

DOLOMITE CORPORATION BERHAD (290455-W)
Incorporated in Malaysia

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2019

The Board of Directors of Dolomite Corporation Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 30 September 2019 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to the unaudited consolidated financial statements.

	As at 30.09.2019 RM'000 (unaudited)	As at 30.06.2019 RM'000 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	212,384	219,160
Intangible assets	6,533	6,536
	<u>218,917</u>	<u>225,696</u>
Current Assets		
Inventories	121,987	121,134
Trade receivables	6,500	16,155
Contract assets	2,351	3,190
Other receivables, deposits and prepayments	42,254	45,097
Current tax assets	113	494
Cash and bank balances	583	533
	<u>173,788</u>	<u>186,603</u>
Assets classified as held for sale	65,954	75,038
TOTAL ASSETS	<u>458,659</u>	<u>487,337</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	18,106	18,106
Accumulated losses	(94,726)	(89,087)
Reserves	87,606	84,642
Total equity	<u>10,986</u>	<u>13,661</u>
Liabilities		
Non-current liabilities		
Loans and borrowings	5,604	13,202
Deferred tax liabilities	5,062	5,184
Other payables	19,599	19,425
	<u>30,265</u>	<u>37,811</u>
Current liabilities		
Trade payables	20,872	18,053
Contract liabilities	4,118	12,579
Other payables, deposits and accruals	67,707	82,174
Provision	10,429	10,489
Loans and borrowings	274,883	276,125
Tax liabilities	12,012	11,269
	<u>390,021</u>	<u>410,689</u>
Liabilities directly associated with assets classified as held for sale	27,387	25,176
Total liabilities	<u>447,673</u>	<u>473,676</u>
Total equity and liabilities	<u>458,659</u>	<u>487,337</u>
Net assets per share (RM)	0.04	0.05

DOLOMITE CORPORATION BERHAD (290455-W)
Incorporated in Malaysia

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the quarter ended 30 September 2019

	Current year quarter 30.09.2019 RM'000 (unaudited)	Preceding year quarter 30.09.2018 RM'000 (unaudited)	Changes		Current year to date 30.09.2019 RM'000 (unaudited)	Preceding year to date 30.09.2018 RM'000 (unaudited)	Changes	
			RM '000	%			RM '000	%
Continuing Operations								
Revenue	9,752	13,699	(3,947)	-28.8%	9,752	13,699	(3,947)	-28.8%
Cost of sales	<u>(10,235)</u>	<u>(14,392)</u>	4,157	-28.9%	<u>(10,235)</u>	<u>(14,392)</u>	4,157	-28.9%
Gross Profit / (Loss)	(483)	(693)	210	-30.3%	(483)	(693)	210	-30.3%
Other income	658	1,895			658	1,895		
Marketing and distribution expenses	(229)	(411)			(229)	(411)		
Administrative expenses	(1,393)	(1,579)			(1,393)	(1,579)		
Other expenses	<u>(281)</u>	<u>(10,044)</u>			<u>(281)</u>	<u>(10,044)</u>		
Profit / (Loss) from operations	(1,728)	(10,832)	9,104	-84.0%	(1,728)	(10,832)	9,104	-84.0%
Finance costs	<u>(3,683)</u>	<u>(4,132)</u>			<u>(3,683)</u>	<u>(4,132)</u>		
Profit / (Loss) before taxation	(5,411)	(14,964)	9,553	-63.8%	(5,411)	(14,964)	9,553	-63.8%
Tax expense	<u>(802)</u>	<u>(822)</u>			<u>(802)</u>	<u>(822)</u>		
Profit / (Loss) from continuing operations	(6,213)	(15,786)	9,573	-60.6%	(6,213)	(15,786)	9,573	-60.6%
Discontinued Operations								
Profit from discontinued operations, net of tax	<u>575</u>	<u>-</u>			<u>575</u>	<u>-</u>		
Profit / (Loss) for the period	(5,638)	(15,786)	10,148	-64.3%	(5,638)	(15,786)	10,148	-64.3%
Other comprehensive income/(loss), net of tax								
Foreign currency translation	<u>2,964</u>	<u>2,802</u>			<u>2,964</u>	<u>2,802</u>		
Total comprehensive income/(loss) for the period	<u><u>(2,674)</u></u>	<u><u>(12,984)</u></u>			<u><u>(2,674)</u></u>	<u><u>(12,984)</u></u>		
Attributable to owners of the Company :								
Profit/(Loss) for the period	(5,638)	(15,786)			(5,638)	(15,786)		
Total comprehensive income/(loss)	<u><u>(2,674)</u></u>	<u><u>(12,984)</u></u>			<u><u>(2,674)</u></u>	<u><u>(12,984)</u></u>		
Earnings/(loss) per share (sen)								
- basic	(1.98)	(5.54)			(1.98)	(5.54)		
- diluted	N/A	N/A			N/A	N/A		

DOLOMITE CORPORATION BERHAD (290455-W)
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the quarter ended 30 September 2019

	Attributable to owners of the Company					Total equity RM'000
	<----- Non distributable ----->				Distributable	
	Share capital RM'000	Capital reserve RM'000	Foreign exchange translation reserve RM'000	Revaluation reserve RM'000	Accumulated losses RM'000	
As at 1 July 2018	18,106	68,694	963	12,241	(43,572)	56,432
Loss of the year	-	-	-	-	(45,515)	(45,515)
Other comprehensive income for the year	-	-	2,815	-	-	2,815
Revaluation of property, plant and equipment	-	-	-	(71)	-	(71)
As at 30 June 2019	18,106	68,694	3,778	12,170	(89,087)	13,661
Loss for the period	-	-	-	-	(5,639)	(5,639)
Other comprehensive income for the period	-	-	2,962	2	-	2,964
As at 30 September 2019	18,106	68,694	6,740	12,172	(94,726)	10,986

DOLOMITE CORPORATION BERHAD (290455-W)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
For the quarter ended 30 September 2019

	Current year to date 30.09.2019 RM'000 (unaudited)	Preceding year to date 30.09.2018 RM'000 (unaudited)
Operating activities		
Loss/(profit) before tax		
- Continuing operations	(5,412)	(14,964)
- Discontinued operations	805	-
	<u>(4,607)</u>	<u>(14,964)</u>
Adjustments for:		
Amortisation of:		
- intangible assets	3	162
- prepaid lease payments	-	44
- land use rights	117	519
Bad debts recovered	224	733
Depreciation of property, plant and equipment	1,612	2,866
Gain/Loss on disposal of		
- property, plant and equipment	(252)	(6)
Interest expense	3,683	4,132
Unrealised loss on foreign exchange	281	10,044
Operating profit before changes in working capital	<u>1,061</u>	<u>3,530</u>
Changes in working capital:		
Property development costs	890	(774)
Inventories	7,347	4,865
Trade and other receivables	11,863	7,463
Contract assets	839	-
Trade and other payables	(9,544)	(6,859)
Contract liabilities	(8,461)	-
Cash flow generated from/(for) operating activities	<u>3,995</u>	<u>8,225</u>
Tax paid	313	(715)
Interest paid	(3,683)	(4,132)
Net cash flow from/(for) operating activities	<u>625</u>	<u>3,378</u>

Investing activities

Proceeds from disposal of property, plant and equipment	252	6
Purchase of property, plant and equipment	(21)	(171)
Payment for prepaid lease premium	-	(39,013)
Net cash flow from/(for) investing activities	<u>231</u>	<u>(39,178)</u>

Financing activities

Proceeds from/(repayment of) loans and borrowings, net	(8,708)	33,811
Repayment of finance lease liabilities	(16)	(38)
Net cash flow from/(for) financing activities	<u>(8,724)</u>	<u>33,773</u>

Changes in cash and cash equivalents	(7,868)	(2,027)
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Currency translation differences	2	2
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Cash and cash equivalents at start of the period	(36,230)	(33,556)
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Cash and cash equivalents at end of the period	<u>(44,096)</u>	<u>(35,581)</u>
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DOLOMITE CORPORATION BERHAD (290455-W)
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PART A - EXPLANATORY NOTES PURSUANT TO FRS 134
For the quarter ended 30 September 2019

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2019. The explanatory notes attached to the interim financial statements provide explanations of the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2019.

2. Changes in Accounting Policies

The significant accounting policies applied are consistent with those of the audited financial statements for the year ended 30 June 2019 except for the adoption of the following new MFRSs, amendments to MFRSs and IC Interpretations that are effective for financial statements effective 1 January 2019, as disclosed below:

Effective for annual periods commencing on or after 1 January 2019

MFRS 16	<i>Leases</i>
Amendments to MFRS 9	<i>Prepayment Features with Negative Compensation</i>
Amendments to MFRS 119	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to MFRS 128	<i>Long-term Interests in Associates and Joint Ventures#</i>
IC Interpretation 23	<i>Uncertainty over Income Tax Treatments</i>
Annual Improvements to MFRS Standards 2015-2017 Cycle	

The Group has not adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board:

Amendments to MFRS effective 1 January 2020

Amendments to MFRS 3	<i>Definition of a Business</i>
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MFRS and Amendments to MFRS effective 1 January 2021

MFRS 17	<i>Insurance Contracts#</i>
Amendments to MFRS 101 and MFRS 108	<i>Definition of a Material</i>

Amendments to MFRSs (deferred effective dates to be announced by MASB)

Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture#</i>
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Not applicable to Group's existing operations

The possible impact on adoption of the above pronouncements in the period of initial application cannot be determined at present.

3 Auditors' Report on Preceding Financial Year Financial Statements

The audit report of the preceding financial year ended 30 June 2019 was qualified and contained a material uncertainty related to going concern.

Basis for Qualified Opinion

Group

Property, plant and equipment

As disclosed in Note 5(g) to the financial statements, included in property, plant and equipment of the Group as at 30 June 2019 are building, plant, machinery and equipment and land use rights of a subsidiary of the Company, namely Shandong Dolomite Thermal Power Company Limited ("SDTP") amounting to RM208.000 million.

On 3 March 2017, SDTP has been issued with the Power Generation Certificate and commenced its full operation. However, with effect from 30 November 2017, SDTP has ceased its operation due to low demand from the customers. In addition, the assets of SDTP was frozen by the People's Court of Linyi County of Shandong Province as a result of the claims made by the suppliers and a customer. An impairment loss of RM0.288 million and RM79.821 million was recognised in profit or loss during the current and previous financial year/period respectively, representing the impairment of buildings and plant, machinery and equipment of SDTP to their recoverable amount.

During the financial year, the Group reclassified its land use rights to property, plant and equipment. The Group also revalued its land use rights based on the valuation report issued by an external independent valuer in Shandong Province of China at fair value of RM18.127 million as at 30 June 2019. The reclassification and revaluation of the land use rights have not taken into consideration of the accounting policy adopted and accounting standards applicable to the Group, as the directors are of the view that it is a fair reflection of the total recoverable amount from their investment in the assets of SDTP.

In addition, the recoverable amount of the property, plant and equipment of SDTP of RM208.000 million as at 30 June 2019 has not taken into consideration that SDTP has ceased its operation and the condition of these assets are not known as it was frozen. If SDTP is unable to resume operation in the foreseeable future or generate adequate cash flows for its operating activities, adjustments may have to be made to reflect the situation that property, plant and equipment may need to be realised other than in the ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position.

Accordingly, the financial statements would have been affected by these adjustments.

Material Uncertainty Related to Going Concern

Note 2.8 to the financial statements disclosed that during the financial year ended 30 June 2019, the Group and the Company incurred a net loss of RM45.515 million and RM71.829 million respectively and, as of that date, the Group's and the Company's current liabilities exceeded their current assets by RM224.086 million and RM124.861 million respectively. In addition, the Group had defaulted in instalment repayments of principal sums and interests in respect of credit facilities granted by a financial institution as disclosed in Note 19(b) to the financial statements. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's and the Company's ability to continue as going concerns. Our qualified opinion is not further modified in respect of this matter.

Step Taken or Proposed to be Taken to Address the Material Uncertainty Related to Going Concern and the Timeline

The Directors of the Company are of the opinion that the preparation of the financial statements of the Group and the Company on a going concern basis remains appropriate given the following measures being taken or will be taken by the Group and the Company to mitigate the existence of material uncertainty on going concerns and to meet their obligations falling due within the next 12 months which, include amongst others:

3. Auditors' Report on Preceding Financial Year Financial Statements (cont'd)

- i) The Group had entered into a share sale agreement with Sunway Holdings Sdn Bhd ("SHSB"), a wholly owned subsidiary of Sunway Berhad for the proposed disposal of Dolomite Granite Quarry Sdn Bhd ("DGQSB") comprising 100 ordinary shares for a total consideration of RM125 million comprising a cash amount of RM100 together with advances by SHSB to DGQSB of RM125,000,000. Currently, both parties are working towards fulfilling the conditions precedent contained in the share sale agreement.

With the disposal of DGQSB, the Group is able to repay borrowings amounting to RM92 million and settle part of the liabilities as announced to Bursa Malaysia Securities Berhad on 3 June 2019.

- ii) The Group is exploring with potential purchasers who indicated their interest to acquire the Shandong thermal power plant; and
- iii) The Group is also looking at monetising certain property assets of the Group.

Current Status: The above measures are still being pursued by the Group to address the matter.

4. Seasonal or Cyclical Factors

The Group's operations are not materially affected by any seasonal or cyclical factors.

5. Unusual Items

There were no unusual items for the current financial period under review.

6. Changes in Estimates

There were no changes in estimates that have had a material effect on the current quarter results.

7. Debt and Equity Securities

In the current financial period, there were no issuances and repayments of debt securities, share buy-backs, share cancellation, share held as treasury shares and resale of treasury shares.

8. Dividend Paid

There were no ordinary share dividends paid in the financial period under review.

The unpaid 3.5 sen per RCPS dividend amounting to RM396,944.10 in respect of financial period ended 30 June 2018 would be carried forward and paid to the holders of the RCPS when the Company has the available profit to make the payment.

9. Operating Segments

	Manufacturing	Construction	Property Development	Thermal Power Generation	Investment Holding	Current year to date 30.09.2019 Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
External revenue	5,952	-	9,502	-	-	15,454
Inter-segment revenue	237	57	-	-	-	294
	<u>6,189</u>	<u>57</u>	<u>9,502</u>	<u>-</u>	<u>-</u>	<u>15,748</u>
Adjustments and eliminations						(5,996)
Consolidated revenue						<u>9,752</u>
Segment Results	(140)	(368)	831	(1,952)	(99)	(1,728)
Interest income						-
Finance costs						(3,683)
Loss before taxation						<u>(5,411)</u>
Tax expense						(802)
Loss after taxation from continuing operations						<u>(6,213)</u>
Profit from discontinued operations, net of tax						575
						<u>(5,638)</u>

9. Operating Segments (cont'd)

	Manufacturing	Construction	Property Development	Thermal Power Generation	Investment Holding	Preceding year to date 30.09.2018 Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
External revenue	7,244	-	6,455	-	-	13,699
Inter-segment revenue	634	3,978	-	-	-	4,612
	<u>7,878</u>	<u>3,978</u>	<u>6,455</u>	<u>-</u>	<u>-</u>	<u>18,311</u>
Adjustments and eliminations						<u>(4,612)</u>
Consolidated revenue						<u>13,699</u>
Segment Results	305	608	1,224	(12,949)	(20)	(10,832)
Interest income						
Finance costs						<u>(4,132)</u>
Loss before taxation						<u>(14,964)</u>
Tax expense						<u>(822)</u>
Loss after taxation						<u>(15,786)</u>

10. Material Events Subsequent to the End of the Financial Period Under Review

There were no material events subsequent to the end of the quarter under review.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter under review

12. Changes in the Contingent Liabilities and Contingent Assets

There were no material changes in the contingent liabilities and contingent assets of the Group since the last Statement of Financial Position as at 30 June 2019.

13. Significant Related Party Transaction

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

14. Capital Commitments

There were no capital commitments for the quarter under review.

15. Assets/(Liabilities) Of A Disposal Group Classified As Held For Sale And Discontinued Operation

On 3 June 2019, the Group had entered into a share sale agreement with Sunway Holdings Sdn Bhd ("SHSB"), a wholly-owned subsidiary of Sunway Berhad for the proposed disposal by Dolomite Industries Company Sdn Bhd ("DICSB") of 100% equity interest in DGQSB. The assets and liabilities related to DGQSB, prepaid lease land, building, plant and machinery of DICSB have been presented as held for sale. The completion date of the transaction is expected by the second quarter current financial year.

(a) Assets/(liabilities) of disposal group classified as held for sale

Assets of disposal group classified as held for sales

	As at 30.09.2019 RM'000 (unaudited)	As at 30.06.2019 RM'000 (audited)
DGQSB		
Inventories	6,005	6005
Trade and other receivables	6,006	6042
Cash and bank balances	381	340
	<u>12,392</u>	<u>12,387</u>
DICSB		
Property, plant and equipment	2,125	2,125
Prepaid lease payment	37,875	37,875
Intangible assets	9,135	9,135
	<u>49,135</u>	<u>49,135</u>
	<u>61,527</u>	<u>61,522</u>
Liabilities of disposal group classified as held for sales		
Trade and other payables	(24,884)	(22,890)
Tax Liability	(2,504)	(2,286)
	<u>(27,388)</u>	<u>(25,176)</u>

(b) Discontinued Operation

(i) Analysis of the result of discontinued operation and the result recognised on the disposal group are as follows:

	Current year to date 30.09.2019 RM'000 (unaudited)	Preceding year to date 30.09.2018 RM'000 (unaudited)
Revenue	5,702	6,975
Cost of sales	(4,630)	(5,503)
Other income	12	5
Distribution expenses	(242)	(3)
Adminstration expenses	(37)	(84)
	<u>805</u>	<u>1,390</u>
Profit before tax of discontinued operation	805	1,390
Tax expense	(230)	-
	<u>575</u>	<u>1,390</u>
Profit for the financial period from discontinued operation, net of tax	<u>575</u>	<u>1,390</u>

(ii) Cash flow generated from / (used in) discontinued operation

	Current year to date 00-Jan-00 RM'000 (unaudited)	Preceding year to date 30.09.2018 RM'000 (unaudited)
Net cash from operating activities	2,822	(684)
Net cash from investing activities	121	(1,002)
Net cash from financing activities	(2,901)	1,337
	<u>42</u>	<u>(349)</u>

DOLOMITE CORPORATION BERHAD (290455-W)
Incorporated in Malaysia

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF
THE BURSA SECURITIES LISTING REQUIREMENTS
For the quarter ended 30 September 2019**

1. Financial Review

In the current financial period ended 30 September 2019, the Group registered a total revenue of RM9.752 million, a decrease from RM13.699 million recorded in the previous corresponding period. The decrease in revenue for the period under review is mainly due to the revenue of RM5.702 million in manufacturing segment being classified under discontinued operations following the proposed disposal of Dolomite Granite Quarry Sdn Bhd.

The Group posted loss before tax and interest ("LBIT") of RM1.728 million for the period under review compared to LBIT of RM10.832 million for the previous corresponding period. The results before interest and tax of the various operating segments for the period under review and previous corresponding period are as follows:

	Current year to date 30.09.2019 RM'000	Preceding year to date 30.09.2018 RM'000	Changes	
			RM '000	%
<u>Operating Segments</u>				
Manufacturing	(140)	305	(445)	> -100%
Construction	(368)	608	(976)	-160.5%
Property development	831	1,224	(393)	> -100%
Thermal power generation	(1,952)	(12,949)	10,997	-84.9%
Investment holding	(99)	(20)	(79)	> 100%
LBIT	<u>(1,728)</u>	<u>(10,832)</u>	9,104	-84.0%

In previous corresponding period, the thermal power generation segment recorded a LBIT of RM12.949 million compared to LBIT of RM1.952 for the period under review. The higher LBIT in the previous corresponding period is mainly due to loss on foreign exchange of RM10.044 million.

2. Financial Review for Current Quarter compared with immediate Preceding Quarter

	Current Quarter 30.09.2019 RM'000	Immediate Preceding Quarter 30.06.2019 RM'000	Changes	
			RM '000	%
Revenue	9,752	(27,981)	37,733	> -100%
Profit / (Loss) before interest and tax	(1,728)	(27,619)	25,891	-93.7%
Profit / (Loss) before tax	(5,411)	(33,331)	27,920	-83.8%
Profit / (Loss) after tax	(6,213)	(32,819)	26,606	-81.1%
Profit / (Loss) attributable to owners of the Company	(5,638)	(24,167)	18,529	-76.7%

The Group registered a revenue of RM 9.752 million for the quarter under review as compared to negative RM27.981 million in the preceding quarter mainly due to reclassification of revenue of RM26.577 million generated by a subsidiary, DGQSB to discontinued operations following the Proposed Disposal in the preceding quarter.

The Group posted a loss before tax ("LBT") of RM 5.411 million for the current quarter compared with the preceding quarter LBT of RM 33.331 million. The higher LBT in the preceding quarter is mainly due to the Proposed Disposal in which a PBT of RM 10.977 million generated by DGQSB has been classified as discontinued operations and the thermal power generation segment registering foreign exchange loss of RM 7.355 million.

3. Commentary on Prospects

The Group's domestic performance for this financial year continues to be challenging in view of the current overall economic condition in the country.

The Group's thermal power plant in Shandong, the People's Republic of China has temporarily ceased operation on 30 November 2017. In the meantime, the Group is looking for investors to take over the operation.

4. Variance of Actual Profit from Profit Forecast or Profit Guarantee

The Group has not announced or disclosed any profit forecast or profit guarantee in a public document that relates to the current financial period under review.

5. Items included in the Statement of Profit Or Loss And Other Comprehensive Income

The following items are included in the Statement of Profit Or Loss And Other Comprehensive Income in the period under review :

	Current year quarter 30.09.2019 RM'000 (unaudited)	Current year to date 30.09.2019 RM'000 (unaudited)
Depreciation and amortisation	(1,732)	(1,732)
Gain on disposal of property, plant and equipment	252	252
Gain/(loss) on foreign exchange	(281)	(281)
Write-back of impairment loss on receivables	224	224

The following items are not applicable in the financial period under review :

Impairment loss on property, plant and equipment
Inventories written off
Impairment loss on intangible assets
Impairment loss on and write off of receivables
Reversal of impairment loss on property, plant and equipment
Gain or loss on derivatives
Gain/(loss) on disposal of quoted or unquoted investments or properties
Gain on disposal of intangible assets
Exceptional items

6. Tax Expense

	Current year quarter 30.09.2019 RM'000 (unaudited)	Current year to date 30.09.2019 RM'000 (unaudited)
Tax expense comprises:		
Income tax		
- current period	(800)	(800)
- prior year	-	-
	<u>(800)</u>	<u>(800)</u>
Deferred taxation	(2)	(2)
	<u>(802)</u>	<u>(802)</u>

The Group's effective tax rate is higher than the prima facie tax rate mainly due to tax charge on profits of certain subsidiaries which cannot set-off against the tax losses of other subsidiaries and certain expenses being disallowable for tax purposes.

7. Status of Corporate Proposals

On 3 June 2019, DICSB, a wholly-owned subsidiary of Dolomite Berhad which in turn is a wholly-owned subsidiary of Dolomite Corporation Berhad, had entered into a share sale agreement with Sunway Holdings Sdn Bhd ("SHSB"), a wholly-owned subsidiary of Sunway Berhad for the proposed disposal by DICSB of 100% equity interest in DGQSB comprising 100 ordinary shares for a total disposal consideration of RM125,000,100 comprising a cash amount of RM100 together with advances of RM125,000,000 by SHSB to DGQSB ("Advance") ("Disposal Consideration").

An amount of RM12,369,214.68 of the Advance which was received on 3 June 2019 was fully utilised for working capital and prepaid lease payment of RM4,076,791.68 and RM8,292,423.00 respectively in accordance with the proposed utilisation and within the intended timeframe of three (3) months.

8. Group Borrowings

There were no debt securities as at 30 September 2019.

The Group borrowings as at 30 September 2019 were as follows:-

	Total RM'000	----- Denominated in -----	
		RM RM'000	USD RM'000
<u>Current</u>			
- Secured			
Bank overdrafts	36,647	36,647	-
Term loans	222,625	6,781	215,844
Revolving credit	15,553	2,000	13,553
Finance lease liabilities	58	58	-
	274,883	45,486	229,397
<u>Non-current</u>			
- Secured			
Term loans	5,549	5,549	-
Finance lease liabilities	55	55	-
	5,604	5,604	-
Total	280,487	51,090	229,397

The Group borrowings as at 30 June 2019 were as follows:-

	Total RM'000	----- Denominated in -----	
		RM RM'000	USD RM'000
<u>Current</u>			
- Secured			
Bank overdrafts	36,763	36,763	-
Term loans	224,390	5,639	218,751
Revolving credit	14,911	2,000	12,911
Finance lease liabilities	61	61	-
	276,125	44,463	231,662
<u>Non-current</u>			
- Secured			
Term loans	13,134	13,134	-
Finance lease liabilities	68	68	-
	13,202	13,202	-
Total	289,327	57,665	231,662

9. Changes in Material Litigation

There were no changes in the status of the material litigation of the Group since the last annual Statement of Financial Position as at 30 June 2019.

10. Proposed Dividend

The Directors do not recommend any ordinary share dividend for the current quarter ended 30 September 2019 (30 June 2019: Nil).

11. Earnings/(loss) per share

	Current year quarter 30.09.2019 RM'000	Current year to date 30.09.2019 RM'000
Earnings/(loss) for the period attributable to owners of the Company (RM'000)	<u>(5,638)</u>	<u>(5,638)</u>
Weighted average number of ordinary shares at end of the quarter ('000)	<u>284,953</u>	<u>284,953</u>
Basic earnings/(loss) per share (sen)	<u><u>(1.98)</u></u>	<u><u>(1.98)</u></u>

12. Foreign Currency Risk Management

The Group did not enter into any foreign currency contracts during the current financial quarter under review.

13. 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 28 November 2019.