



DOLPHIN INTERNATIONAL BERHAD (1001521-X)

QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	3 MONTHS PERIOD ENDED 31 DECEMBER 2019	31 DECEMBER 2018	12 MONTHS PERIOD ENDED 31 DECEMBER 2019	31 DECEMBER 2018	
	RM'000	RM'000	RM'000	RM'000	
Revenue	1,413	8,211	8,387	13,353	
Cost of sales	(1,182)	(5,135)	(4,386)	(8,190)	
Gross Profit	231	3,076	4,001	5,163	
Other income	45	590	3,301	890	
Administrative expenses	390	(718)	(4,940)	(7,824)	
Profit / (Loss) from operations	666	2,948	2,362	(1,771)	
Finance costs	(274)	(782)	(2,539)	(2,618)	
Profit / (Loss) before tax	392	2,166	(177)	(4,389)	
Income tax expenses	2	145	(48)	142	
Profit / (Loss) for the period	394	2,311	(225)	(4,247)	
Profit / (Loss) attributable to:					
Owners of the Company	399	2,324	(210)	(4,230)	
Non-controlling interests	(5)	(13)	(15)	(17)	
	394	2,311	(225)	(4,247)	
Profit / (Loss) per share attributable to Owners of the Company					
- Basic (sen)	B10	0.16	0.95	(0.09)	(1.73)
- Diluted (sen) (Note 2)	B10	0.16	0.95	(0.09)	(1.73)

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 December 2019 as it has an anti-dilution effect.



QUARTERLY REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 MONTHS PERIOD ENDED 31 DECEMBER 2019 RM'000	31 DECEMBER 2018 RM'000	12 MONTHS PERIOD ENDED 31 DECEMBER 2019 RM'000	31 DECEMBER 2018 RM'000
Profit / (Loss) for the period	394	2,311	(225)	(4,247)
OTHER COMPREHENSIVE PROFIT / (LOSS)				
Exchange difference arising on translation of foreign operations	(26)	(3)	86	(143)
Other comprehensive profit/(loss), net of tax	(26)	(3)	86	(143)
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD	368	2,308	(139)	(4,390)
Total comprehensive profit / (loss) attributable to:				
Owners of the Company	375	2,318	(122)	(4,376)
Non-controlling interests	(7)	(10)	(17)	(14)
	<u>368</u>	<u>2,308</u>	<u>(139)</u>	<u>(4,390)</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 FOURTH QUARTER
ENDED 31 DECEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31 DECEMBER 2019 RM'000 (Unaudited)	AS AT 31 DECEMBER 2018 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	23,818	24,413
Right-of-use assets	1,338	-
Work in progress for property, plant and equipment	38,659	29,600
Investment property	183	185
Development costs	17,605	17,605
Goodwill on consolidation	295	295
	81,898	72,098
CURRENT ASSETS		
Inventories	460	1,747
Trade receivables	1,173	8,194
Other receivables, deposit and prepayment	933	798
Current tax asset	-	402
Contract asset	1,075	892
Control Cost	159	-
Fixed deposits with licensed banks	924	5,597
Cash and bank balances	1,582	1,188
	6,306	18,818
Assets classified as held for sale	4,172	6,037
	92,376	96,953
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	81,560	81,560
Foreign currency translation reserve	734	648
Revaluation Reserve	1,801	1,801
Reserve arising from reverse acquisition	(23,145)	(23,145)
Retained loss	(37,126)	(36,916)
Shareholders' Fund	23,824	23,948
Non-controlling interests	(66)	(49)
TOTAL EQUITY	23,758	23,899
NON-CURRENT LIABILITIES		
Hire purchase payables	7	93
Bank borrowings	28,291	29,245
Provision for Retirement Benefits	46	32
Deferred tax liabilities	582	582
Preference Shares	8,116	5,612
Other payable	-	163
Amount due to Directors	3,997	3,940
	41,039	39,667
CURRENT LIABILITIES		
Contract Liabilities	1,604	858
Trade payables	10,721	11,173
Other payables and accruals	11,025	12,456
Hire purchase payables	32	95
Bank borrowings	2,272	4,963
Bank overdrafts	1,925	3,842
	27,579	33,387
TOTAL LIABILITIES	68,618	73,054
TOTAL EQUITY AND LIABILITIES	92,376	96,953
Number of ordinary shares	244,200	244,200
Net Assets per share attributable to ordinary equity owners of the Company (sen)	9.8	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 FOURTH QUARTER
ENDED 31 DECEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Owners of the Company							Non-Controlling Interests	Total Equity
	Non-Distributable				Distributable		Sub-total		
	Share Capital	Reserve Arising from Reverse Acquisition	Foreign Currency Translation Reserve	Revaluation Reserve	Retained Loss				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Current period-to-date ended 31 DECEMBER 2019									
As at 1 January 2019	81,560	(23,145)	648	1,801	(36,916)	23,948	(49)	23,899	
Translation with owners									
Loss for the period	-	-	-	-	(210)	(210)	(15)	(225)	
Other Comprehensive profit for the period	-	-	86	-	-	86	(2)	84	
Total comprehensive profit / (loss) for the period	-	-	86	-	(210)	(124)	(17)	(141)	
Balance as at 31 December 2019	81,560	(23,145)	734	1,801	(37,126)	23,824	(66)	23,758	
Corresponding period-to-date ended 31 DECEMBER 2018									
As at 1 January 2018	81,560	(23,145)	505	-	(32,685)	26,235	(84)	26,151	
Translation with owners									
Loss for the period	-	-	-	-	(4,231)	(4,231)	(14)	(4,245)	
Other Comprehensive Profit for the period	-	-	143	1,801	-	1,944	-	1,944	
Total comprehensive profit for the period	-	-	143	1,801	(4,231)	(2,287)	(14)	(2,301)	
Non-controlling interests arising from incorporation of a new subsidiary	-	-	-	-	-	-	49	49	
Balance as at 31 December 2018	81,560	(23,145)	648	1,801	(36,916)	23,948	(49)	23,899	

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 FOURTH QUARTER
ENDED 31 DECEMBER 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT PERIOD ENDED 31 DECEMBER 2019 RM'000	CORRESPONDING PERIOD ENDED 31 DECEMBER 2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(177)	(4,389)
Adjustments for:		
Depreciation of property, plant & equipment	826	595
Amortisation of investment properties and leasehold land	2	2
(Reversal) / Impairment loss on Trade Receivables	(78)	(1,092)
Provision for foreseeable losses	-	13
Bad debt written off	2	-
Gain on disposal of property, plant and equipment	(3,149)	(222)
Property, plant & equipment written off	169	5
Interest income	(104)	(183)
Interest expenses	1,115	2,618
Interest expenses - fair value	1,425	-
Unrealised loss/(gain) on foreign exchange	61	129
Provision for retirement benefit	-	11
Operating gain / (loss) before changes in working capital	92	(2,513)
Changes in Working Capital		
Inventories	73	(1,398)
Trade and other receivables	7,928	5,712
Trade and other payables	761	(2,918)
Contract Asset	4,567	1,673
Net cash flows generated from operations	13,421	556
Income tax paid	(98)	(9)
Tax refund	486	322
Interests paid	661	(1,174)
Interests received	104	(292)
Net cash from / (used in) operating activities	14,574	(597)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(41)	(15,093)
Work in progress for property, plant and equipment	(12,848)	-
Proceeds from disposal of property, plant and equipment	731	408
Proceeds from disposal of property	-	4,828
Incorporation of a subsidiary	-	49
Additional development costs	-	(392)
Net cash used in investing activities	(12,158)	(10,200)
CASH FLOWS FROM FINANCING ACTIVITIES		
Fixed deposits pledged as security values	4,673	(445)
Proceeds from issuance of preference shares	1,310	5,197
Repayment of finance lease liabilities	-	(456)
Repayment of hire purchase payables	(169)	-
Net change in bills payables	(2,989)	-
Drawdown/(Repayment) of term loans	(2,444)	17,920
Net changes in amount due to directors	1,296	(1,541)
Interests paid	(1,776)	(784)
Net cash (used in) / from financing activities	(99)	19,891
Net increase in cash and cash equivalents	2,317	9,094
Effects of exchange rate changes on cash and cash equivalents	(6)	(12)
Cash and cash equivalents as at the beginning of the financial year	(2,654)	(11,736)
Cash and cash equivalents as at the end of the financial year	(343)	(2,654)
Analysis of cash and cash equivalents:		
Fixed deposits placed with licensed banks	924	5,597
Cash and bank balances	1,582	1,188
Bank overdrafts	(1,925)	(3,842)
	581	2,943
Less: Fixed deposits held as security values	(924)	(5,597)
	(343)	(2,654)

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 FOURTH QUARTER ENDED 31 DECEMBER 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 2020.

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 FOURTH QUARTER ENDED 31 DECEMBER 2019

A9 Segmental Information

(a) Analysis of revenue and segmental results

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
- Provision of milling systems and solutions	919	6,341	3,097	7,417
- Supply of parts and maintenance services	494	1,870	5,290	5,936
Total Revenue	1,413	8,211	8,387	13,353
	-	-	-	-
Segment Results				
- Provision of milling systems and solutions	(872)	(578)	(1,801)	(4,996)
- Supply of parts and maintenance services	533	2,430	540	1,513
- Investment holding and management services	733	459	1,036	(764)
Total profit / (Loss) after Tax	394	2,311	(225)	(4,247)
	-	-	-	-

(b) Analysis of revenue by geographic markets

Revenue	Current Quarter			Cumulative Quarter		
	3 months ended 31 December 2019			12 months ended 31 December 2019		
	External Sales	Total	Total	External Sales	Total	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	903	-	903	6,113	-	6,113
Overseas	510	-	510	2,274	-	2,274
Consolidated	1,413	-	1,413	8,387	-	8,387

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 31.12.2019
RM'000
3,197

A14 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 FOURTH QUARTER ENDED 31 DECEMBER 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 a decrease in revenue by RM6.80 million to RM1.41 million for the current quarter under review as compared to the preceding year's corresponding quarter revenue of RM8.21 million (Q4, 2018). The Group recorded a profit before taxation ("PBT") of RM0.39 million for the current quarter under review compared to the preceding year's corresponding quarter profit before tax ("PBT") of RM2.17 million. The decreased in PBT is mainly due to decrease in revenue in the current quarter under review.

B2 Comparison with Preceding Quarter's Results

The Group's reported PBT of RM 0.39 million for the current quarter under review as compared to the immediate preceding quarter LBT of RM0.42 million. The profit reported in the current quarter under review is mainly due to reversal of overprovisions of administrative expenses.

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 31.12.2019 RM'000	Cumulative Quarter 31.12.2019 RM'000
Tax payable		
Real Property Gain Tax	-	120
Prior period	(2)	(72)
	<u>(2)</u>	<u>48</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

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

Proposed Disposal by DIB of its 80% equity interest in Dolphin Biogas Sdn Bhd ("DBSB")

On 31 January 2020, on behalf of the Board of Directors of DIB, Mercury Securities Sdn Bhd had announced that the Company entered into a conditional sale of shares agreement with Asia Poly Green Energy Sdn Bhd ("APGE") for the disposal of its 80% equity interest in Dolphin Biogas Sdn Bhd ("DBSB") to APGE for a cash consideration of RM2,123,675.50.

B7 Group's Borrowings and Debt Securities

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

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured :-			
Bank overdrafts	1,925	-	1,925
Bank borrowings	2,272	28,291	30,563
Hire purchase liabilities	32	7	39
Total	4,229	28,298	32,527

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 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: Pending the status of appeal submitted by PTHT against the decision by Pengadilan Negeri Tangerang which is in favour of PTDI



DOLPHIN INTERNATIONAL BERHAD (1001521-X)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2019

B10 Earning 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 LPS

	3 months ended		Year-to-date	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Gain / (Loss) attributable to ordinary equity owners of the Company	399	2,324	(210)	(4,230)
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
	<u>244,200</u>	<u>244,200</u>	<u>244,200</u>	<u>244,200</u>
Basic EPS / LPS (sen)	0.16	0.95	(0.09)	(1.73)

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	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Gain / (Loss) attributable to ordinary equity owners of the Company	399	2,324	(210)	(4,230)
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)	*	*	*	*
	<u>244,200</u>	<u>244,200</u>	<u>244,200</u>	<u>244,200</u>
Diluted EPS / LPS (sen)	0.16	0.95	(0.09)	(1.73)

* 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 December 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	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Profit / (Loss) before taxation is arrived at after charging:-				
Interest expenses	274	1,114	2,539	2,618
Rental expenses	(444)	121	158	651
(Reversal) / Impairment loss on Trade Receivables	(19)	(907)	(78)	(1,123)
Amortisation and depreciation of property, plant and equipment and Investment property	489	145	828	597
After crediting:-				
Interest Income	6	148	104	183
Gain on disposal of property, plant and equipment	-	25	3,149	222
(Loss) / gain on foreign exchange				
- Realised	-	(7)	(37)	(122)
- Unrealised	16	(152)	(61)	(129)

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 27 February 2020.