



MINETECH RESOURCES BERHAD GROUP

ANNOUNCEMENT PACKAGE

Q4/FY2019

MINETECH RESOURCES BERHAD (575543-X)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter ended	Quarter ended	Year Ended	Year ended
	31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
	RM'000	RM'000	RM'000	RM'000
Revenue	30,775	28,281	139,580	121,127
Cost of sales	(30,897)	(26,757)	(130,027)	(114,569)
Gross profit	(122)	1,524	9,553	6,558
Other income	1,585	15,618	4,864	20,092
Administrative expenses	(10,437)	(12,812)	(23,202)	(22,621)
Selling and marketing expenses	(149)	(211)	(728)	(806)
Finance costs	(869)	(715)	(2,993)	(2,094)
(Loss)/ Profit before tax	(9,992)	3,404	(12,506)	1,129
Tax expense	(600)	(1,460)	(2,204)	(2,531)
(Loss)/ Profit for the period	(10,592)	1,944	(14,710)	(1,402)
Other comprehensive income				
Items that are or may be reclassified				
subsequently to profit or loss				
- Exchange translation differences for foreign operation	12	154	(38)	154
Total comprehensive income	(10,580)	2,098	(14,748)	(1,248)
(Loss)/Profit attributable to:				
Owners of the Company	(10,643)	1,671	(15,329)	(2,924)
Non-controlling interests	51	273	619	1,522
	(10,592)	1,944	(14,710)	(1,402)
Total comprehensive income				
attributable to:				
Owners of the Company	(10,631)	1,825	(15,367)	(2,770)
Non-controlling interests	51	273	619	1,522
	(10,580)	2,098	(14,748)	(1,248)
(Loss)/ Earning per share (sen)				
- Basic	(1.46)	0.23	(2.10)	(0.40)
- Diluted	(1.16)	0.23	(1.66)	(0.40)

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 2018.

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

Condensed Consolidated Statement Of Financial Position
As at 31 March 2019

	Unaudited As At 31 March 2019 RM'000	Audited As At 31 March 2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	47,468	51,083
Investment properties	11,072	11,075
Other Investment	64	-
Inventories	15,681	8,550
Quarry development expenditure	2,942	3,191
Goodwill on consolidation	13,770	-
	<u>90,997</u>	<u>73,899</u>
Current assets		
Inventories	12,327	7,272
Trade receivables	33,048	27,316
Other receivables	10,882	21,888
Amount due from customers for contract works	10,129	7,477
Amount due from associate companies	18	149
Tax recoverables	1,857	1,222
Other investments	3	1,527
Deposit, cash and bank balances	16,939	8,399
	<u>85,203</u>	<u>75,250</u>
Total assets	<u>176,200</u>	<u>149,149</u>
	Unaudited As At 31 March 2019 RM'000	Audited As At 31 March 2018 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	132,527	110,527
Less:- Treasury shares, at cost	(48)	(48)
Reserves	(56,690)	(40,962)
	<u>75,789</u>	<u>69,517</u>
Non-controlling interests	8,505	6,227
Total equity	<u>84,294</u>	<u>75,744</u>
Non-current liabilities		
Loan and Borrowings	15,804	19,516
Deferred tax liabilities	2,536	2,472
	<u>18,340</u>	<u>21,988</u>
Current liabilities		
Trade payables	22,964	31,047
Other payables	28,061	8,708
Amount due to customers for contract works	2,413	18
Loan and Borrowings	19,293	10,904
Tax payable	835	740
	<u>73,566</u>	<u>51,417</u>
Total liabilities	<u>91,906</u>	<u>73,405</u>
TOTAL EQUITY AND LIABILITIES	<u>176,200</u>	<u>149,149</u>
Net assets per share (RM) attributable to owners of the parent	0.08	0.10

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 2018.

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

Condensed Consolidated Statements of Changes in Equity
For the Financial Year Ended 31 March 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 2017	109,555	(48)	(44)	21,972	(21,972)	(38,147)	71,316	4,702	76,018
Loss for the financial year	-	-	-	-	-	(2,924)	(2,924)	1,522	(1,402)
Other comprehensive income	-	-	153	-	-	-	153	-	153
Total comprehensive income/ (loss) for the financial year	-	-	153	-	-	(2,924)	(2,771)	1,522	(1,249)
Transactions with owners:									
Issue of ordinary shares	972	-	-	-	-	-	972	-	972
Acquisition of subsidiary company	-	-	-	-	-	-	-	3	3
	972	-	-	-	-	-	972	3	975
At 31 March 2018	110,527	(48)	109	21,972	(21,972)	(41,071)	69,517	6,227	75,744

	----- 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)	109	21,972	(21,972)	(41,071)	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)	109	21,972	(21,972)	(41,432)	69,156	6,188	75,344
Loss for the financial year	-	-	-	-	-	(15,329)	(15,329)	619	(14,710)
Other comprehensive income	-	-	(38)	-	-	-	(38)	-	(38)
Total comprehensive income/ (loss) for the financial year	-	-	(38)	-	-	(15,329)	(15,367)	619	(14,748)
Transactions with owners:									
Issue of ordinary shares	22,000	-	-	-	-	-	22,000	-	22,000
Acquisition of subsidiary company	-	-	-	-	-	-	-	1,698	1,698
	22,000	-	-	-	-	-	22,000	1,698	23,698
At 31 March 2019	132,527	(48)	71	21,972	(21,972)	(56,761)	75,789	8,505	84,294

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 2018.

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

Condensed Consolidated Statement Of Cash Flows
For the Financial Year Ended 31 March 2019

(The figures have not been audited)

	12 Months To Date ended 31 March 2019	Preceding period 12 months ended 31 March 2018
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit before tax	(12,506)	1,129
Adjustments for:-		
Bad debts written off	2	1,326
Bad debts recover	(6)	-
Depreciation and amortisation	7,539	9,304
Loss/(Gain) on disposal of property, plant and equipment	177	(7,255)
Interest expenses	2,855	2,039
Inventories written off	-	451
Property, plant and equipment written off	572	30
Unrealised loss on foreign exchange	77	135
Reversal of impairment loss on property, plant and equipment	(443)	-
Reversal of impairment loss on inventories	-	(936)
Reversal of impairment loss on trade receivables	-	(49)
Written off of goodwill	653	-
Impairment of trade receivables	2,934	56
Impairment of inventories	843	-
Impairment of property, plant and equipment	1,502	50
Impairment of goodwill	484	1,517
Interest income	(334)	(333)
Operating profit before changes in working capital	4,349	7,464
Changes in working capital		
Quarry development expenditure	249	(1,093)
Inventories	(3,622)	1,281
Receivables	(4,490)	(25,465)
Customers for contract works	(257)	(3,876)
Payables	11,270	12,597
Net cash generated from/(used in) operations	7,499	(9,092)
Tax paid	(499)	(1,868)
Tax refund	635	-
Interest paid	(2,855)	(2,039)
Interest received	334	333
Net cash generated from/(used in) operating activities	5,114	(12,666)

	12 Months To Date ended 31 March 2019 RM'000	Preceding period 12 months ended 31 March 2018 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(1,516)	(3,400)
Proceeds from disposal of property, plant & equipment	1,069	11,584
Purchase of inventories	(7,131)	(2,550)
Net cash outflow from acquisition of subsidiary companies	(3,044)	3
Purchase of other investments	1,524	(1,527)
Amount due from associate companies	-	85
Net cash (used in)/ generated from investing activities	(9,098)	4,195
CASH FLOW FROM FINANCING ACTIVITIES		
Increased in fixed deposit pledged	(7,970)	(921)
Net changes in bank overdraft	6,765	-
Net changes in short term borrowings	4,629	(864)
Drawdown from term loan	-	4,000
Repayment of term loans	(861)	(147)
Proceeds from finance lease	102	-
Repayment of finance lease payables	(9,927)	(5,284)
Proceeds from issuance of shares	5,200	972
Net cash used in financing activities	(2,062)	(2,244)
Net Change in Cash & Cash Equivalents	(6,046)	(10,715)
Cash and Cash Equivalents at beginning of the period	1,998	12,695
Effect on foreign exchange rate changes	(150)	18
Cash and Cash Equivalents at the end of period	(4,198)	1,998
Cash and Cash Equivalents comprises of :		
Fixed deposit with licensed banks	12,034	4,064
Cash and bank balances	4,905	4,335
	16,939	8,399
Bank overdrafts	(9,114)	(2,348)
	7,825	6,051
Less: fixed deposits pledged to a licensed bank	(12,023)	(4,053)
	(4,198)	1,998

Note to Net cash outflow from acquisition of subsidiary companies:

Acquisition of subsidiary, net cash acquired:-

Cash and bank balances	(4,044)
Receivables	9,265
Inventories	2,276
Property, plant & equipment	5,180
Other investment	64
Payables	(4,775)
Borrowings	(3,866)
Non-controlling interest	(1,697)
	<hr/>
	2,403
Goodwill on combination	15,397
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Total purchase considerations	17,800
Less: Equity instruments issued	(16,800)
Less: Cash of subsidiary acquired	(4,044)
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	(3,044)
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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 accordance 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 2018.

These explanatory notes attached to the interim financial reports provide an explanation of 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 31 March 2018.

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 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 15	Classification to MFRS 15
Amendments to MFRS 140	Transfers of Investment Property
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Annual Improvements to MFRSs 2014-2016 Cycle:

Amendments to MFRS 1	
Amendments to MFRS 128	
IC interpretation 22	Foreign Currency Translation and Advance Consideration

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

Standards issued but yet effective

MFRS 16	Leases
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
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Annual Improvements to MFRSs 2015-2017 Cycle:

Amendments to MFRS 3	
Amendments to MFRS 11	
Amendments to MFRS 112	
Amendments to MFRS 123	
Amendment to References to the Conceptual Framework in MFRS Standards	

3. Auditors' report on preceding annual financial statements

The auditors' report on the Group's financial statements for the financial year ended 31 March 2018 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 12 months ended 31 March 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	69,339	54,027	14,693	1,919	1,040	(1,438)	139,580
Inter-segment revenue	106	-	6	-	195	(307)	-
	<u>69,445</u>	<u>54,027</u>	<u>14,699</u>	<u>1,919</u>	<u>1,235</u>	<u>(1,745)</u>	<u>139,580</u>
Segment results	(6,899)	3,101	519	(180)	(7,045)	991	(9,513)
Finance costs							(2,993)
Loss before tax							(12,506)
Taxation							(2,204)
Net loss for the period							<u>(14,710)</u>
Assets							
Segment assets	<u>87,230</u>	<u>41,380</u>	<u>10,683</u>	<u>9,832</u>	<u>83,584</u>	<u>(56,509)</u>	<u>176,200</u>
Liabilities							
Segment liabilities	<u>92,247</u>	<u>26,225</u>	<u>5,087</u>	<u>7,986</u>	<u>29,935</u>	<u>(69,574)</u>	<u>91,906</u>

Segmental information for the 12 months ended 31 March 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	79,374	27,056	14,634	-	63	-	121,127
Inter-segment revenue	-	154	11	-	154	(319)	-
	<u>79,374</u>	<u>27,210</u>	<u>14,645</u>	<u>-</u>	<u>217</u>	<u>(319)</u>	<u>121,127</u>
Segment results	5,635	1,960	1,312	-	(9,373)	3,356	2,890
Interest income							333
Finance costs							(2,094)
Loss before tax							1,129
Taxation							(2,531)
Net loss for the period							<u>(1,402)</u>
Assets							
Segment assets	<u>94,274</u>	<u>37,441</u>	<u>10,801</u>	<u>-</u>	<u>64,663</u>	<u>(58,030)</u>	<u>149,149</u>
Liabilities							
Segment liabilities	<u>92,932</u>	<u>23,886</u>	<u>5,331</u>	<u>-</u>	<u>23,109</u>	<u>(71,853)</u>	<u>73,405</u>

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 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 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 31 Mar 2019 RM'000	As at 31 Mar 2018 RM'000
Corporate guarantees	30,242	28,995
Bank guarantees	3,059	-

14. Capital commitments

There was no material capital commitment not provided for as at 31 March 2019.

15. Related party transactions

	3 Months As at 31 Mar 2019 RM'000	3 Months As at 31 Mar 2018 RM'000
Rental paid to Choy Sen @ Chin Kim Sang	15	20
Rental paid to a director's related company - Chan Toong San	180	-
Sales of direct material to substantial shareholder's companies	(1,886)	-
Management fees from substantial shareholders' companies	(300)	-
Commission from substantial shareholders' company	(42)	-
Rental Income from substantial shareholders' company	(132)	-
Purchase of direct material from substantial shareholder's companies	1,030	-
Office rental paid to substantial shareholders' company	45	-
Transportation charged from substantial shareholders' company	116	-
Rental paid to substantial shareholders' company	6	-

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:

Operating Segment	Revenue		Operating Results	
	3 months ended 31 Mar 2019 RM'000	3 months ended 31 Mar 2018 RM'000	3 months ended 31 Mar 2019 RM'000	3 months ended 31 Mar 2018 RM'000
Quarry and Premix Products	15,646	15,586	(7,833)	3,158
Civil Engineering	9,871	8,601	300	625
Bituminous Products	3,751	3,536	(212)	726
Property Development	1,162	-	(31)	-
Others	590	72	(3,292)	(4,169)
Eliminations	(245)	486	1,945	3,446
Group	30,775	28,281	(9,123)	3,786
Add: Interest income			-	333
Less: Finance Costs			(869)	(715)
(Loss)/Profit Before Tax			(9,992)	3,404

The Group's revenue has improved to RM30.77 million and loss before tax increased to RM9.99 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 RM28.28 million and profit before tax of RM3.4 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 increased to RM15.65 million as compared to the previous year's quarter of RM15.59 million.

However, the operating loss for current quarter ended 31 March 2019 was RM7.83 million as compared to operating profit for the previous corresponding year's quarter ended 31 March 2018 at RM3.16 million due mainly to cessation of premix operation since last year, which assets were impaired during current quarter.

Civil Engineering

For current quarter ended 31 March 2019, revenue was recorded at RM9.87 million with an operating profit of RM0.3 million compared with the same quarter of the last financial year's revenue of RM8.6 million and operating profit of RM0.63 million.

The higher revenue recorded for this reporting quarter is mainly due to new projects started operation during the financial year.

Bituminous Products

Revenue recorded for this segment for this reporting quarter ended 31 March 2019 was RM3.75 million with an operating loss of RM0.21 million as compared with same quarter of the last financial year's revenue of RM3.54 million and operating profit of RM0.73 million.

The operating loss was due to non-moving inventories written off and adjustment made to plant and equipment's depreciation..

Property Development

Revenue for property development segment recorded RM1.16 million in current quarter with the launching of a housing project.

Comparison with immediate preceding quarter's results (Q4-FY'19 vs Q3-FY'19)

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

Operating Segment	Current	Immediate	Variance	
	Quarter	preceding	RM'000	%
	RM'000	Quarter	RM'000	
Quarry and Premix Products	15,646	18,118	(2,472)	-14%
Civil Engineering	9,871	15,777	(5,906)	-37%
Bituminous Products	3,751	4,389	(638)	-15%
Property Development	1,162	758	404	53%
Others	590	215	375	174%
Eliminations	(244)	(662)	418	-63%
Group	<u>30,775</u>	<u>38,595</u>		
Loss Before Tax	<u>(9,992)</u>	<u>(2,002)</u>	(7,990)	>100%

For the current quarter under review, the quarry and premix products segment generated a lower revenue of RM15.65 million compared to RM18.12 million recorded in the immediate preceding quarter, mainly due to slowing down of quarry operation.

The civil engineering segment recorded a revenue of RM9.87 million compared to RM15.78 million in the immediate preceding quarter, due to completion of projects during the current quarter.

The bituminous products segment recorded a lower revenue of RM3.75 million as compared to the revenue of RM4.39 million recorded in the immediate preceding quarter as a result of lower sales in the domestic market.

The property development segment recorded revenue of RM1.16 as compared to the revenue of RM0.76 million recorded in the immediate preceding quarter as the housing development project had commenced from preceding period.

The Group performance has deteriorated by recording a loss before tax of RM9.99 million as compared to a loss before tax of RM2 million recorded in the immediate preceding quarter due mainly to closure of a quarry operation, impairment of plant and equipments and receivables.

17. Prospects

Overall the coming financial year will see improvement due to the government decision to continue with some of the mega infrastructure projects.

The operating results of the quarry operations is expected to improve due to reimplementation of ECRL and other government initiatives.

With the implementation of government planned projects, the civil engineering segment should remain satisfactory in the coming 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 14 November 2018, that Minetech Construction Sdn Bhd ("MCSB"), a wholly-owned subsidiary of MRB, had on 13 November 2018, accepted the Letter of Award ("LOA") to supply labour and material inclusive of all necessary plant, machinery and equipment to construct and complete the infrastructure works located at Klang, Selangor Darul Ehsan at a contract value of RM11,000,000.

The Sub-Contract commenced from 19 October 2018 and is expected to complete by 18 July 2019.

ii) The Company announced on 23 November 2018, that Minetech Construction Sdn Bhd ("MCSB"), a wholly-owned subsidiary of MRB, had on 23 November 2018, entered into an agreement with Able Return Sdn Bhd (Company No. 549631-D) and Damar Consolidated Exploration Sdn Bhd (Company No. 229692-V) in connection with the renewal of contract for waste removal, ore delivery and associated works for open pit mining in respect of Selinsing Gold Mine Project for a further period of two (2) years commencing from 1 July 2018 to 30 June 2020 with an estimated total contract value of approximately RM28.8 million.

iii) The Company announced on 31 January 2019, that Bertam Capital Sdn Bhd ("BCSB"), MRB's 60%-owned subsidiary company, had in the ordinary course of business, entered into various transactions with Fortunate Land Venture Sdn Bhd which is wholly owned subsidiary of Bertam Roadbase Sdn Bhd, a major shareholder of MRB for the purchase of quarry products as the total consideration, of which by way of aggregation, exceeds the threshold as stipulated in Paragraph 10.09(1)(a) of the Listing Requirements.

The transaction has temporarily stopped since early April 2019 and the total transacted value of the RRPT as at 31 March 2019 was RM1,579,252.

iv) The Company announced on 27 February 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.

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:

	12 Months period ended 31 Mar 2019 RM'000	12 Months period ended 31 Mar 2018 RM'000
Current tax expense :		
- current taxation	(2,085)	(2,525)
- under/(over) provision in prior year	(55)	405
	<u>(2,140)</u>	<u>(2,120)</u>
Current deferred tax		
- relating to origination and reversal fo temporary differences	(64)	(411)
Tax Adjustment	-	-
	<u>(64)</u>	<u>(411)</u>
	<u>(2,204)</u>	<u>(2,531)</u>

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 31 March 2019		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
<u>Secured</u>			
Term loans	9,614	1,567	11,181
Bank Overdrafts	-	9,114	9,114
Finance lease payables	6,190	5,465	11,654
Bankers acceptance/Letter of credit	-	3,147	3,147
	<u>15,804</u>	<u>19,293</u>	<u>35,097</u>
	As at 31 March 2018		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
<u>Secured</u>			
Term loans	9,760	638	10,398
Bank Overdrafts	-	2,348	2,348
Finance lease payables	9,756	5,408	15,164
Bankers acceptance/Letter of credit	-	2,510	2,510
	<u>19,516</u>	<u>10,904</u>	<u>30,420</u>

The term loans and bank overdrafts for the current quarter ended 31 March 2019 compared to correspondence quarter ended 31 March 2018, increased significantly due to acquisition of a subsidiary.

However, finance lease payable recorded a decrease due to periodical repayment of finance lease.

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 Azidah 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 15th May 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 9th July 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 31 Mar 2019	Year to date ended 31 Mar 2018	Year to date ended 31 Mar 2019	Year to date ended 31 Mar 2018
	<u>Number of Shares</u>		<u>RM'000</u>	<u>RM'000</u>
Issued and fully paid-up				
<i>Ordinary shares with no par value</i>				
At 1st April	731,575	725,094	110,527	109,555
Shares issued during financial period	120,000	6,481	16,800	972
Shares issued under private placement	70,000	-	5,200	-
At 31st March	<u>921,575</u>	<u>731,575</u>	<u>132,527</u>	<u>110,527</u>

26. Dividends

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

27. Loss per share

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months Quarter ended</u> 31 Mar 2019	<u>3 months Quarter ended</u> 31 Mar 2018	<u>Year to date ended</u> 31 Mar 2019	<u>Year to date ended</u> 31 Mar 2018
Basic loss per share				
Loss for the period (RM'000)	(10,643)	1,671	(15,329)	(2,924)
Weighted average number of ordinary shares ('000)	731,575	725,094	731,575	725,094
Upon issuance of shares ('000)	120,000	6,481	120,000	6,481
Upon issuance of shares under private placement ('000)	70,000	-	70,000	-
Adjusted weighted average number of ordinary shares ('000)	921,575	731,575	921,575	731,575
Basic loss per share (sen)	(1.46)	0.23	(2.10)	(0.40)
Diluted loss per share (sen)	(1.16)	0.23	(1.66)	(0.40)

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

28. Notes to the Consolidated Statement of Comprehensive Income

	<u>Current Quarter Ended</u> 31 Mar 2019 RM'000	<u>Year-to -date Ended</u> 31 Mar 2019 RM'000
Interest income	(87)	(334)
Interest expense	847	2,855
Bad debts written off	2	2
Bad debts recover	(6)	(6)
Unrealised loss/(gain) on foreign exchange	77	77
Depreciation and amortisation	2,060	7,539
Loss/(Gain) on disposal of property, plant and equipment	275	177
Impairment of Goodwill	132	484
Written off of Goodwill	-	653
Property, plant and equipments written off	310	572
Impairment loss on property, plant and equipment	1,502	1,502
Impairment loss on inventories	843	843
Impairment loss on receivables	2,934	2,934
Reversal on impairment loss on property , plant and machinery	(367)	(443)

29. Authorised for issuance

The interim financial statements for financial period ended 31 March 2019 has been approved by the Board of Directors of MRB on 29 May 2019 for release to the Bursa Securities.