loans	10,790	(109)
Repayment of amount owing to an associate	-	(208)
Interests paid	(57)	(59)
Net Financing Cash Flows	13,483	(12,249)
Net change in cash and cash equivalents	(1,968)	(15,249)
Effects of exchange rate changes	(170)	24
Cash and cash equivalents at the beginning of the period	8,118	10,650
Cash and cash equivalents at the end of the period	5,980	(4,575)
Cash and cash equivalents comprise of:		
Fixed deposits with licensed banks	19,720	6,169
Cash and bank balances	4,012	2,019
Bank overdrafts	(9,715)	(6,594)
	14,017	1,594
Less: Fixed deposits pledged as security values	(8,037)	(6,169)
	5,980	(4,575)

Notes :

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the notes to the audited financial statements of the Group for the financial year ended 31 December 2015 and the accompanying explanatory notes to the interim financial report.



DOLPHIN INTERNATIONAL BERHAD (1001521-X)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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 Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

This interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015.

A2 Significant Accounting Policies

The significant accounting policies and presentations adopted by the Group for this interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2015 except for the adoption of the following amendments/improvements to MFRSs which are applicable to the Group with effect from 1 January 2016:-

New MFRS

MFRS 14 Regulatory Deferral Accounts

Amendments/Improvements to MFRSs

MFRS 5 Non-current Asset Held for Sale and Discontinued Operations
MFRS 7 Financial Instruments: Disclosures
MFRS 10 Consolidated Financial Statements
MFRS 11 Joint Arrangements
MFRS 12 Disclosure of Interest in Other Entities
MFRS 101 Presentation of Financial Statements
MFRS 116 Property, Plant and Equipments
MFRS 119 Employee Benefits
MFRS 127 Separate Financial Statements
MFRS 128 Investments in Associates and Joint Ventures
MFRS 134 Interim Financial Reporting
MFRS 138 Intangible Assets
MFRS 141 Agriculture

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

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 QUARTER ENDED 31 MARCH 2016

A8 Segmental Information

(a) Analysis of revenue and segmental results

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
	RM'000	RM'000	RM'000	RM'000
Segment revenue				
- Provision of milling systems and solutions	11,083	10,003	11,083	10,003
- Supply of parts and maintenance services	332	615	332	615
Total Revenue	11,415	10,618	11,415	10,618
			-	
Segment Results				
- Provision of milling systems and solutions	784	424	784	424
- Supply of parts and maintenance services	17	209	17	209
- Investment holding and management services	(784)	2,481	(784)	2,481
Total Profit after Tax	17	3,114	17	3,114
			-	

(b) Analysis of revenue by geographic markets

Revenue	Current Quarter			Cumulative Quarter		
	3 months ended 31 March 2016			3 months ended 31 March 2016		
	External Sales	Inter-segment	Total	External Sales	Inter-segment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	9,839	-	9,839	9,839	-	9,839
Overseas	1,576	-	1,576	1,576	-	1,576
Eliminations	-	-	-	-	-	-
Consolidated	11,415	-	11,415	11,415	-	11,415

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

There were no material events subsequent to the end of the current financial quarter.

A10 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review.

A11 Contingent Liabilities or Contingent Assets

Save 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 31.03.2016
RM'000

Bank guarantees issued to contract customers for performance of contracts

5,546

A12 Capital Commitments

There were no other material capital commitments as at the end of the current 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 (1001521-X)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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

B1 Review of Performance

Comparison with preceding year's corresponding quarter

The Group recorded an increase in revenue of RM0.79 million for the current quarter under review as compared to the preceding year's corresponding quarter revenue of RM10.62 million (Q1, 2015). The Group recorded a profit before tax ("PBT") of RM0.21 million for the current quarter under review as compared to the preceding year's corresponding quarter PBT of RM3.52 million. The decrease in profit is mainly due to lower profit margin on projects, higher financing cost and one-off corporate exercise expenses in relation to the bonus issue of warrants.

B2 Comparison with Preceding Quarter's Results

The Group's revenue decreased by 57% from RM26.28 million recorded in the immediate preceding quarter to RM11.42 million in the current quarter. The decrease was mainly due to lower revenue generated from ongoing projects.

B3 Prospects

Barring any unforeseen circumstances, the Board of Directors expects the Group's performance for the financial year ending 31 December 2016 to be satisfactory, given the on-going developments undertaken by the Group and the Group's efforts to secure additional contracts from new and existing customers.

B4 Variance of actual profit from Profit forecast and Profit Guarantee

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

B5 Taxation

	Current Quarter 31.03.2016 RM'000	Cumulative Quarter 31.03.2016 RM'000
Tax payable		
Current period	189	189
Deferred Taxation	-	-
	<u>189</u>	<u>189</u>

Income tax is calculated at the Malaysian statutory rate of 24% of the estimated assessable profit for the fiscal year.

B6 Status of corporate proposals

Saved as disclosed below, there were no other corporate proposals announced but not yet completed as at the date of this quarterly announcement.

a) Utilisation of Proceeds

On 19 November 2015, the Company had announced that the Board has resolved to vary the utilisation of the remaining proceeds from the initial public offering ("IPO") of:

- (i) RM11.0 million that was allocated for renovation and extension of factory (which includes the purchase of additional machineries); and
- (ii) RM4.0 million that was allocated for set-up of a research and development facility.

for a new factory cum office building held under the freehold individual title HS(D) 121082 PT 39502 Mukim Petaling Jaya, Daerah Petaling, Negeri Selangor Darul Ehsan bearing postal address No. 20, Jalan Industri PBP 9, Taman Industri Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan measuring approximately 2,462.77 square meters in area to be acquired by Dolphin Applications instead for its existing factory in Shah Alam.



DOLPHIN INTERNATIONAL BERHAD (1001521-X)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

The status of utilisation of the proceeds of RM31.28 million from the IPO are as follows :

Purpose	Proposed Utilisation	Actual Utilisation	Variance	Timeframe for utilisation from the date of Listing
	RM'000	RM'000	RM'000	
Renovation and extension of factory	11,000	86	10,914	Within twenty four (24) months
Set up of a R&D facility	4,000	-	4,000	Within twenty four (24) months
Working capital	6,080	6,080	-	Fully utilised
Repayment of bank borrowings	6,000	6,000	-	Fully utilised
Estimated listing expenses	4,200	4,200	-	Fully utilised
Total	31,280	16,366	14,914	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 20 May 2015 and the announcement dated 19 November 2015.

B7 Group's Borrowings and Debt Securities

The Group's borrowings as at 31 March 2016 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured :-			
Bank overdrafts	9,715	-	9,715
Bank borrowings	26,273	12,853	39,126
Hire purchase liabilities	570	815	1,385
Total	36,558	13,668	50,226

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.

B10 (Loss)/Earnings Per Share ("LPS")/("EPS")

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

(a) Basic EPS

	3 months ended		Year-to-date	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
(Loss)/Profit attributable to ordinary equity owners of the Company	5	3,107	5	3,107
Weighted average number of ordinary shares of RM 0.20 each in issue ('000)				
- number of ordinary shares in issue since 1st January	222,000	10,000	222,000	10,000
- new Dolphin shares issued on 31 March 2015 pursuant to the Acquisition of Dolphin Applications and Acquisition of Dolphin Engineering	-	1,844	-	1,844
	<u>222,000</u>	<u>11,844</u>	<u>222,000</u>	<u>11,844</u>
Basic (Loss)/Earnings per share (sen)	0.00	26.23	0.00	26.23

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 2016.



DOLPHIN INTERNATIONAL BERHAD (1001521-X)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

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 31.03.2016 RM'000	As at 31.03.2015 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	29,416	28,845
- Unrealised	(331)	482
Total retained earnings as per unaudited condensed consolidated financial statements	29,085	29,327

B13 Notes to the Condensed Consolidated Statement of Profit or Loss

	3 months ended		Year-to-date	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
Profit before taxation is arrived at after charging:-				
Interest expenses	634	317	634	317
Rental expenses	55	101	55	101
Amortisation and depreciation of property, plant and equipment and Investment property	429	124	429	124
After crediting:-				
Interest Income	4	1	4	1
(loss)/Gain on foreign exchange				
- Realised	(2)	654	(2)	654
- Unrealised	(213)	(348)	(213)	(348)

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

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 31 May 2016.