MINETECH RESOURCES BERHAD GROUP

ANNOUNCEMENT PACKAGE

Q1/FY2020

MINETECH RESOURCES BERHAD (575543-X)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statement Of Comprehensive Income For the First Quarter Ended 30 June 2019
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter ended 30 June 2019 RM'000	**Preceding Year Quarter ended 30 June 2018 RM'000**	**Current Year To Date Ended 30 June 2019 RM'000**	**Preceding Year To Date Ended 30 June 2018 RM'000**
Revenue	28,165	33,561	28,165	33,561
Cost of sales	(25,646)	(29,888)	(25,646)	(29,888)
Gross Profit/(Loss)	2,519	3,673	2,519	3,673
Other income	454	942	454	942
Administrative expenses	(2,822)	(3,807)	(2,822)	(3,807)
Selling and marketing expenses	(134)	(173)	(134)	(173)
Finance costs	(600)	(621)	(600)	(621)
Profit/(Loss) before tax	(583)	14	(583)	14
Tax expense	(693)	(505)	(693)	(505)
Profit/(Loss) for the period	(1,276)	(491)	(1,276)	(491)
Other comprehensive loss				
Items that are or may be reclassified subsequently to profit or loss				
- Exchange translation differences for foreign operation	11	(30)	11	(30)
Total comprehensive loss	(1,265)	(521)	(1,265)	(521)
Loss attributable to:				
Owners of the Parent	(1,221)	(984)	(1,221)	(984)
Non-controlling interests	(55)	493	(55)	493
	(1,276)	(491)	(1,276)	(491)
Total comprehensive loss attributable to:				
Owners of the Parent	(1,210)	(1,014)	(1,210)	(1,014)
Non-controlling interests	(55)	493	(55)	493
	(1,265)	(521)	(1,265)	(521)
Loss per share (sen)				
- Basic	(0.13)	(0.13)	(0.13)	(0.13)
- Diluted	(0.13)	(0.11)	(0.13)	(0.11)

The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for financial year ended 31 March 2019.

MINETECH RESOURCES BERHAD (575543-X)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statement Of Financial Position
As at 30 June 2019

	Unaudited As At 30 June 2019 RM'000	Audited As At 31 March 2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	44,049	47,530
Investment properties	11,070	11,072
Inventories	14,499	8,065
Quarry development expenditure	2,944	2,942
Intangible assets	13,349	13,465
Other Investment	64	64
Other receivables	-	615
	85,975	83,753
Current assets		
Inventories	14,130	17,246
Contract assets	6,579	8,983
Trade receivables	29,842	35,340
Other receivables	13,071	12,909
Amount due from associate companies	-	22
Tax recoverables	905	1,837
Other investments	494	839
Fixed deposits with licensed bank	12,326	11,197
Cash and Bank Balance	5,025	4,904
	82,372	93,277
Total assets	168,347	177,030

	Unaudited As At 30 June 2019 RM'000	Audited As At 31 March 2019 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	132,527	132,527
Less:- Treasury shares, at cost	(48)	(48)
Reserves	(57,765)	(56,555)
	74,714	75,924
Non-controlling interests	8,829	8,884
Total equity	83,543	84,808
Non-current liabilities		
Loan and Borrowings	15,592	16,434
Deferred tax liabilities	2,372	2,372
	17,964	18,806
Current liabilities		
Contract liabilities	2,101	79
Trade payables	23,209	29,719
Other payables	25,636	24,371
Loan and Borrowings	15,340	18,598
Tax payable	554	649
	66,840	73,416
Total liabilities	84,804	92,222
TOTAL EQUITY AND LIABILITIES	168,347	177,030
Net assets per share (RM)	**0.08**	**0.09**

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for financial year ended 31 March 2019.

MINETECH RESOURCES BERHAD (575543-X)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statements of Changes in Equity
For the Financial Period Ended 30 June 2019
(The figures have not been audited)

	Attributable to owners of the parent								
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Warrant reserve RM'000	Other reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 April 2019	132,527	(48)	71	21,972	(21,972)	(56,626)	75,924	8,884	84,808
Loss for the financial period	-	-	-	-	-	(1,221)	(1,221)	(55)	(1,276)
Other comprehensive income	-	-	11	-	-	-	11	-	11
Total comprehensive loss for the financial period	-	-	11	-	-	(1,221)	(1,210)	(55)	(1,265)
At 30 June 2019	132,527	(48)	82	21,972	(21,972)	(57,847)	74,714	8,829	83,543

	Attributable to owners of the parent								
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Warrant reserve RM'000	Other reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 April 2018									
- as previously stated	110,527	(48)	110	21,972	(21,972)	(41,072)	69,517	6,227	75,744
- effects of adoption of the MFRS Framework	-	-	-	-	-	(361)	(361)	(39)	(400)
Balance as at 1 April 2018 (restated)	110,527	(48)	110	21,972	(21,972)	(41,433)	69,156	6,188	75,344
Loss for the financial period	-	-	-	-	-	(984)	(984)	493	(491)
Other comprehensive loss	-	-	(30)	-	-	-	(30)	-	(30)
Total comprehensive income/ (loss) for the financial period	-	-	(30)	-	-	(984)	(1,014)	493	(521)
Transactions with owners:									
Issue of ordinary shares	19,800	-	-	-	-	-	19,800	-	19,800
	19,800	-	-	-	-	-	19,800	-	19,800
At 30 June 2018	130,327	(48)	80	21,972	(21,972)	(42,417)	87,942	6,681	94,623

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for financial year ended 31 March 2019.

MINETECH RESOURCES BERHAD (575543-X)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statement Of Cash Flows
For the Financial Period Ended 30 June 2019

(The figures have not been audited)

	3 Months To Date ended 30 June 2019 RM'000	Preceeding period 3 months ended 30 June 2018 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit before tax	(583)	14
Adjustments for:-		
Bad debts written off	5	
Depreciation and amortisation	1,861	1,869
(Gain)/Loss on disposal of property, plant and equipment	(62)	4
Interest expenses	530	560
Unrealised loss on foreign exchange	-	(30)
Reversal of impairment loss on property, plant and equipment	-	(76)
Reversal of impairment loss on receivables	(322)	(32)
Impairment losses on:		
- property, plant and equipment	1,039	-
Interest income	(93)	(74)
Operating profit before changes in working capital	**2,375**	**2,235**
Changes in working capital		
Quarry development expenditure	(2)	119
Inventories	3,116	(1,769)
Receivables	7,028	2,483
Contract assets/ contract liabilities	4,426	(55)
Payables	(4,486)	(391)
Net cash generated from operations	**12,457**	**2,622**
Tax paid	(151)	(757)
Tax refund	737	-
Interest paid	(530)	(560)
Interest received	93	74
Net cash generated from operating activities	**12,606**	**1,379**

	3 Months To Date ended 30 June 2019 RM'000	Preceeding period 3 months ended 30 June 2018 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(474)	(112)
Proceeds from disposal of property, plant and eqiupment	1,235	138
Changes in inventories	(6,434)	-
Net cash outflow from acquisition of subsidiary companies	-	1,836
Amount due from associate companies	22	-
Acquisition of other investments	345	(5)
Net cash (used in)/ generated from investing activities	**(5,306)**	**1,857**
CASH FLOW FROM FINANCING ACTIVITIES		
Increased in fixed deposit pledged	(1,129)	(7,386)
Net changes in short term borrowings	(1,557)	(4,055)
Repayment of term loans	(230)	(217)
Drawdown from finance lease payables	452	-
Repayment of finance lease payables	(2,765)	(1,618)
Proceeds from issuance of shares	-	3,000
Net cash used in financing activities	**(5,229)**	**(10,276)**
Net Change in Cash & Cash Equivalents	**2,071**	**(7,040)**
Cash and Cash Equivalents at beginning of the period	(4,199)	**1,998**
Effects of exchange translation differences on cash and cash equivalents	11	**(62)**
Cash and Cash Equivalents at the end of period	**(2,117)**	**(5,104)**
Cash and Cash Equivalents comprises of :		
Fixed deposit with licensed banks	12,326	11,449
Cash and bank balances	5,025	2,780
	17,351	14,229
Bank overdrafts	(7,153)	(7,895)
	10,198	6,334
Less: fixed deposits pledged to a licensed banks	(12,315)	(11,438)
	(2,117)	**(5,104)**

A. EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (MFRS 134): INTERIM FINANCIAL REPORTING

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in according with MFRS 134: - Interim Financial Reporting issued by the Malaysia Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). It should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2019.

These explanatory notes attached to the interim financial reports provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2019.

2. Changes in accounting policies
Adoption of new and amended standards

During the financial period, the Group have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

MFRS 16	Leases
IC Interpretation 23	Uncertainty Over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long term Interests in Associates and Joint Ventures

Annual Improvements to MFRSs 2015-2017 Cycle:
Amendments to MFRS 3
Amendments to MFRS 11
Amendments to MFRS 112
Amendments to MFRS 123

Adoption of above amendments to MFRSs did not have any significant impact on the financial statements of the Group.

Standards issued but yet effective

Amendment to References to the Conceptual Framework in MFRS Standards	
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101 & 108	Definition of Material
MFRS 17	Insurance Contracts
Amendments to MFRS 10 & 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

3. Auditors' report on preceding annual financial statements

The auditors' report on the Group's financial statements for the financial year ended 31 March 2019 was not subject to any qualification.

4. Seasonal or cyclical factors

The Group's business operations and performance are not significantly affected by any seasonal or cyclical factors except during the festive season in the month of February, June and the raining season from November to December period. The manufacturing and trading of industrial products will experience a shorter production and trading time during these four (4) months.

5. Unusual items affecting assets, liabilities, equity, net income and cash flows

There were no unusual items affecting assets, liabilities, equity, net income and cash flows during the current quarter under review.

6. Change in accounting estimates

There were no changes in estimates used for accounting estimates which may have a material effect for the current quarter under review.

7. Issuance of debt

There were no issuance, cancellation, repurchase, resale and repayment of debt for the current quarter under review.

8. Dividend payment

There were no dividends paid during the current financial quarter.

9. Segmental information

The Group comprises the following main business segments which are based on the Group's management and internal reporting structure:

Quarry and Premix Products : Provision of turnkey and specialised quarry services, sales and marketing of quarry products, manufacturing and trading of asphaltic premix products.

Civil Engineering : Specialised civil engineering works.

Bituminous Products : Manufacturing and trading of bituminous products.

Property Development : Engages in housing development projects and other real estate development services.

Others : Investment holding and provision of managerial services.

Performance is measured based on the segment revenue and profit before tax, interest, depreciation and amortisation, as presented in the internal management reports. Segment profit is used to measure performance as management believes that such information are the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

The total of segment liability is measured based on all liabilities of a segment.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment and for quarry development expenditure.

Segmental information for the 3 months ended 30 June 2019:

	Quarry and Premix Products RM'000	Civil Engineering RM'000	Bituminous Products RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue							
Revenue to external customers	10,646	12,280	4,920	168	151	-	28,165
Inter-segment revenue	134	3,936	-	-	15	(4,085)	-
	10,780	16,216	4,920	168	166	(4,085)	28,165
Segment results	(964)	1,613	446	(7)	(1,009)	(62)	17
Finance costs							(600)
Loss before tax							(583)
Taxation							(693)
Net loss for the period							(1,276)
Assets							
Segment assets	67,098	46,600	12,227	7,722	82,577	(47,877)	168,347
Liabilites							
Segment liabilites	78,560	30,386	6,234	5,616	30,341	(66,333)	84,804

Segmental information for the 3 months ended 30 June 2018:

	Quarry and Premix Products RM'000	Civil Engineering RM'000	Bituminous Products RM'000	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue							
Revenue to external customers	18,794	12,286	2,461	-	20	-	33,561
Inter-segment revenue	106	-	6	-	195	(307)	-
	18,900	12,286	2,467	-	215	(307)	33,561
Segment results	998	952	245	(124)	(1,573)	137	635
Finance costs							(621)
Loss before tax							14
Taxation							(505)
Net loss for the period							(491)
Assets							
Segment assets	107,962	38,756	9,968	84,444	2,159	(62,212)	181,077
Liabilites							
Segment liabilites	101,651	24,648	4,324	27,317	111	(71,597)	86,454

10. Valuation of property, plant and equipment

The valuation of property, plant and equipment has been brought forward without any amendments from the previous audited financial statements.

11. Material events not reflected in the financial statements

There were no material events subsequent to the end of the reporting period except as reported in Note 18 which is likely to substantially affect the results or the operations of the Group

12. Changes in composition of the Group

There were no material events subsequent to the end of the reporting period except as reported in Note 18 which is likely to substantially affect the results or the operations of the Group.

13. Changes in contingent assets or contingent liabilities

The changes in contingent liabilities were as below:-

	As at 30 June 2019 RM'000	As at 30 June 2018 RM'000
Corporate guarantees	33,600	32,506
Bank guarantees	4,857	-

14. Capital commitments

There was no material capital commitment not provided for as at 30 June 2019.

15. Related party transactions

	3 Months As at 30 Jun 2019 RM'000	3 Months As at 30 Jun 2018 RM'000
Rental paid to a director's related company - Chan Toong San	-	180
Sales of direct material to substantial shareholder's companies	(2,014)	
Management fees from substantial shareholders' companies	(120)	(40)
Commission from substantial shareholders' company	(47)	(40)
Rental Income from substantial shareholders' company	(73)	(4)
Office rental paid to substantial shareholders' company	45	30
Purchase of raw material from substantial shareholder's companies	-	677
Transportation charged from substantial shareholders' company	46	-
Rental paid to substantial shareholders' company	6	4

The Board of Directors, save for the interested directors, are of the opinion that all business transactions between the Group and the interested directors and interested substantial shareholders and/or persons connected to them are at arm's length basis and on terms not more favourable to the related parties than those generally available to the public.

B. ADDITIONAL DISCLOSURES IN COMPLIANCE WITH THE BURSA SECURITIES LISTING REQUIREMENTS

16. Review of the performance of the Company and its principal Subsidiaries.

The comparisons of the results are tabulated below:

	Revenue		Operating Results	
Operating Segment	**3 months ended 30 Jun 2019 RM'000**	**3 months ended 30 Jun 2018 RM'000**	**3 months ended 30 Jun 2019 RM'000**	**3 months ended 30 Jun 2018 RM'000**
Quarry and Premix Products	10,780	18,900	(964)	998
Civil Engineering	16,216	12,286	1,613	952
Bituminous Products	4,920	2,467	446	245
Property Development	168	-	(7)	(124)
Others	166	215	(1,009)	(1,573)
Eliminations	(4,085)	(307)	(62)	137
Group	28,165	33,561	17	635
Less: Finance Costs			(600)	(621)
(Loss)/Profit Before Tax			(583)	14

The Group's revenue has decreased to RM28.17 million and loss before tax at RM0.58 million in the current reporting quarter as compared with the preceding year's corresponding quarter in which the Group has recorded a total revenue of RM33.56 million and profit before tax of RM0.014 million respectively.

Further details for the overall performance in the financial results are described below.

Quarry and Premix Products

Revenue for the quarry and premix products segment had decreased to RM10.78 million with an operating loss of RM0.96 as compared to the previous year's corresponding quarter revenue of RM18.9 million and operating profit of RM0.99 million due mainly to cessation of premix operation since last year.

Civil Engineering

Revenue for the current quarter has improved to RM16.22 million with an operating profit of RM1.61 million compared with the same quarter of the last financial year's revenue of RM12.29 million and operating profit of RM0.95 million.

The higher revenue recorded for this reporting quarter is mainly due to more workdone and contribution from another subsidiary which project secured in previous year.

Bituminous Products

Revenue recorded for this segment for this reporting quarter ended 30 June 2019 was RM4.92 million with an operating profit of RM0.45 million as compared with same quarter of the last financial year's revenue of RM2.47 million and operating profit of RM0.25 million.

The improved performance for this segment is due mainly to more demand from export market.

Property Development

Revenue for property development segment recorded RM0.17 million in current quarter due mainly to percentage of completion billings.

Comparison with immediate preceding quarter's results (Q1-FY'20 vs Q4-FY'19)

The Group's performances for the current financial quarter compared to the immediate preceding quarter were as follows:

	Current Quarter	Immediate preceding Quarter	Variance	
Operating Segment	**RM'000**	**RM'000**	**RM'000**	**%**
Quarry and Premix Products	10,780	15,646	(4,866)	-31%
Civil Engineering	16,216	9,871	6,345	64%
Bituminous Products	4,920	3,751	1,169	31%
Property Development	168	1,162	(994)	-86%
Others	166	590	(424)	-72%
Eliminations	(4,085)	(244)	(3,841)	1574%
Group	28,165	30,776		
Loss Before Tax	(583)	(9,992)	9,409	>100%

For the current quarter under review, the quarry and premix products segment generated a lower revenue of RM10.78 million compared to RM15.65 million recorded in the immediate preceding quarter, mainly due to slowing down in the construction, property and infrastructure sub-sectors.

The civil engineering segment's revenue had been increased to RM16.22 million as compared to RM9.87 million in the immediate preceding quarter, due to more workdone and contribution from another subsidiary which project secured in previous year.

The bituminous products segment recorded a higher revenue of RM4.92 million as compared to the revenue of RM3.75 million recorded in the immediate preceding quarter as a result of more export sales recorded.

The property development segment recorded a decreased revenue of RM0.17 as compared to the revenue of RM1.16 million recorded in the immediate preceding quarter due to lower demand from property market.

The Group performance has recorded a loss before tax of RM0.58 million as compared to a loss before tax of RM9.99 million recorded in the immediate preceding quarter due mainly to impairment of plant and equipments and receivables in preceding quarter.

17. Prospects

Overall the remaining financial year will continue to be challenging due to the uncertain market conditions, both locally and globally

With the expected implementation of government planned projects, the civil engineering segment should remain satisfactory in the remaining financial year.

As for the bituminous products segments, it will remain competitive, but cost rationalisation and operational efficiency will ensure positive operating results.

18. Significant Events

During the financial period, the following significant events took place for the Company and its subsidiaries companies:

i) The Company announced on 31 May 2019, that Minetech Construction Sdn Bhd ("MCSB"),a wholly-owned subsidiary of the Company had on 10 August 2018 entered into a MOU with Hong Kong Marine Construction Limited ("HKMC") to establish a cooperative and collaborative relationship with the view to embark into the businesses of land reclamation, industrial property development and port construction in Malaysia which has been approved by the Perak State government and involves the reclamation and the development of approximately 3,400 acres into a heavy industrial development with a sea port to provide logistic facilities. The Board of Directors wishes to announce that there has been no further material development since the previous announcement.

ii) The Company announced on 5 August 2019, that K.S. Chin Minerals Sdn Bhd ("KSCM") has entered into a Share Sale Agreement ("SSA") with East Rock Sdn Bhd ("ERSB") for disposing its 4,340,100 ordinary shares in the share capital of Gebeng Quarry Sdn Bhd ("GQSB"), representing 51% of the issued and paid up share capital of Gebeng Quarry Sdn Bhd ("Sale Share") to ERSB for a total consideration of RM7,000,000 only. Upon completion, GQSB shall cease to be an indirect subsidiary of the Company.

iii) The Company announced on 8 August 2019, that the Company has implemented the Share Issuance Scheme ("SIS") with effect from 3 August 2016. Pursuant to Paragraph 9.19(51) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company announced that to offer an option to eligible persons to subscribe for new ordinary shares of RM0.05 each in the Company ("SIS Options") under the SIS.

19. Profit forecast/profit guarantee

Not applicable as the Group has not issued any profit forecast or profit guarantee to the public.

20. Tax expense

Tax expenses were as follows:

	3 Months period ended 30 Jun 2019 RM'000	3 Months period ended 30 Jun 2018 RM'000
Current tax expense :		
- current taxation	(693)	(583)
Current deferred tax		
- relating to origination and reversal fo temporary differences	-	78
	(693)	(505)

21. Status of corporate proposals

There were no corporate proposal for the current quarter under review.

22. Group borrowings

The Group's borrowings were as follows:-

	As at 30 June 2019		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Term loans	9,384	1,567	10,951
Bank Overdrafts	-	7,153	7,153
Finance lease payables	6,208	3,132	9,340
Bankers acceptance/Letter of credit	-	3,488	3,488
	15,592	15,340	30,932

	As at 30 June 2018		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Term loans	10,259	1,567	11,826
Bank Overdrafts	-	7,895	7,895
Finance lease payables	8,403	7,498	15,901
Bankers acceptance/Letter of credit	-	4,676	4,676
	18,662	21,636	40,298

The term loans and finance lease payables for the current quarter ended 30 June 2019 recorded a decrease compared to correspondence quarter ended 30 June 2018 due to periodical repayment of term loans and finance lease payables.

The Group does not have any borrowings denominated in foreign currency.

23. Derivatives

There were no derivatives for the current quarter under review.

24. Material Litigation

This is an update to the Report previously submitted by Minetech Resources Berhad ("MRB") regarding material litigation cases involving the Group.

The Group is not engaged in any material litigation cases as at the date of this report other than the following:-

(i) Kuala Lumpur High Court Suit No. S-22NCVC-288-04/2013 ("Suit 288")

The Trial for Suit 288 and the below stated Suit 433 had proceeded at the Kuala Lumpur High Court before Y.A. Datin Hajah Azizah on 23rd, 24th, 25th and 26th October 2017, 13th and 23rd November 2017.

The Judge had on 20th April 2018 found the termination by Sri Manjung Granite Quarry Sdn Bhd ("SMGQ") to be unlawful and had ordered SMGQ to pay damages to Optimis Dinamik Sdn Bhd ("ODSB") (the quantum of damages is to be assessed by the Court Registrar) together with interest thereon at the rate of 5% per annum from the date of the Writ of Summon dated 1 April 2013 until full payment and costs of RM80,000.

As regards to SMGQ's Counterclaim, the High Court only allowed SMGQ's counterclaim for the outstanding tribute payment of RM256,300 owing by ODSB which is to be deducted (set-off) from the damages assessed to be paid by SMGQ to ODSB. The Counterclaim of RM256,300 allowed by the High Court in Suit 288 should have no financial impact on the Group as it is to be deducted (set-off) against damages to be paid by SMGQ to ODSB.

On 15th May 2018, SMGQ filed their appeal against the High Court's decision in Suit 288 ("SMGQ's Appeal").

ODSB had filed a Notice of Direction to the High Court for the assessment of damages, and on 5th July 2018, the Judge, by consent, ordered that the assessment of damages proceedings be stayed pending the disposal of SMGQ's Appeal.

The Deputy Registrar of the Court of Appeal had fixed both ODSB's Appeal (as defined hereinbelow) and SMGQ's Appeal for further Case Management on 28th August 2019 pending the availability of the written grounds of decision from the High Court Judge ("the Written Grounds of Decision") for both Suit 288 and Suit 433. The Deputy Registrar of the Court of Appeal will only fix a hearing date for both Appeals (which will be heard together) upon obtaining the Written Grounds of Decision.

(ii) Kuala Lumpur High Court Suit No. 22NCVC-433-09/2014 ("Suit 433")

As stated above, Suit 433 and Suit 288 were tried together.

The Judge had on 20th April 2018 dismissed ODSB, Minetech Quarries Sdn Bhd and K.S. Chin Minerals Sdn Bhd's claim against SMGQ and its 3 Directors, namely Mr. Moo Khean Choong @ Mu Kan Chong, Ms. Low Sow Fong and Mr. Atma Singh @ Atma Singh Lahre s/o Keer Singh, with costs of RM50,000.

ODSB, Minetech Quarries Sdn Bhd and K.S. Chin Mineral Sdn Bhd had on 18th May 2018 filed an appeal to the Court of Appeal against the High Court's decision in Suit 433 ("ODSB's Appeal").

As stated above, the Deputy Registrar of the Court of Appeal had fixed both ODSB's Appeal and SMGQ's Appeal for further Case Management on 28th August 2019 pending the availability of the Written Grounds of Decision for both Suit 288 and Suit 433. The Deputy Registrar of the Court of Appeal will only fix a hearing date for both Appeals (which will be heard together) upon obtaining the Written Grounds of Decision.

The estimated legal fees to be incurred by the Group in the engagement of solicitors to litigate the abovementioned litigation cases is approximately RM1 million.

25. Share capital

	Year to date ended 30 Jun 2019	Year to date ended 30 Jun 2018	Year to date ended 30 Jun 2019	Year to date ended 30 Jun 2018
	Number of Shares			
Issued and fully paid-up	**('000)**	**('000)**	**RM'000**	**RM'000**
Ordinary shares with no par value				
At 1 April	921,575	731,575	132,527	110,527
Shares issued during financial period	-	120,000	-	16,800
Shares issued under private placement	-	30,000	-	3,000
At 30 June	921,575	881,575	132,527	130,327

26. Dividends

No interim dividend has been declared or recommended in respect of the financial quarter under review.

27. Loss per share

	Individual Quarter		Cumulative Quarter	
	3 months Quarter ended 30 June 2019	3 months Quarter ended 30 June 2018	Year to date ended 30 June 2019	Year to date ended 30 June 2018
Basic loss per share				
Loss for the period (RM'000)	(1,221)	(984)	(1,221)	(984)
Weighted average number of ordinary shares ('000)	921,575	731,575	921,575	731,575
Upon issuance of shares ('000)	-	120,000	-	120,000
Upon issuance of shares under private placement ('000)	-	30,000	-	30,000
Adjusted weighted average number of ordinary shares ('000)	921,575	881,575	921,575	881,575
Basic loss per share (sen)	(0.13)	(0.13)	(0.13)	(0.13)
Diluted loss per share (sen)	(0.13)	(0.11)	(0.13)	(0.11)

There is dilute loss per share is due to issuance of shares under private placement.

28. Notes to the Consolidated Statement of Comprehensive Income

	Current Quarter Ended 30 June 2019 RM'000	Year-to -date Ended 30 June 2019 RM'000
Interest income	(93)	(93)
Interest expense	530	530
Bad debts written off	5	5
Depreciation and amortisation	1,861	1,861
Gain on disposal of property, plant and equipment	(62)	(62)
Impairment loss on property, plant and equipment	1,039	1,039
Reversal on impairment loss on receivables	(322)	(322)

29. Authorised for issuance

The interim financial statements for financial period ended 30 June 2019 has been approved by the Board of Directors of MRB on 28 August 2019 for release to the Bursa Securities.