



# DOLPHIN INTERNATIONAL BERHAD (1001521-X)

## QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	3 MONTHS PERIOD ENDED		3 MONTHS PERIOD ENDED		
	31 MARCH 2019	31 MARCH 2018	31 MARCH 2019	31 MARCH 2018	
	RM'000	RM'000	RM'000	RM'000	
Revenue	1,623	1,390	1,623	1,390	
Cost of sales	(685)	(753)	(685)	(753)	
Gross Profit	938	637	938	637	
Other income	3,144	220	3,144	220	
Administrative expenses	(2,026)	(2,586)	(2,026)	(2,586)	
Profit / (Loss) from operations	2,056	(1,729)	2,056	(1,729)	
Finance costs	(737)	(462)	(737)	(462)	
Profit / (Loss) before tax	1,319	(2,191)	1,319	(2,191)	
Income tax expenses	-	-	-	-	
<b>Profit / (Loss) for the period</b>	<b>1,319</b>	<b>(2,191)</b>	<b>1,319</b>	<b>(2,191)</b>	
<b>Profit / (Loss) attributable to:</b>					
Owners of the Company	1,196	(2,196)	1,196	(2,196)	
Non-controlling interests	123	5	123	5	
	<b>1,319</b>	<b>(2,191)</b>	<b>1,319</b>	<b>(2,191)</b>	
	-	-	-	-	
<b>Profit / (Loss) per share attributable to Owners of the Company</b>					
- Basic (sen)	B10	0.49	(0.90)	0.49	(0.90)
- Diluted (sen) (Note 2)	B10	0.49	(0.90)	0.49	(0.90)

**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 2018 and the accompanying explanatory notes to the interim financial report.

(2) Diluted EPS / LPS is not applicable for individual quarter and period ended 31 March 2019 as it has an anti-dilution effect.



QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER  
ENDED 31 MARCH 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS PERIOD ENDED		3 MONTHS PERIOD ENDED	
	31 MARCH 2019	31 MARCH 2018	31 MARCH 2019	31 MARCH 2018
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period	1,319	(2,191)	1,319	(2,191)
<b>OTHER COMPREHENSIVE PROFIT / (LOSS)</b>				
Exchange difference arising on translation of foreign operations	100	(278)	100	(278)
Other comprehensive profit/(loss), net of tax	100	(278)	100	(278)
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD</b>	<b>1,419</b>	<b>(2,469)</b>	<b>1,419</b>	<b>(2,469)</b>
<b>Total comprehensive profit/(loss) attributable to:</b>				
Owners of the Company	1,296	(2,474)	1,296	(2,474)
Non-controlling interests	123	5	123	5
	<u>1,419</u>	<u>(2,469)</u>	<u>1,419</u>	<u>(2,469)</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 2018 and the accompanying explanatory notes to the interim financial report.



QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER  
ENDED 31 MARCH 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31 MARCH 2019 RM'000 (Unaudited)	AS AT 31 DECEMBER 2018 RM'000 (Audited)
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	24,293	24,413
Work in progress for property, plant and equipment	31,610	29,600
Investment property	185	185
Development costs	17,605	17,605
Goodwill on consolidation	295	295
	73,988	72,098
<b>CURRENT ASSETS</b>		
Inventories	491	1,747
Trade receivables	7,150	8,194
Other receivables, deposit and prepayment	1,289	798
Current tax asset	290	402
Contract asset	1,008	892
Control Cost	1,345	-
Fixed deposits with licensed banks	5,754	5,597
Cash and bank balances	1,506	1,188
	18,833	18,818
Assets classified as held for sale	4,172	6,037
	18,833	18,818
<b>TOTAL ASSETS</b>	<b>96,993</b>	<b>96,953</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Share capital	81,560	81,560
Foreign currency translation reserve	748	648
Revaluation Reserve	1,801	1,801
Reserve arising from reverse acquisition	(23,145)	(23,145)
Retained loss	(35,720)	(36,916)
<b>Shareholders' Fund</b>	<b>25,244</b>	<b>23,948</b>
Non-controlling interests	74	(49)
<b>TOTAL EQUITY</b>	<b>25,318</b>	<b>23,899</b>
<b>NON-CURRENT LIABILITIES</b>		
Hire purchase payables	75	93
Bank borrowings	29,109	29,245
Provision for Retirement Benefits	29	32
Deferred tax liabilities	582	582
Preference Shares	7,418	5,612
Amount due to Directors	3,999	4,103
	41,212	39,667
<b>CURRENT LIABILITIES</b>		
Contract Liabilities	1,296	858
Trade payables	11,083	11,173
Other payables and accruals	8,611	12,456
Hire purchase payables	80	95
Bank borrowings	4,649	4,963
Bank overdrafts	4,744	3,842
	30,463	33,387
<b>TOTAL LIABILITIES</b>	<b>71,675</b>	<b>73,054</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>96,993</b>	<b>96,953</b>
Number of ordinary shares	244,200	244,200
Net Assets per share attributable to ordinary equity owners of the Company (sen)	10.3	9.8

*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 2018 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 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Owners of the Company							Total Equity RM'000
	Non-Distributable				Distributable		Non- Controlling Interests RM'000	
	Share Capital RM'000	Reserve Arising from Reverse Acquisition RM'000	Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Retained (Loss)/Profit RM'000	Sub-total RM'000		
<b>Current period-to-date ended 31 MARCH 2019</b>								
<b>As at 1 January 2019</b>	81,560	(23,145)	648	1,801	(36,916)	23,948	(49)	23,899
Translation with owners								
Profit for the period	-	-	-	-	1,196	1,196	123	1,319
Other Comprehensive profit for the period	-	-	100	-	-	100	-	100
<b>Total comprehensive profit for the period</b>	-	-	100	-	1,196	1,296	123	1,419
<b>Balance as at 31 March 2019</b>	<b>81,560</b>	<b>(23,145)</b>	<b>748</b>	<b>1,801</b>	<b>(35,720)</b>	<b>25,244</b>	<b>74</b>	<b>25,318</b>
<b>Corresponding period-to-date ended 31 MARCH 2018</b>								
<b>As at 1 January 2018</b>	81,560	(23,145)	583	-	(32,685)	26,313	(84)	26,229
Translation with owners								
(Loss)/profit for the period	-	-	-	-	(2,196)	(2,196)	5	(2,191)
Other Comprehensive Loss for the period	-	-	(278)	-	-	(278)	-	(278)
<b>Total comprehensive (loss)/profit for the period</b>	-	-	(278)	-	(2,196)	(2,474)	5	(2,469)
Transition to no par value regime	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>81,560</b>	<b>(23,145)</b>	<b>305</b>	<b>-</b>	<b>(34,881)</b>	<b>23,839</b>	<b>(79)</b>	<b>23,760</b>

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 2018 and the accompanying explanatory notes to the interim financial report.



QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST QUARTER  
ENDED 31 MARCH 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>CURRENT PERIOD ENDED 31 MARCH 2019</b>	<b>CORRESPONDING PERIOD ENDED 31 MARCH 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	1,319	(2,191)
Adjustments for:		
Depreciation of property, plant & equipment	121	140
Amortisation of investment properties and leasehold land	1	13
(Reversal) / Impairment loss on Trade Receivables	(18)	-
Gain on disposal of property, plant and equipment	(3,135)	(197)
Interest income	(7)	(1)
Interest expenses	737	462
Unrealised loss/(gain) on foreign exchange	92	(19)
<b>Operating loss before changes in working capital</b>	<b>(890)</b>	<b>(1,793)</b>
Changes in Working Capital		
Inventories	42	152
Trade and other receivables	451	1,418
Trade and other payables	133	(1,521)
Contract Asset	4,111	10,295
<b>Net cash flows generated from operations</b>	<b>3,847</b>	<b>8,551</b>
Income tax paid	-	(9)
Tax refund	111	317
Interests paid	(174)	(306)
Interests received	7	1
<b>Net cash from operating activities</b>	<b>3,791</b>	<b>8,554</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Work in progress for property, plant and equipment	(5,565)	(14,137)
Proceeds from disposal of property, plant and equipment	640	383
Additional development costs	-	(71)
<b>Net cash used in investing activities</b>	<b>(4,925)</b>	<b>(13,825)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Fixed deposits pledged as security values	(156)	(1,025)
Proceeds from disposal of partial investment in Subsidiary	300	-
Proceeds from issuance of preference shares	1,324	-
Repayment of hire purchase payables	(39)	(252)
Net change in bills payables	(111)	(1,260)
Drawdown/(Repayment) of term loans	(574)	11,537
Net changes in amount due to directors	-	(1,187)
Interests paid	(194)	(156)
<b>Net cash from financing activities</b>	<b>550</b>	<b>7,657</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(584)</b>	<b>2,386</b>
Effects of exchange rate changes on cash and cash equivalents	-	(17)
Cash and cash equivalents as at the beginning of the financial year	(2,654)	(11,736)
<b>Cash and cash equivalents as at the end of the financial year</b>	<b>(3,238)</b>	<b>(9,367)</b>
<b>Analysis of cash and cash equivalents:</b>		
Fixed deposits placed with licensed banks	5,754	6,177
Cash and bank balances	1,506	1,986
Bank overdrafts	(4,744)	(11,353)
	2,516	(3,190)
Less: Fixed deposits held as security values	(5,754)	(6,177)
	<b>(3,238)</b>	<b>(9,367)</b>

**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 2018 and the accompanying explanatory notes to the interim financial report.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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 2018.

**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 2018 except for the adoption of the following amendments/improvements to MFRSs which are applicable to the Group with effect from 1 January 2019:-

**Amendments/Improvements to MFRSs**

MFRS 16	Leases
MFRS 112	Income Taxes
MFRS 123	Borrowing Costs

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 Audit report of preceding annual financial statements**

Except for the possible effects of the matter described as below Basis for Qualified Opinion on development costs and capital work-in-progress for a palm oil mill enhancement and optimisation project, our auditor opined that the accompanying financial statements of the Group give a true and fair view of the financial position of the Group as at 31 December 2018, and of its financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

**Basis for Qualified Opinion**

We draw attention to Note 7(a) and Note 5(a) to the financial statements, Intangible Assets (Note 7(a)) and Property, Plant and Equipment (Note 5(a)) of the Group is development costs of RM17,604,551 and capital work-in-progress for a palm oil mill enhancement and optimisation project of RM5,972,131 as at the end of the financial year.

As disclosed in Note 7(a), the development expenditures incurred were in relation to the development of an improved automated sterilisation system for palm oil extraction and yet to be commercialised. In the previous financial year, the Group has secured a palm oil mill enhancement and optimisation project. Due to the unfavourable market and financial condition, the project has yet to be completed todate.

The Board of Directors of the Company wishes to inform that the palm oil mill enhancement and optimisation project will be completed and the recurring revenue will kick in during the financial year ending 31 December 2019.

**A4 Seasonal or Cyclical Factors**

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

**A5 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.

**A6 Changes in estimates**

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

**A7 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.

**A8 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 2019

**A9 Segmental Information**

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

	Current Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
- Provision of milling systems and solutions	541	115	541	115
- Supply of parts and maintenance services	1,082	1,275	1,082	1,275
Total Revenue	1,623	1,390	1,623	1,390
	-	-	-	-
<b>Segment Results</b>				
- Provision of milling systems and solutions	(649)	(1,572)	(649)	(1,572)
- Supply of parts and maintenance services	(138)	(241)	(138)	(241)
- Investment holding and management services	2,106	(378)	2,106	(378)
Total Profit/(Loss) after Tax	1,319	(2,191)	1,319	(2,191)
	-	-	-	-

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

Revenue	Current Quarter			Cumulative Quarter		
	3 months ended 31 March 2019			3 months ended 31 March 2019		
	External Sales	Inter-segment	Total	External Sales	Inter-segment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	1,063	-	1,063	1,063	-	1,063
Overseas	560	-	560	560	-	560
<b>Consolidated</b>	<b>1,623</b>	<b>-</b>	<b>1,623</b>	<b>1,623</b>	<b>-</b>	<b>1,623</b>

**A10 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.

**A11 Changes in the Composition of the Group**

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

**A12 Contingent Liabilities or Contingent Assets**

There were no material contingent liabilities as at the end of the current financial quarter and up to the date of this report.

**A13 Capital Commitments**

Save as disclosed below, there were no other material capital commitments as at the end of the current financial quarter and up to the date of this report.

Capital expenditure approved and contracted for but not provided for in the financial statements

As at 31.03.2019  
RM'000  
13,189

**A14 Significant Related Party Transactions**

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

## 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 by RM0.23 million to RM1.62 million for the current quarter under review as compared to the preceding year's corresponding quarter revenue of RM1.39 million (Q1, 2018). The Group recorded a profit before taxation ("PBT") of RM1.32 million for the current quarter under review compared to the preceding year's corresponding quarter loss before tax ("LBT") of RM2.19 million. The improved in PBT is due to one off gain on disposal of property in the current quarter under review.

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

The Group's PBT when compared to the immediate preceding quarter decrease by 50% from PBT of RM2.63 million to PBT of RM 1.32 million. The decrease in PBT is due to lower revenue generation in the current quarter and one off expenses related to the disposal of property.

**B3 Prospects**

The Group is implementing its new business strategy and direction to secure new projects under a build-own-operate or build-own-operate-transfer model which will be able to provide a more sustainable and consistent income stream. In addition, the Group is also planning to diversify and improve its income source by moving into the palm oil milling market. Notwithstanding the aforesaid, the Board of Directors expects the Group's performance for the financial year ending 31 December 2019 to remain challenging.

**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 or announcement.

**B5 Taxation**

	Current Quarter 31.03.2019 RM'000	Cumulative Quarter 31.03.2019 RM'000
Tax payable	-	-
Current period	-	-
Deferred Taxation	-	-
	<u>-</u>	<u>-</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**

There were no corporate proposals announced but not yet completed as at the date of this quarterly announcement.

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

The Group's borrowings as at 31 March 2019 are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured :-			
Bank overdrafts	4,744	-	4,744
Bank borrowings	4,649	29,109	33,758
Hire purchase liabilities	80	75	155
<b>Total</b>	<u>9,473</u>	<u>29,184</u>	<u>38,657</u>

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****PT Dolphin Indonesia ("the subsidiary") Vs PT Arka Jaya Mandiri ("PTAJM")**

On 8 December 2017, the Subsidiary's solicitors' filed a Writ of Summons ("Suit") at the High Court of Indonesia for Rp12,542,812,878 (together with interest deemed appropriate by the Court), being the total amount claimed from PTAJM.

Status: The hearing is ongoing at Pengadilan Negeri Jakarta Timur.

**PT Dolphin Indonesia ("the subsidiary") Vs PT Himalaya Transmeka ("PTHT")**

On 1 February 2018, the Subsidiary's solicitors' filed a Writ of Summons ("Suit") at the District Court of Indonesia for Rp14,499,597,854 (together with interest deemed appropriate by the Court), being the total amount claimed from PTHT.

Status: The hearing is ongoing at Pengadilan Negeri Tangerang





# DOLPHIN INTERNATIONAL BERHAD (1001521-X)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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

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

#### (a) Basic EPS / LPS

	3 months ended		Year-to-date	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
Gain/(Loss) attributable to ordinary equity owners of the Company	1,196	(2,196)	1,196	(2,196)
Weighted average number of ordinary shares ('000)				
- number of ordinary shares in issue since 1st January ('000)	244,200	244,200	244,200	244,200
	244,200	244,200	244,200	244,200
Basic EPS / LPS (sen)	0.49	(0.90)	0.49	(0.90)

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

#### (b) Diluted EPS / LPS

	3 months ended		Year-to-date	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
Gain/(Loss) attributable to ordinary equity owners of the Company	1,196	(2,196)	1,196	(2,196)
Weighted average number of ordinary shares ('000)				
- number of ordinary shares in issue since 1st January ('000)	244,200	244,200	244,200	244,200
- Assume full conversion of warrants ('000)	*	*	*	*
	244,200	244,200	244,200	244,200
Diluted EPS / LPS (sen)	0.49	(0.90)	0.49	(0.90)

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

The computation for diluted EPS / LPS is not applicable for individual quarter and period ended 31 March 2019 as it has an anti-dilution effect.

### B11 Dividends

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

### B12 Notes to the Condensed Consolidated Statement of Profit or Loss

	3 months ended		Year-to-date	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
Gain/(loss) before taxation is arrived at after charging:-				
Interest expenses	737	462	737	462
Rental expenses	208	176	208	176
(Reversal) / Impairment loss on Trade Receivables	(18)	-	(18)	-
Amortisation and depreciation of property, plant and equipment and Investment property	122	153	122	153
After crediting:-				
Interest Income	7	1	7	1
Gain on disposal of property, plant and equipment	3,135	197	3,135	197
Loss on foreign exchange				
- Realised	37	(19)	37	(19)
- Unrealised	(92)	19	(92)	19

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

### B13 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 2019.