

DOLOMITE CORPORATION BERHAD (199401004776 (290455-W))

Incorporated in Malaysia

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

The Board of Directors of Dolomite Corporation Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 31 December 2020 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 31.12.2020 RM'000 (unaudited)	As at 30.06.2019 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	186,656	219,160
Intangible assets	6,040	6,536
Deferred tax assets	96	-
	<u>192,792</u>	<u>225,696</u>
Current Assets		
Inventories	120,017	121,134
Trade receivables	3,667	16,155
Contract assets	3,172	3,190
Other receivables, deposits and prepayments	43,635	45,097
Current tax assets	153	494
Cash and bank balances	1,438	533
	<u>172,082</u>	<u>186,603</u>
Assets classified as held for sale	-	75,038
TOTAL ASSETS	<u><u>364,874</u></u>	<u><u>487,337</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	21,428	18,106
Accumulated losses	(53,923)	(89,087)
Reserves	69,313	84,642
Total equity	<u>36,818</u>	<u>13,661</u>
Liabilities		
Non-current liabilities		
Loans and borrowings	7,193	13,202
Deferred tax liabilities	-	5,184
Other payables	2,087	19,425
	<u>9,280</u>	<u>37,811</u>
Current liabilities		
Trade payables	18,782	18,053
Contract liabilities	-	12,579
Other payables, deposits and accruals	84,630	82,174
Provision	12,227	10,489
Loans and borrowings	185,806	276,125
Tax liabilities	17,331	11,269
	<u>318,776</u>	<u>410,689</u>
Liabilities directly associated with assets classified as held for sale	-	25,176
Total liabilities	<u>328,056</u>	<u>473,676</u>
Total equity and liabilities	<u><u>364,874</u></u>	<u><u>487,337</u></u>
Net assets per share (RM)	0.12	0.05

DOLOMITE CORPORATION BERHAD (199401004776 (290455-W))

Incorporated in Malaysia

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the quarter ended 31 December 2020

	Current period quarter	Preceding year quarter	Changes		Current period to date	Preceding period to date	Changes	
	31.12.2020 RM'000 (unaudited)	31.12.2019 RM'000 (**)	RM '000	%	31.12.2020 RM'000 (unaudited)	31.12.2019 RM'000 (**)	RM '000	%
<u>Continuing Operations</u>								
Revenue	7,444	N/A	-	-	32,726	N/A	-	-
Cost of sales	(11,397)	N/A	-	-	(40,597)	N/A	-	-
Gross Profit / (Loss)	(3,953)	N/A	-	-	(7,871)	N/A	-	-
Other income	(57,592)	N/A			29,370	N/A		
Marketing and distribution expenses	3	N/A			(2,076)	N/A		
Administrative expenses	(1,678)	N/A			(10,494)	N/A		
Other expenses	(1,704)	N/A			(14,077)	N/A		
Profit / (Loss) from operations	(64,924)	N/A	-	-	(5,148)	N/A	-	-
Interest income	-	N/A			64	N/A		
Finance costs	(3,740)	N/A			(22,848)	N/A		
Profit / (Loss) before taxation	(68,664)	N/A	-	-	(27,932)	N/A	-	-
Tax expense	(756)	N/A			(6,552)	N/A		
Profit / (Loss) from continuing operations	(69,420)	N/A	-	-	(34,484)	N/A	-	-
Discontinued Operations								
Profit / (Loss) from discontinued operations, net of tax	69,883	N/A			69,112	N/A		
Profit / (Loss) for the period	463	N/A	-	-	34,628	N/A	-	-
Other comprehensive income/(loss), net of tax								
Foreign currency translation	(2,480)	N/A			(3,961)	N/A		
Total comprehensive income/(loss) for the period	<u>(2,017)</u>	<u>N/A</u>			<u>30,667</u>	<u>N/A</u>		
Attributable to owners of the Company:								
Profit/(Loss) for the period	463	N/A			34,628	N/A		
Total comprehensive income/(loss)	<u>(2,017)</u>	<u>N/A</u>			<u>30,667</u>	<u>N/A</u>		
Earnings per share (sen)								
- basic	0.15	N/A			11.42	N/A		
- diluted	N/A	N/A			N/A	N/A		

***Following the change in financial year end from 30 June to 31 December, the next set of audited financial statements shall be for a period of 18 months from 1 July 2019 to 31 December 2020 and thereafter, to end on 31 December each year. Accordingly, there are no comparative figures to be presented in this Consolidated Statement of Profit or Loss and Other Comprehensive Income.

DOLOMITE CORPORATION BERHAD (199401004776 (290455-W))
 Incorporated in Malaysia

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 For the quarter ended 31 December 2020

	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 2019	18,106	68,694	3,778	12,170	(89,087)	13,661
Effect of adoption of MFRS 16	-	-	802	(12,170)	536	(10,832)
As at 1 July 2019 (restated)	18,106	68,694	4,580	-	(88,551)	2,829
Issuance of ordinary shares pursuant to debt settlement	3,322	-	-	-	-	3,322
Profit for the period	-	-	-	-	34,628	34,628
Other comprehensive income for the period	-	-	(3,961)	-	-	(3,961)
As at 31 December 2020	21,428	68,694	619	-	(53,923)	36,818

	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**	N/A	N/A	N/A	N/A	N/A	N/A
Total comprehensive income/ (loss) for the year	N/A	N/A	N/A	N/A	N/A	N/A
As at 30 June 2019**	N/A	N/A	N/A	N/A	N/A	N/A

**There are no comparative figures disclosed for the cumulative period-to-date results following the change in the financial year end from 30 June to 31 December.

DOLOMITE CORPORATION BERHAD (199401004776 (290455-W))

Incorporated in Malaysia

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

For the quarter ended 31 December 2020

	Current period to date 31.12.2020 RM'000 (unaudited)	Preceding period to date 31.12.2019 RM'000 (**)
Operating activities		
Loss/(profit) before tax		
- Continuing operations	(27,932)	N/A
- Discontinued operations	69,609	N/A
	<u>41,677</u>	<u>N/A</u>
Adjustments for:		
Amortisation of:		
- intangible assets	13	N/A
- land use rights	107	N/A
Bad debts recovered	(57)	N/A
Depreciation of property, plant and equipment	20,167	N/A
Gain/Loss on disposal of		
- a subsidiary	(71,615)	N/A
- property, plant and equipment	(597)	N/A
- non-current assets held for sale	(457)	N/A
Impairment loss on:		
- intangible assets	483	N/A
- trade & other receivables	398	N/A
Reversal of Impairment loss		
- trade & other receivables	(443)	N/A
Interest expense	22,290	N/A
Interest income	(64)	N/A
Provision for legal claims	7,010	N/A
Reversal of fair value gain	2,111	N/A
Unrealised gain on foreign exchange	(7,382)	N/A
Waiver of debts	(14,894)	N/A
Operating profit before changes in working capital	<u>(1,253)</u>	<u>N/A</u>
Changes in working capital:		
Property development costs	(3,070)	N/A
Inventories	4,187	N/A
Trade and other receivables	6,611	N/A
Contract assets	18	N/A
Trade and other payables	(5,604)	N/A
Contract liabilities	(12,579)	N/A
Cash flow generated from/(for) operating activities	<u>(11,690)</u>	<u>N/A</u>
Tax paid	(888)	N/A
Interest received	64	N/A
Interest paid	(22,290)	N/A
Net cash flow from/(for) operating activities	<u>(34,804)</u>	<u>N/A</u>

Investing activities

Proceeds from disposal of property, plant and equipment	597	N/A
Purchase of property, plant and equipment	(37)	N/A
Proceed from disposal of subsidiary, net	115,176	N/A
Proceed from disposal of assets held for sale	13,976	N/A
Net cash flow from/(for) investing activities	<u>129,712</u>	<u>N/A</u>

Financing activities

Proceeds from/(repayment of) loans and borrowings, net	(90,023)	N/A
Repayment of finance lease liabilities	(119)	N/A
Net cash flow from/(for) financing activities	<u>(90,142)</u>	<u>N/A</u>

Changes in cash and cash equivalents 4,766 N/A

Currency translation differences 1 N/A

Cash and cash equivalents at start of the financial period (36,230) N/A

Cash and cash equivalents at end of the financial period (31,463) N/A

For the purpose of the Statement of Cash Flow, cash and cash equivalents comprise the following:

	31.12.2020 RM'000 (unaudited)	31.12.2019 RM'000 (**)
Continuing operations		
Cash and bank balances	1,438	N/A
Bank overdrafts	<u>(32,901)</u>	<u>N/A</u>
	(31,463)	N/A
Discontinued operations		
Cash and bank balances	-	N/A
	<u>(31,463)</u>	<u>N/A</u>

**There are no comparative figures disclosed for the cumulative period-to-date results following the change in the financial year end from 30 June to 31 December.

DOLOMITE CORPORATION BERHAD (199401004776 (290455-W))
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PART A - EXPLANATORY NOTES PURSUANT TO FRS 134
For the quarter ended 31 December 2020

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 effective for financial periods beginning on or after 1 June 2020

Amendment to MFRS 16	<i>Leases - Covid-19 - Related Rent Concessions</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 MFRS 9	<i>Financial Instruments</i>
MFRS 139	<i>Financial Instruments: Recognition and Measurement</i>
MFRS 7	<i>Financial Instruments: Disclosures</i>
MFRS 4	<i>Insurance Contracts#</i>
MFRS 16	<i>Leases - Interest Rate Benchmark Reform-Phase 2</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.

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

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:

- i) On 3 June 2019, the Group had entered into a share sale agreement ("SSA") with Sunway Holdings Sdn Bhd ("SHSB"), a wholly owned subsidiary of Sunway Berhad for the disposal of 100% equity interest in Dolomite Granite Quarry Sdn Bhd ("DGQSB") for a total consideration of RM125,000,100 ("Disposal Consideration"). The disposal was completed on 11 September 2020 and the Disposal Consideration was fully received and utilised immediately as intended in accordance with the proposed utilisation stated in the SSA, including RM92.0 million for part repayment of the financial institution credit facilities.

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

- 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

Save as disclosed below, there were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, share held as treasury shares and resale of treasury shares during the current financial period:

On 21 January 2020, the Company issued 28,495,288 ordinary shares pursuant to debt settlement to Peninsular Concord Sdn Bhd, a creditor of Dolomite Technology (HK) limited, a wholly-owned subsidiary of the Company.

8. Dividend Paid

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

The unpaid 3.5 sen per Redeemable Convertible Preference Shares ("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. Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment during the financial period under review.

10. Operating Segments

	Manufacturing	Construction	Property Development	Thermal Power Generation	Investment Holding	Current period to date 31.12.2020 Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue						
External revenue	14,735	11,607	20,530	-	-	46,872
Inter-segment revenue	606	1,333	-	-	-	1,939
	<u>15,341</u>	<u>12,940</u>	<u>20,530</u>	<u>-</u>	<u>-</u>	<u>48,811</u>
Adjustments and eliminations						(16,085)
Consolidated revenue						<u>32,726</u>
Segment Results	(8,495)	6,173	(1,921)	(13,929)	13,024	(5,148)
Interest income						64
Finance costs						(22,848)
Loss before taxation						(27,932)
Tax expense						(6,552)
Loss after taxation from continuing operations						<u>(34,484)</u>
Profit from discontinued operations, net of tax						69,112
						<u>34,628</u>

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

The material events subsequent to the end of the quarter under review are as follows:

- I. On 21 January 2021, new ordinary shares and redeemable convertible cumulative preference shares ("RCCPS") were issued and allotted pursuant to the following:
 - (i) Settlement of amount owing to a creditor, Fadzilah & Fikri Sdn Bhd via Settlement Agreement dated 5 November 2020 as detailed on Page 14, Item 9(a) Changes in Material Litigation;
 - (ii) Settlement of amounts owing to the Directors via 2 Settlement Agreements both dated 20 November 2020 as follows:
 - (a) Settlement of amount owing to Mr. Huang Jen Soong ("HJS") of RM14,054,749.72 as at 31 October 2020, via the following:
 - (aa) Issuance of 55,000,000 new ordinary shares at an issue price of RM0.105 each to HJS;
 - (bb) Issuance of 50,000,000 RCCPS at an issue price of RM0.105 each to Bong Sin Rubber Estates Company Sdn Bhd ("BSRE"), a company related to HJS; and
 - (cc) Issuance of 30,759,521 RCCPS at an issue price of RM0.105 each to HJS; and
 - (b) Settlement of amount owing to Mr. Lim Beng Keat ("LBK"), via the issuance of 20,019,047 RCCPS at an issue price of RM0.105 each to LBK.
- II. On 3 February 2021, the Company proposed to undertake settlement of an aggregate amount of RM9,870,937.25 debt owing to 8 creditors of the Company and/or its subsidiaries via the issuance of 96,584,514 new ordinary shares in the Company at the issue price of RM0.1022 per share arrived at on the 5-day volume weighted average price of the Company's shares immediately prior to 3 February 2021, the date of the Settlement Agreements.

12. Changes in the Composition of the Group

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

13. 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.

14. Significant Related Party Transaction

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

15. Capital Commitments

There were no capital commitments for the quarter under review.

16. 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 ("SSA") with Sunway Holdings Sdn Bhd ("SHSB"), a wholly owned subsidiary of Sunway Berhad for the disposal of 100% equity interest in Dolomite Granite Quarry Sdn Bhd ("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 disposal was completed on 11 September 2020.

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

Assets of disposal group classified as held for sales

	As at 31.12.2020 RM'000 (unaudited)	As at 30.06.2019 RM'000 (audited)
<u>DGQSB</u>		
Inventories	-	6,005
Trade and other receivables	-	6,042
Cash and bank balances	-	340
	<u>-</u>	<u>12,387</u>
<u>DICSB</u>		
Property, plant and equipment	-	2,125
Prepaid lease payment	-	37,875
Intangible assets	-	9,135
	<u>-</u>	<u>49,135</u>
	<u>-</u>	<u>61,522</u>
<u>Liabilities of disposal group classified as held for sales</u>		
Trade and other payables	-	(22,890)
Tax Liability	-	(2,286)
	<u>-</u>	<u>(25,176)</u>

(b) Discontinued Operation

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

	Current Period to date of disposal 11.09.2020 RM'000 (unaudited)	Preceding period to date 31.12.2019 RM'000 (**)
Revenue	14,146	N/A
Cost of sales	(13,098)	N/A
Other income	63	N/A
Distribution expenses	(623)	N/A
Administration expenses	(428)	N/A
Other expenses	(2,023)	N/A
	<u>(1,963)</u>	<u>N/A</u>
Profit before tax of discontinued operation	(1,963)	N/A
Tax expense	(497)	N/A
	<u>(2,460)</u>	<u>N/A</u>
Profit for the financial year from discontinued operation, net of tax	(2,460)	N/A

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

	Current period to date 31.12.2020 RM'000 (unaudited)	Preceding period to date 30.06.2019 RM'000 (audited)
Net cash from operating activities	-	N/A
Net cash from investing activities	-	N/A
Net cash from financing activities	-	N/A
	<u>-</u>	<u>-</u>

**There are no comparative figures disclosed for the cumulative period-to-date results following the change in the financial year end from 30 June to 31 December.

DOLOMITE CORPORATION BERHAD (199401004776 (290455-W))
 Incorporated in Malaysia

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF
 THE BURSA SECURITIES LISTING REQUIREMENTS
 For the quarter ended 31 December 2020**

1. Financial Review

In the current financial period ended 31 December 2020, the Group registered a total revenue of RM32.726 million. The revenue for the financial period under review is due to contribution from property development, manufacturing and construction segments of RM20.530 million, RM14.735 million and RM11.607 million respectively.

The Group posted loss before interest and tax ("LBIT") of RM5.148 million for the financial period under review. The results before interest and tax of the various operating segments for the financial period under review are as follows:

<u>Operating Segments</u>	Current period to date 31.12.2020 RM'000
Manufacturing	(8,495)
Construction	6,173
Property development	(1,921)
Thermal power generation	(13,929)
Investment holding	13,024
LBIT	<u>(5,148)</u>

In the financial period under review, the construction and investment holding segments recorded profit before interest and tax ("PBIT") of RM6.173 million and RM13.024 million respectively. The PBIT of RM6.173 million for the construction segment in the financial period under review is mainly due to contribution by higher margin projects, whereas, the PBIT of RM13.024 million for the investment holding segment is mainly due to the waiver of debt of RM14.894 million by Peninsular Concord Sdn Bhd in a debt settlement agreement.

In the financial period under review, the thermal power generation segment recorded LBIT of RM13.929 million which is mainly due to depreciation of property plant and equipment amounting to RM19.667 million, but offset by gain on unrealised and realised foreign exchange of RM11.806 million.

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

	Current Quarter	Immediate Preceding Quarter	Changes	
	31.12.2020 RM'000	30.09.2020 RM'000	RM '000	%
Revenue	7,444	57	7,387	> 100%
Profit / (Loss) before interest and tax	(64,924)	73,266	(138,190)	> 100%
Profit / (Loss) before tax	(68,664)	69,247	(137,911)	> 100%
Profit / (Loss) after tax	(69,420)	67,882	(137,302)	> -100%
Profit / (Loss) attributable to owners of the Company	463	68,072	(67,609)	-99.3%

The Group registered a higher revenue of RM7,444 million for the quarter under review compared to RM0.057 million in the preceding quarter mainly due to contribution of RM5.459 million and RM1.980 million from property development and construction segments respectively during the quarter under review.

The Group posted a loss before tax ("LBT") of RM68.664 million for the current quarter compared with the preceding quarter profit before tax ("PBT") of RM69.247 million mainly due to the reclassification of gain on disposal of DGQSB amounting to RM68.166 million from Other Income in preceding quarter to profit from discontinued operations in current quarter.

3. Commentary on Prospects

The Group's domestic performance for the next financial period will continue to be challenging in view of the current overall economic condition in the country which is severely impacted by the global COVID-19 pandemic.

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 financial period under review :

	Current period quarter 31.12.2020 RM'000 (unaudited)	Current period to date 31.12.2020 RM'000 (unaudited)
Depreciation and amortisation	(5,067)	(20,287)
Gain / (Loss) on disposal of property, plant and equipment	-	597
Gain / (Loss) on foreign exchange (realised and unrealised)	9,603	11,816
Write-back of impairment loss on receivables	(75)	57
Reversal of impairment loss on receivables	443	443
Impairment loss on and write off of receivables	(45)	(398)
Gain/(loss) on disposal of quoted or unquoted investments or properties	3,449	71,615

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

Inventories written off
Impairment loss on property, plant and equipment
Impairment loss on intangible assets
Reversal of impairment loss on property, plant and equipment
Gain or loss on derivatives
Gain on disposal of intangible assets
Exceptional items

6. Tax Expense

	Current period quarter 31.12.2020 RM'000 (unaudited)	Current period to date 31.12.2020 RM'000 (unaudited)
Tax expense comprises:		
Income tax		
- current financial period	(673)	(6,743)
- prior year	(81)	(52)
	<u>(754)</u>	<u>(6,795)</u>
Deferred taxation	(2)	243
	<u>(756)</u>	<u>(6,552)</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

- (a) Settlement of amount owing to a creditor, Fadzilah & Fikri Sdn Bhd as detailed on Page 14, Item 9(a) Changes in Material Litigation; and
- (b) Settlement of amounts owing to the Directors as detailed on Page 9, Item 11(I)(ii) Material Events Subsequent to the End of Financial Period Under Review.
- (c) On 3 February 2021, the Company proposed to undertake settlement of an aggregate amount of RM9,870,937.35 debt owing to 8 creditors of the Company and/or its subsidiaries as detailed on Page 9, Item 11(II) Material Events Subsequent to the End of Financial Period Under Review.

8. Group Borrowings

There were no debt securities as at 31 December 2020.

The Group borrowings as at 31 December 2020 were as follows:-

	Total	----- Denominated in -----	
		RM	USD
	RM'000	RM'000	RM'000
<u>Current</u>			
- Secured			
Bank overdrafts	32,901	32,901	-
Term loans	150,846	-	150,846
Revolving credit	2,049	2,049	-
Finance lease liabilities	10	10	-
	<u>185,806</u>	<u>34,960</u>	<u>150,846</u>
<u>Non-current</u>			
- Secured			
Term loans	7,193	7,193	-
Finance lease liabilities	-	-	-
	<u>7,193</u>	<u>7,193</u>	<u>-</u>
Total	<u>192,999</u>	<u>42,153</u>	<u>150,846</u>

8. Group Borrowings (cont'd)

The Group borrowings as at 31 December 2019 were as follows:-

	Total	----- Denominated in -----	
		RM	USD
	RM'000	RM'000	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	-
	<u>276,125</u>	<u>44,463</u>	<u>231,662</u>
<u>Non-current</u>			
- Secured			
Term loans	13,134	13,134	-
Finance lease liabilities	68	68	-
	<u>13,202</u>	<u>13,202</u>	<u>-</u>
Total	<u>289,327</u>	<u>57,665</u>	<u>231,662</u>

9. Changes in Material Litigation

The changes in the status of the material litigation of the Group since the last annual Statement of Financial Position as at 30 June 2019 are as follows:

- a) In the hearing on 13 February 2020 of an application by Fadzilah & Fikri Sdn Bhd ("Plaintiff") for summary judgement against Dolomite Industries Company Sdn Bhd ("Defendant"), a wholly-owned subsidiary of Dolomite Berhad, which in turn a wholly-owned subsidiary of the Company, the High Court Judge of Kuala Lumpur allowed the Plaintiff's summary judgement application and ordered the Defendant to pay the Plaintiff the sum of RM35,468,980 together with interest of 5% per annum from 4 June 2018 till the date of final settlement and costs of RM10,000.

On 5 November 2020, a Settlement Agreement was entered whereby the Defendant would:

- cause the Company to issue and allot to the Plaintiff 45,000,000 ordinary shares in the Company; and
- transfer to the Plaintiff, within 5 years from the date of the Settlement Agreement, the vacant bungalow lot identified as No. 39 Jalan DT 7, Taman Dolomite Templer, 48000 Rawang, Selangor of approximately 920 sq. m. in area valued at approximately RM1,500,000.00, free from encumbrances

On 21 January 2021, the case was resolved following the issuance and allotment of 45,000,000 new ordinary shares in the Company to the Plaintiff.

- b) The Company, a Corporate Guarantor for Term Loan Facility granted by Maybank International Labuan Branch ("Maybank") to Dolomite Power-Shandong (HK) Ltd ("DPSHK"), a wholly-owned subsidiary of Dolomite Technology (HK) Limited which in turn is a wholly-owned subsidiary of the Company both received a Writ and Statement of Claim, dated 30.09.2020, through its solicitors for an outstanding amount of USD36,599,124.97 (RM152,179,162.00) under the Term Loan Facility.

Currently, the Company is seeking a settlement arrangement with Maybank and is looking at monetising certain property assets of the Group.

10. Proposed Dividend

The Directors do not recommend any ordinary share dividend for the current quarter ended 31 December 2020 (31 December 2019: Nil).

11. Earnings per share

	Current period quarter 31.12.2020 RM'000	Current period to date 31.12.2020 RM'000
Earnings for the financial period attributable to owners of the Company (RM'000)	463	34,628
Weighted average number of ordinary shares in issue		
Issued ordinary shares at the start of the financial period ('000)	284,953	284,953
Effect of 28,495,288 new ordinary shares issued during the financial period ('000)	28,495	18,237
Weighted average number of ordinary shares at end of the financial period ('000)	313,448	303,190
Basic earnings/(loss) per share (sen)	0.15	11.42

12. Foreign Currency Risk Management

The Group did not enter into any foreign currency contracts during the current financial period 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 25 February 2021.