



DOLPHIN INTERNATIONAL BERHAD (1001521-X)

QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | | |
|---|-----------------------|----------------|-----------------------|--------------|--------|
| | 3 MONTHS PERIOD ENDED | | 6 MONTHS PERIOD ENDED | | |
| | 30 JUNE 2016 | 30 JUNE 2015 | 30 JUNE 2016 | 30 JUNE 2015 | |
| | RM'000 | RM'000 | RM'000 | RM'000 | |
| Revenue | 8,525 | 13,468 | 19,940 | 24,086 | |
| Cost of sales | (7,190) | (9,990) | (16,765) | (17,698) | |
| Gross Profit | 1,335 | 3,478 | 3,175 | 6,388 | |
| Other income | 350 | 437 | 357 | 2,929 | |
| Administrative expenses | (1,593) | (6,212) | (2,600) | (7,779) | |
| Profit/(Loss) from operations | 92 | (2,297) | 932 | 1,538 | |
| Finance costs | (781) | (953) | (1,415) | (1,270) | |
| (Loss)/Profit before tax | (689) | (3,250) | (483) | 268 | |
| Income tax expenses | 184 | (226) | (5) | (630) | |
| Loss for the period | (505) | (3,476) | (488) | (362) | |
| (Loss)/Profit attributable to: | | | | | |
| Owners of the Company | (499) | (3,470) | (494) | (363) | |
| Non-controlling interests | (6) | (6) | 6 | 1 | |
| | (505) | (3,476) | (488) | (362) | |
| Loss per share attributable to Owners of the Company | | | | | |
| - Basic (sen) | B10 | (0.22) | (1.85) | (0.22) | (0.36) |
| - Diluted (sen) (Note 2) | B10 | (0.22) | (1.85) | (0.22) | (0.36) |

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) Diluted LPS is not applicable for individual quarter and period ended 30 June 2016 as it has an anti-dilution effect.



DOLPHIN INTERNATIONAL BERHAD (1001521-X)

**QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER
ENDED 30 JUNE 2016**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

| Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|------------------------|---|------------------------|
| | 3 MONTHS PERIOD ENDED 30 JUNE 2016 RM'000 | 30 JUNE 2015 RM'000 | 6 MONTHS PERIOD ENDED 30 JUNE 2016 RM'000 | 30 JUNE 2015 RM'000 |
| Loss for the period | (505) | (3,476) | (488) | (362) |
| OTHER COMPREHENSIVE INCOME/(LOSS) | | | | |
| Exchange difference arising on translation of foreign operations | 28 | (38) | (63) | (7) |
| Other comprehensive income/(loss), net of tax | 28 | (38) | (63) | (7) |
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | (477) | (3,514) | (551) | (369) |
| Total comprehensive (loss)/income attributable to: | | | | |
| Owners of the Company | (471) | (3,506) | (557) | (371) |
| Non-controlling interests | (6) | (8) | 6 | 2 |
| | <u>(477)</u> | <u>(3,514)</u> | <u>(551)</u> | <u>(369)</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 SECOND QUARTER
ENDED 30 JUNE 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | AS AT 30 JUNE 2016 RM'000 (Unaudited) | AS AT 31 DECEMBER 2015 RM'000 (Audited) |
|--|--|--|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 31,139 | 18,328 |
| Investment properties | 196 | 197 |
| Investment in an associate | 186 | 186 |
| Development costs | 9,717 | 9,256 |
| Intangible assets | 12 | 164 |
| Goodwill on consolidation | 20 | 20 |
| | <u>41,270</u> | <u>28,151</u> |
| CURRENT ASSETS | | |
| Inventories | 1,219 | 563 |
| Trade receivables | 11,697 | 13,079 |
| Other receivables, deposit and prepayment | 6,224 | 4,856 |
| Current tax asset | 9 | 9 |
| Amount due from customers for contract works | 65,567 | 80,935 |
| Fixed deposits with licensed banks | 8,397 | 22,192 |
| Cash and bank balances | 20,518 | 3,068 |
| | <u>113,631</u> | <u>124,702</u> |
| TOTAL ASSETS | <u>154,901</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 | 658 | 721 |
| Reserve arising from reverse acquisition | (23,145) | (23,145) |
| Retained earnings | 28,586 | 29,080 |
| Shareholders' Fund | <u>83,274</u> | <u>83,831</u> |
| Non-controlling interests | 68 | 62 |
| TOTAL EQUITY | <u>83,342</u> | <u>83,893</u> |
| NON-CURRENT LIABILITIES | | |
| Hire purchase payables | 689 | 999 |
| Bank borrowings | 12,365 | 3,358 |
| Deferred tax liabilities | 756 | 756 |
| | <u>13,810</u> | <u>5,113</u> |
| CURRENT LIABILITIES | | |
| Amount due to customers for contract works | 1,075 | 1,148 |
| Trade payables | 8,374 | 17,999 |
| Other payables and accruals | 7,234 | 8,134 |
| Hire purchase payables | 633 | 618 |
| Bank borrowings | 28,868 | 21,509 |
| Tax payables | 2,210 | 4,746 |
| Bank overdrafts | 9,355 | 9,693 |
| | <u>57,749</u> | <u>63,847</u> |
| TOTAL LIABILITIES | <u>71,559</u> | <u>68,960</u> |
| TOTAL EQUITY AND LIABILITIES | <u>154,901</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>37.5</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 SECOND QUARTER ENDED 30 JUNE 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | ← Attributable to Equity Owners of the Company → | | | | | | | Non-Controlling Interests | Total Equity |
|--|--|---------------|--|--------------------------------------|-------------------|---------------|-----------|---------------------------|--------------|
| | ← Non-Distributable → | | | | ← Distributable → | | | | |
| | Share Capital | Share Premium | Reserve Arising from Reverse Acquisition | Foreign Currency Translation Reserve | Retained Earnings | Sub-total | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| Current period-to-date ended 30 June 2016 | | | | | | | | | |
| As at 1 January 2016 | 44,400 | 32,775 | (23,145) | 721 | 29,080 | 83,831 | 62 | 83,893 | |
| (Loss)/Profit for the period | - | - | - | - | (494) | (494) | 6 | (488) | |
| Other Comprehensive loss for the period | - | - | - | (63) | - | (63) | - | (63) | |
| Total comprehensive loss for the period | - | - | - | (63) | (494) | (557) | 6 | (551) | |
| Balance as at 30 June 2016 | 44,400 | 32,775 | (23,145) | 658 | 28,586 | 83,274 | 68 | 83,342 | |
| | - | - | - | - | - | - | - | - | |
| Corresponding period-to-date ended 30 JUNE 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 | |
| Arising from the Public Issue | 9,200 | 22,080 | - | - | - | 31,280 | - | 31,280 | |
| Share issuance expenses | - | (1,545) | - | - | - | (1,545) | - | (1,545) | |
| Share of foreign currency translation reserve by non-controlling interests | - | - | - | (69) | - | (69) | 69 | - | |
| Profit for the period | - | - | - | - | (363) | (363) | 1 | (362) | |
| Other Comprehensive income for the period | - | - | - | (8) | - | (8) | 1 | (7) | |
| Total comprehensive income for the period | - | - | - | (8) | (363) | (371) | 2 | (369) | |
| Balance as at 30 June 2015 | 44,400 | 32,775 | (23,145) | 509 | 25,857 | 80,396 | 64 | 80,460 | |

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 SECOND QUARTER
ENDED 30 JUNE 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | CURRENT PERIOD ENDED 30 JUNE 2016 RM'000 | CORRESPONDING PERIOD ENDED 30 JUNE 2015 RM'000 |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Loss)/Profit before tax | (483) | 268 |
| Adjustments for: | | |
| Depreciation of property, plant & equipment | 546 | 319 |
| Amortisation of investment properties and leasehold land | 179 | 715 |
| Interest income | (318) | (35) |
| Interest expenses | 1,416 | 1,270 |
| Gain on disposal of property, plant and equipment | - | (81) |
| Gain from bargain purchase arising from acquisition of subsidiary companies | - | (2,481) |
| Unrealised loss/(gain) on foreign exchange | 42 | (176) |
| Operating profit before working capital changes | 1,382 | (201) |
| Changes in Working Capital | | |
| Inventories | (656) | (59) |
| Receivables | 15,299 | 1,611 |
| Payables | (10,524) | (4,314) |
| Net cash used in operations | 5,501 | (2,963) |
| Income tax paid | (2,519) | (835) |
| Interests paid | (1,357) | (1,115) |
| Interests received | 318 | 35 |
| Net Operating Cash Flows | 1,943 | (4,878) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (13,484) | (308) |
| Net cash and cash equivalents acquired from the acquisitions of subsidiary companies | - | (4,272) |
| Proceeds from disposal of property, plant and equipment | - | 243 |
| Additional development costs | (461) | (259) |
| Net Investing Cash Flows | (13,945) | (4,596) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Fixed deposits pledged as security values | (917) | (80) |
| Proceeds from issuance of shares | - | 31,280 |
| Share issuance expenses | - | (1,543) |
| Repayment of hire purchase payables | (207) | (210) |
| Net change in bills payables | 6,064 | (9,682) |
| Drawdown / (Repayment) of term loans | 10,297 | (205) |
| Repayment of amount owing to an associate | - | (208) |
| Interests paid | (60) | (155) |
| Net Financing Cash Flows | 15,177 | 19,197 |
| Net change in cash and cash equivalents | 3,175 | 9,723 |
| Effects of exchange rate changes | (130) | (7) |
| Cash and cash equivalents at the beginning of the period | 8,118 | 10,650 |
| Cash and cash equivalents at the end of the period | 11,163 | 20,366 |
| Cash and cash equivalents comprise of: | | |
| Fixed deposits with licensed banks | 8,397 | 15,433 |
| Cash and bank balances | 20,518 | 15,685 |
| Bank overdrafts | (9,355) | (4,819) |
| | 19,560 | 26,299 |
| Less: Fixed deposits pledged as security values | (8,397) | (5,933) |
| | 11,163 | 20,366 |

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 SECOND QUARTER ENDED 30 JUNE 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 SECOND QUARTER ENDED 30 JUNE 2016

A8 Segmental Information

(a) Analysis of revenue and segmental results

| | Current Quarter | | Cumulative Quarter | |
|--|-----------------|------------|--------------------|------------|
| | 3 months ended | | 6 months ended | |
| | 30.06.2016 | 30.06.2015 | 30.06.2016 | 30.06.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Segment revenue | | | | |
| - Provision of milling systems and solutions | 7,920 | 13,163 | 19,003 | 23,165 |
| - Supply of parts and maintenance services | 605 | 305 | 937 | 921 |
| Total Revenue | 8,525 | 13,468 | 19,940 | 24,086 |
| | | | - | |
| Segment Results | | | | |
| - Provision of milling systems and solutions | (398) | 243 | 386 | 667 |
| - Supply of parts and maintenance services | 142 | 37 | 159 | 246 |
| - Investment holding and management services | (249) | (3,756) | (1,033) | (1,275) |
| Total Profit after Tax | (505) | (3,476) | (488) | (362) |
| | | | - | |

(b) Analysis of revenue by geographic markets

| Revenue | Current Quarter | | | Cumulative Quarter | | |
|---------------------|-----------------------------|---------------|--------------|-----------------------------|---------------|---------------|
| | 3 months ended 30 June 2016 | | | 6 months ended 30 June 2016 | | |
| | External Sales | Inter-segment | Total | External Sales | Inter-segment | Total |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Malaysia | 6,409 | - | 6,409 | 16,248 | - | 16,248 |
| Overseas | 2,116 | - | 2,116 | 3,692 | - | 3,692 |
| Eliminations | - | - | - | - | - | - |
| Consolidated | 8,525 | - | 8,525 | 19,940 | - | 19,940 |

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.

Bank guarantees issued to contract customers for performance of contracts

As at 30.06.2016
RM'000
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 SECOND QUARTER ENDED 30 JUNE 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 a decrease in revenue of RM4.94 million for the current quarter under review as compared to the preceding year's corresponding quarter revenue of RM13.47 million (Q2, 2015). The Group recorded a loss before tax ("LBT") of RM0.69 million for the current quarter under review as compared to the preceding year's corresponding quarter LBT of RM3.25 million. The current quarter loss is mainly due to lower revenue, lower profit margin on projects and one-off corporate exercise expenses in relation to the bonus issue of warrant and acquisition of property.

B2 Comparison with Preceding Quarter's Results

The Group's revenue decreased by 25% from RM11.41 million recorded in the immediate preceding quarter to RM8.52 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 30.06.2016 RM'000 | Cumulative Quarter 30.06.2016 RM'000 |
|-------------------|--|---|
| Tax payable | | |
| Current period | (184) | 5 |
| Deferred Taxation | - | - |
| | <u>(184)</u> | <u>5</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 of its existing factory in Shah Alam.



DOLPHIN INTERNATIONAL BERHAD (1001521-X)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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 | 58 | 10,942 | Within twenty four (24) months |
| Set up of a R&D facility | 4,000 | 811 | 3,189 | 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 | 17,149 | 14,131 | |

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 30 June 2016 are as follows:

| | Short Term RM'000 | Long Term RM'000 | Total RM'000 |
|---------------------------|----------------------|---------------------|-----------------|
| Secured :- | | | |
| Bank overdrafts | 9,355 | - | 9,355 |
| Bank borrowings | 28,868 | 12,365 | 41,233 |
| Hire purchase liabilities | 633 | 689 | 1,322 |
| Total | 38,856 | 13,054 | 51,910 |

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 Per Share ("LPS")

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

(a) Basic LPS

| | 3 months ended | | Year-to-date | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30.06.2016 RM'000 | 30.06.2015 RM'000 | 30.06.2016 RM'000 | 30.06.2015 RM'000 |
| Loss attributable to ordinary equity owners of the Company | (499) | (3,470) | (494) | (363) |
| Weighted average number of ordinary shares of RM 0.20 each in issue ('000) | | | | |
| - number of ordinary shares in issue since 1st January ('000) | 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 ('000) | - | 166,000 | - | 84,376 |
| - new Dolphin shares issued on 9 June 2015 pursuant to the Public Issue ('000) | - | 11,121 | - | 5,591 |
| | <u>222,000</u> | <u>187,121</u> | <u>222,000</u> | <u>99,967</u> |
| Basic LPS (sen) | (0.22) | (1.85) | (0.22) | (0.36) |



DOLPHIN INTERNATIONAL BERHAD (1001521-X)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016

(b) Diluted LPS

| | 3 months ended | | Year-to-date | |
|--|----------------|----------------|----------------|---------------|
| | 30.06.2016 | 30.06.2015 | 30.06.2016 | 30.06.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Loss attributable to ordinary equity owners of the Company | (499) | (3,470) | (494) | (363) |
| Weighted average number of ordinary shares of RM 0.20 each in issue ('000) | | | | |
| - number of ordinary shares in issue since 1st January ('000) | 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 ('000) | - | 166,000 | - | 84,376 |
| - new Dolphin shares issued on 9 June 2015 pursuant to the Public Issue ('000) | - | 11,121 | - | 5,591 |
| - Assume full conversion of warrants ('000) | * | - | * | - |
| | <u>222,000</u> | <u>187,121</u> | <u>222,000</u> | <u>99,967</u> |
| Diluted LPS (sen) | <u>(0.22)</u> | <u>(1.85)</u> | <u>(0.22)</u> | <u>(0.36)</u> |

* Not taken into account in the computation of diluted LPS because the effect is anti-dilutive.

The computation for diluted LPS is not applicable for individual quarter and period ended 30 June 2016 as it has an anti-dilution effect.

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 30.06.2016 RM'000 | As at 30.06.2015 RM'000 |
|--|-------------------------------|-------------------------------|
| Total retained earnings of the Company and its subsidiaries: | | |
| - Realised | 28,746 | 25,199 |
| - Unrealised | (160) | 658 |
| Total retained earnings as per unaudited condensed consolidated financial statements | <u>28,586</u> | <u>25,857</u> |

B13 Notes to the Condensed Consolidated Statement of Profit or Loss

| | 3 months ended | | Year-to-date | |
|--|----------------|------------|--------------|------------|
| | 30.06.2016 | 30.06.2015 | 30.06.2016 | 30.06.2015 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit before taxation is arrived at after charging:- | | | | |
| Interest expenses | 781 | 953 | 1,415 | 1,270 |
| Rental expenses | 49 | 71 | 104 | 172 |
| Amortisation and depreciation of property, plant and equipment and Investment property | 295 | 910 | 724 | 1,034 |
| After crediting:- | | | | |
| Interest Income | 314 | 34 | 318 | 35 |
| (loss)/Gain on foreign exchange | | | | |
| - Realised | 36 | 591 | 34 | (63) |
| - Unrealised | 171 | (172) | (42) | 176 |

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 29 August 2016.