MINETECH
RESOURCES
BERHAD

SUSTAINABILITY IN INNOVATION

ANNUAL REPORT 2020

18th Annual General Meeting

Ballroom I & II,
Main Wing,
Tropicana Golf & Country Resort,
Jalan Kelab Tropicana,
47410 Petaling Jaya,
Selangor Darul Ehsan

Tuesday,
29 September 2020

10.00 a.m.

CONTENTS

GROUP CORPORATE STRUCTURE

AS AT 30 JULY 2020

MINETECH

- QUARRY
  - K.S. CHIN MINERALS SDN BHD 100%
    - MINETECH QUARRIES SDN BHD 100%
    - HEBAT ASET SDN BHD 49%
      - MINETECH PAVEMENT TECHNOLOGIES SDN BHD 100%
      - OPTIMIS DINAMIK SDN BHD 100%
      - MINETECH BIDOR QUARRY SDN BHD 100%
  - BERTAM CAPITAL SDN BHD 60%
- CONSTRUCTION
  - MINETECH CONSTRUCTION SDN BHD 100%
    - MINETECH BUILDERS SDN BHD 100%
    - MRB MAJUCONSTRUCT SDN BHD 80%
- PROPERTY DEVELOPMENT
  - MRB PROPERTY SDN BHD 100%
    - INTEGRAL HOUSING DEVELOPMENT SDN BHD 100%
  - HARAPAN IRINGAN SDN BHD 100%
  - MEDIUM VISA SDN BHD 100%
  - MINETECH REALTY SDN BHD 100%
- MANUFACTURING
  - MINETECH PREMIX SDN BHD 100%
    - MINETECH QUARRIES SABAH SDN BHD 100%
  - MINETECH ASPHALT MAN INTERNATIONAL SDN BHD 85%
- ENERGY
  - CORAL POWER SDN BHD 70%
  - CORAL ENERGY SDN BHD *(FKA MRB FTZ DEVELOPMENT SDN BHD)* 100%
- OTHERS
  - MINETECH INDUSTRIES SDN BHD 100%
  - DIMAN KS CHIN SDN BHD 100%
  - MINETECH HEAVY MACHINERIES SDN BHD 100%
  - KONSEP KHAS SDN BHD 30%

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. **Dato' Awang Daud Bin Awang Putera**
   Executive Chairman
2. **Choy Sen @ Chin Kim Sang**
   Executive Director of Advisory
3. **Awgku Mohd Reza Farzak Bin Awg Daud**
   Executive Director of Corporate Services
4. **Chin Leong Choy**
   Executive Director of Business Development and Operations
5. **Azlan Shah Bin Zainal Arif**
   Executive Director of Business Development and Operations
6. **Abdul Farid Bin Abdul Kadir**
   Executive Director of Finance
7. **Ahmad Ruslan Zahari Bin Zakaria**
   Independent Non-Executive Director
8. **Ahmad Rahizal Bin Dato' Ahmad Rasidi**
   Independent Non-Executive Director
9. **Datin Feridah Binti Bujang Ismail**
   Independent Non-Executive Director
10. **Siti Aishah Binti Othman**
    Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

1. Ahmad Ruslan Zahari Bin Zakaria (Chairman)
2. Ahmad Rahizal Bin Dato' Ahmad Rasidi
3. Datin Feridah Binti Bujang Ismail

NOMINATION AND REMUNERATION COMMITTEE

1. Siti Aishah Binti Othman (Chairperson)
2. Ahmad Rahizal Bin Dato' Ahmad Rasidi
3. Datin Feridah Binti Bujang Ismail

INVESTMENT COMMITTEE

1. Dato' Awang Daud Bin Awang Putera (Chairman)
2. Awgku Mohd Reza Farzak Bin Awg Daud
3. Azlan Shah Bin Zainal Arif
4. Abdul Farid Bin Abdul Kadir
5. Chin Leong Choy
6. Ahmad Rahizal Bin Dato' Ahmad Rasidi

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
Tan Ai Ning (MAICSA 7015852)

REGISTERED OFFICE

Boardroom Corporate Services Sdn. Bhd.
[Registration No. 196001000110 (3775-X)]
12th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel No. : 603-7890 4800
Fax No.: 603-7890 4650

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
[Registration Number: 199601006647 (378993-D)]
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel No. : 603-7890 4700
Fax No.: 603-7890 4670

PRINCIPAL BANKERS

Malayan Banking Berhad
Registration Number: 196001000142 (3813-K)

AUDITORS

Messrs UHY
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel No. : 03-2279 3088
Fax No.: 03-2279 3099

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad
Stock Short Name: MINETEC
Stock Code: 7219

BOARD OF DIRECTORS

Board Of Directors (Cont'd)

FROM LEFT TO RIGHT

1. **Siti Aishah Binti Othman**
   Independent Non-Executive Director
2. **Ahmad Ruslan Zahari Bin Zakaria**
   Independent Non-Executive Director
3. **Awgku Mohd Reza Farzak Bin Awg Daud**
   Executive Director of Corporate Services
4. **Azlan Shah Bin Zainal Arif**
   Executive Director of Business Development and Operations
5. **Dato' Awang Daud Bin Awang Putera**
   Executive Chairman
6. **Chin Leong Choy**
   Executive Director of Business Development and Operations
7. **Choy Sen @ Chin Kim Sang**
   Executive Director of Advisory
8. **Ahmad Rahizal Bin Dato' Ahmad Rasidi**
   Independent Non-Executive Director
9. **Abdul Farid Bin Abdul Kadir**
   Executive Director of Finance
10. **Datin Feridah Binti Bujang Ismail**
    Independent Non-Executive Director

DIRECTORS' PROFILE

DATO' AWANG DAUD BIN AWANG PUTERA
Executive Chairman, Aged 59, Male

Dato' Awang Daud was appointed as the Executive Chairman of the Company on 31 March 2020. He is also the Chairman of the Investment Committee and Executive Committee which were established on 12 June 2020.

Dato' Awang Daud is a certified mechanical fitter/general mechanic of the Institut Kemahiran Majlis Amanah Rakyat ("**MARA**") and the National Industrial Trade Training Board. He obtained a Bachelor of Science in Mechanical Engineering in year 1994 from the University of the East, Philippines and a Master in Mechanical Engineering in year 2007 from the Universitas Pancasila, Jakarta, Indonesia. He was featured by MARA as a technical and vocational education and training icon. He was made a chartered fellow of the Chartered Institute of Logistics and Transport Malaysia ("**CILTM**") and is the Honorary Advisor to the International Business Forum of CILTM and CILTM Sarawak Chapter.

He has over forty (40) years of experience in the field of mechanical engineering. In year 1980, he joined Ballast Nedam International (Malaysia) Sdn. Bhd. and subsequently he joined Daelim Ltd. before engaging with Malaysia LNG Sdn. Bhd. in year 1983.

Dato' Awang Daud was the co-founder of Serba Dinamik Sdn. Bhd. and he was appointed as the Managing Director of Serba Dinamik Sdn. Bhd. in year 1993. He was later re-designated as Deputy Managing Director in year 2016. Currently, he is a Non-Independent Non-Executive Director, as well as a member of the Investment Committee and Management Committee of Serba Dinamik Holdings Berhad.

Dato' Awang Daud is a major shareholder of Minetech. He has no conflict of interest with the Minetech Group.

CHOY SEN @ CHIN KIM SANG
Executive Director of Advisory, Aged 67, Male

Choy Sen @ Chin Kim Sang was re-designated as Executive Director on 31 March 2020 and he currently holds the position of Executive Director of Advisory of the Company and has been appointed as a member of the Executive Committee of the Company on 12 June 2020.

He has over forty (40) years of experience in the quarrying and civil engineering industries. He was the founder of K.S. Chin Construction Sdn Bhd (which is now known as K.S. Chin Minerals Sdn Bhd) and in year 1989, he incorporated Minetech Construction Sdn Bhd. He had also established several other subsidiaries focusing on industrial machinery, sales and marketing of aggregates and asphalt premix.

He received a Master of Business Administration from Southern Pacific University, United States in year 2004 and he is an Associate of the Institute of Quarrying Malaysia. He is a registered Shot-Firer with the Jabatan Mineral dan Geosains Malaysia and Polis Diraja Malaysia. He is also the Deputy President of Green Purchasing Network Malaysia.

Other than Minetech, he is not a director of any other public company and listed issuer. He is a director in several private limited companies.

He is a major shareholder of Minetech. He has no conflict of interest with the Minetech Group other than that which has been disclosed in the Audited Financial Statements contained in this Annual Report.

Directors' Profile (Cont'd)

AWGKU MOHD REZA FARZAK BIN AWG DAUD
Executive Director of Corporate Services, Aged 36, Male

Awgku Mohd Reza Farzak was appointed as Non-Independent Non-Executive Director of the Company on 3 April 2020. He was re-designated as Executive Director of Corporate Services and appointed as a member of the Investment Committee and Executive Committee of the Company on 12 June 2020.

He has over fifteen (15) years of experience in the corporate world beginning with his career in Serba Dinamik Sdn. Bhd. in year 2004. He also founded several companies including Trillion Axis Sdn. Bhd., a maintenance, repair and overhaul company focusing in the oil and gas ("**O&G**") industry. Through the ADAP 40rty Group, he ventured into other businesses including realty, food and beverage as well as non-explosive rock-breaking technology. He co-founded ADAP Capital Sdn. Bhd. in year 2019, a private limited company, which has acquired stakes in several companies listed on Bursa Malaysia Securities Berhad. He also founded ADAP Kenyalang Holdings Sdn. Bhd., a company that invests in essential services sectors such as oil and gas, engineering and telecommunications. He sits on the board of a number of companies in which he has the position of executive director or managing director and is the executive chairman of a Tier-1 oil and gas company.

Awgku Mohd Reza Farzak received a Master in Industrial Engineering Technology from the University Malaysia, Pahang. He is also a Chartered Member of the Chartered Institute of Logistics & Transport (CILT) International, United Kingdom.

Other than Minetech, he is not a director of any other public company and listed issuer. He is a director in several private limited companies.

He has no conflict of interest with the Minetech Group.

CHIN LEONG CHOY
Executive Director of Business Development and Operations, Aged 37, Male

Chin Leong Choy was appointed to the Board of Directors of the Company as Executive Director on 21 January 2010 and as Group Executive Director on 6 March 2013. He was re-designated as Executive Director of Business Development and Operations of the Company and appointed as a member of the Investment Committee and Executive Committee on 12 June 2020.

He joined Minetech Construction Sdn. Bhd. in year 2003 where he held the responsibility for control blasting and infrastructure work. He was then transferred to Minetech Quarries Sdn Bhd in a sales capacity in year 2005 and then he joined K.S. Chin Minerals Sdn Bhd in year 2006 with the responsibility of planning and development. From year 2007 to year 2009, he was a Personal Assistant to the former Executive Chairman of the Company.

He received a Master of Business Administration (General Management) from Stichting Euregio University College, Belgium and Master of Business Administration (Property Management) from Tbilisi Teaching University Gorgasali, Georgia. He is a registered Shot-Firer with the Jabatan Mineral dan Geosains Malaysia.

Other than Minetech, he is not a director of any other public company and listed issuer. He sits on the boards of several private limited companies.

He has no conflict of interest with the Minetech Group.

Directors' Profile (Cont'd)

AZLAN SHAH BIN ZAINAL ARIF
Executive Director of Business Development and Operations, Aged 38, Male

Azlan Shah was appointed as Independent Non-Executive Director of the Company on 3 April 2020. He was re-designated as Non-Independent Non-Executive Director on 21 April 2020 and subsequently re-designated as Executive Director of Business Development and Operations on 12 June 2020. He is also the member of the Investment Committee and Executive Committee of the Company.

Azlan Shah has fifteen (15) years of experience as a professional and as an investor in business ventures. He served in Tanjong Offshore Group for seven (7) years and that was where he gained valuable experiences in the oil and gas ("**O&G**") industry focusing on maintenance, repair and operations after graduating with a Bachelor of Mechanical Engineering (Honors) from University of Malaya. He founded Empada Sdn. Bhd. in year 2013 to provide maintenance fabrication and construction in the O&G industry and has since then secured more than RM200 million worth of projects. He assisted several companies in an advisory capacity and was appointed as Managing Director of Special Projects and Business Development of ADAP Capital Sdn. Bhd. in year 2019.

Other than Minetech, he is not a director of any other public company and listed issuer. He sits on the boards of several private limited companies.

He has no conflict of interest with the Minetech Group.

ABDUL FARID BIN ABDUL KADIR
Executive Director of Finance, Aged 41, Male

Abdul Farid was appointed as Non-Independent Non-Executive Director of the Company on 23 April 2020. He was re-designated to Executive Director of Finance and appointed as a member of the Investment Committee and Executive Committee of the Company on 12 June 2020.

He has over twenty (20) years of experience in accountancy, corporate governance and corporate finance at local and international companies in various industries. He was in the pioneer management team of the first real estate investment trust, Amanah Raya Real Estate Investment Trust ("**ARREIT**"), which was listed in year 2007 and as the Head of Finance, he oversaw several of ARREIT's listing exercises. He was appointed as a member of the Board of Directors of Abraj Management Sdn. Bhd., a special purpose vehicle between Amanah Raya Berhad and Lembaga Tabung Haji in year 2010 to oversee the syndication of real estate investments by both organisations. He was the Head of Corporate Planning and Business Development for Putrajaya Holdings Sdn. Bhd. and from year 2012 to year 2018, he was the Head of Finance for FIFA Medical Centre of Excellence ("**FIFA**"), in Qatar. After he left FIFA in year 2018, he has undertaken several independent advisory roles.

Abdul Farid holds a professional degree from the Association of Chartered Certified Accountants (ACCA) since year 2009 and was awarded an Advanced Diploma in Business Administration from the Association of Business Executives in year 2001. He was trained as a Chartered Accountant at various practicing firms in Malaysia.

Other than Minetech, he is not a director of any other public company and listed issuer. He sits on the boards of several private limited companies.

He has no conflict of interest with the Minetech Group.

Directors' Profile (Cont'd)

AHMAD RUSLAN ZAHARI BIN ZAKARIA
Independent Non-Executive Director, Aged 59, Male

Ahmad Ruslan was appointed as Independent Non-Executive Director of the Company on 21 February 2014. He is also the Chairman of the Audit and Risk Management Committee of the Company.

Ahmad Ruslan graduated from the University of Newcastle-upon-Tyne, United Kingdom in year 1984 with a Bachelor of Arts in Economic Studies (Accounting & Financial Analysis). After graduating, he was trained as a Chartered Accountant at a firm in London.

In year 1986, he joined Merchants Business Growth Consulting, a pan-European marketing consultancy in London as Group Financial Controller. He then joined Corporate Finance Department of CIMB Investment Bank Berhad in year 1993 where he assisted to form Commerce Asset Ventures, the venture capital arm of CIMB Group. In year 2000, Ahmad Ruslan joined Clear Channel Communications, Inc., the leading global media organisation listed on the New York Stock Exchange as ASEAN Regional Development Director/Managing Director of Malaysian operations and in year 2005, he joined Terengganu Incorporated, a strategic investment holding company of Terengganu, as Chief Executive Officer. He was also the Chief Executive Officer of Armstrong Marine & Offshore Sdn. Bhd. from year 2008 to year 2018. Ahmad Ruslan was the founder and principal of Connoisseur Consult Sdn. Bhd. and presently he is the Chief Executive Officer of Proligen Sdn Bhd, a company that manufactures disposable polysulfone dialysis filters required for the effective treatment of kidney failure.

He also sits on the board of KTG Berhad (formerly known as DWL Resources Berhad) as an Independent Non-Executive Director and member of the Audit Committee.

He has no conflict of interest with the Minetech Group.

AHMAD RAHIZAL BIN DATO' AHMAD RASIDI
Independent Non-Executive Director, Aged 37, Male

Ahmad Rahizal was appointed as Independent Non-Executive Director on 28 October 2016. He is also a member of the Audit and Risk Management Committee, Nomination and Remuneration Committee and Investment Committee of the Company.

After pursuing a diploma in Hong Kong and a business degree in Sunway College, Ahmad Rahizal began his career as a Director in Noble Signet Sdn. Bhd. in year 2008, an IT developer company catering to the banking industry. He was the Chairman of UQ Holiday Sdn. Bhd. from year 2009 to year 2012, a company that chartered flights for pilgrims performing Umrah. In year 2012, he joined Uniqa Sdn. Bhd., a company which provides electronic payment systems as an alternative delivery channel for banks and other financial institutions as Chief Executive Officer, a position he continues to hold presently.

He is also involved in a number of other business ventures including a coconut plantation company, a taxicab company, sand/quarry business company, waste-management company and manages an edible oil factory with more than 300 distribution outlets in the Klang Valley and Selangor.

He is also an Executive Director of Acoustech Bhd and sits on the board of Aliran Utara Sdn Bhd, a subsidiary of Aliran Ihsan Resources Berhad (AIRB), which in turn is a wholly-owned subsidiary of MMC Corporation Berhad.

He has no conflict of interest with the Minetech Group.

Directors' Profile (Cont'd)

DATIN FERIDAH BINTI BUJANG ISMAIL
Independent Non-Executive Director, Aged 45, Female

Datin Feridah was appointed as Independent Non-Executive Director, member of the Audit and Risk Management Committee and member of the Nomination and Remuneration Committee of the Company on 12 June 2020.

Datin Feridah graduated with a Bachelor of Accountancy (Hons) from Universiti Technology MARA and she has over twenty (20) years of experience in accountancy and corporate finance. She began her career as an Assistant Accountant at a small firm prior joining Ernst & Young. Subsequently, she joined Malaysia Airlines Systems Berhad ("**MAS**"), where she was posted overseas as the Regional Accounting Manager for Australia and New Zealand. Following more than ten (10) years with MAS, she joined Sapura Aero Sdn. Bhd. in year 2016 as General Manager of Finance and Procurement. She currently runs her own financial consultancy and advisory business, Future Wise Consulting Services.

Datin Feridah is a member of Certified Public Accountant Australia. She was trained as a Chartered Accountant at various practicing firms in Malaysia and she is also a member of the Malaysian Institute of Accountants.

Other than Minetech, she is not a director of any other public company and listed issuer. She sits on the boards of several private limited companies.

She has no conflict of interest with the Minetech Group.

SITI AISHAH BINTI OTHMAN
Independent Non-Executive Director, Aged 60, Female

Siti Aishah was appointed as Independent Non-Executive Director and Chairperson of the Nomination and Remuneration Committee of the Company on 12 June 2020.

Siti Aishah graduated with Bachelor of Laws (LLB) (Hons) from University of Malaya. She began her career in the Legal Advisory Division of the Attorney General's Chambers of Malaysia and was subsequently appointed as the Senior Manager of the legal division of the Bintulu Development Authority ("**BDA**"). She has over twenty (20) years of experience with the BDA and she has been involved in drafting and assessing the examination paper for the subject of legislation in Sarawak. She was recognised for her services to the BDA in year 2010 and year 2011 respectively.

Other than Minetech, she is not a director of any other public company and listed issuer. She sits on the boards of several private limited companies.

She has no conflict of interest with the Minetech Group.

SENIOR/KEY OFFICER'S PROFILE

YEE KON SIN
Chief Executive Officer, Aged 61, Male

Yee Kon Sin joined Minetech as Financial Controller on 1 January 2019 and he was promoted to the position of Chief Executive Officer on 4 July 2019.

He graduated with a Bachelor of Accounting (Hons) from University of Malaya and started his career in audit and taxation in a Big Four audit firm and later ventured into merchant banking. Subsequently, from 1989 to 2014, he joined a company that was involved in the marketing and distribution of heavy machinery as an Accountant and promoted as the Senior General Manager. During his tenure, he led the company to be the market leader in the heavy machinery business. He joined Minetech Asphalt Man International Sdn. Bhd. (a 85%-owned subsidiary of Minetech) as Director of Operations in year 2015 and subsequently he was appointed as Chief Operating Officer of DE Infra Sdn Bhd in year 2016 where he managed and strategised the distribution of heavy machinery.

He was awarded a Gold Medal in Financial Management from the Malaysian Association of Certified Public Accountants. He is a Chartered Accountant with the Malaysian Institute of Accountants.

He is not a director of any other public company and listed issuer. He sits on the boards of several private limited companies.

He has no conflict of interest with the Minetech Group.

NOTES:

1. All the Directors and senior/key officer of Minetech are Malaysian.

2. Save as otherwise disclosed, none of the Directors and senior/key officer of Minetech have any convictions for offences within the past five (5) years other than traffic offences, if any.

3. None of the Directors and senior/key officer of Minetech have any family relationship with any other directors and/or major shareholders except the following:
   (a) Encik Awgku Mohd Reza Farzak Bin Awg Daud is the son of Dato' Awang Daud Bin Awang Putera, the Executive Chairman and major shareholder of Minetech; and
   (b) Mr Chin Leong Choy is the son of Mr Choy Sen @ Chin Kim Sang, the Executive Director of Advisory and major shareholder of Minetech.

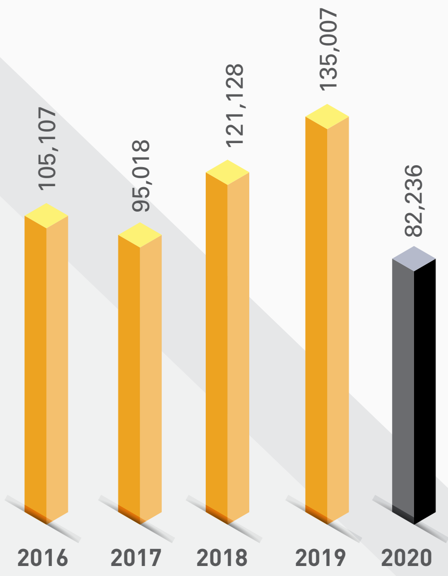
4. The details of Directors' attendance of Board Meetings during the financial year ended 31 March 2020 are disclosed in page 47 of this Annual Report.

5 YEARS FINANCIAL HIGHLIGHTS

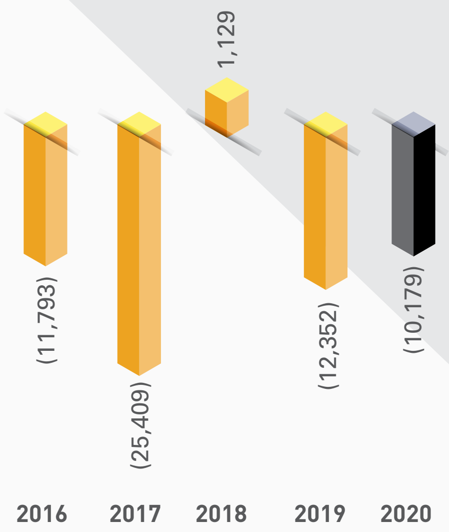
		2020 RM'000	2019 RM'000	2018 RM'000	2017 RM'000	2016 RM'000
FINANCIAL PERFORMANCE						
Revenue		82,236	135,007	121,128	95,018	105,107
(Loss)/Profit before taxation		(10,179)	(12,352)	1,129	(25,409)	(11,793)
(Loss)/Profit after taxation		(11,718)	(14,295)	(1,402)	(25,780)	(11,198)
(Loss)/Profit attributable to shareholders		(11,159)	(15,073)	(2,925)	(25,659)	(10,294)
(Loss)/earnings per share	sen	(1.21)	(1.71)	(0.40)	(3.58)	(1.55)
Return on equity	%	–15%	–15%	1%	–33%	–13%
Return on assets	%	–8%	–7%	1%	–19%	–9%
Return on revenue	%	–12%	–9%	1%	–27%	–11%
DIVIDENDS						
Dividend for the year		–	–	–	–	–
Net dividend per share	sen	–	–	–	–	–
Dividend yield	%	–	–	–	–	–
Dividend cover	times	–	–	–	–	–
GEARING						
Borrowings		22,432	35,003	30,420	25,294	20,751
Gearing	times	0.36	0.40	0.38	0.15	0.23
Interest Cover	times	(5.46)	(3.34)	1.55	(15.53)	(10.10)
OTHER FINANCIAL STATISTICS						
Net assets per share	sen	7.26	9.15	10.37	10.61	13.31
Share price - high	sen	0.130	0.120	0.170	0.150	0.095
Share price - low	sen	0.050	0.045	0.100	0.075	0.060
Price earning ratio	times	–	–	–	–	–
Paid up share capital		132,527	132,527	110,527	109,555	99,764
Shareholders' fund		64,694	75,924	69,517	71,315	88,202
Total Equity		66,846	84,808	75,744	76,017	88,502
Total Assets		129,719	177,031	149,149	130,734	138,283

5 Years Financial Highlights (Cont'd)

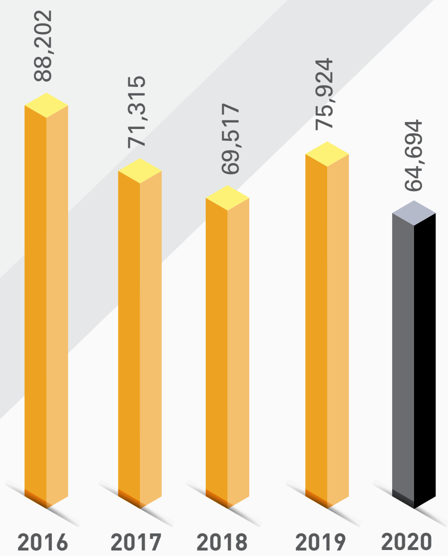
REVENUE
(RM Million)



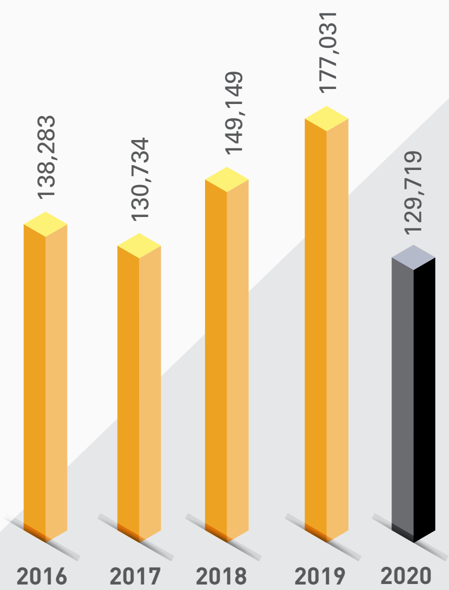
(LOSS)/PROFIT BEFORE TAXATION
(RM Million)



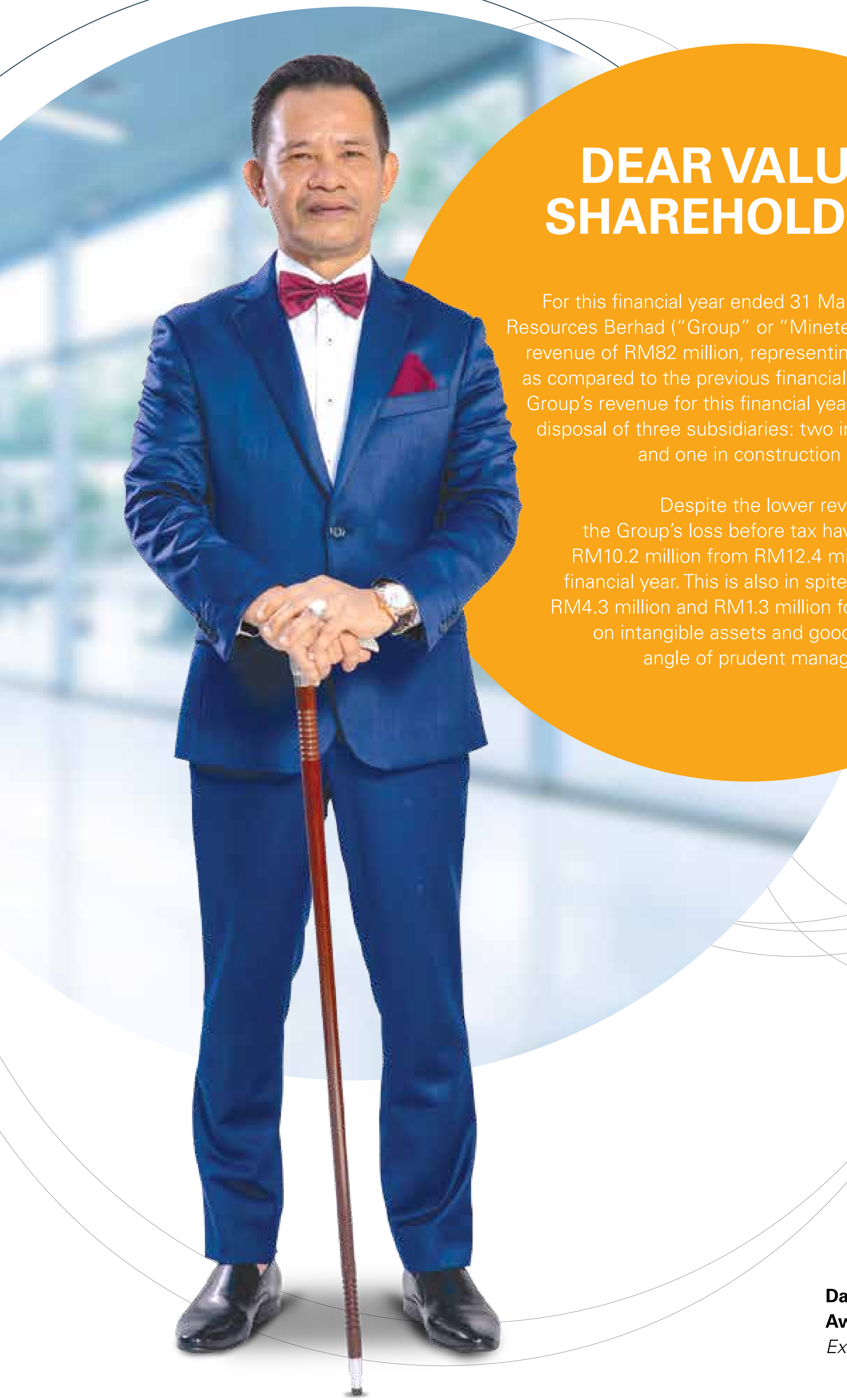
SHAREHOLDERS' FUND
(RM Million)



TOTAL ASSETS
(RM Million)



CHAIRMAN'S STATEMENT



DEAR VALUED SHAREHOLDERS,

For this financial year ended 31 March 2020, Minetech Resources Berhad ("Group" or "Minetech"), recorded a Group revenue of RM82 million, representing a decrease of 39% as compared to the previous financial year. The decrease in Group's revenue for this financial year is mainly due to the disposal of three subsidiaries: two in the quarry division and one in construction division.

Despite the lower revenue, the Group's loss before tax have narrowed to RM10.2 million from RM12.4 million in previous financial year. This is also in spite of a provision of RM4.3 million and RM1.3 million for impairment loss on intangible assets and goodwill from the angle of prudent management.

Dato' Awang Daud Bin Awang Putera
Executive Chairman

The performance of the Group is further described as below.

Quarry Division

The quarry division recorded a turnover of RM23.19 million for this financial year which is 66.3% lower than the previous financial year, largely due to the disposal of two subsidiaries, Gebeng Quarry Sdn Bhd and Minetech PQ Sdn Bhd. However, this division's operation margins are marginal due to the keen price competition in an overcapacity market as a result of the lackluster property development and infrastructure sub-sectors. As a result of squeezed margin coupled with provisioning for impairments in its assets as prudent measures undertaken by management, a segmental profit of RM2.19 million was recorded for this financial year as compared to a segmental loss of RM8.65 million recorded in the previous financial year.

The better performance is due to costs optimization measures undertaken and the disposal of loss making subsidiaries.

Construction Division

The construction division recorded a revenue of RM43.7 million and a profit of RM1.2 million during the financial year as compared to a revenue of RM49.3 million and a profit of RM3.0 million in the previous financial year. The improvement in the operating results for this division is due to a stable construction market of which this division focuses on certain niche area, for example, in the controlled blasting method in gold mining and excavation for an underground MRT station. This division is expected to continue to perform satisfactorily in the next financial year as the construction market should provide sufficient new contracts with the continued implementation of confirmed mega construction projects in the country.

Bituminous Products Division

The bituminous products manufacturing division for this financial year has recorded a revenue of RM15.2 million and a profit of RM0.85 million for this financial year as compared to a revenue of RM14.2 million and a profit of RM0.56 million in the previous financial year. Although the turnover for this financial year is slightly better, profit was much better due to costs optimization measures and focus on better margin products.

The bituminous products are mainly used for preventive coating of metal surfaces, water proofing and sealing of building works and as materials used in the road construction industry. The company will continue with its research and development efforts to increase the product range and to improve on its turnover and profitability by expanding into more overseas market, especially to other ASEAN countries.

Future Prospects

At present, the Group's prospect is generally driven by the country's construction sector as well as the infrastructure and property development subsectors.

As part of our diversification drive, I am pleased to inform that the Group's 9.99 MWac solar power plant located at Pantai Remis, Perak is currently under construction and is expected to be completed by first quarter of 2021. Upon completion, this plant is expected to contribute positively to the profitability of the Group.

I am confident that the economy of the country will improve with time and the plans and policies implemented by the Government will place the country on a better footing for the future. In the meantime, the Group would continue to closely monitor its cost structure and production efficiency to maintain its competitiveness in the market and to be equipped to rise to meet with the challenges posed by the Covid-19 pandemic.

Acknowledgement

On behalf of the Board, I wish to express my gratitude to my fellow Directors, senior management and all our employees for your contributions to the Group. Your efforts have been of paramount importance to the Group's ability to deal with challenges faced during the past financial year and to the looming challenges in the business horizon.

Last but not least, I would like to extend our sincerest appreciation to our shareholders, suppliers, bankers, customers and government authorities for your ongoing support.

MANAGEMENT DISCUSSION AND ANALYSIS

FYE 31 MARCH 2020

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

BUSINESS AND OPERATIONS

MINETECH RESOURCES BERHAD ("MRB" or "the Company")

Overview

During the financial year ended 31 March 2020, the principal activities of MRB and its group of companies ("MRB Group") has not changed from the previous financial year which is in the production of quarry products, civil engineering works and in the production of bituminous products. Through these businesses, the MRB Group mainly provides goods and services to the mining, property, infrastructure and construction sectors.

Overall, during this financial year, the country's property development sector has been challenging as the issues of the overhang of high rise apartments and offices, prevailing high home prices and tight financing has reduced business activities for the Group. This oversupply situation which leads to a very competitive supply market where supply capacity has not adjusted to balance with demand. As for the infrastructure construction sector, in the Greater Klang Valley region, major transport infrastructure projects implemented including the Mass Rapid Transit project, also known as MRT 2, the Light Rapid Transit project, also known as LRT 3, together with several other private highway projects have been a source of contracts for the Group. Looking ahead, the Group is optimistic in securing further contracts from the construction sector due to the implementation of the various economic stimulus packages worth RM295 billion by the government. Our operations were significantly impacted by the economic fall out of the Covid-19 pandemic due to major disruption of production and construction schedules during the period from second half of March to end of May 2020.

OPERATING ACTIVITIES

The ensuing section provides a review of the business activities and more details of the divisions in the MRB Group:

1. **Quarrying**

   This division is involved either in the extraction and the sale of granite quarry products of various sizes (in the industry these products are commonly referred to as aggregates) or only in the extraction of quarry products. Aggregates are primarily sold to customers for the manufacture of concrete mix in the building and infrastructure industries or the manufacture of asphaltic or bituminous premix for road construction or directly to road contractors.

   As stated earlier, due to the depressed market in the housing and commercial sub-sector and the prevailing high supply capacity in the country as well as disposal of two subsidiaries, this division has recorded a reduced turnover to RM23 million from RM69 million in the previous financial year. Our quarry operations are located in Pahang, Perak and Negeri Sembilan.

   To streamline our quarry operation, on 5 August 2019, Gebeng Quarry Sdn Bhd operating in Pahang, a 51% owned subsidiary was disposed off. On 6 September 2019, Minetech PQ Sdn Bhd operating in Perak was also disposed off.

Bidor Quarry

Nilai Quarry

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS (CONT'D)

OPERATING ACTIVITIES (CONT'D)

2. Civil engineering

Minetech Construction Sdn Bhd leads the civil engineering division and is principally involved in gold mining and infrastructure construction works. The Group's specialised expertise in rock blasting and excavation, offered as a unique value proposition to the construction industry. For example, we were involved with an underground excavation contract using controlled blasting at the Mass Rapid Transport project (MRT 2) to build the underground station at the Jalan Chan Sow Lin area in Kuala Lumpur. The company is also involved in the blasting and excavation works at an open cast gold mine in Pahang.

This civil engineering division also allows the MRB Group to enjoy better efficiency for utilization of equipment and staff by sharing of resources between the quarry and construction sites when required. In addition, being involved in civil engineering construction also creates leads for the Group's quarry and bituminous products.

As an ongoing process, this division regularly submits tenders for new projects, especially in the infrastructure construction sub-sector, and is expected to continue to benefit from on-going and future infrastructure projects. During the year, the division has secured a contract at a package of the Electrified Double-Track project. In addition, we also secured a project to complete the Upgrading Works along Cheras-Kajang Expressway. As the Government has announced that several mega projects that do not require additional funding will be continued to provide economic opportunities, the contracts potentially available is now brighter and the division is optimistic that we will be able to secure further contracts in the coming months.

Civil engineering works to construct an underground station for the MRT 2 project

Mining operations at a gold mine in Pahang

Civil engineering works for Electrified Double-Track rail project

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS (CONT'D)

OPERATING ACTIVITIES (CONT'D)

3. Bituminous Products

Minetech Asphalt Man International Sdn Bhd (a 85%-owned subsidiary company of MRB) is involved in the production and sale of bituminous products for pipe coating, water proofing and sealing mainly for concrete structures or building works and also bituminous products for road construction.

Our manufacturing plant is located at Ulu Yam, Selangor and its products are sold locally and overseas, mainly targeting the South East Asian market.

Production facility located at Ulu Yam, Selangor

Bituminous products

OBJECTIVES AND STRATEGIES

Short Term and Long Term Plans

The challenging business environment in the financial year ended 31 March 2020 is expected to continue into the following financial year. There are, however, opportunities in the infrastructure construction sector as the Government has provided a clearer picture of the implementation of the "mega" infrastructure projects in the country. The focus for this financial year will be to secure further contracts from this sector. We are also exploring potential infrastructure contracts in Sarawak and overseas with local partners to expand the business opportunities of the division.

We had on 26 June 2020 entered into a Memorandum of Understanding with Hadid Oil & Gas LLP to collaboratively engage in potential business opportunities, particularly in the oil & gas sector, engineering, procurement, construction and commissioning (EPCC) and any other sectors where both parties identified and jointly agreed to pursue in the Republic of Kazakhstan and/or in any other countries and region.

Against this tough business environment, the Group will continue to focus on cost optimisation and cash flow management for each division, maintaining its presence in the market, improving on its product delivery and customer satisfaction, innovation of products and processes and improving readiness to take on new challenges.

For the longer term, we will continue to explore potential business partnerships with the goal of improving the MRB Group's industry and local business knowledge, broadening of the target markets or clientele, improve management expertise and assets to enhance and expand our Group's businesses.

With the intention of diversifying the Group's business, we started the construction of a 9.99 MWac solar photovoltaic plant in Perak from the Energy Commission under their Large Scale Solar (LSS) power generation scheme via our subsidiary company, Coral Power Sdn Bhd. The plant is expected to be commissioned in first quarter of 2021.

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS (CONT'D)

OBJECTIVES AND STRATEGIES (CONT'D)

Short Term and Long Term Plans (Cont')

In another diversification drive, Konsep Khas Sdn Bhd, an associate of the Group, was appointed as a distributor and service partner of Krohne's products and spare parts to the oil and gas industry in East Malaysia. This company is also currently looking into business in traffic management as well as LED advertising.

As part of our long term strategy, the Group will continue to apply resources to the development and improvement of our human capital, towards the protection of the environment, improve on health and safety practices and training, to the development of innovative practices and improve product quality.

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

Financial highlights for the MRB Group for the past 5 financial years are as follows:

	FYE 31 March 2020 RM'000	FYE 31 March 2019 RM'000	FYE 31 March 2018 RM'000	FYE 31 March 2017 RM'000	FYE 31 March 2016 RM'000
Revenue	82,236	135,007	121,128	95,018	105,107
(Loss)/Profit before interest, taxes, depreciation and amortization	7,084	(266)	12,473	(14,081)	(1,138)
(Loss)/Profit before taxation	(10,179)	(12,352)	1,129	(25,409)	(11,793)
(Loss)/Profit after taxation	(11,718)	(14,295)	(1,402)	(25,780)	(11,198)
Net assets ("NA")	66,846	84,808	75,744	76,017	88,502
Total assets	129,719	177,030	149,149	130,734	138,283
Total liabilities	62,873	92,222	73,405	54,717	49,781
Borrowings	22,432	35,003	30,420	25,294	20,751
Gearing (times)	0.36	0.40	0.38	0.15	0.23
(Loss)/Earnings per share (sen)	(1.21)	(1.71)	(0.40)	(3.58)	(1.55)
NA per share (sen)	7.26	9.15	10.37	10.61	13.31
Dividend per share (RM)	–	–	–	–	–

Group loss after taxation for the Financial Year Ended 31 March 2020 ("FYE 2020") narrowed to RM11.7 million from RM14.3 million in FYE 2019.

Group revenue fell sharply to RM82.2 million from RM135 million year-on-year. Loss per share was 1.21 sen, down from 1.71 sen previously.

In the current year, the main revenue contributor was the civil engineering segment which generated RM43.7 million (FYE 2019: RM49.3 million). The quarry products segment chipped in with RM23.2 million (FYE 2019: RM69 million).

The bituminous products segment recorded revenue of RM15.2 million (FYE 2019: RM14.2 million)

Management Discussion And Analysis

FYE 31 March 2020 (Cont'd)

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

In addition to the above, the MRB Group's segmental revenue for the FYE 2020, FYE 2019, FYE 2018 and FYE 2017 are as follows:

Segmental revenue	FYE 31 March 2020 RM'000	FYE 31 March 2019 RM'000	FYE 1 March 2018 RM'000	FYE 31 March 2017 RM'000
Quarry products & contract	23,207	69,242	54,983	41,417
Civil engineering	47,067	54,040	27,211	28,301
Asphalt premix products	40	395	24,392	17,013
Bituminous products	15,199	14,699	14,645	13,049
Property development	–	2,152	–	–
Others	554	864	217	8,039
Sub-total	86,067	141,392	121,448	107,819
(–) Inter-company elimination	(3,831)	(6,385)	(320)	(12,801)
Total	82,236	135,007	121,128	95,018

Turnover for the year dropped by 39% from RM135 million recorded in the preceding financial year to RM82 million for the current financial year. The divisions that contributed to the decrease in turnover are the Quarry division which decreased by 66% and the Civil engineering division which registered a decrease of 13% respectively. The decreased turnover from the Quarry division is due mainly to disposal of two subsidiaries during the year. Whereas for the civil engineering division, turnover reduced due to lesser projects undertaken.

The operating results for this financial year showed a net loss before tax of RM10.2 million as compared to a net loss before tax of RM12.4 million in the preceding financial year. The Quarry division recorded a mixed bag of results whereby most of the quarry operations have been positive, however they have lower returns due to the competitive price in the market. Overall, due to the weak market sentiments and prudent management, for this financial year, management has provided provision for impairment on one quarry subsidiary amounting to RM5.6 million. The Civil engineering division and the Bituminous products division recorded positive and improved results for the financial year.

Total Assets

As at 31 March 2020, the MRB Group has recorded total assets of RM130 million as compared to total assets of RM177 million as at 31 March 2019. This decrease in total assets of RM47 million or 27% was mainly due to the disposal of three subsidiaries.

Total Liabilities

Total liabilities of the MRB Group stands at RM63 million as at 31 March 2020 as compared with a total of RM92 million as at 31 March 2019, a decrease of RM29 million or 32%. This decrease is mainly due to the disposal of three subsidiaries during the financial year. The Group's gearing has decreased slightly for the current financial year of 0.36 times as compared to the preceding financial year of 0.40 times due to disposal of subsidiaries. Non-current liabilities have reduced by 31% from RM18.8 million in the preceding financial year to RM13.0 million in the current financial year as a result of the disposal of subsidiaries.

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

Net Current Assets

As a measure of financial liquidity of the Group, the net current assets of the Group has improved from RM10.4 million as at 31 March 2019 to RM20.1 million as at 31 March 2020.

	FYE 31 March 2020	FYE 31 March 2019	FYE 31 March 2018	FYE 31 March 2017	FYE 31 March 2016
Current Assets	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Inventories	8,389	17,246	7,272	8,067	7,943
Trade receivables	28,980	35,340	34,793	23,158	23,660
Other receivables	14,343	12,908	23,259	6,671	19,276
Other investments	155	839	1,527	–	14,273
Cash and bank deposits	17,780	16,101	8,399	17,479	15,853
	69,647	82,434	75,250	55,375	81,005
Current Liabilities					
Trade payables	26,352	29,718	31,065	22,636	21,184
Other payables	11,514	24,372	9,448	4,728	6,901
Loans and borrowings	11,730	18,598	10,904	9,980	10,936
	49,596	72,688	51,417	37,344	39,021
Net Current Assets	20,051	10,426	23,833	18,031	41,984

Cash Flows

The annual source and utilisation of cash is illustrated by the Consolidated Statements of Cash Flows below.

1. Operating Activities

The Group has generated from operations an outflow of RM3.7 million cash for this financial year as compared to an inflow of RM5.1 million cash in the previous financial year. This is due to the disposal of subsidiaries.

2. Investing and Financing Activities

The Group recorded a net cash generated from investing activities of RM14.5 million for investing activities for the current financial year as compared with generation of RM3.2 million cash in the previous financial year.

As for the financing activities, the amount of cash used in this financial year was much lower than that of the previous financial year mainly due to the disposal of subsidiaries.

As fund raising exercise, MRB is implementing a private placement that entails the issuance of up to 105,938,900 new shares representing not more than 10% of the Company's enlarged issued share capital. In June 2020, a tranche of 48,000,000 new MRB shares were issued at 23.5 sen per share raising a gross amount of RM11.28 million. In July 2020, the second tranche of 30,000,000 new MRB shares were issued at 27.5 sen per share raising a gross amount of RM8.25 million, respectively, to be used as working capital for the Group.

Management Discussion And Analysis

FYE 31 March 2020 (Cont'd)

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

Cash Flows (Cont'd)

3. Implemented Share Issuance Scheme

Share options granted under the Share Issuance Scheme implemented on 3 August 2016 amounting to 138,100,000 shares has been fully exercised with proceeds of RM6,905,000 raised.

	FYE 31 March 2020	FYE 31 March 2019	FYE 31 March 2018	FYE 31 March 2017	FYE 31 March 2016
CASH FLOWS FROM OPERATING ACTIVITIES	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
(Loss)/Profit before tax	(10,179)	(12,352)	1,129	(25,409)	(11,792)
Operating profit/(loss) before changes in working capital	1,719	5,550	7,465	(5,750)	1,971
Net cash from/(used) in operating activities	(3,734)	5,104	(12,666)	3,242	(22,126)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	(982)	(1,008)	(3,400)	(2,832)	(2,339)
Proceeds from disposal of property, plant and equipment	8,286	2,080	11,584	2,973	913
Purchase of inventories	–	–	(2,550)	(6,000)	–
Net cash from disposal of other investments	684	688	(1,527)	14,273	18,650
Investment in associate	–	–	–	–	(367)
Net cash from disposal of a subsidiary companies	6,649	–	–	4,065	4
Net cash from acquisition of subsidiary companies	–	1,336	3	(14,748)	–
Amount due from associates	(98)	126	86	235	–
Net cash generated from/(used in) investing activities	14,539	3,222	4,196	(2,034)	16,861
CASH FLOWS FROM FINANCING ACTIVITIES					
Net (repayment)/drawdown of short term borrowings	(770)	585	(864)	770	(891)
Repayment of term loans	(961)	(8,969)	(147)	(828)	(48)
Drawdown of term loans		–	4,000	–	–
(Increase)/Decrease in fixed deposits pledged	3,807	(7,133)	(921)	(328)	596

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

Cash Flows (Cont'd)

	FYE 31 March 2020	FYE 31 March 2019	FYE 31 March 2018	FYE 31 March 2017	FYE 31 March 2016
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of hire-purchase and lease creditors	(4,368)	(4,129)	(5,283)	(6,369)	(4,062)
Proceeds from issuance of shares	–	5,200	972	9,000	–
Share issues expenses	–	–	–	–	–
Net cash (used in)/ from financing activities	(2,292)	(14,446)	(2,244)	2,245	(4,405)
Net change in cash & cash equivalents	8,513	(6,120)	(10,715)	3,454	(9,671)
Cash and cash equivalents at end of year	(4,254)	(4,199)	1,998	12,695	9,309

CAPITAL REQUIREMENTS, STRUCTURE & RESOURCES

Capital expenditure requirements

In the financial year ending 2021 the Group is expected to invest up to RM60 million for the development of the 9.99 MWac solar power farm in Perak. The construction of the plant has started in the second quarter of 2020 and the expected commissioning of the plant in the first quarter of 2021. The source of funds for this project will be raised from bank borrowings.

Capital structure and capital resources

In the coming financial year FYE2021, the primary source of working capital is expected to be derived from internally generated funds. In the event of any shortfall, the MRB Group would then prioritize fund raising through new debt before contemplating fund raising methods through the issuance of new equity, other than from the approved private placement.

Known trends and events

Except for the general market trends, there are no known trends or events, including balance sheet conditions, income or cash flow items that may affect the Group's operations in the coming financial year.

Status of acquisitions or projects undertaken that may impact the operating activities

At the date of this report, there are no on-going acquisitions of company or project.

Management Discussion And Analysis

FYE 31 March 2020 (Cont'd)

ANTICIPATED OR KNOWN RISKS

Anticipated or known risks and plans/strategies to mitigate such risks

The Group's Risk Management Committee has identified the following as the top 5 risk areas:

1. Insufficient Book Order – For the construction operations, there is a difficulty in maintaining a healthy book order to ensure consistent revenue/income for the Company due to the highly competitive market in the industry. Therefore, a close working relationship with existing clients and potential new clients is needed to get continuous invitation to tender for projects.

2. Stiff competition in the market (local and oversea market) – Shrinking demand and overcapacity has induced a price cutting and unfair bidding business environment. The group will improve on its market coverage and expand on its existing customer base.

3. Change of state government/local authority and policies which is mainly applicable to the quarrying division. Examples of these risks include:-

    a) Local authorities implementing unexpected changes in rates and tributes payable for the extraction of rocks which will have a direct impact to operating profits until and unless these higher costs are passed on to our customers;
    b) Delays in operating license renewals would result in operation stoppages which will in turn impact turnover; and
    c) Limitation to operating hours and/or capacity which may also significantly affect turnover.

4. Cash flow and liquidity risk – the current downturn in the construction industry has slowed the cash collection cycle and the tight requirements for funding by banks has increased this risk. Therefore, extra vigilance on cash collection are being implemented by management.

5. Credit and interest risk – the provision of credit for customers, which is the norm in our business, has its inherent risk in collection. Credit control procedures and policies are being implemented and monitored closely.

FORWARD-LOOKING STATEMENT

Trend and outlook

The strategy adopted by the Group is to consolidate its financial position through costs optimisation and effective cash flow management. MRB will also continue to look for growth opportunities via new business partnerships where the Group can leverage the expertise and experience of these partners.

With the global economy anticipated to be in economic slow down as a result of the Covid-19 induced crisis, Malaysia's growth forecast was downgraded.

For the first quarter of 2020, Malaysia narrowly escaped a contraction with a growth of 0.7% and forecasted to decline by 3.1% for the full year of 2020.

Overall the coming financial year will continue to be challenging, especially in the first half of the financial year due to the significant impact of the Covid-19 pandemic whereby most businesses were grounded under the Movement Control Order by the Government.

We are cautiously optimistic of recovery in the second half of the financial year given the Government's three economic stimulus packages totaling RM295 billion to tackle the Covid-19 economic fallout.

Dividend policy

The Group has not established a policy on the payment of dividend. No dividend has been paid or declared by the Company since the end of the previous financial year.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

This Sustainability Statement ("the Statement") is prepared in accordance with Sustainability Reporting Guide issued by the Bursa Malaysia Securities Berhad ("Bursa Malaysia"). This Sustainability Statement covers our sustainability performance of the operations of Minetech Resources Berhad ("Minetech", "the Group" or "the Company") and its subsidiaries ("the Group", "we" or "our") in the financial year ("FY") ended 31 March 2020 ("FY2020").

The Statement is guided by the Global Reporting Initiative ("GRI") Standards and we continuously improve the statement in line with Bursa Malaysia's efforts towards improving sustainability disclosures for the FY2020.

The Statement reports on the Economic, Environmental, Social ("EES") aspect in consideration of risks and opportunities material to our business and our stakeholders.

This statement includes Minetech and the following active subsidiaries across the three (3) main business divisions, namely Quarry, Construction and Manufacturing of Bituminous Products.

Quarry		Construction	Manufacturing (Bituminous)	Holding Company
Bertam Capital Sdn Bhd	Minetech Bidor Quarry Sdn Bhd	Minetech Construction Sdn Bhd	Minetech Asphalt Man International Sdn Bhd	Minetech Resources Berhad

Sustainability Governance

A strong sustainability governance structure is imperative to us and key leading to sustainable business practices and healthy corporate culture. A governance structure was established to manage the Group's decision-making processes, implementation of sustainable actions and strategy across Minetech and oversee the sustainability performance. Our sustainability structure is as depicted below:

BOARD OF DIRECTORS

▲

SENIOR MANAGEMENT

▲

DIVISIONAL MANAGEMENT

Board of Directors ("Board")

The Board oversees the sustainability strategies, initiatives and their performance.

Senior Management

The Senior Management determines sustainability activities and initiatives, discusses and presents it to the Board for update.

Divisional Management

Heads of departments through their appointed staff implement and execute sustainability strategies and initiatives. They report the results of relevant sustainability activities to the Senior Management.

Key Stakeholders Engagement

We defined stakeholders as those groups who affect and/or could be affected by our business, operation, products or services and associated performance. We continuously engage with our stakeholders as summarised in the table below.

Stakeholder	Forms of Engagement	Stakeholder's Concern
Shareholders / Investors – providers of our capital	• Annual General Meeting (AGM) • Annual Reports • Corporate announcements	• Financial performance • Return on investment • Dividends
Customers – buyers of our products and services	• Meeting, discussions and business communication on a day-to-day basis • Monthly progress meeting and progress report	• Product and service quality and pricing • Occupational health and safety
Suppliers – providers of our materials, labour and expertise support services	• Tenders exercises • Meeting, discussion and business communication on a day-to-day basis • Suppliers/ subcontractors' performance evaluation	• Enhancing ethical and fair procurement system • Product and service quality and pricing • Occupational health and safety
Employees – our most critical resources to achieve our business objectives	• Training and development • Performance management • Employment contract • Employee handbook • Company annual dinner • Meeting/discussion • Occupational health and safety activities	• Career development • Employee welfare • Occupational health and safety
Regulatory Authorities – govern and guide our business operations	• Regular consultation and meetings • Periodical reporting • Inspection by authorities	• Compliance with laws and regulations
Local Communities – parties that are impacted by our business operation	• Community events and contributions	• Community living • Personal well-being

Sustainability Statement (Cont'd)

Materiality Assessment and Key Sustainability Matters

We engaged with our stakeholders, both internally and externally, to identify and prioritise our key sustainability matters. The facilitation of materiality assessment was driven by management review on the Group's business operation and risk areas, feedback from Board of Directors and Senior Management. A comprehensive review was undertaken in the year 2018 and was reviewed both in year 2019 and this FY2020. No material changes were made to our materiality and the following key sustainability matters outlined below are consistent with the previous year's statement:

No	Key Sustainability Matters	GRI Guidelines
Economic		
1	Economic Performance	GRI 201-2 Financial implications and other risks and opportunities due to climate change
2	Market Presence	GRI 202-1 Ratios of standard entry level wage by compared to local minimum wage
3	Anti – Corruption	GRI 205 Anti-Corruption
Environmental		
4	Water	GRI 303-6 Water recycled and reused
5	Effluent and waste	GRI 306-1 Water discharge by quality and destination
		GRI 306-3 Significant spills
		GRI 306-4 Transport of hazardous materials
		GRI 306-5 Water bodies affected by water discharges and/or runoff
6	Environmental compliance	GRI 307-1 Non-compliance with environmental laws and regulation
Social		
7	Employment	GRI 401-2 Benefits provided to full-time employees
		GRI 401-3 Parental leave
8	Occupational health and safety	GRI 403-2 Occupational Safety and Health
9	Employee training	GRI 404-1 Average hours of training per year per employee
		GRI 404-2 Programs for upgrading employee skills and transition assistance programs
10	Diversity and equal opportunity	GRI 405-1 Diversity of governance bodies and employees
11	Local Communities	GRI 413-2 Operations with significant actual and potential negative impacts on local communities
12	Product and Service Quality	GRI 416-1 Assessment of the health and safety impacts of product and service categories
13	Compliance with laws and regulation	GR1 419 Socioeconomic compliance

Materiality Assessment and Key Sustainability Matters (Cont'd)

The details of material sustainability matters are further explained in the following sections.

A. Economic

The economic aspect refers to impact with regards to wages and local hires, anti-corruption efforts and the impact of climate change to the Group's business based on GRI standard reporting framework.

<u>Economic Performance – Climate Change</u>

Minetech recognises the impact on changes in weather patterns around the world and in Malaysia. Severe storms and rainy seasons can damage our equipment and machinery and interrupt our operations in a worst-case scenario. Measures were taken to monitor weather patterns through weather forecasts, inclusion of natural calamities into our insurance coverage, and closely monitor any potential risks related to the topography structure where our construction and quarry activities are located.

<u>Market Presence – Local Minimum Wages</u>

The Group offers reasonable wages in accordance with the Malaysian's Employment law to its employees. In addition, we do not discriminate, and rewards are given according to the performance of employees.

<u>Product and Services Quality</u>

Minetech demonstrates its commitment to deliver high quality and safe product and service in accordance with the standards upheld by certification bodies so that our customers are confident with our product and services. Our high-quality products reinforce Minetech's branding in the market, foster customers loyalty and viability of its business. Our bituminous products last longer with estimated lifespan for more than 5 years, and are mainly used for preventive coating of metal surfaces, water proofing and sealing for building works and as materials used in the road construction industry.

Our Construction's and Manufacturing's Quality Management System was certified with ISO 9001:2015 standard by both accredited certification bodies, SIRIM and UKAS Management System. It is a testimony and commitment to our ability to consistently manufacture products and services that meet customers and regulatory requirements and to our focus on continuous improvement.


British Assessment Bureau

Minetech Construction Sdn Bhd / Minetech Builders Sdn Bhd

ISO 9001:2015

www.british-assessment.co.uk


SGS

Minetech Asphalt Man International Sdn. Bhd.

ISO 9001:2015


SGS

Minetech Asphalt Man International Sdn. Bhd.

ISO 9001:2015

Sustainability Statement (Cont'd)

A. Economic (Cont'd)

Compliance with Laws and Standards

Minetech advocates strict compliance with all relevant national regulations including:

Section	Types compliance with laws and standards
Labour	• Employment Act 1955 • Personal Data Protection Act 2010 • Workmen Compensation Act 1952 • Employees' Social Security Act 1969 • Employees Provident Fund Act 1991 • Income Tax Act 1967
Safety, Health and Environment	• Occupational Safety & Health Act, 1994 • Fire Service Act, 1988 • Environmental Quality act, 1974 • Factories and Machinery Act 1967 • Standard Operating Procedures ("SOP") in relation of managing Covid 19 by Ministry of International Trade and Industry ("MITI) and Construction Industry Development Board ("CIDB") • Guidelines COVID-19 Management in Malaysia No.5/2020 by Ministry of Health ("MOH")
Construction	• Lembaga Pembangunan Industri Pembinaan Malaysia Act (CIDB Act)

Anti – Corruption

Minetech endeavours its high level of corporate ethics is not compromised despite current challenging business environment. Minetech engaged an external consultant to assist in developing its principles and expected standard of behaviours towards embedding anti-bribery and anti-corruption policy Group-wide in accordance with the introduction of Guidelines on Adequate Procedures and requirements by Malaysian Anti-Corruption Commission ("MACC") Amendments Act 2018. The Anti-Bribery Management System Policy was established and implemented on 1 June 2020.

Code of Conduct

In Minetech, all Directors complied with the Directors' Code of Ethics and Conduct which is available on our corporate website at: www.minetech.com.my. Employees of the Group are guided by our Code of Ethics introduced as part of the Employee Handbook and is available to them upon joining Minetech.

The Employee Handbook sets a clear tone and outlines actions in any cases of misconduct, if necessary, the Human Resource Standard Operating Procedures are modified to counter future violations. Minetech is preparing appropriate clauses for contract with dealers, consultants and suppliers as part of improvements to our anti-corruption efforts.

The rules of conduct applied to employees and directors are intended to articulate our fundamental principles and guidelines in upholding ethical standards and the Group's commitment to stakeholders in preserving economic sustainability.

A. Economic (Cont'd)

Whistleblower Policy

Minetech's zero tolerance to corruption and ethical standards are clearly set out in its Code of Conduct, Group's Policy anti-corruption, and other governing documents, which are implemented across all business divisions.

A Whistleblower Policy was revised and approved by the Board of Directors on 4 July 2019. The policy supports our commitment to ethical business conduct all employees of the Group have a professional responsibility to report any concerns such as known malpractices, wrongdoings, corporate misbehaviour and fraudulent activities, via communication channel established as stated in the Whistleblower Policy.

Whistle-blowers' identities are kept in confidence to the extent possible to facilitate independent investigations for appropriate remedial and follow-up actions. A copy of the Whistleblower Policy is uploaded into our corporate website at: www.minetech.com.my.

There were no instances or complaints on suspected corrupt or unethical behaviour of our employees that Minetech was aware of (FY2019: No case reported).

B. Environmental

We uphold our responsibilities to minimise impact of our operations on the environment including those quarry and construction operations outsourced to sub-contractors. We continue to explore initiatives to conserve our environment for the next generation. This section detailed our focus in managing water and energy consumption, preserving the environment while complying with environmental regulatory requirements for our 2 quarry sites in Nilai and Bidor, construction sites in Klang Valley, Pahang and Johor Bahru, and a manufacturing operation in Ulu Yam, Selangor.

Water

Minetech acknowledges water resource management is essential to protect the sites surrounding eco-systems. In order not to adversely impact the environment, we minimise our water consumption through constant innovative initiatives within the business divisions.

Minetech reuses most of its natural water. Pipes were connected from storage ponds, stored as a result from rainwater harvesting and these waters are used for washing and cleaning activities within quarries and construction sites. Consequently, both quarries and construction use minimal water from water authorities.

In FY2020, manufacturing operating segment consumed approximately 1,723 litre water (FY2019[1]: Not reported).

Energy – Diesel and Electricity

Our construction, quarry and manufacturing divisions produce greenhouse gas ("GHG") generated from use of diesel and electricity. We are aware that diesel consumption result in an array of environmental impacts. We monitor closely our diesel and electricity consumption through the implementation of monthly reporting, machinery use and regular preventive maintenance for our machinery and equipment.

Our calculated carbon emission based on the consumption of diesel and electricity was 3,033 t CO^2e in FY2020 (FY2019: Not reported).

B. Environmental (Cont'd)

Energy – Diesel and Electricity (Cont'd)

Type	Construction	Quarry	Manufacturing	Total
Diesel volume (litres)	188,370	517,039	22,195	727,604
Electricity consumption (kWh)	47,703	3,578,625	591,535	4.2 million
Carbon emission[2] (t $CO^{2}e$)	**518**	**2,304**	**211**	**3,033**

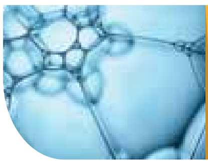
Carbon emission for quarry sites were at the highest when compared to construction and manufacturing operating segments as quarry operations are energy intensive to extract stones and granites.

During the year, 3 of our construction projects were managed by our clients and one of the construction projects managed by us was completed within the year. As a result, our construction operation use of diesel and electricity were scaled down.

Effluents and Waste

Our quarries, construction sites and factory utilise chemicals and diesels. To prevent from any untoward incidents, we manage all discharges and wastes in accordance with the laws and regulations governing the environmental protection. Controls established to handle these materials and wastes include:

Installation of bunker for diesel tank
- act as a protective layer to prevent diesel spillage and absorption by soil
- diesel permit approval obtained from Ministry of Domestic Trade and Consumer Affairs



Designated chemical storage areas
- reduce unauthorise access and prevent chemical spillage

Provisions of trainings
- training was provided to employess on properly handling, storage, use of equipment and machinery for transportation and disposal of hazardous materials

Appointment of qualified sub-contractor
- qualified sub-contractor was appointed for the transportation and disposal of hazardous material.

Used engine oil recycling
- interested party purchased used engine oil from Minetech for recycling purpose.

B. Environmental (Cont'd)

Environmental Compliance

Minetech took proactive measures to control and prevent environmental pollution throughout our 3 divisions.

Our quarry sites are regulated by the Department of Environment ("DoE") under the Environment Impact Assessment ("EIA") monitoring requirements. Two licensed third-party environmental consultants were appointed, KenEp Consultancy & Services for Minetech Bidor Quarry Sdn Bhd and Environmental Science (M) Sdn Bhd for Bertam Capital Sdn Bhd, to perform periodic environmental monitoring on three (3) key parameters – water quality, ambient air quality and noise levels measurement. These monitoring initiatives are to ensure the three parameters are within the environmental standards required under DoE.

A copy of the report was submitted to DoE on quarterly basis for compliance purposes.

Environmental aspect	Bertam Capital		Minetech Bidor Quarry2	
	DoE Standards	Actual average achievement	DoE Standards	Actual average achievement
Water Quality	Total Suspended Solids ("TSS") 50mg/l	Complied with standard	Class III of National Water Quality for Malaysia (NWQS)	Complied with standard
Ambient Air Quality	Total Suspended Particulates ("TSP") 260µg/m3	Complied with standard	TSP 100µg/m3	Complied with standard
Noise Level	Noise limit of 65 dBA for day time and 56dBA for night time	Complied with standard	Noise limit of 65 dBA for day time and 56dBA for night time	Complied with standard

We are pleased to highlight no incident of non-compliance with environmental laws and regulations in the FY2020 (FY2019: Zero cases). We constantly engage with DoE to ensure that any issues raised by the DoE are addressed and measures taken to ensure that these environmental issues are mitigated to an acceptable level.

C. Social

We pride ourselves on the opportunities we make available to the members of the communities, and also seek out ways to engage our communities whether directly or indirectly.

Aligning to this objective, we are committed to achieve a sustainable, long-term value creation for our stakeholders by promoting diversity and equality at work, enhancing employees' capabilities, empowering our leaders, and fostering relationships with local communities.

C. Social (Cont'd)

Workforce Development

In recognition of employees' contributions to the Group's continued success, we implement and adhere to best practises of employment engagement, which include attractive remuneration, competitive compensation and benefits programme, and training programs, to improve employees' wellness and retain the best talent possible.

Extracted from Employee Handbook

C. Social (Cont'd)

Workforce Development (Cont'd)

Minetech strongly support open communication between management and employees. We reviewed all comments and suggestions shared by our employees for the benefit of the Group to improve its productivity as well as to create a harmonious working environment.

The Group's Occupational Safety focuses on effective safety management at the workplace and promoting safety ownership within employees. A safety risk management is conducted at each quarries, construction, and factory, to identify potential safety risks as well as to strengthen safety compliance and improve safety performance. Steps and measures are taken in managing the risk of job-related hazards and incidents from crystallising at each quarry sites, construction sites and factory. These steps include providing sufficient, adequate and quality personal protective equipment, continuous briefing such as toolbox briefing, establishment of standard operating procedures and etc.

In addition, at construction sites where we are the sub-contractors, we strictly adopt the safety requirements by the main contractors.

The Group recorded a total of 21 days of Time due to Injury ("LTI") for the FY2020 (FY2019: Zero) where a minor incident occurred from a worker injury. The Group reviewed all health and safety aspects of the incident, and continuously educating and creating awareness for all its workers through safety and toolbox briefings.

Employees are always exposed and involved in occupational health and safety issues. Minetech raises its employees' awareness of occupational health and safety topics and shares information about the current developments and practical tips in safety alerts news.

With the recent outbreak of COVID-19 in March 2020, Minetech closely monitored the Ministry of International Trade and Industry's ("MITI") Standard Operating Procedures ("SOP") and Ministry of Health ("MOH") guidelines to provide a safe working environment for our employees. We strictly enforce the SOPs particularly in social distancing and cleanliness of working environment through regular disinfections and constantly reminding our employees on strict cleanliness standards such as cleaning hands and use of sanitisers.

C. Social (Cont'd)

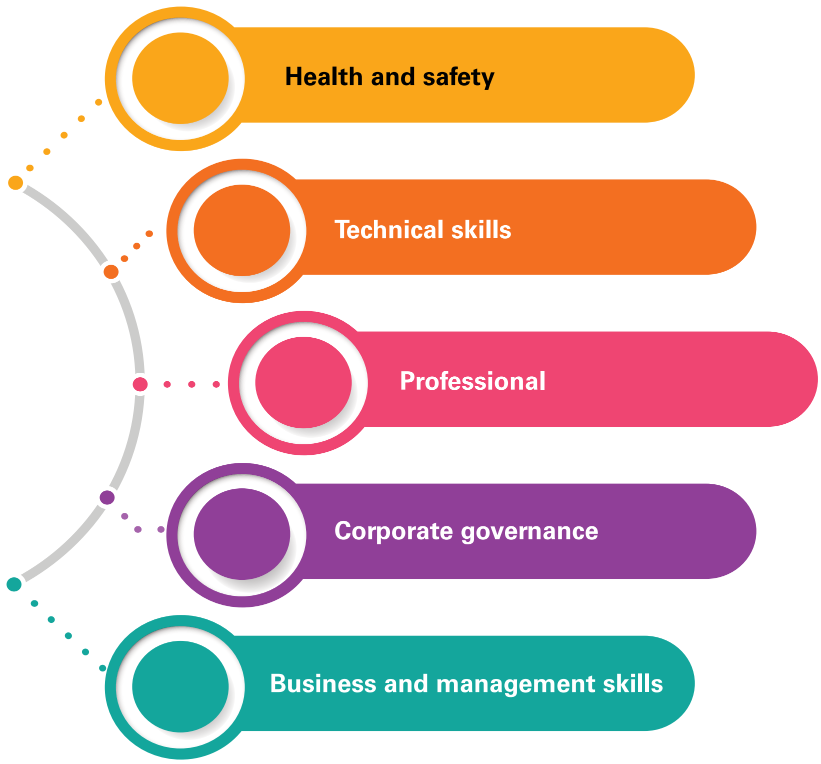
Training and Development

We are committed to develop our employees' competencies through various learning and development to remain resilient and responsive to emerging challenges in the industry and rapid changes in customer demands. Training bond will be offered for confirmed employees, if necessary.

Training programs are identified based on the result of performance appraisal with the collaboration with head of departments. Training programs are aligned to our business strategy and needs, meeting regulatory requirements and ensuring the development of technical, inter-personal, business and management skills of our people. Minetech constantly evaluates our employees' performance based on key performance index, company core competency and job-related competency. These criteria are evaluated via annual performance appraisal process to ensure employees are proficient and able to execute the tasks when assigned.

In FY2020, Minetech reported a total of 900 (FY2019: 606) training hours with an average training hour per employee of 20 hour/employee (FY2019: 3.9 hour/ employee). We continue our commitment in ensuring our employees upgrade their skills and knowledge through trainings.

Our trainings are categorised into:

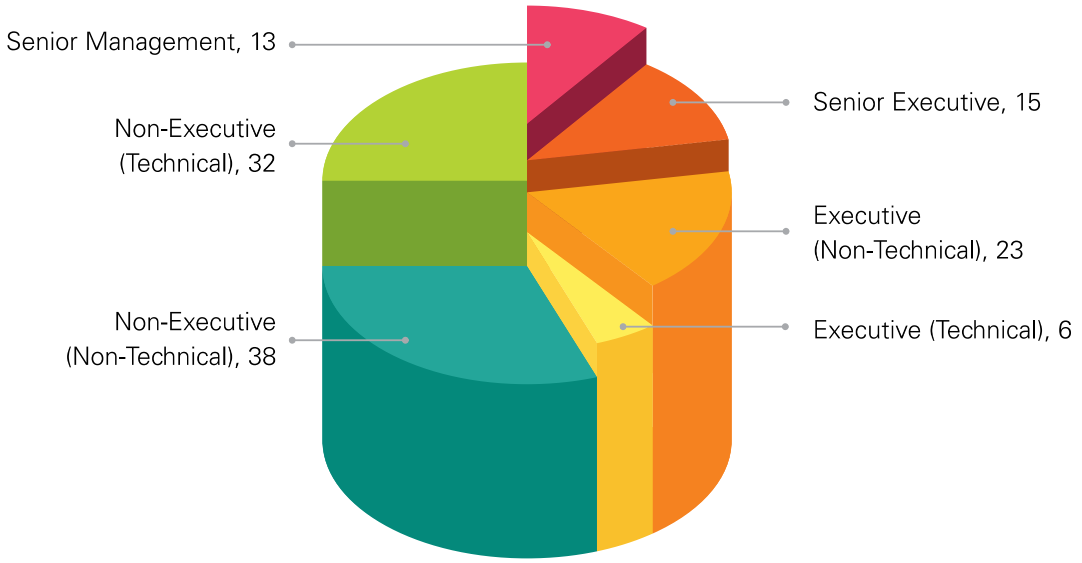


C. Social (Cont'd)

Diversity and Equal Opportunity

At Minetech, we promote equal employment opportunities without any discrimination on nationality, race, or gender as we strive to promote a diverse and harmonious workplace. Excellence by our employees is key to competitive success. To enable the Group to grow, the selection for employment and promotion and other benefits offered are based on qualifications, merit, and business needs. In FY2020, Minetech recorded a total workforce of 127 (FY2019: 157)

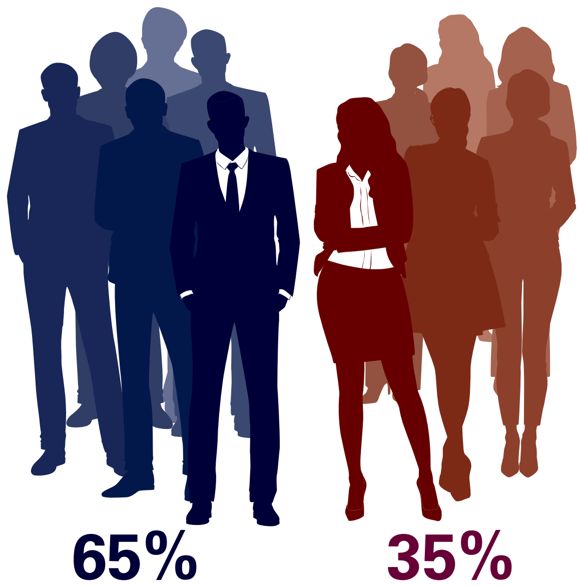
Total Employees by Category FY2020



We are committed to cultivate a harmonious workplace that encourages gender equality across the Group.

Our employees gender profile constitutes 65%: Men and 35%: Women. Our senior management team was 100% male in FY2020 (FY2019: 100%).

The gender diversity remains a challenge due to the minimal participation of women in all the 3 divisions, our female employees mainly focus in the administrative and management aspects although we do not discriminate between gender for position and we hire candidates who are capable and best fitted for the job.

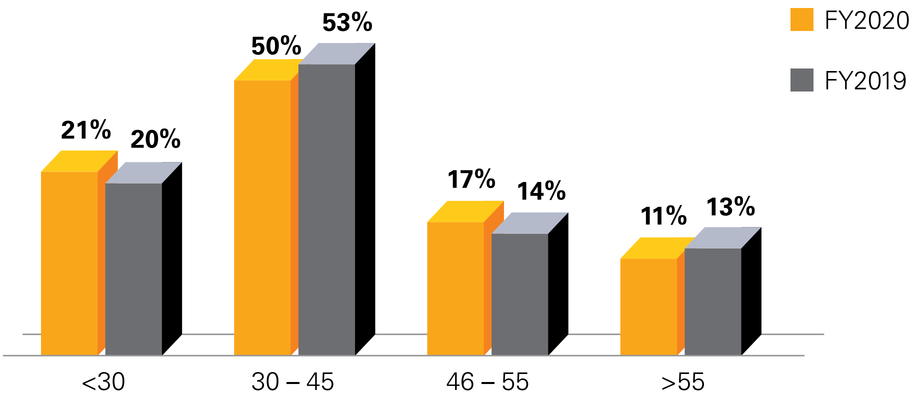


Sustainability Statement (Cont'd)

C. Social (Cont'd)

Diversity and Equal Opportunity (Cont'd)

Age Group

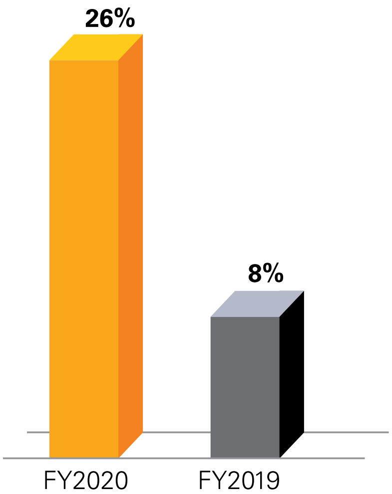


We believe it is a need to embrace age diversity and engaging with different generations in the workplace as age diverse teams help Minetech to develop innovative ideas and solutions which are mutually beneficial to all team members.

We have a young employee profile with almost 47% of Minetech employees categorised between 30 – 45 years; and 21% of our employees were below 30 years old, followed by 17% between 46 – 55 years age category. Only 11% of our employees aged above 55 years.

This employee profile by age indicated Minetech employed both experienced staff and the younger generation to provide them with a platform to start and grow their career with our Group.

Turnover Rate



(Calculated using number of resigned employee / end year employee headcount)

In FY2020, the employee turnover rate was higher at 26% (33 resigned employees) as compared to 8% in FY2019 (13 resigned employees), mainly due from non-executive level, approximately 50% of the resigned employee. The high number of resignations in FY2020 was from our business operation restructuring and employment completion for our contract staff.

C. Social (Cont'd)

Local Communities

FY2020 remained a challenging year for us with minimal communities' activities held. Donations, gift and sponsorship were made to religious organisation / temple, local enforcement bureau and customer's annual dinner during the year with the objectives to support non-profitable organisations and foster better relationship.

We sponsored Tenpin Bowling competition under the Sport & Welfare Club of Land and Mines Department with the objective to promote rapport with local enforcement authority.

For our employees, we organised a Chinese New Year Dinner to celebrate a year of hard work and to wish for a lucky and prosperous year ahead.

We believe that a good start to the year will lead to a better year in addition to promoting a closer bond among employees.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

MEMBERS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit Committee ("**AC**") and Risk Management Committee ("**RMC**") of the Company has merged into a new Board Committee, known as "Audit and Risk Management Committee ("**ARMC**") on 12 June 2020. The ARMC comprises three (3) members, all of whom are independent non-executive directors.

COMPOSITION

The ARMC members are:–

ARMC members	Designation
Encik Ahmad Ruslan Zahari Bin Zakaria *Independent Non-Executive Director*	Chairman
Encik Ahmad Rahizal Bin Dato' Ahmad Rasidi * *Independent Non-Executive Director*	Member
Datin Feridah Binti Bujang Ismail ^ *Independent Non-Executive Director*	Member
Mr Cheah Hannon # *Independent Non-Executive Director*	–
Mr Chan Toong San $ *Non-Independent Non-Executive Director*	–
Mr Ling Chee Wei € *Independent Non-Executive Director*	–

* Appointed on 31 October 2019
^ Appointed on 12 June 2020
# Appointed on 21 January 2020 and resigned on 4 June 2020
$ Resigned on 1 August 2019
€ Resigned on 10 January 2020

The ARMC meets the requirements of Paragraph 15.09(1) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

The duties and responsibilities of the ARMC are spelt out in the Terms of Reference of the ARMC, a copy of which is available in the Company's website www.minetech.com.my.

ATTENDANCE OF MEETINGS

Prior to the merger of AC and RMC on 12 June 2020, a total of five (5) AC meetings were held during the financial year ended 31 March 2020. The details of attendance of each AC member during the tenure of office of the members are as follows:–

Name	Attendance
Encik Ahmad Ruslan Zahari Bin Zakaria *Independent Non-Executive Director*	5/5 (100%)
Encik Ahmad Rahizal Bin Dato' Ahmad Rasidi * *Independent Non-Executive Director*	2/2 (100%)
Datin Feridah Binti Bujang Ismail ^ *Independent Non-Executive Director*	–
Mr Cheah Hannon # *Independent Non-Executive Director*	1/1 (100%)
Mr Chan Toong San $ *Non-Independent Non-Executive Director*	1/2 (50%)
Mr Ling Chee Wei € *Independent Non-Executive Director*	4/4 (100%)

* Appointed on 31 October 2019
^ Appointed on 12 June 2020
# Appointed on 21 January 2020 and resigned on 4 June 2020
$ Resigned on 1 August 2019
€ Resigned on 10 January 2020

SUMMARY OF ACTIVITIES

Prior to the merger of AC and RMC on 12 June 2020, the activities undertaken by the AC during the financial year ended 31 March 2020 in discharging of its duties and responsibilities include:–

Financial Reporting

(a) Reviewed the unaudited quarterly financial results and annual audited financial statements including the announcements pertaining thereto before recommending to the Board of Directors for approval for release to Bursa Securities and Securities Commission. The review focused primarily on:

- major judgemental areas, significant and unusual events;
- significant adjustments resulting from audit;
- the going concern assumptions;
- compliance with the Malaysian Financial Reporting Standards ("**MFRS**") and other applicable approved accounting standards in Malaysia; and
- compliance with Paragraph 9.22 and Appendix 9B of the MMLR of Bursa Securities and other regulatory requirements.

Audit And Risk Management Committee Report (Cont'd)

External Audit

(a) Reviewed the external auditor's reports in relation to audit and accounting issues arising from the audit and the management's response.

(b) Reviewed and discussed with external auditors regarding the audit planning memorandum, audit review memorandum and issues arising from the statutory audit of the Group.

(c) Met with the external auditors on 29 May 2019 and 26 February 2020 without the presence of Executive Directors and Management of the Group to ensure there were no restrictions on the scope of their audit and to discuss any items that the external auditors did not wish to raise in the presence of Management.

(d) Evaluated the independence and effectiveness of the external auditors and recommended to the Board of Directors on their re-appointment and audit fee.

Related Party Transactions

(a) Reviewed and monitored compliance of related party transactions with the MMLR of Bursa Securities and conflict of interest situation that may arise within the Group.

Risk Management and Internal Control

(a) Assessed the overall effectiveness of the risk management and internal control system of the Group on an ongoing basis.

(b) Reviewed the Statement on Risk Management and Internal Control prior to the recommendation to the Board of Directors for approval for inclusion in the 2019 Annual Report.

Internal Audit

(a) Reviewed and approved the annual internal audit plan to ensure adequate scope and comprehensive coverage of the Group's activities.

(b) Reviewed and discussed with the internal auditors regarding the internal audit process, internal audit findings and issues arising from the internal audit report of the following:

(i) Bertam Capital Sdn Bhd – Spare Parts Management
(ii) Minetech Construction Sdn Bhd – Project Management of Mass Rapid Transit Laluan 2 Project
(iii) Minetech Bidor Quarry Sdn Bhd – Sales to Receipts of Minetech Bidor Quarry Sdn Bhd

(c) Monitored the implementation of mitigating actions by Management on outstanding issues to ensure all key risks and control weaknesses are properly addressed.

(d) Met with the Internal Auditors on 28 August 2019 without the presence of Executive Directors and Management of the Group for discussions on internal audit related matters.

(e) Reviewed and evaluated the adequacy of the scope, functions, competency and resources of the internal audit functions.

Audit And Risk Management Committee Report (Cont'd)

Others

(a) Reviewed the revised Terms of Reference of AC prior to the recommendation to the Board of Directors for adoption.

(b) Reviewed the Corporate Governance Report, Corporate Governance Overview Statement, Management Discussion and Analysis and AC Report prior to the recommendation to the Board of Directors for approval for inclusion in the 2019 Annual Report.

(c) Reviewed the Circular to Shareholders on the proposed renewal of shareholders' mandate for existing recurrent related party transactions of a revenue or trading nature ("**RRPT**") and proposed new shareholders' mandate for additional RRPT and proposed renewal of authority for the Company to purchase its own ordinary shares prior to the recommendation to the Board of Directors for approval.

INTERNAL AUDIT FUNCTION

Details on the internal audit function are set out in the Statement on Risk Management and Internal Control of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**the Board**") of Minetech Resources Berhad ("**the Company**") is pleased to present its statement on corporate governance ("**CG**") practices of the Company during the financial year ended 31 March 2020. The Board in leading the Company in its CG practices is guided by the principles as set out in the Malaysian Code on Corporate Governance 2017 ("**MCCG**").

This statement is prepared in compliance with Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**MMLR**") and guided by Practice Note 9 of the MMLR and the CG Guide (3rd edition) issued by Bursa Malaysia Berhad. This CG Overview Statement should also be read together with the CG Report 2020 of the Company ("**CG Report**") which is available on the Company's website: www.minetech.com.my as well as via an announcement on the website of Bursa Securities and in conjunction with the other statements in the Annual Report (e.g. Statement on Risk Management and Internal Control, Audit and Risk Management Committee Report, and Sustainability Statement) as the application of certain governance enumerations may be more evidently expressed in the context of the respective statements.

The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG during the financial year ended 31 March 2020.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

i. Board Responsibilities

The Group is headed by an experienced and effective Board. The Board assumes overall responsibility in leading the strategic direction, future expansion, CG, risk management, human resource planning and development, investments made by the Company and overseeing the proper conduct of business of the Group. Dato' Awang Daud Bin Awang Putera, the Executive Chairman is responsible in overseeing the Board in the effective discharge of its supervisory role emphasising on governance and compliance. The positions of the Chairman and Chief Executive Officer are held by different individuals. The Board Charter has clear division of responsibilities to ensure there is a balance of power and authority in the Company. The segregation of roles also facilitates a healthy open, exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company.

In discharging its duties, the Board delegates certain of its responsibilities to the following Board Committees which operate within its clearly defined Terms of Reference respectively:–

- Audit Committee ("**AC**")
- Nomination Committee ("**NC**")
- Remuneration Committee ("**RC**")
- Risk Management Committee ("**RMC**")

The Chairman of the respective Board Committees report to the Board on key matters deliberated at the respective Board Committee meetings and makes recommendations to the Board for final decision, where necessary.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

ii. Board and Board Committees Meetings

The breakdown of the Directors' attendance at the Board and Board Committees meetings during the financial year under review is set out below:–

Name	Board	AC	NC	RC	RMC
1* **Dato' Awang Daud Bin Awang Putera** *Executive Chairman*	–	–	–	–	–
2* **Choy Sen @ Chin Kim Sang** *Executive Director*	5/5	–	–	1/1	–
Chin Leong Choy *Group Executive Director*	5/5	–	–	–	–#
Ahmad Ruslan Zahari Bin Zakaria *Independent Non-Executive Director*	5/5	5/5	1/1	1/1	3/3
3* **Ahmad Rahizal Bin Dato' Ahmad Rasidi** *Independent Non-Executive Director*	4/5	2/2	1/1	–	3/3
4* **Cheah Hannon** *Independent Non-Executive Director*	1/1	1/1	1/1	–	–
5* **Dato' Sri Chai Chow Sang** *Non-Independent Non-Executive Director*	2/3	–	–	–	–
6* **Chan Toong San** *Non-Independent Non-Executive Director*	1/2	1/2	–	–	–
7* **Chong Jun Heng** *Non-Independent Non-Executive Director*	3/3	–	1/1	–	2/2
8* **Ling Chee Wei** *Independent Non-Executive Director*	4/4	4/4	–	1/1	–
9* **Chin Kong Yaw** *Chief Executive Officer*	1/1	–	–	–	–

Remark:–
1* Appointed to the Board of Directors on 31 March 2020.
2* Re-designated from Executive Chairman to Executive Director on 31 March 2020.
\# No RMC meeting was held subsequent to his appointment as RMC member on 27 November 2019.
3* Appointed as a member of Audit Committee on 31 October 2019.
4* Appointed to the Board of Directors, a member of AC, NC and RC on 21 January 2020. Following his resignation as Director on 4 June 2020, he ceased to be a member of AC, NC and RC.
5* Resigned as Director of the Company on 30 September 2019.
6* Resigned as Director of the Company on 1 August 2019 and ceased to be a member of AC following his resignation as Director.
7* Resigned as Director of the Company on 30 August 2019 and ceased to be a member of NC and RMC following his resignation as Director.
8* Resigned as Director of the Company on 10 January 2020 and ceased to be a member of AC and RC following his resignation as Director.
9* Resigned as Director and Chief Executive Officer of the Company on 30 June 2019.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

iii. Board Charter

The Board Charter delineates the powers, duties and responsibilities of the Board, Board Committees and individual Directors, including the following matters that are solely reserved for the Board's decision:–

- Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- Strategic investments, mergers and acquisitions and corporate exercises;
- Limits of authority;
- Treasury policies including Company's budget;
- Risk management and internal control policies; and
- Key human resource issues.

The Board Charter further defines the respective roles of the Chairman of the Board, the Chief Executive Office and Independent Director. It serves as a primary induction literature that guides newly appointed and existing Board members on their duties and functions of the Board and its Committees.

A copy of the Board Charter can be found in the Company's website at www.minetech.com.my and is periodically reviewed to ensure it complies with legislations, regulations and practices, and remain effective and relevant to the Board's objectives and responsibilities. The Board Charter, Terms of Reference of the Board Committees, the Directors' Code of Ethics and Conduct, Succession Planning Policy, and Directors and Senior Management Remuneration Policy were reviewed annually by the Board to be in line with the CG practices set out in the MCCG.

The Board is supported by qualified and competent Company Secretaries. The Company Secretaries are the member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and has the requisite experience to provide unhindered advice to the Board to ensure its effective functioning and compliance with regulatory requirements. The Board has unrestricted access to the advice and services of the Company Secretaries on the conduct of Board's affairs and business. The roles and responsibilities of the Company Secretaries including the following:–

- Advising the Board on its roles and responsibilities;
- Advising the Board on the matters in relation to CG and the MMLR;
- Update the Board on the developments of corporate and securities law, MMLR, Company's constitution, Board's policies and procedures;
- Ensure the Board procedures and applicable rules are observed;
- Preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded; and
- Serve as focal points for stakeholders' communication and engagement on CG issues.

The Board recognises that decision-making process is highly dependent on the quality of information furnished. In furtherance to this, every Director has:–

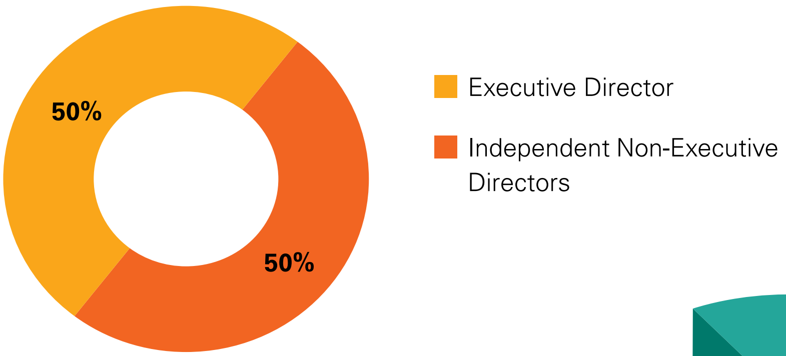
- Full and unrestricted access to timely, accurate and complete information within the Company;
- Authority to have all meeting materials prepared and issued to the Board of Directors and Board Committee members within reasonable period before respective meetings to enable them to contribute constructively;
- Direct and unrestricted communication channels with employees, senior management personnel and relevant external parties; and
- Authority to obtain independent professional or other advise at the Company's expense, subject to the approval of the Chief Executive Officer or in the Chief Executive Officer's absence, the Group Executive Director.

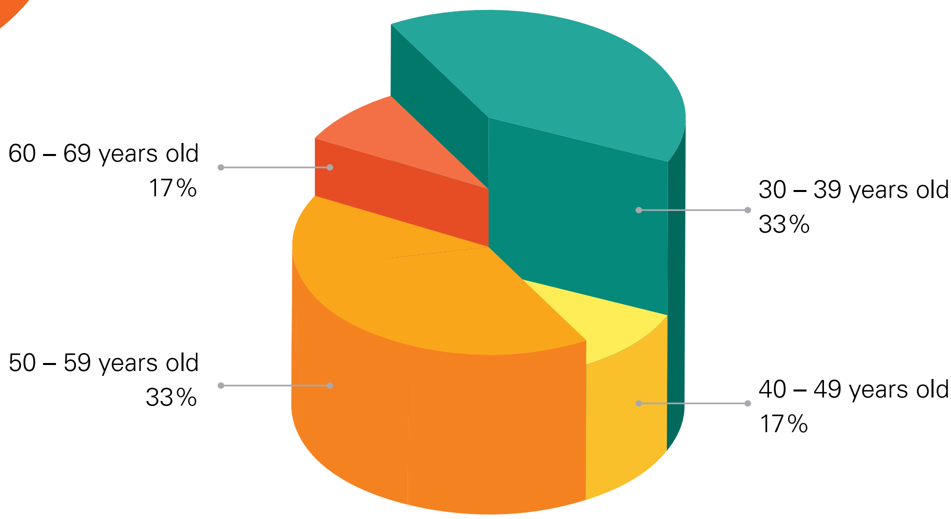
PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

iv. Board Composition

The Board is well balanced, comprising experienced businessmen and qualified professionals of diverse age and ethnicity. The Directors collectively bring with them diverse knowledge, skill, extensive experience and expertise in areas such as strategic planning, business development, legal, finance, corporate affairs, marketing and operations which enables them to discharge their duties and responsibilities effectively, objectively and independently.

The Board has six (6) members, comprising three (3) Independent Non-Executive Directors and three (3) Executive Directors as at 31 March 2020. The profile of each Director can be found on pages 08 to 12 of this Annual Report.





The present Board composition complies with Paragraph 15.02 of the MMLR which requires at least two (2) or one-third (1/3) of the Board of the Company, whichever is higher, are Independent Directors. The Board is satisfied with the current composition of Directors where all Independent Directors of the Company are always within reach of the shareholders and issues are discussed openly at meetings, thus shareholders may approach any of the Independent Directors of the Company. In view thereof, the Board did not nominate a Senior Independent Non-Executive Director at this juncture. As at 31 March 2020, all Independent Directors have not attained the cumulative nine (9) years of service. The Board will justify and seek shareholders' approval in the event it retains an Independent Director who has served in that capacity for a cumulative period of more than nine (9) years.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

v. NC

During the financial year under review, the NC comprised exclusively of Non-Executive Directors, the composition is as follows:–

Chairman
Encik Ahmad Rahizal Bin Dato' Ahmad Rasidi
Independent Non-Executive Director

Members
Encik Ahmad Ruslan Zahari Bin Zakaria
Independent Non-Executive Director

^Mr. Cheah Hannon
Independent Non-Executive Director

*Mr. Chong Jun Heng
Non-Independent Non-Executive Director

^ appointed as member of NC on 21 January 2020.
* ceased to be a member of NC following his resignation as Director on 30 August 2019.

During the financial year under review, the activities undertaken by the NC include:

(a) Assessed and was satisfied with the effectiveness of the Board as a whole and the Board committees and the contribution of each Director.

(b) Reviewed and was satisfied with the mix of skills, knowledge, expertise and experience, composition and size of the Board in terms of gender, ethnicity and age.

(c) Assessed the independence of Independent Directors and concluded that the Independent Directors are independent and have complied with the criteria of independence as set out in MMLR.

(d) Assessed and was satisfied with the character, experience, integrity, competence and time commitment of Directors and Chief Executive Officer.

(e) Reviewed the term of office and performance of the AC and each AC member.

(f) Discussed on the training programmes for the Directors to enhance their skills and knowledge.

(g) Evaluated the performance of Mr Chin Leong Choy, Encik Ahmad Ruslan Zahari Bin Zakaria and Encik Ahmad Rahizal Bin Dato' Ahmad Rasidi and recommended their re-election at the Seventeenth Annual General Meeting ("**AGM**") of the Company to the Board.

(h) Reviewed and recommended the revised Term of Reference of the NC for Board's approval.

(i) Reviewed and recommended Mr Yee Kon Sin as Chief Executive Officer of the Company.

(j) Reviewed and recommended Encik Ahmad Rahizal Bin Dato' Ahmad Rasidi and Mr Chin Leong Choy as member of AC and RMC respectively.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

v. NC (Cont'd)

(k) Identified, reviewed and recommended the appointment of Dato' Awang Daud Bin Awang Putera and Mr Cheah Hannon as the Directors of the Company.

The NC will identify and recommend candidates to the Board if there is any vacancy arising from resignation, retirement or any other reasons or if there is a need to appoint additional Director with the required criteria based on recommendation from existing Directors, Senior Management or major shareholders. The NC is authorised by the Board to use independent search firms in identifying suitable candidates for appointment of directors when the need arises. Talent management and succession planning have been enhanced to attract, retain and develop required talent to ensure that the Group has a ready supply of talent to meet its current and future needs. Where appropriate, the NC will consider engaging the independent consultancy services to conduct searches for potential candidates.

The Company also endeavours to have a balanced representation by taking into consideration a range of different skills, age, gender, ethnicity, backgrounds and experiences represented amongst its Directors, officers and staff as the Board is aware that it is important in ensuring robust decision-making processes with diversified viewpoints and effective governance of the Company. The Diversity Policy of the Company outlines its approaches to achieving and maintaining diversity (including gender diversity) in its Board and Senior Management positions. A copy of the Diversity Policy can be found in the Company's website at www.minetech.com.my.

Based on the following summary of the employment gender diversity, the NC is of the view that there is balanced gender diversity at Executive and Managerial levels of employees in the Company for the financial year ended 31 March 2020:–

CATEGORY OF EMPLOYEES	FEMALE	MALE	TOTAL
Non-executive	12	30	42
Manager/Executive	17	19	36
Senior Management	0	11	11
Total No. of Employees	**29**	**60**	**89**

The NC will review the suitability of candidates based on skills, knowledge, character, integrity, expertise and experience, competency, commitment (including time commitment) and where appropriate, the independence of candidates for appointment as Independent Non-Executive Directors. The assessment of the Independent Directors is in accordance with the criteria as set out in the Board Charter and MMLR.

The Board and Board Committees evaluation process are led by the NC Chairman who is an Independent Director and supported by the Company Secretaries. The evaluation process is conducted via questionnaires to review the effectiveness of the Board and its Committees, and based on self-review and peer assessment. The NC reviews the outcome of the assessment and report to the Board, in particular, areas for improvement and also used as the basis of recommending relevant Directors for re-election at the Annual General Meeting.

The Board, via NC continues to identify for the Directors' to attend appropriate briefings, seminars, conferences and courses to keep abreast with the changes in legislations and regulations affecting the Group.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

vi. Directors' Trainings

All Directors have completed the Mandatory Accreditation Programme. The Directors are mindful that they need to continue to enhance their skill and knowledge to keep abreast of relevant changes in regulations and development in the industry and maximise their effectiveness as Directors during their tenure. Throughout the period in office, the Directors are continually updated on the Group's business and regulatory requirements. The Company Secretaries also briefed and highlighted the relevant guidelines or developments on statutory and regulatory requirements from time to time to the Board. The External Auditors also briefed the Board on any current and future changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements.

The Directors have attended the following professional development programmes and seminars for the financial year ended 31 March 2020:–

Director	Programme
Dato' Awang Daud Bin Awang Putera	1. Beyond Paradigm Summit 2019 2. Adequate Procedures Pursuant to Subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission Act 2009
Choy Sen @ Chin Kim Sang	In-house Awareness Programme on Corporate Liability – Section 17A of Malaysian Anti-Corruption Commission ("MACC") Act 2019 (Amendment 2018)
Chin Leong Choy	1. Wild Digital Southeast Asia 2019 2. In-house Awareness Programme on Corporate Liability – Section 17A of Malaysian Anti-Corruption Commission ("MACC") Act 2019 (Amendment 2018)
Ahmad Ruslan Zahari Bin Zakaria	1. Digital Economy and Capital Market Series: Alibaba and Tencent's Success Guide 2. In-house Awareness Programme on Corporate Liability – Section 17A of Malaysian Anti-Corruption Commission ("MACC") Act 2019 (Amendment 2018)
Ahmad Rahizal Bin Dato' Ahmad Rasidi	In-house Awareness Programme on Corporate Liability – Section 17A of Malaysian Anti-Corruption Commission ("MACC") Act 2019 (Amendment 2018)
^Cheah Hannon	1. Digital Economy and Capital Market Series: Financial Technology (Fintech), Artificial Intelligence (AI), Big Data and Internet of Things (IOTs) 2. 6 Stages of Retirement Planning 3. Corporate Liability on Corruption – A Basic Awareness and Implementation Framework

^ appointed to the Board of Directors on 21 January 2020 and resigned as Director on 4 June 2020.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

vii. Re-election of Directors

In accordance with the Company's Constitution, an election of Directors shall take place each year at an AGM and one-third (1/3) of the Directors are subject to retirement by rotation, in any event, each Director shall retire from office once in every three (3) years. The Directors to retire in each year are the Directors who have been longest in office since their last appointment or re-election. The Directors appointed by the Board during the financial year are subject to retirement at the next AGM held following their appointments in accordance with the Company's Constitution. All retiring Directors are eligible for re-election. The re-election of each Director is voted on separate resolution during the AGM of the Company.

viii. Code of Ethics and Conduct and Whistleblower Policy

The Board has put in place Code of Ethics and Conduct and Whistleblower Policy to promote an environment of integrity and ethical behaviour within the Group.

The basic principles of Code of Ethics and Conduct have been observed and carried out by having appropriate regards to the interests of the Company's customers, shareholders, people, business partners and broader community in which the Company operates. The Code of Ethics and Conduct can be found on the Company's website at www.minetech.com.my.

The Whistleblower Policy serves as a guide to employees on how to raise genuine concerns related to possible improprieties on matters relating to financial reporting, compliance and other malpractices at the earliest opportunity and in an appropriate manner. The Board has adopted the policy with the aim that any employee or stakeholder can report and disclose through established channels any improper or unethical activities relating to the Company and its Group and is available on the Company's website at www.minetech.com.my.

ix. Remuneration

The RC established sets of policy, framework and reviews the remuneration of the Directors and Senior Management which is linked to strategy and/or performance or long term objectives of the Company to ensure that the Company is able to attract and retain capable Directors and Senior Management to run the Group successfully. The Executive Directors' remuneration is structured to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken.

In determining the remuneration of the Directors and Senior Management, the Company's objective is to provide fair and competitive remuneration to its Board and/or Senior Management in order for the Company to benefit by attracting and retaining a high-quality team. The RC is authorised by the Board to seek appropriate professional advice within and outside the Group as and when it considers necessary.

The annual salaries, incentive arrangements, service arrangements and other employment conditions for the Executive Directors and/or Senior Management are reviewed by the RC and recommended to the Board for approval and where necessary, subject to shareholders' approval. Senior Management who reports directly to the Executive Directors are evaluated annually premised on annual measurements and targets set. Thereafter, the Executive Directors approve the remuneration of Senior Management based on their performance. The Directors and Senior Management Remuneration Policy is available for reference on the Company's website at www.minetech.com.my.

The determination of the remuneration for Non-Executive Directors is a matter for the Board as a whole. The Executive Directors are not present when matters affecting their own remuneration arrangements are considered.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

ix. Remuneration (Cont'd)

Details of the remuneration of Directors (both the Company and the Group) who served during the financial year ended 31 March 2020 are as follows:

The Group

Name	Fees (RM'000)	Meeting Allowance (RM'000)	Salaries (RM'000)	Bonus (RM'000)	Other (RM'000)
*Dato' Awang Daud Bin Awang Putera	–	–	–	–	–
Choy Sen @ Chin Kim Sang	61.9	–	578,7	32.5	0
Chin Leong Choy	30	–	509	22.5	60
Ahmad Ruslan Zahari Bin Zakaria	54	–	–	–	–
Ahmad Rahizal Bin Dato' Ahmad Rasidi	30	–	–	–	–
^Cheah Hannon	5.9	–	–	–	–
Dato' Sri Chai Chow Sang	15	–	–	–	–
##Chan Toong San	25	–	–	–	–
^^Chong Jun Heng	12.5	–	–	–	–
&&Ling Chee Wai	23.3	–	–	–	–
#Chin Kong Yaw	–	–	75	–	–

The Company

Name	Fees (RM'000)	Meeting Allowance (RM'000)	Salaries (RM'000)	Bonus (RM'000)	Other (RM'000)
*Dato' Awang Daud Bin Awang Putera	–	–	–	–	–
Choy Sen @ Chin Kim Sang	61.9	–	578.7	32.5	–
Chin Leong Choy	–	–	509	22.5	60
Ahmad Ruslan Zahari Bin Zakaria	54	–	–	–	–
Ahmad Rahizal Bin Dato' Ahmad Rasidi	30	–	–	–	–
^Cheah Hannon	5.9	–	–	–	–
Dato' Sri Chai Chow Sang	15	–	–	–	–
##Chan Toong San	10	–	–	–	–
^^Chong Jun Heng	12.5	–	–	–	–
&&Ling Chee Wai	23.3	–	–	–	–
#Chin Kong Yaw	–	–	75	–	–

Remark:-
* Appointed to the Board of Directors on 31 March 2020.
^ Appointed to the Board of Directors, a member of AC, NC and RC on 21 January 2020. Following his resignation as Director on 4 June 2020, he ceased to be a member of AC, NC and RC.
** Resigned as Director of the Company on 30 September 2019.
Resigned as Director of the Company on 1 August 2019 and ceased to be a member of AC following his resignation as Director.
^^ Resigned as Director of the Company on 30 August 2019 and ceased to be a member of NC and RMC following his resignation as Director.
&& Resigned as Director of the Company on 10 January 2020 and ceased to be a member of AC and RC following his resignation as Director.
# Resigned as Director and Chief Executive Officer of the Company on 30 June 2019.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

ix. Remuneration (Cont'd)

In determining the remuneration packages of the Group's Senior Management, factors that were taken into consideration included individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration package is competitive and sufficient to ensure that the Group is able to attract and retain executive talents.

The Senior Management staff whose total remuneration during the financial year ended 31 March 2020 is as follows:—

Name	Fees (RM'000)	Meeting Allowance (RM'000)	Salaries (RM'000)	Bonus (RM'000)	Other (RM'000)
@Yee Kon Sin	–	–	279.8	12.5	12.9

Remarks:
@ Appointed as Chief Executive Officer of the Company on 4 July 2019.

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

i. AC

During the financial year under review, the AC comprises exclusively the Independent Non-Executive Directors of the Company. The composition of the AC complies with the MMLR. The Chairman of the AC is not the Chairman of the Board of which to ensure the objectivity of the Board's review of the AC findings and recommendations remain intact. The AC assesses the performance (including independence) and recommends to the Board annually the appointment or re-appointment of the external auditors guided by the factors as prescribed under Paragraph 15.21 of the MMLR.

The members of AC are equipped with vast experience from various industries and are capable of providing sound advice to the Board not only in terms of financial reporting but also on internal audit of the Group's risk management and internal control environment.

The AC's Term of Reference sets out its goals, objectives, duties, responsibilities and criteria on the composition of AC which includes a former key audit partner of the Group to observe cooling-off period of at least 2 years before being able to be appointed as member of AC.

The NC reviews the composition of the AC annually and recommends to the Board for approval ensuring that only Non-Executive Directors, majority of whom shall be Independent Directors, who are financially literate and are able to understand matters under the purview of the AC including financial reporting process are considered for membership in AC. All members of the AC undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

The external auditors would meet the AC without the presence of the executive Board members and management at least two (2) times a year on matters relating to the Group and its audit activities. During such meetings, the external auditors highlight and discuss the nature and scope of the audit, audit programme, internal controls and any other issues that may require the attention of the AC or the Board.

The AC ensures the external audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by the external auditors in order to ensure that does not give rise to a conflict of interest situation. The external auditors have provided their written assurance to the Group in respect of their independence for the financial year ended 31 March 2020. The external auditors are invited to attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

i. AC (Cont'd)

For the financial year ended 31 March 2020, fees paid to the external auditors, Messrs. UHY and its affiliated firms by the Company and the Group are stated in the table below:–

Nature of Services	Company (RM)	Group (RM)
Audit	45,000	174,125
Non-Audit	5,000	5,000
Total	50,000	179,125

Further details on the activities of the AC during the financial year ended 31 March 2020 are disclosed in the Audit and Risk Management Report on page 42 to 45 of this Annual Report.

ii. Risk Management and Internal Control Framework

The Board acknowledges the significance of a sound system of risk management and internal control to manage the overall risk exposure of the Group. The Board has established a governance structure to ensure effective oversight of risks and controls in the Group. The effectiveness of risk management and internal controls is continuously reviewed to ensure that they are working adequately and effectively.

The Group has outsourced its internal audit function to BDO Governance Advisory Sdn Bhd, who reports directly to the AC. The resources and scope of work covered by the internal audit function during the financial year under review, including its observation and recommendations, is provided in the AC Report of this Annual Report. A team of 7 staffs who provides audit service to the Group is currently headed by Mr Ang Ah Leck, who is a member of the Malaysian Institute of Accountants.

The AC has also received assurance from the outsourced Internal Auditors that the internal audit services are free from any relationships or conflicts of interest which could impair their objectivity and independence. The outsourced Internal Auditors was also given the opportunity to meet with the AC without the presence of the Management.

The AC and RMC meet regularly to review the risks identified, recommendations of internal auditors and management responses and discuss on mitigation initiatives and report to the Board. Details of the internal audit function together with the scope of the Group's internal control functions are set out in the Statement on Risk Management and Internal Control and Audit and Risk Management Report of this Annual Report.

The Board affirms its overall responsibility with established and clear functional responsibilities and accountabilities which are carried out and monitored by the RMC. The adequacy and effectiveness of the internal controls and risk management framework were reviewed by the AC and RMC.

Further information may be found in the Statement of Risk Management and Internal Control on page 59 to 61 of this Annual Report.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

i. Communication with Stakeholders

Ongoing engagement and communication with stakeholders is vital in fostering a healthy relationship between the Company and its stakeholders. In recognising this, the Board has formalised corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Group to the regulators, shareholders and stakeholders; not only to comply with the disclosure requirements as stipulated in the Listing Requirements, but also setting out the persons authorised and responsible to approve and disclose material information to shareholders and stakeholders in compliance with the Listing Requirements.

The Board has established a dedicated section for corporate information on the Company's website at www.minetech.com.my where information on the Company's announcements, financial information, share prices and the Company's annual report may be accessed. It also contains all announcements made to Bursa Securities as well as the contact details of designated person to address any queries.

It has always been the Group's practice to maintain good relationship with its shareholders. Major corporate developments and happenings in the Group have always been duly and promptly announced to all shareholders, in line with Bursa Securities' objectives of ensuring transparency and good CG practices.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. Further update of the Group's activities and operations are also disseminated to shareholders and interested investors.

ii. Conduct of General Meetings

The Board is aware that the AGM is the primary platform for two-way communication between the shareholders and Management of the Group. Hence, shareholders are encouraged to participate in the meeting and are given opportunity to enquire and comment on the Group's performance and operations and the Board to clarify issues pertaining to the Group's business activities, performance and other related matters. All the Directors attended the Seventeenth AGM of the Company held on 28 August 2019.

The notice of Seventeenth AGM was circulated at least twenty-eight (28) days before the date of the meeting which is in line with the recommendation of MCCG to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. In addition to being despatched individually to shareholders, the notice of AGM is also circulated in a nationally circulated newspaper alongside an announcement on the website of Bursa Securities. This allows shareholders to have immediate access on the notice of AGM and make the necessary preparations to attend the AGM or to participate, through corporate representatives, proxies or attorneys.

Where there is special business or where special resolutions are proposed, the explanation of the effects of such special business or special resolutions are provided in the notice of AGM. All the resolutions set out in the Notice of the AGM were put to vote by poll voting and duly passed.

In accordance to the Constitution of the Company, the shareholders who are eligible to vote at general meetings but are unable to attend the same in person, may appoint proxies to vote on their behalf. The outcome of the AGM was announced to Bursa Securities on the same meeting day. The Company had appointed one (1) independent scrutineer to verify the poll results.

A summary of the key matters discussed at the AGM, as soon as practicable after the conclusion of the AGM will be published on the Company's website upon being reviewed by the Board members and approved by the Chairman.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

iii. Focus Area On Corporate Governance

Corporate governance was clearly imperative for the Group in the year 2019 against the backdrop of regulatory changes in the domestic corporate governance realm and a relatively challenging economic environment that is characterised by volatile market conditions and commodity prices. Against the aforementioned setting, during the year under review, the Board directed its focus on the core duties of the Board which is grounded on the creation of long-term value for stakeholders.

The Board will continue to enhance the corporate disclosure requirements in the best interest of the Company's shareholders and stakeholders in the upcoming years. The areas to be prioritised by the Board will be those principles which have not been adopted by the Company as disclosed in the CG Report.

This CG Overview Statement was approved by the Board of Directors of the Company on 5 August 2020.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (the "**Board**") recognises the importance of a sound system of risk management and internal control to safeguard shareholders' investment and the Group's assets. The Board is pleased to provide the following statement on the state of internal control of the Group in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), taking into consideration the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers", for the financial year ended 31 March 2020.

BOARD RESPONSIBILITY

The Board acknowledges the importance of a sound system of risk management and internal control and its overall responsibility for maintaining the Group's system of internal control and risk management (the "**System**"), as well as for reviewing the adequacy and integrity of the System. In view of the limitations that are inherent in any system of internal control, the System is designed to manage rather than eliminate risk of failure to achieve the Group's business objectives. Accordingly, it can only provide reasonable, but not absolute, assurance against the risk of material misstatement by the Management on financial information and records, financial losses or fraud.

The Board also recognises that risk management is an integral part of the business operation and, as such, the Board exercises due care to identify, evaluate and manage significant risks encountered by the Group. Accordingly, the Board has established an on-going process for identifying, evaluating and managing the significant risks. This process has been in place up to the date of approval of this statement for the inclusion in the annual report and has been reviewed by the Board.

RISK MANAGEMENT

The Board has delegated the responsibility of reviewing the effectiveness of risk management to the Audit and Risk Management Committee ("**ARMC**"). ARMC is assisted by Risk Management Steering Committee, comprising members of key management team and is established at subsidiary or business unit level; while Risk Management Unit Heads and Risk Officer are appointed to lead and manage each operating company risks within the Group. The Risk Management Steering Committee will address the risks on the ground and are responsible for identifying, measuring, controlling and monitoring risks within their area of operations.

The Group has established structure of "three lines of defence" for risk management: risk taking units (Business Units), risk control unit (Risk Management Steering Committee), and internal audit. The risk-taking units are responsible for the day-to-day management of risks inherent in their business activities, while the risk control unit is responsible for setting the risk management framework and developing related tools and methodologies. Complementing this is internal audit, which provides independent assurance of the effectiveness of the risk management approach.

The five (5) Risk Management Units, namely (1) manufacturing, (2) quarry operation, (3) civil engineering, (4) human resources, information technology and administration, and (5) finance, which perform risk oversight and review the business units' risk profiles. Practical action plans are recommended and carried out to address any identified potential weaknesses. The risk management reports will record the changes in the risk profiles and the corresponding action plans. Risk management report is extended to ARMC for review or evaluation, then to the Board for final approval. The risk management reports are reviewed and discussed at the Board Meetings on half yearly basis.

INTERNAL CONTROL

The Board has established an internal control framework that encapsulates the following key features of the Group's internal control system:

1. The Group has a well-defined organisational structure with formally defined lines of responsibilities, delegation of authorities and a process of hierarchical reporting system to ensure proper identification of accountabilities and segregation of duties;
2. There are operational approval limits imposed on the Management in respect of day-to-day operations and authorised signatories for major operating functions and transactions;
3. The Group maintains formalised policies and procedures which highlight the standard operating procedures for key processes, terms and conditions of employment, benefits and compensation, disciplinary rules and regulations which are relevant across the Group's operations;
4. Key functions, such as finance, tax, treasury, corporate and legal matters, are controlled centrally;
5. Training and development programmes are conducted to enhance staff competencies and to maintain a risk conscious culture;
6. An annual budgeting and business planning process is formalised to establish plans and targets for each operating unit. The performance of each operating unit is monitored through the monthly division performance review. Actual performance will be compared with budget and reviewed quarterly by the ARMC and Board with explanations provided by the Management on any major variances noted;
7. Head of Department Meetings are carried out regularly to review the monthly performance, monitor the business development, discuss and resolve key operational and management issues. The financial performance of each subsidiary is reviewed periodically and significant variances or fluctuations against the business plan and budget, if any, are discussed and explained comprehensively. The Management also regularly highlights to the Board on any significant issues, changes in the business environment, major policy matters and external environment factors affecting the Group;
8. The Board and ARMC review risk management and internal control issues identified by the internal auditors and the external auditors; and
9. The ARMC reviews the quarterly financial results and yearly financial statements prior to approval by the Board for the release of the said financial statements to Bursa Securities. The Board will also review the minutes of the ARMC meetings.

The Board has received assurance from the Chief Executive Officer and Executive Director that the System in the Group is operating adequately and effectively in all material aspects.

INTERNAL AUDIT FUNCTION

The internal audit function is in place to assist the ARMC to discharge its functions effectively. It is considered an integral part of the assurance framework to ensure the adequacy and effectiveness of the System within the Group. For the financial year under review, the ARMC outsourced the Group's internal audit function to an independent professional firm to independently assess the adequacy and effectiveness of the corporate governance and internal control system. The outsourced internal auditor provides an independent and objective report on its observations towards the corporate governance and internal control system directly to the ARMC. In the report, the outsourced internal auditor highlights its findings together with their recommendations to address the findings, the Management's comments on the findings and action plans to mitigate the weaknesses. These reports were tabled at ARMC meetings and thereafter forwarded to the Board for further deliberation. The outsourced internal auditors also followed up with the Management and reported the status to the ARMC on the implementation of the agreed recommendations from the previous internal audit.

For the financial year ended 31 March 2020, the total costs incurred for the internal audit function amounted to approximately RM42,977.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's risk management and internal control system.

CONCLUSION

The Board has reviewed the System of the Group and is of the view that during the financial year up to the date of issuance of this Statement, there were no material losses, contingencies or uncertainties arising as a result of weaknesses in the internal control system which would require separate disclosures in this Annual Report. Cognisant of the need to maintain a robust risk management and internal control system in meeting the needs of the Group, the Board will maintain an ongoing measure to enhance this System from time to time.

This Statement is made in accordance with a resolution of the Board dated 5 August 2020.

ADDITIONAL COMPLIANCE INFORMATION

Utilisation of Proceeds

The Company did not undertake any corporate proposal to raise proceeds during the financial year ended 31 March 2020.

Recurrent Related Party Transaction of a Revenue or Trading Nature

At the Annual General Meeting of the Company held on 28 August 2019, the Company obtained the shareholders' mandate to allow the Group to enter into recurrent related party transaction of a revenue or trading nature.

The disclosure of the recurrent related party transactions conducted during the financial year ended 31 March 2020 are set out in Note 33 of the Financial Statements.

Material Contracts involving Interest of the Directors, Chief Executive and Major Shareholders

Save as disclosed below, the MRB Group has not entered into any material contracts involving Interest of the Directors, Chief Executive and major shareholders (not being contracts entered into in the ordinary course of business) for the financial year ended 31 March 2020:-

(i) Share Sale Agreement dated 5 August 2019 between K.S. Chin Minerals Sdn Bhd and East Rock Sdn Bhd on the disposal of 51% of the total issued share capital of Gebeng Quarry Sdn Bhd for a total consideration of RM7,000,000.00 to be paid by way of instalments.

Share Issuance Scheme

The Company had at the Extraordinary General Meeting held on 16 March 2016 obtained its shareholders' approval to establish a Share Issuance Scheme ("**Scheme**") of up to 15% of the issued and paid-up share capital of the Company (excluding treasury shares) at any one time during the duration of the Scheme for the eligible Directors and employees of the Group. The Company had on 3 August 2016 implemented the Scheme.

The Company had on 8 August 2019 granted 138,100,000 Options pursuant to the Scheme. There were no options exercised during the financial year ended 31 March 2020.

REPORTS AND FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding and provision of managerial services. The principal activities of its subsidiary companies are disclosed in Note 9 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial year	11,718,027	1,942,057
Attributable to:		
Owners of the parent	11,158,557	1,942,057
Non-controlling interests	559,470	–
	11,718,027	1,942,057

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares and debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

WARRANTS

The Warrants 2014/2019 were constituted under the Deed Pool dated 24 October 2014.

As at 31 March 2020, the total number of Warrants that remain unexercised were 332,404,500 and hence, became invalid.

The salient terms of Warrants are disclosed in Note 20(b) to the financial statements.

The exercise of warrants expired on 27 November 2019 and removal of the warrants from the Official List of Bursa Malaysia Securities Berhad is effective from 28 November 2019.

DIRECTORS

The Directors in office since the beginning of the current financial year until the date of this report are:

Choy Sen @ Chin Kim Sang*	
Chin Leong Choy*	
Ahmad Ruslan Zahari Bin Zakaria	
Ahmad Rahizal Bin Dato' Ahmad Rasidi	
Dato' Awang Daud Bin Awang Putera	(Appointed on 31.3.2020)
Awgku Mohd Reza Farzak Bin Awg Daud	(Appointed on 3.4.2020)
Azlan Shah Bin Zainal Arif	(Appointed on 3.4.2020)
Abdul Farid Bin Abdul Kadir	(Appointed on 24.4.2020)
Datin Feridah Binti Bujang Ismail	(Appointed on 12.6.2020)
Siti Aishah Binti Othman	(Appointed on 12.6.2020)
Cheah Hannon	(Appointed on 21.1.2020; Resigned on 4.6.2020)
Chan Toong San	(Resigned on 1.8.2019)
Chong Jun Heng*	(Resigned on 30.8.2019)
Dato' Sri Chai Chow Sang	(Resigned on 30.9.2019)
Chai War Ren (Alternate Director to Dato' Sri Chai Chow Sang)	(Ceased to be an Alternate Director on 30.9.2019)
Ling Chee Wei	(Resigned on 10.1.2020)
Chin Kong Yaw*	(Resigned on 30.6.2019)

DIRECTORS (CONT'D)

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) since the beginning of the current financial year until the date of this report are:

Dato' Chia Kee Mong#	
Chin Chee Choy#	
Chin Foh Sen#	
Chin Jet Choy	
Chin Sheong Choy	
Chong Thian Ming	
Chong Thin Peng#	
Fairuz Sham Bin Azli	
Jot Seng Keong	
Leow Soon Huat	
Suhaidi Bin Abd Ghapar	
Tan Seow Leng#	
Wong Kian Foong#	
Yee Kon Sin+	
Jeremy Kho Boon Seng+	(Appointed on 8.1.2020)
Awangku Mohammad Rezani Bin Awang Daud^	(Appointed on 27.4.2020)
Chong Jun Heng^	(Appointed on 22.5.2020)
Low Choon Lan#	(Resigned on 1.8.2019)
Chin Yee Teng@	(Resigned on 27.4.2020)
Low Chee Eng@	Resigned on 1.5.2020)
Dato' Dr Ahmad Kamal Bin Jamlus@	(Resigned on 22.5.2020)
Lee Kwan Ming@	(Resigned on 1.6.2020)
Yap Yun Fatt@	(Resigned on 25.6.2020)

* Director of the Company and of its subsidiary company
+ Appointed during the financial year
^ Appointed after the financial year
# Resigned during the financial year
@ Resigned after the financial year

The information required to be disclosed pursuant to Section 253 of the Companies Act, 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

DIRECTORS' INTERESTS

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses and children) according to the Register of Directors' Shareholdings are as follows:

DIRECTORS' INTERESTS (CONT'D)

	Number of ordinary shares			
	At 01.04.2019	Bought	Sold	At 31.03.2020
Interests in the Company				
Direct Interests				
Choy Sen @ Chin Kim Sang	172,897,020	9,200,000	–	182,097,020
Dato' Sri Chai Chow Sang	30,000,000	–	(25,000,000)	5,000,000
Dato' Awang Daud Bin Awang Putera	–	155,800,000	–	155,800,000
Chin Leong Choy	–	47,456,100	–	47,456,100
Indirect Interest				
Choy Sen @ Chin Kim Sang*	–	48,056,100	–	48,056,100

*Deemed interest by virtue of the shares held by spouse and child.

By virtue of his interests in the shares of the Company, Choy Sen @ Chin Kim Sang, Dato' Awang Daud Bin Awang Putera and Chin Leong Choy are also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8(4) of the Companies Act, 2016.

None of the other Directors in office at the end of the financial year had any interest in the shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 31 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium amount of indemnity for Directors and Officers of the Company were RM10,000,000 and RM16,546 respectively. No indemnity was given to or insurance effected for auditors of the Company.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

Directors' Report (Cont'd)

OTHER STATUTORY INFORMATION (CON'T)

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might have expected to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

(iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 9 of the financial statements.

AUDITORS

The Auditors, Messrs. UHY, will retire at the forthcoming Annual General Meeting and does not wish to seek for re-appointment.

The details of auditors' remuneration are disclosed in Note 28 of the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 18 August 2020.

CHOY SEN @ CHIN KIM SANG	CHIN LEONG CHOY

KUALA LUMPUR

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 75 to 171 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 18 August 2020.

CHOY SEN @ CHIN KIM SANG

CHIN LEONG CHOY

KUALA LUMPUR

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016

I, Yee Kon Sin (MIA Membership No: 5325), being the Director primarily responsible for the financial management of Minetech Resources Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 75 to 171 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the Federal)
Territory on 18 August 2020)

YEE KON SIN

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MINETECH RESOURCES BERHAD

[Registration No: 200201007880 (575543-X)]
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Minetech Resources Berhad, which comprises the statements of financial position as at 31 March 2020 of the Group and of the Company, and the statements of profit and loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 75 to 171.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report

To The Members Of Minetech Resources Berhad (Cont'd)
[Registration No: 200201007880 (575543-X)]
(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
1. Impairment of Intangible Assets	
As at 31 March 2020, the carrying amount of intangible assets of the Group was RM7.3 million. Goodwill on consolidation has been fully impaired during the financial year. In accordance with *MFRS 136 Impairment of Assets*, the Directors are required to perform a review for impairment of non-financial assets at any time an indicator of impairment exists except for impairment assessment of goodwill to be tested annually. We consider this to be one of the key audit matters due to the complexity of the assessment process involving significant judgements and estimation uncertainties in making key assumptions about future market and economic conditions, growth rates, profit margins, discount rate, etc. for value in use of CGU based on future discounted cash flows.	We have assessed the methodology used by management to estimate the recoverable value of each cash-generating unit (CGU) to ensure that this is consistent with the accounting standards. We have assessed the reasonableness of each key assumption used in management's cash flow forecasts and the recoverable values calculation, in particular: • We have verified the reserves and resources quantities underpinning the quarry to the estimated reserves audited by the specialist engaged by the management. • We assessed the professional competence, objectivity and capabilities of the specialist engaged by management as required by auditing standards. • We assessed the reasonableness of the relevant production profiles by benchmarking to existing quarry production rates and considered the forecasted growth rates of quarry site. We evaluated the reasonableness of the estimated capital and operating costs by benchmarking to the historical and current quarry costing, growth and quarry production.
2. Impairment of trade receivables	
The Group has material credit exposures in its portfolio of trade receivables amounting to RM28.9 million as at 31 March 2020. We focused on these areas as the assessment of recoverability of receivables involved significant degree of judgements and assumptions in analysing historical trend in bad payment, customer concentration, customer creditworthiness and customer payment terms and adjusted for forward looking macro economic factors.	We have evaluated management's assumptions used in calculating the allowance for doubtful debts and checked the calculations supporting the allowance, testing the accuracy and completeness of the ageing reports used as basis to calculate the allowance. We obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures. In order to assess the reasonableness of the allowance, we reviewed the ageing of receivables and checking the recoverability of outstanding receivables through examination of subsequent collections. We have reviewed the appropriateness of the disclosures made in accordance with *MFRS 9 Financial Instruments*.

Information Other Than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

Independent Auditors' Report
To The Members Of Minetech Resources Berhad (Cont'd)
[Registration No: 200201007880 (575543-X)]
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosure in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

LIM WAN YINN
Approved Number: 03262/04/2021 J
Chartered Accountant

KUALA LUMPUR
18 August 2020

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Assets					
Non-Current Assets					
Property, plant and equipment	4	16,272,717	47,529,779	684,886	800,097
Right-of-use assets	5	13,003,678	–	505,294	–
Investment properties	6	10,943,793	11,071,545	–	–
Inventories	7	8,065,000	8,065,000	8,065,000	8,065,000
Quarry development expenditure	8	356,192	2,941,897	–	–
Investment in subsidiary companies	9	–	–	39,694,255	40,516,543
Investment in associates	10	118,299	–	120,000	–
Intangible assets	11	7,319,589	13,464,965	–	–
Other investments	12	64,464	64,464	–	–
Other receivables	13	342,000	615,600	–	–
		56,485,732	83,753,250	49,069,435	49,381,640
Current Assets					
Inventories	7	8,388,513	17,246,149	–	–
Contract assets	14	3,327,364	8,983,367	–	–
Trade receivables	15	28,980,168	35,340,349	–	–
Other receivables	13	14,343,409	12,908,058	572,411	349,037
Amount due from associates	16	–	21,879	–	–
Amount due from subsidiary companies	17	–	–	4,552,745	5,631,681
Tax recoverable		258,654	1,837,224	2,815	5,905
Other investments	12	155,013	839,208	3,433	3,322
Fixed deposits with licensed banks	18	7,389,596	11,196,610	–	–
Cash and bank balances		10,390,085	4,904,495	170,312	187,309
		73,232,802	93,277,339	5,241,716	6,177,254
Total Assets		129,718,534	177,030,589	54,311,151	55,558,894

Statements Of Financial Position
As At 31 March 2020 (Cont'd)

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Equity					
Share capital	19	132,526,862	132,526,862	132,526,862	132,526,862
Reserves	20	(67,784,564)	(56,555,270)	(84,496,898)	(82,551,823)
Treasury shares	21	(47,990)	(47,990)	(47,990)	(47,990)
Equity attributable to owners of the parent		64,694,308	75,923,602	47,981,974	49,927,049
Non-controlling interests		2,151,709	8,884,179	–	–
Total Equity		66,846,017	84,807,781	47,981,974	49,927,049
Liabilities					
Non-Current Liabilities					
Loans and borrowings	22	10,701,708	16,434,411	254,621	61,361
Deferred tax liabilities	23	2,329,520	2,372,075	–	–
		13,031,228	18,806,486	254,621	61,361
Current Liabilities					
Contract liabilities	14	–	78,911	–	–
Trade payables	24	26,351,573	29,718,645	–	–
Other payables	25	11,513,741	24,371,698	468,825	2,441,679
Amount due to subsidiary companies	17	–	–	5,354,649	3,001,222
Loans and borrowings	22	11,730,080	18,598,497	251,082	127,583
Tax payable		245,895	648,571	–	–
		49,841,289	73,416,322	6,074,556	5,570,484
Total Liabilities		62,872,517	92,222,808	6,329,177	5,631,845
Total Equity and Liabilities		129,718,534	177,030,589	54,311,151	55,558,894

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Revenue	26	82,236,107	135,007,274	456,000	780,000
Cost of sales		(74,707,748)	(124,900,707)	–	–
Gross profit		7,528,359	10,106,567	456,000	780,000
Other income		23,266,379	5,490,005	14,657,636	462,368
Administrative expenses		(32,260,441)	(20,710,061)	(10,376,563)	(6,181,969)
Selling and marketing expenses		(458,596)	(881,828)	–	–
Net loss on impairment of financial instruments		(6,606,625)	(3,467,653)	(6,600,049)	(2,564,258)
Finance costs	27	(1,646,038)	(2,889,444)	(96,412)	(17,907)
Share of results of associate companies		(1,701)	–	–	–
Loss before tax	28	(10,178,663)	(12,352,414)	(1,959,388)	(7,521,766)
Taxation	29	(1,539,364)	(1,943,029)	17,331	(19,719)
Loss for the financial year		(11,718,027)	(14,295,443)	(1,942,057)	(7,541,485)
Other comprehensive loss					
Items that are or may be reclassified subsequently to profit or loss					
– Exchange translation differences for foreign operation		(70,737)	(38,790)	–	–
Total comprehensive loss for the financial year		(11,788,764)	(14,334,233)	(1,942,057)	(7,541,485)
Loss for the financial year attributable to:					
Owners of the parent		(11,158,557)	(15,072,844)	(1,942,057)	(7,541,485)
Non-controlling interests		(559,470)	777,401	–	–
		(11,718,027)	(14,295,443)	(1,942,057)	(7,541,485)
Total comprehensive loss attributable to:					
Owners of the parent		(11,229,294)	(15,111,634)	(1,942,057)	(7,541,485)
Non-controlling interests		(559,470)	777,401	–	–
		(11,788,764)	(14,334,233)	(1,942,057)	(7,541,485)
Loss per share	30				
Basic (sen)		(1.21)	(1.71)		
Diluted (sen)		(1.21)	(1.71)		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

		Attributable to Owners of the Parent								
		Non-distributable								
	Note	Share capital RM	Treasury shares RM	Foreign currency translation reserve RM	Warrant reserve RM	Other reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
Group										
At 1 April 2019, as previously reported		132,526,862	(47,990)	70,737	21,971,937	(21,971,937)	(56,603,503)	75,946,106	8,884,179	84,830,285
Effect of adopting MFRS 16	2(a)	–	–	–	–	–	(22,504)	(22,504)	–	(22,504)
At 1 April 2019, as restated		132,526,862	(47,990)	70,737	21,971,937	(21,971,937)	(56,626,007)	75,923,602	8,884,179	84,807,781
Loss for the financial year		–	–	–	–	–	(11,158,557)	(11,158,557)	(559,470)	(11,718,027)
Other comprehensive loss for the financial year		–	–	(70,737)	–	–	–	(70,737)	–	(70,737)
Total comprehensive loss for the financial year		–	–	(70,737)	–	–	(11,158,557)	(11,229,294)	(559,470)	(11,788,764)
Transactions with owners:										
Lapse of warrants	20	–	–	–	(21,971,937)	21,971,937	–	–	–	–
Disposal of subsidiary companies	9(a)	–	–	–	–	–	–	–	(6,173,000)	(6,173,000)
		–	–	–	(21,971,937)	21,971,937	–	–	(6,173,000)	(6,173,000)
At 31 March 2020		132,526,862	(47,990)	–	–	–	(67,784,564)	64,694,308	2,151,709	66,846,017

Statements Of Changes In Equity
For The Financial Year Ended 31 March 2020 (Cont'd)

		Attributable to Owners of the Parent								
		Non-distributable								
	Note	Share capital RM	Treasury shares RM	Foreign currency translation reserve RM	Warrant reserve RM	Other reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
Group										
At 1 April 2018, as previously reported		110,526,862	(47,990)	109,527	21,971,937	(21,971,937)	(41,071,858)	69,516,541	6,227,361	75,743,902
Effect of adopting MFRS 9		–	–	–	–	–	(283,692)	(283,692)	–	(283,692)
At 1 April 2018, as restated		110,526,862	(47,990)	109,527	21,971,937	(21,971,937)	(41,355,550)	69,232,849	6,227,361	75,460,210
Loss for the financial year		–	–	–	–	–	(15,072,844)	(15,072,844)	777,401	(14,295,443)
Other comprehensive loss for the financial year		–	–	(38,790)	–	–	–	(38,790)	–	(38,790)
Total comprehensive loss for the financial year		–	–	(38,790)	–	–	(15,072,844)	(15,111,634)	777,401	(14,334,233)
Transactions with owners:										
Issuance of ordinary shares	19	22,000,000	–	–	–	–	–	22,000,000	–	22,000,000
Acquisition of subsidiary companies	8(a)	–	–	–	–	–	–	–	1,681,853	1,681,853
Changes of ownership	8(b)	–	–	–	–	–	(197,613)	(197,613)	197,564	(49)
		22,000,000	–	–	–	–	(197,613)	21,802,387	1,879,417	23,681,804
At 31 March 2019		132,526,862	(47,990)	70,737	21,971,937	(21,971,937)	(56,626,007)	75,923,602	8,884,179	84,807,781

		Non-distributable					
	Note	Share capital RM	Treasury shares RM	Warran reserve RM	Other reserve RM	Accumulated losses RM	Total RM
Company							
At 1 April 2019, as previously reported		132,526,862	(47,990)	21,971,937	(21,971,937)	(82,551,823)	49,927,049
Effect of adopting MFRS 16		–	–	–	–	(3,018)	(3,018)
At 1 April 2019, as restated		132,526,862	(47,990)	21,971,937	(21,971,937)	(82,554,841)	49,924,031
Loss for the financial year, representing total comprehensive loss for the financial year		–	–	–	–	(1,942,057)	(1,942,057)
Transactions with owners:							
Lapse of warrants	20	–	–	(21,971,937)	21,971,937	–	–
		–	–	(21,971,937)	21,971,937	–	–
At 31 March 2020		132,526,862	(47,990)	–	–	(84,496,898)	47,981,974
Company							
At 1 April 2018		110,526,862	(47,990)	21,971,937	(21,971,937)	(75,010,338)	35,468,534
Loss for the financial year, representing total comprehensive loss for the financial year		–	–	–	–	(7,541,485)	(7,541,485)
Transactions with owners:							
Issuance of ordinary shares	19	22,000,000	–	–	–	–	22,000,000
		22,000,000	–	–	–	–	22,000,000
At 31 March 2019		132,526,862	(47,990)	21,971,937	(21,971,937)	(82,551,823)	49,927,049

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Cash flows from operating activities				
Loss before tax	(10,178,663)	(12,352,414)	(1,959,388)	(7,521,766)
Adjustments for:				
Amortisation of intangible assets	545,376	461,472	–	–
Amortisation of right-of use assets	2,147,343	–	255,979	–
Amortisation of quarry development expenditure	118,247	1,280,140	–	–
Bad debts written off	1,996,216	6,418	837,618	–
Depreciation of investment properties	127,752	3,363	–	–
Depreciation of property, plant and equipment	2,303,665	7,751,081	315,726	438,416
Deposits (recovered)/written off	(800)	6,050	(800)	–
Impairment losses on:				
– other receivables	8,310	2,595,536	–	–
– trade receivables	252,981	872,117	–	–
– amount due from subsidiary companies	–	–	5,007,727	2,564,258
– investment in subsidiary companies			6,600,049	
– property, plant and equipment	–	1,513,655	–	–
– intangible asset	4,259,163	–	–	–
– goodwill on consolidation	1,340,837	652,747	–	–
Fair value adjustment on other receivables	(14,604)	14,604	–	–
Finance costs	1,575,811	2,847,061	94,936	16,706
Loss on disposal of subsidiary companies	1,154,854	–	–	–
Quarry development expenditure written off	–	478,839	–	–
Interest income	(321,887)	(299,584)	(110)	(3,814)
Inventories written down	–	313,930	–	–
Inventories written off	–	119,872	–	–
Share of loss in associated company	1,701	–	–	–
(Gain)/Loss on disposal of property, plant and equipment	(1,290,592)	(1,288,207)	17,723	(91,216)
Operating profit/(loss) before working capital changes carried forward	4,025,710	4,976,680	11,169,460	(4,597,416)

Statements Of Cash Flows

For The Financial Year Ended 31 March 2020 (Cont'd)

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Operating profit/(loss) before working capital changes brought forward	4,025,710	4,976,680	11,169,460	(4,597,416)
Property, plant and equipment written off	(11,177)	576,044	–	114,879
Reversal of inventories written down	–	(40,918)	–	–
Reversal on impairment losses on trade receivables	(1,459,879)	–	–	–
Reversal on impairment losses on other receivables	(825,513)	–	–	–
Reversal on impairment losses on amount due from subsidiary companies	–	–	(9,643,921)	–
Reversal on impairment losses on investment in subsidiary companies	–	–	(5,777,761)	–
Unrealised (gain)/loss on foreign exchange	(10,613)	38,277	–	–
Operating profit/(loss) before working capital changes	1,718,528	5,550,083	(4,252,222)	(4,482,537)
Changes in working capital:				
Quarry development expenditure	(31,920)	(1,509,835)	–	–
Inventories	(5,777,784)	(7,606,002)	–	–
Trade receivables	(1,696,296)	(1,878,318)	–	–
Other receivables	(6,600,103)	7,401,984	(162,574)	52,324
Contract assets/contract liabilities	7,150,488	(1,445,900)	–	–
Trade payables	1,268,256	(1,328,043)	–	–
Other payables	1,449,924	11,148,234	(1,972,854)	(38,132)
Subsidiary companies	–	–	7,230,940	(1,133,992)
	(4,237,435)	4,782,120	5,095,512	(1,119,800)
Cash (used in)/generated from operations	(2,518,907)	10,332,203	843,290	(5,602,337)
Interest received	321,887	299,584	110	3,814
Interest paid	(1,575,811)	(2,847,061)	(94,936)	(16,706)
Tax paid	(1,442,465)	(2,681,033)	(1,690)	22,121
Tax refunded	1,481,109	–	22,110	–
	(1,215,280)	(5,228,510)	(74,406)	9,229
Net cash (used in)/from operating activities	(3,734,187)	5,103,693	768,884	(5,593,108)

Statements Of Cash Flows
For The Financial Year Ended 31 March 2020 (Cont'd)

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Cash flows from investing activities					
Purchase of property, plant and equipment	4(c)	(982,471)	(1,008,266)	(644,813)	–
Acquisition of associate companies		–	–	(120,000)	–
Net cash inflows from acquisition of subsidiary companies	9(a)	–	1,335,899	–	–
Proceeds from disposal of subsidiary companies, net of cash disposed		6,649,441	–	–	–
Amount due from associates		(98,121)	126,637	–	–
Proceeds from disposal of property, plant and equipment		8,286,444	2,080,347	313,243	110,000
Proceed/(Acquisition) from disposal of other investments		684,195	687,917	(111)	508,731
Net cash from/(used in) investing activities		14,539,488	3,222,534	(451,681)	618,731
Cash flows from financing activities					
Increase in fixed deposits pledged		3,807,323	(7,132,776)	–	–
Repayment of term loans		(960,654)	(8,968,816)	–	–
Repayment of finance lease payables		–	(4,129,090)	–	(210,904)
Repayment of lease liabilities		(4,368,309)	–	(334,200)	–
Net changes on short-term borrowings		(770,556)	584,899	–	–
Proceeds from issuance of shares		–	5,200,000	–	5,200,000
Net cash (used in)/from financing activities		(2,292,196)	(14,445,783)	(334,200)	4,989,096
Net increase/(decrease) in cash and cash equivalents		8,513,105	(6,119,556)	(16,997)	14,719
Effects of exchange translation differences on cash and cash equivalents		(60,120)	(77,067)	–	–
Cash and cash equivalents at the beginning of financial year		(4,198,805)	1,997,818	187,309	172,590
Cash and cash equivalents at the end of financial year		4,254,180	(4,198,805)	170,312	187,309
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances		10,390,085	4,904,495	170,312	187,309
Fixed deposits with licensed banks		7,389,596	11,196,610	–	–
Bank overdrafts	21	(6,147,005)	(9,114,091)	–	–
		11,632,676	6,987,014	170,312	187,309
Less: Fixed deposits pledged to licensed banks	18	(7,378,496)	(11,185,819)	–	–
		4,254,180	(4,198,805)	170,312	187,309

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2020

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal place of business of the Company is located at D-G-5, Block D, Parklane Commercial Hub, No. 21, Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

The registered office of the Company is located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan. With effect from 16 October 2019, the Company's registered office has been relocated to 12th Floor, Menara Symphony, No.5, Jalan Semangat (Jalan Professor Khoo Kay Kim), Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are those of investment holding and provision of managerial services. The principal activities of its subsidiary companies are disclosed in Note 9. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following new standards and amendments to standards and interpretations 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	Prepayments Features with Negative Compensation
Amendments to MFRS 119	Plan Amendments, Curtailment or Settlement
Amendments to MFRS 128	Long-term interests in Associates and Joint Ventures
Amendments to MFRS 15	Clarification to MFRS 15
Amendments to MFRS 140	Transfers of Investment Property
Annual Improvement to MFRSs 2015 – 2017 Cycle	Amendments to MFRS 3 Amendments to MFRS 11 Amendments to MFRS 112 Amendments to MFRS 123

The adoption of the new standards and amendments to standards and interpretations did not have any significant impact on the financial statements of the Group and of the Company, except for:

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

MFRS 16 *Leases*

MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, IC Interpretation 4 *Determine whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Leases – Incentives* and IC *Interpretation* 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

As a result of the adoption of MFRS 16, the existing requirements for a lessee to distinguish between finance leases and operating leases under the MFRS 117 Leases are no longer required. MFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use ("ROU") asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the ROU asset and interest on the lease liability, and also classify cash repayments of the lease liability into a principal portion and an interest portion and present them in the statement of cash flows.

The ROU asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

As permitted by the transitional provision of MFRS 16, the Group and the Company have elected to adopt a simplified transition approach where cumulative effects of initial application are recognised on 1 April 2019 as an adjustment to the opening balance of retained earnings.

For leases that were classified as finance lease under MFRS 117, the carrying amounts of the ROU asset and the lease liability at 1 April 2019 are determined to be the same as the carrying amount of the lease asset and lease liability under MFRS 117 immediately before that date.

The Group and the Company have also applied the following practical expedients when applying MFRS 16 to lease previously classified as operating lease under MFRS 117:

- Applied a single discount rate to portfolio of leases with reasonably similar characteristics.
- Excluded initial direct costs from measuring the ROU assets at the date of initial application.
- The Group and the Company use hindsight in determining lease terms for contracts that contain options for extension or termination.

As a result, the leasehold land under property, plant and equipment classification and prepaid lease payments (or land use rights) have been reclassified to ROU assets on 1 April 2019 for the Group and for the Company.

Impact arising from the adoption of MFRS 16 on the financial statements:

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

Statements of Financial Position

	As at 01.04.2019 RM	MFRS 16 adjustments RM	As at 01.04.2019 RM
Group			
Property, plant and equipment	47,529,779	(13,343,122)	34,186,657
Right-of-use asset	–	13,850,337	13,850,337
Finance lease liabilities	(11,645,042)	11,645,042	–
Lease liabilities	–	(6,900,041)	(6,900,041)
Equity			
Accumulated loss	56,603,503	22,504	56,626,007
Company			
Property, plant and equipment	800,097	(113,332)	686,765
Right-of-use asset	–	167,478	167,478
Finance lease liabilities	(188,944)	188,944	–
Lease liabilities	–	(246,108)	(246,108)
Equity			
Accumulated loss	82,551,823	3,018	82,554,841

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to References to the Conceptual Framework in MFRS Standards		1 January 2020
Amendments to MFRS 3	Definition of a Business	1 January 2020
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108	Definition of Material	1 January 2020
Amendments to MFRS 16	Covid-19-Related Rent Concessions	1 June 2020
MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9 (Amendments to MFRS 4 Insurance Contracts)	17 August 2020

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

		Effective dates for financial periods beginning on or after
MFRS 101	Classification of Liabilities as Current or Non-current – Deferral of Effective Date	17 August 2020
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvement to MFRS Standards 2018 – 2020	Amendments to MFRS 1	1 January 2022
	Amendments to MFRS 9	
	Amendments to MFRS 16	
	Amendments to MFRS 141	
	Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new MFRSs, new interpretations and amendments to MFRSs when they become effective.

These new standards, amendments to published standards and interpretation will be adopted on the respective effective dates. The Group and the Company have started a preliminary assessment on the effects of the above new standard, amendments to published standards and interpretation and the impact is still being assessed.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements (Cont'd)

Satisfaction of performance obligations in relation to contracts with customers

The Group and the Company are required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations:

The Group and the Company recognise revenue over time in the following circumstances:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's and by the Company's performance as the Group and the Company performs;

(b) the Group and the Company do not create an asset with an alternative use to the Group or the Company and have an enforceable right to payment for performance completed to date; and

(c) the Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group and the Company assess each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements: (Cont'd)

Determining the lease term of contracts with renewal and termination options – Group and the Company as lessee

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group and the Company include the renewal period as part of the lease term for leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available.

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives / depreciation of property, plant and equipment (Note 4) and right-of-use ("ROU") asset (Note 5)

The Group and the Company regularly review the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The carrying amount of the property, plant and equipment and right-of-use assets is disclosed in Notes 4 and Note 5 respectively.

Impairment of investment in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows

The carrying amount at the reporting date for investments in subsidiary companies is disclosed in Note 9.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group and the Company estimate the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's and on the Company's products, the Group and the Company might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 7.

Determination of transactions prices

The Group and the Company are required to determine the transaction price in respect of each of its contracts with customers by making such judgement the Group and the Company assessed the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods and services are based on invoiced values. Discounts are not considered as they are only given in rare circumstances.

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value in use is disclosed in Note 11.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 23.

Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of performance obligation is measured based on the physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgments to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

The contract assets and contract liabilities of the Group arising from construction contracts are disclosed in Note 14.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 31 March 2020, the Group and the Company have tax recoverable of RM258,654 (2019: RM1,837,224) and RM2,815 (2019: RM5,905) respectively and tax payable of RM245,895 (2019: RM648,571) and RMNil (2019: RMNil) respectively.

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Group for matters in the ordinary course of business. Details of contingent liabilities are disclosed in Note 32.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 36(c) regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of its receivables, include trade and other receivables, amounts due from subsidiary companies and related companies at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions at the end of each reporting period.

The Group and the Company use a provision matrix to calculate expected credit loss for trade and other receivables. The provision rates are based on number of days past due. The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate.

Information about the expected credit losses and the carrying amounts at the reporting date for receivables are disclosed in Notes 13, 15, 16 and 17 to the financial statements.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group and the Company use the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group and the Company would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group and the Company estimate the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed off in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of (MFRS 9 Financial Instruments) is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(p)(i) on impairment of non-financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(ii) Changes in ownership interests in subsidiary companies without change in control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(p)(i) on impairment of non-financial assets.

(b) Investment in associates

An associates is an entity over which the Group and the Company have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not controlled or joint controlled over those policies.

On acquisition of an investment in an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associates's profit or loss for the period in which the investment is acquired.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Investment in associates (Cont'd)

An associates is accounted for either at cost or equity method as described in MFRS 128 from the date on which the investee becomes an associates. Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associates after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associates, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits or losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The requirements of MFRS 136 Impairment of Assets are applied to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investment in associates are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(p)(i) on impairment of non-financial assets.

(c) Foreign currency translation

(i) Foreign currency translations and balances

Transactions in foreign currency are recorded in the functional currency of the respective group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Foreign currency translation (Cont'd)

(i) Foreign currency translations and balances (Cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly-owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operations reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(p)(i) on impairment on non-financial assets.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings and improvements	50 – 99 years
Plant and machinery	4 – 10 years
Motor vehicles	5 years
Furniture, fittings and office equipment	5 – 10 years
Renovation	10 years
Workshop cum site office	22 – 50 years

Spare parts which are held for use in the production or supply of goods are expected to be used during more than one period, and thus are classified under property, plant and equipment. The cost will be charged out to profit or loss when utilised.

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment (Cont'd)

(iii) Depreciation (Cont'd)

Leasehold Land

The above accounting policies for property, plant and equipment applies to leasehold land until 31 March 2019. The leasehold land were depreciated over the remaining lease period.

Following the adoption of *MFRS16* Leases on 1 April 2019, the Group and the Company have reclassified the carrying amount of the leasehold land to ROU ("Right-of-use"). The policy of recognition and measurement the right-of-use assets is in accordance with Note 3(e) to the financial statements.

(e) Leases

(i) As lessee

Policy applicable from 1 April 2019

The Group and the Company recognise a ROU asset and a lease liability at the lease's commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(p)(i) to the financial statements.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful lives of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets determined on the same basis as those of property, plant and equipment are as follows:

Land and buildings	Over the remaining lease period
Plant and machinery	5 - 12½ years

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases (Cont'd)

(i) As lessee (Cont'd)

Policy applicable from 1 April 2019 (Cont'd)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group and the Company change its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

When the Group and the Company act as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group and the Company do not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 Revenue from Contracts with Customers to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

The Group and the Company recognise lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned

Policy applicable before 1 April 2019

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

As lessee

(i) Finance lease

Leases in terms of which the Group and the Company assume substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases (Cont'd)

As lessee (Cont'd)

(i) Finance lease (Cont'd)

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as a property, plant and equipment.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statements of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property and measured using fair value model.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

As lessor

Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(f) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The Leasehold buildings are depreciation over the remaining period of the lease.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investment properties (Cont'd)

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(p)(i) on impairment of non-financial assets.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Upon disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group and the Company account for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(g) Quarry development expenditure

Quarry development expenditure comprises direct cost of development, cost of site infrastructure and other related expenses. Quarry development expenditure is amortised upon commencement of rock extraction activities. Amortisation is calculated by reference to the output for the financial year over the total estimated reserve, which will be extracted during the duration of the quarry contract, so as to write off the quarry development expenditure. The quarry development expenditure is written off immediately to profit or loss to the extent that the unamortised balance is no longer probable of being recovered.

(h) Financial assets

Recognition and initial measurement

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group or the Company measures a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial instrument categories and subsequent measurement

The Group and the Company determine the classification of financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial assets (Cont'd)

Financial instrument categories and subsequent measurement (Cont'd)

For purposes of subsequent measurement, financial assets are classified into the following categories:

(a) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The Group's and the Company's financial assets at amortised cost include trade and other receivables, amount due from subsidiary companies and associates, fixed deposits with licensed banks and cash and bank balances.

(b) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income are recognised in the profit or loss.

(c) Financial assets at fair value through other comprehensive income

The Group and the Company have not designated any financial assets at FVTOCI.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment assessment as disclosed in Note 3(p)(ii).

Regular way purchase or sale of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases or sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial assets (Cont'd)

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to receive cash flows from the financial asset expire or is transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial assets and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

(i) Financial liabilities

Recognition and initial measurement

Financial liabilities are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group or the Company measures a financial liability at its fair value and, in the case of at amortised cost, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, amount due to subsidiary companies and loans and borrowings.

Financial instrument categories and subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

(a) Financial liabilities at amortised costs

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

The Group and the Company's financial liabilities designated as amortised cost comprise trade and other payables, amount due to subsidiary companies and loans and borrowings.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(b) Financial liabilities at fair value through profit or loss

The Group and the Company have not designated any financial liabilities at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial liabilities (Cont'd)

Derecognition

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(j) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of:

(i) the best estimate of the expenditure required to settle the present obligation at the reporting date; and
(ii) the amount initially recognised less cumulative amortisation.

Liabilities arising from financial guarantees are presented together with other provisions.

(k) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value.

(i) Land held for property development

Land held for property development consists of purchase price of land, professional fees, stamp duties, commissions, conversion fees, other relevant levies and direct development cost incurred in preparing the land for development.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale. If net realisable value cannot be determined reliably, these inventories will be stated at the lower of cost or fair value less costs of to sell. Fair value is the amount the inventory can be sold in an arm's length transaction.

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Inventories (Cont'd)

(i) Land held for property development (Cont'd)

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

(ii) Property development costs

Cost is determined based on specific identification basis. Property development costs comprise costs of land, professional fees, direct materials, direct labour, other direct costs, attributable overhead, payments to subcontractors and borrowing costs capitalised for qualifying assets that incurred during the development period. The asset is subsequently recognised as an expenses in profit or loss when and as the control of the asset is transferred to the customer.

Property development costs attributable to unsold properties, upon completion, are transferred to completed properties held for sale.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

(iii) Other inventories

Cost is determined on a first-in-first-out basis. Cost of raw and packaging materials, spare parts and consumables consists of purchase price plus the cost of bringing the inventories to their present location and condition. The cost of quarry and bituminous products includes cost of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity).

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(m) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Construction contracts (Cont'd)

The Group presents as an asset the gross amount due from customers for contract work-in-progress for which costs incurred plus recognised profits (less recognised losses) exceed contract liabilities. Contract liabilities not yet paid by customers and retention monies are included within receivables and contract assets. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which contract liabilities exceed cost incurred plus recognised profits (less recognised losses).

(n) Intangible assets

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

See accounting policy Note 3(p)(i) on impairment of non-financial assets for intangible assets.

(o) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, bank overdrafts and deposits with banks and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(p) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, other receivables and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience and the economic environment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Impairment of assets (Cont'd)

(ii) Financial assets (Cont'd)

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised in profit or loss, the impairment loss is reversed, to the extent that the carrying amount of the asset does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of reversal is recognised in profit or loss.

(q) Share capital

(i) Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(ii) Treasury shares

When issued share of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares in the statements of changes in equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Share capital (Cont'd)

(ii) Treasury shares (Cont'd)

When treasury shares are distributed as share dividends, the cost of the treasury shares is applied as a reduction of the share premium account or the distributable retained earnings or both.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(r) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(s) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and of the Company have no further payment obligations.

(t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for theirs intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Borrowing costs (Cont'd)

Investment income earned on the temporary investment of specific borrowing spending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(u) Revenue

(i) Revenue from contracts with customers

Revenue is recognised when the Group and the Company satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group and the Company recognise revenue from the following major sources:

(a) Turnkey quarry services

Revenue from the provision of turnkey quarry services is recognised in the profit or loss by reference to the quantity of stockpiles produced.

(b) Sales of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(c) Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue is recognised over the period of the contract using the output method to measure the progress towards complete satisfaction of the performance obligations under the construction contract, i.e. based on the level of completion of the physical proportion of contract work todate, certified by professional consultants.

(d) Revenue from property development

The Group recognises revenue from property development over time when control over the property has been transferred to the customers. The properties have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from property development is measured at the fixed transaction price agreed under the sales and purchase agreement.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Revenue (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

(d) Revenue from property development

Revenue is recognised over the period of the contract using input method to measure the progress towards complete satisfaction of the performance obligations under the sale and purchase agreement, i.e. based on the proportion of property development costs incurred for work performed up to the end of the reporting period as a percentage of the estimated total costs of development of the contract.

The Group becomes entitled to invoice customers for construction of promised properties based on achieving a series of performance-related milestones (i.e. progress billing). The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billing exceeds the revenue recognised todate, the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the progress billing is always less than one year.

(e) Revenue from management fee

Revenue from management fee is recognised on the accrual basis when services are rendered, unless collectability is in doubt.

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(v) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Income taxes (Cont'd)

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(w) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Leasehold land RM	Buildings and improvements RM	Plant and machinery RM	Motor vehicles RM	Furniture fittings, office equipment and renovation RM	Workshop cum site office RM	Total RM
Group								
2020								
Cost								
At 1 April 2019, as previously reported	1,793,698	7,468,736	11,372,055	74,893,882	5,834,393	2,884,690	247,700	104,495,154
Effect of adoption on MFRS 16	–	(7,468,736)	–	(7,459,000)	(2,804,527)	–	–	(17,732,263)
As 1 April 2019, as restated	1,793,698	–	11,372,055	67,434,882	3,029,866	2,884,690	247,700	86,762,891
Additions	–	–	–	545,205	78,726	358,540	–	982,471
Arising from disposal of subsidiary company	–	–	–	(13,223,634)	(105,484)	(238,861)	–	(13,567,979)
Disposals	–	–	(55,376)	(24,003,235)	(1,025,582)	(425,423)	(79,222)	(25,588,838)
Written off	–	–	–	(48,140)	–	(89,026)	–	(137,166)
Reclassification	–	–	–	(6,970,682)	(103,934)	299,593	22,252	(6,752,771)
At 31 March 2020	1,793,698	–	11,316,679	23,734,396	1,873,592	2,789,513	190,730	41,698,608
Accumulated depreciation								
At 1 April 2019, as previously reported	–	83,217	1,043,754	48,454,998	4,280,429	1,475,789	51,050	55,389,237
Effect of adoption on MFRS 16	–	(83,217)	–	(2,603,108)	(1,388,424)	–	–	(4,074,749)
As 1 April 2019, as restated	–	–	1,043,754	45,851,890	2,892,005	1,475,789	51,050	51,314,488
Arising from disposal of subsidiary companies	–	–	–	(3,641,382)	(38,262)	(63,302)	–	(3,742,946)
Charge for the financial year	–	–	138,726	1,693,889	182,094	269,883	19,073	2,303,665
Disposals	–	–	(55,376)	(16,394,048)	(912,853)	(92,241)	(33,567)	(17,488,085)
Written off	–	–	–	(44,241)	–	(81,748)	–	(125,989)
Reclassification	–	–	(414)	(6,766,158)	(336,151)	81,346	22,252	(6,999,125)
At 31 March 2020	–	–	1,126,690	20,699,950	1,786,833	1,589,727	58,808	25,262,008

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM	Leasehold land RM	Buildings and improvements RM	Plant and machinery RM	Motor vehicles RM	Furniture fittings, office equipment and renovation RM	Workshop cum site office RM	Total RM
Group								
2020								
Accumulated impairment losses								
At 1 April 2019, a previously reported	–	–	–	1,513,438	–	17,045	45,655	1,576,138
Effect of adoption on MFRS 16	–	–	–	(314,392)	–	–	–	(314,392)
As 1 April 2019, as restated	–	–	–	1,199,046	–	17,045	45,655	1,261,746
Charge for the financial year	–	–	–	–	–	–	–	–
Disposals	–	–	–	(1,052,208)	–	–	(45,655)	(1,097,863)
At 31 March 2020	–	–	–	146,838	–	17,045	–	163,883
Carrying amount								
At 31 March 2020	1,793,698	–	10,189,989	2,887,608	86,759	1,182,741	131,922	16,272,717
Group								
2019								
Cost								
At 1 April 2018	1,793,698	7,468,736	11,372,055	75,307,485	6,090,733	3,261,879	162,934	105,457,520
Additions	–	–	–	1,132,532	416,069	68,935	–	1,617,536
Arising from acquisition of a subsidiary company	–	–	–	4,113,958	972,958	207,238	168,478	5,462,632
Disposals	–	–	–	(5,660,093)	(1,536,517)	–	–	(7,196,610)
Written off	–	–	–	–	(108,850)	(653,362)	(83,712)	(845,924)
At 31 March 2019	1,793,698	7,468,736	11,372,055	74,893,882	5,834,393	2,884,690	247,700	104,495,154

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM	Leasehold land RM	Buildings and improvements RM	Plant and machinery RM	Motor vehicles RM	Furniture fittings, office equipment and renovation RM	Workshop cum site office RM	Total RM
Group								
2019								
Accumulated depreciation								
At 1 April 2018	–	–	905,027	47,415,267	4,169,929	1,313,162	65,637	53,869,022
Charge for the financial year	–	83,217	138,727	5,600,557	1,530,616	372,110	25,854	7,751,081
Disposals	–	–	–	(4,560,826)	(1,400,160)	–	–	(5,960,986)
Written off	–	–	–	–	(19,956)	(209,483)	(40,441)	(269,880)
At 31 March 2019	–	83,217	1,043,754	48,454,998	4,280,429	1,475,789	51,050	55,389,237
Accumulated impairment losses								
At 1 April 2018	–	–	–	450,378	9,934	–	45,655	505,967
Charge for the financial year	–	–	–	1,496,610	–	17,045	–	1,513,655
Disposals	–	–	–	(433,550)	(9,934)	–	–	(443,484)
At 31 March 2019	–	–	–	1,513,438	–	17,045	45,655	1,576,138
Carrying amount								
At 31 March 2019	1,793,698	7,385,519	10,328,301	24,925,446	1,553,964	1,391,856	150,995	47,529,779

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Motor vehicles RM	Furniture fittings and office equipment RM	Renovation RM	Total RM
Company				
2020				
Cost				
At 1 April 2019, as previously reported	909,254	1,394,852	–	2,304,106
Effect of adoption on MFRS 16	(200,000)	–	–	(200,000)
At 1 April 2019, as restated	709,254	1,394,852	–	2,104,106
Additions	–	644,813	–	644,813
Disposals	–	(413,707)	–	(413,707)
At 31 March 2020	709,254	1,625,958	–	2,335,212
Accumulated depreciation				
At 1 April 2019, as previously reported	713,713	790,296	–	1,504,009
Effect of adoption on MFRS 16	(86,668)	–	–	(86,668)
At 1 April 2019, as restated	627,045	790,296	–	1,417,341
Charge for the financial year	82,209	233,517	–	315,726
Disposals	–	(82,741)	–	(82,741)
At 31 March 2020	709,254	941,072	–	1,650,326
Carrying amount				
At 31 March 2020	–	684,886	–	684,886
2019				
Cost				
At 1 April 2018	1,134,654	1,394,852	136,490	2,665,996
Disposals	(225,400)	–	–	(225,400)
Written off	–	–	(136,490)	(136,490)
At 31 March 2019	909,254	1,394,852	–	2,304,106
Accumulated depreciation				
At 1 April 2018	708,425	577,433	7,962	1,293,820
Charge for the financial year	211,904	212,863	13,649	438,416
Disposals	(206,616)	–	–	(206,616)
Written off	–	–	(21,611)	(21,611)
At 31 March 2019	713,713	790,296	–	1,504,009
Carrying amount				
At 31 March 2019	195,541	604,556	–	800,097

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) The carrying amount of property, plant and equipment of the Group and of the Company held under finance lease financing are as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Motor vehicles	–	1,615,831	73,331	195,541
Plant and machinery	–	17,228,060	–	–
	–	18,843,891	73,331	195,541

Leased assets are pledged as security for the related finance lease liabilites as disclosed in Note 22(b).

Following the adoption of MFRS 16 on 1 April 2019, the Group has reclassified the carrying amount of the leased assets to Right of use assets (Note 5).

(b) The carrying amount of property, plant and equipment of the Group pledged as securities to licensed banks for credit facilities granted as disclosed in Note 22(a)(i) are as follows:

	Group	
	2020	**2019**
	RM	**RM**
Freehold land	1,793,698	1,793,698
Buildings and improvements	9,189,721	9,315,365
	10,983,419	11,109,063

(c) The aggregate additional cost for the property, plant and equipment of the Group and of the Company during the financial year acquired under finance lease financing and cash payments are as follows:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Aggregate costs	982,471	1,617,536	644,813	–
Less: Finance lease financing	–	(609,270)	–	–
Cash payments	982,471	1,008,266	644,813	–

(d) During the financial year, the Group has assessed the recoverable amount of related product line. The Group tested the related product line for impairment and recognised an impairment loss of RMNil (2019: RM1,513,655) with respect to the condition of plant and machinery.

5. RIGHT OF USE ASSETS

	Plant and machinery	Motor Vehicle RM	Office RM	Office Equipment RM	Land RM	Leasehold building RM	Total RM
Cost							
At 1 April 2019, as previously reported	–	–	–	–	–	–	–
Effect of adoption of MFRS 16	7,459,000	3,136,237	487,962	90,243	162,654	7,468,736	18,804,832
At 1 April 2019, as restated	7,459,000	3,136,237	487,962	90,243	162,654	7,468,736	18,804,832
Additions	435,000	238,398	593,795	–	–	33,491	1,300,684
At 31 March 2020	7,894,000	3,374,635	1,081,757	90,243	162,654	7,502,227	20,105,516
Accumulated amortisation							
At 1 April 2019, as previously reported	–	–	–	–	–	–	–
Effect of adoption of MFRS 16	2,917,500	1,568,879	257,535	36,097	91,267	83,217	4,954,495
At 1 April 2019, as restated	2,917,500	1,568,879	257,535	36,097	91,267	83,217	4,954,495
Amortisation	962,150	657,961	360,585	18,048	54,218	94,381	2,147,343
At 31 March 2020	3,879,650	2,226,840	618,120	54,145	145,485	177,598	7,101,838
Carrying amount							
At 31 March 2020	4,014,350	1,147,795	463,637	36,098	17,169	7,324,629	13,003,678
Company							
Cost							
At 1 April 2019, as previously reported	–	–	–	–	–	–	–
Effect of adoption of MFRS 16	–	200,000	–	90,243	–	–	290,243
At 1 April 2019, as restated	–	200,000	–	90,243	–	–	290,243
Additions	–	–	593,795	–	–	–	593,795
At 31 March 2020	–	200,000	593,795	90,243	–	–	884,038
Accumulated amortisation							
At 1 April 2019, as previously reported	–	–	–	–	–	–	–
Effect of adoption of MFRS 16	–	86,668	–	36,097	–	–	122,765
At 1 April 2019, as restated	–	86,668	–	36,097	–	–	122,765
Amortisation	–	40,000	197,931	18,048	–	–	255,979
At 31 March 2020	–	126,668	197,931	54,145	–	–	378,744
Carrying amount							
At 31 March	–	73,332	395,864	36,098	–	–	505,294

6. INVESTMENT PROPERTIES

	Group	
	2020	2019
	RM	RM
Cost		
At 1 April	11,141,329	11,141,329
Reclassified from inventories	–	–
At 31 March	11,141,329	11,141,329
Accumulated depreciation		
At 1 April	69,784	66,421
Charge for the financial year	127,752	3,363
At 31 March	197,536	69,784
Carrying amount		
At 31 March	10,943,793	11,071,545
Fair value		
At 31 March	11,961,481	12,310,398

(a) Investment properties under leases

Investment properties comprise leasehold commercial offices that are leased to third parties. The remaining lease period for the said properties range from 76 to 81 years (2019: 77 to 82 years).

(b) Fair value basis of investment properties

Fair value of investment properties was estimated by the Directors based on internal appraisal of market values of comparable properties. The fair values are within Level 3 of the fair value hierarchy.

There were no transfers between levels during current and previous financial year.

(c) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2020	2019
	RM	RM
Rental income	173,100	110,200
Direct operating expenses		
– income generating investment properties	103,524	103,473

7. INVENTORIES

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Non-current					
Land held for development	(a)	8,065,000	8,065,000	8,065,000	8,065,000
Current					
Property development costs	(b)	–	5,037,916	–	–
Others inventories	(c)	8,388,513	12,208,233	–	–
		8,388,513	17,246,149	–	–
		16,453,513	25,311,149	8,065,000	8,065,000

(a) Land held for development

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Non-current				
Land held for development				
At 1 April	8,065,000	8,550,424	8,065,000	8,065,000
Additions	–	–	–	–
Transfer to property development costs	–	(485,424)	–	–
Reclassified to property, plant and equipment	–	–	–	–
Reclassified to investment properties	–	–	–	–
	8,065,000	8,065,000	8,065,000	8,065,000

(b) Property development costs

	Group	
	2020	2019
	RM	RM
Current		
Property development costs		
At 1 April	6,556,546	–
Additions	578,089	6,071,122
Transfer from land held for development	–	485,424
Disposal of subsidiary companies	(7,134,635)	–
At 31 March	–	6,556,546
Cost recognised in profit or loss		
At 1 April	1,518,630	–
Additions	149,375	1,518,630
Disposal of subsidiary companies	(1,668,005)	–
At 31 March	–	1,518,630
Carrying amount		
At 31 March	–	5,037,916

7. INVENTORIES (CONT'D)

(c) Other inventories

	Group	
	2020	2019
	RM	RM
Raw materials and packaging materials	1,128,397	1,509,250
Spare parts and consumables	1,466,844	829,647
Quarry and bituminous products	5,793,272	9,869,336
	8,388,513	12,208,233
Recognised in profit or loss:		
Inventories recognised in cost of sales	10,987,416	15,910,087
Inventories written down	–	313,930
Inventories written off	–	119,872
Reversal of inventories written down	–	(40,918)

The reversal of inventories written down was made during the financial year when the related inventories were sold above their carrying amount.

8. QUARRY DEVELOPMENT EXPENDITURE

	Group	
	2020	2019
	RM	RM
Cost		
At 1 April	16,494,675	15,463,679
Additions	7,260	1,509,835
Disposal of subsidiary companies	(5,341,470)	–
Written off	–	(478,839)
At 31 March	11,160,465	16,494,675
Accumulated amortisation		
At 1 April	5,411,483	4,131,343
Disposal of subsidiary companies	(2,866,752)	–
Charge for the financial year	118,247	1,280,140
At 31 March	2,662,978	5,411,483
Accumulated impairment losses		
At 1 April	8,141,295	8,141,295
Written off	–	–
At 31 March	8,141,295	8,141,295
Carrying amount		
At 31 March	356,192	2,941,897

9. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2020	**2019**
	RM	**RM**
Unquoted shares, at cost		
In Malaysia	81,193,972	81,193,972
Outside Malaysia	2	2
	81,193,974	81,193,974
Less: Accumulated impairment losses	(41,499,719)	(40,677,431)
	39,694,255	40,516,543

Movements in the allowance for impairment losses of investment in subsidiary companies are as follows:

	Company	
	2020	**2019**
	RM	**RM**
At 1 April	40,677,431	40,677,431
Addition	6,600,049	-
Reversal	(5,777,761)	-
At 31 March	41,499,719	40,677,431

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%) 2020	Effective interest (%) 2019	Principal activities
Direct holding:				
K.S. Chin Minerals Sdn. Bhd. ("KSCM")	Malaysia	100	100	Provision of turnkey and specialised quarry services and rental of machinery
Minetech Construction Sdn. Bhd. ("MCSB")	Malaysia	100	100	Provision of specialised civil engineering services and rental of machinery
Minetech Premix Sdn. Bhd. ("MPSB")	Malaysia	100	100	Manufacturing and trading of premix products
Minetech Industries Sdn. Bhd. ("MISB")	Malaysia	100	100	Trading of industrial machinery spare parts
Diman KS Chin Sdn. Bhd. ("DKSCSB")	Malaysia	100	100	Inactive
Minetech Realty Sdn. Bhd. ("MRSB")	Malaysia	100	100	Property investment
Minetech Quarries Singapore Pte. Ltd. ("MQS")*	Singapore	–	100	Inactive and strike off on 6 July 2020

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest (%) 2020	Effective interest (%) 2019	Principal activities
Direct holding (Cont'd):				
Minetech Asphalt Man International Sdn. Bhd. ("MAMI")	Malaysia	85	85	Manufacturing and trading of bituminous products
Minetech Heavy Machineries Sdn. Bhd. ("MHMSB")	Malaysia	100	100	Inactive
Harapan Iringan Sdn. Bhd. ("HISB")	Malaysia	100	100	Property investment
Medium Visa Sdn. Bhd. ("MVSB")	Malaysia	100	100	Investment holding
Coral Energy Sdn. Bhd. ("CESB") (fka MRB FTZ Development Sdn. Bhd.)	Malaysia	100	100	Property development
Coral Power Sdn. Bhd. ("CPSB")	Malaysia	70	70	Solar Farm Operator
Bertam Capital Sdn. Bhd. ("BCSB")	Malaysia	60	60	Quarry operator
MRB Property Sdn. Bhd. ("MRBP")	Malaysia	100	100	Investment holding, wholesale of construction and civil engineering and equipment
Konsep Khas Sdn. Bhd. ("KKSB")#	Malaysia	30	100	Wholesale of variety of goods
Subsidiary companies of KSCM:				
Minetech Quarries Sdn. Bhd. ("MQSB")	Malaysia	100	100	Inactive
Gebeng Quarry Sdn. Bhd. ("GQSB")	Malaysia	–	51	Production, sales and marketing
Subsidiary companies of MQSB:				
Optimis Dinamik Sdn. Bhd. ("ODSB")	Malaysia	100	100	Inactive
Minetech Pavement Technologies Sdn. Bhd. ("MPTSB")	Malaysia	100	100	Inactive
Minetech Bidor Quarry Sdn. Bhd. ("MBQSB")	Malaysia	100	100	Extraction, processing, manufacturing and marketing of quarry products

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest (%) 2020	2019	Principal activities
Subsidiary company of MPSB:				
Minetech Quarries Sabah Sdn. Bhd. ("MQSSB")	Malaysia	100	100	Quarry proprietors
Subsidiary company of MPTSB:				
Minetech PQ Sdn. Bhd. ("MPQSB")	Malaysia	–	51	Trading of quarry products
Subsidiary companies of MRBP:				
MRB Land Sdn. Bhd. ("MLSB")	Malaysia	–	100	Property development
Integral Housing Development Sdn. Bhd. ("IHDSB")	Malaysia	100	100	Dormant
Subsidiary companies of MCSB:				
Coral Evergreen Sdn. Bhd. ("CEGSB") (fka Minetech Builders Sdn. Bhd.)	Malaysia	100	100	Civil engineering construction
MRB MajuConstruct Sdn. Bhd. ("MMCSB")	Malaysia	80	80	Civil engineering construction

* Subsidiary companies not audited by UHY

Subsidiary companies change to associate companies

(a) Acquisition of subsidiary companies

Financial year ended 31 March 2019

(i) On 13 June 2018, the Company acquired 1,200,000 ordinary shares in BCSB, representing 60% of the equity interests in BCSB for a purchase consideration of RM16,800,000, which is to be satisfied via the allotment and issuance of 120,000,000 new Minetech Resources Berhad's ("MRB") shares at an issue price of RM0.14 per MRB share. Consequently, BCSB became a 60% owned subsidiary company of the Company.

(ii) On 1 November 2018, the Company's wholly-owned subsidiary company, MCSB acquired 510,000 ordinary shares in MBSB for a cash consideration of RM510,000. Consequently, MBSB became an indirect wholly-owned subsidiary company of the Company.

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(a) Acquisition of subsidiary companies (Cont'd)

(iii) On 24 October 2018, the Company's wholly-owned subsidiary company, MCSB acquired 8 ordinary shares in MMCSB for a cash consideration of RM8. Consequently, MMCSB became an indirect 80% owned subsidiary company of the Company.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Group 2019 RM
Fair value of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	5,462,632
Intangible assets	12,585,600
Deferred tax assets	67,894
Other investments	64,464
Inventories	2,276,041
Trade receivables	7,322,490
Other receivables	1,638,832
Cash and bank balances	1,845,907
Trade payables	(3,605,004)
Other payables	(910,666)
Loans and borrowings	(9,749,913)
Non-controlling interests	(1,681,853)
Total identifiable assets and liabilities	15,316,424

	Group 2019 RM
Total Fair Value Of Consideration Transferred	
Cash Consideration	510,008
Equity Instruments Issued	16,800,000
Total Consideration Transferred	17,310,008

Net cash inflows arising from acquisition of subsidiary companies

	Group 2019 RM
Purchase consideration settled in cash	510,008
Less: Cash and bank balances acquired	(1,845,907)
Net cash inflows	(1,335,899)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(a) Acquisition of subsidiary companies (Cont'd)

Goodwill arising from business combination

Goodwill was recognised as a result of the acquisition as follows:

	Group 2019 RM
Fair value of consideration transferred	17,310,008
Fair value of identifiable assets acquired and liabilities assumed	(15,316,424)
Goodwill on consolidation	1,993,584

The goodwill recognised on the acquisition is attributable mainly to the skills and technical talent of the acquired business's work force and the synergies expected to be achieved from integrating the subsidiary companies into the Group's existing business.

Acquisition-related costs

The Group incurred acquisition-related costs of RMNil (2019: RM95,000) related to external legal fees and due diligence costs. The expenses have been included in administrative expenses in profit or loss.

Impact of the acquisition on the Statements of Profit or Loss and Other Comprehensive Income

From the date of acquisition, acquired subsidiary companies has contributed RMNil (2019: RM20,894,184 and RM571,232) to the Group's revenue and profit for the financial year respectively. If the combination had taken place at the beginning of the financial year, the Group's revenue and profit for the financial year from its continuing operations would have been RMNil (2019: RM22,951,347 and RM581,031) respectively.

(b) Internal reorganisation

In the previous financial year, the Company and its wholly-owned subsidiary company, MLSB had completed the internal reorganisation exercise which involved, amongst others, the following:

(i) Disposal of MLSB of its entire equity interest in MRBP to Minetech Resources Berhad ("MRB");

(ii) Disposal of MLSB of its entire equity interest in KKSB to MRBP;

(iii) Disposal of MLSB of its entire equity interest in IHDSB to MRBP; and

(iv) Disposal of MRB of its entire equity interest in MLSB to MRBP.

Notes To The Financial Statements
31 March 2020 (Cont'd)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(c) Material partly-owned subsidiary companies

Set out below are the Group's subsidiary companies that have material non-controlling interests:

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2020	2019	2020	2019	2020	2019
	%	%	RM	RM	RM	RM
MAMI	15	15	60,236	33,631	914,411	854,175
GQSB	–	49	–	1,066,029	–	7,260,946
BCSB	40	40	(655,540)	231,090	1,257,403	1,912,943
					2,171,814	10,028,064
Individually immaterial subsidiary companies with non-controlling interests					(20,105)	(1,143,885)
Total non-controlling interests					2,151,709	8,884,179

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

(i) Summarised of Statements of Financial Position

	MAMI	GQSB	BCSB
	RM	RM	RM
2020			
Non-current assets	5,071,751	–	3,168,310
Current assets	6,721,115	–	17,741,335
Non-current liabilities	(364,500)	–	(1,511,978)
Current liabilities	(5,334,035)	–	(16,283,366)
Net assets	6,094,331	–	3,114,301
2019			
Non-current assets	5,128,937	9,789,303	4,639,021
Current assets	7,348,786	16,012,034	18,168,238
Non-current liabilities	(283,200)	(3,382,130)	(2,264,545)
Current liabilities	(6,500,024)	(7,600,949)	(15,760,360)
Net assets	5,694,499	14,818,258	4,782,354

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(c) Material partly owned subsidiary companies (Cont'd)

(ii) Summarised of Statements of Profit or Loss and Other Comprehensive Income

	MAMI RM	GQSB RM	BCSB RM
2020			
Revenue	15,199,244	–	17,093,614
Total comprehensive income/(loss) for the financial year	401,571	–	(1,651,837)
2019			
Revenue	14,698,782	19,557,107	20,522,552
Total comprehensive income/(loss) for the financial year	225,125	2,209,570	577,726

(iii) Summarised of Statements of Cash Flows

	MAMI RM	GQSB RM	BCSB RM
2020			
Net cash from operating activities	1,613,892	–	1,826,084
Net cash used in investing activities	(270,410)	–	(172,687)
Net cash from/(used in) financing activities	412,261	–	(1,440,669)
Net increase in cash and cash equivalents	1,755,743	–	212,728
2019			
Net cash (used in)/from operating activities	(719,115)	1,532,724	1,712,069
Net cash used in investing activities	(109,352)	(298,463)	(95,909)
Net cash from/(used in) financing activities	751,462	(1,245,673)	(1,113,344)
Net (decrease)/increase in cash and cash equivalents	(77,005)	(11,412)	502,816

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(d) Disposal of subsidiary companies

In current financial year

The effect of the above disposals on the financial results of the Group in respect of the financial year are as follows:

	Group 2020 RM
Revenue	5,238,984
Cost of sales	(4,900,662)
Other operating incomes	322,551
Operating expenses	(315,224)
Profit from operation	345,649
Finance costs	(136,270)
Profit before taxation	209,379
Taxation	(227,304)
Net loss for the financial year	(17,925)

The assets and liabilities arising from the disposal are as follows:

	Group 2020 RM
Property, plant and equipment	9,825,033
Property development cost	5,466,630
Quarry development expenditure	2,474,718
Inventories	7,249,601
Trade receivables	7,281,763
Other receivables	5,394,479
Amount due from related company	1,389,879
Cash and bank balances	705,559
Tax recoverable	167,117
Trade payables	(4,635,328)
Other payables	(4,177,314)
Amount due to related company	(11,053,419)
Finance lease	(4,794,078)
Tax payables	(465,486)
Deferred tax liabilities	(146,300)
Net assets disposed off	14,682,854
Less : Non-controlling interests	(6,173,000)
	8,509,854
Loss on disposal of investment in subsidiary companies	(1,154,854)
Disposal proceeds settled by cash	7,355,000
Less: Cash and cash equivalents of subsidiary companies disposed	(705,559)
Net cash inflow from disposal of investment in subsidiary companies	6,649,441

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(e) There are no significant restrictions on the ability of the subsidiary companies to transfer funds to the Group in the form of cash dividends or repayment of loans and advances. Generally, for all subsidiary companies which are not wholly-owned by the Company, non-controlling shareholders hold protective rights restricting the Company's ability to use the assets of the subsidiary companies and settle the liabilities of the Group, unless approval is obtained from the non-controlling shareholders.

10. INVESTMENT IN ASSOCIATES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
In Malaysia				
Unquoted shares, at cost	120,049	49	120,000	–
Share of post-acquisition reserve	(1,750)	(49)	–	–
	118,299	–	120,000	–

Details of the associates are as follows:

Name of the company	Place of business/ Country of incorporation	Effective interest (%) 2020	Effective interest (%) 2019	Principal activities
Associate company of MRB:				
Konsep Khas Sdn Bhd ("KKSB")	Malaysia	30	100	Dormant
Associate company of KSCM:				
Hebat Asset Sdn. Bhd. ("HASB")	Malaysia	49	49	Dormant

(a) Acquisition of associates

In the current financial year, the Company's wholly-owned subsidiary company , Konsep Khas Sdn. Bhd. ("KKSB") had increase their share capital to 400,000. Consequently, KKSB became an associate company of the Company.

In the previous financial year, the Company's wholly-owned subsidiary company, Minetech Construction Sdn. Bhd. ("MCSB") acquired 510,000 ordinary shares in Coral Evergreen Sdn. Bhd. ("CEGSB") (fka Minetech Builders Sdn. Bhd.) for a cash consideration of RM510,000. Consequently, CEGSB became an indirect wholly-owned subsidiary company of the Company.

(b) The summarised financial information of the associates are as follows:

	Group	
	2020 RM	2019 RM
Total assets	448,844	48
Total liabilities	76,240	25,688
Profit/(Loss) for the financial year	17,736	(6,203)

10. INVESTMENT IN ASSOCIATES (CONT'D)

(c) The unrecognised share of losses of the associates are as follows:

	Group 2020 RM	Group 2019 RM
At 1 April	33,297	30,258
Addition during the financial year	(10,363)	3,039
At 31 March	22,934	33,297

11. INTANGIBLE ASSETS

	Goodwill on consolidation RM (Note a)	Intangible assets RM (Note b)	Total RM
Group			
Cost			
At 1 April 2019/31 March 2020	3,510,777	12,585,600	16,096,377
Accumulated amortisation			
At 1 April 2019	–	461,472	461,472
Charge for the financial year	–	545,376	545,376
At 31 March 2020	–	1,006,848	1,006,848
Accumulated impairment losses			
At 1 April 2019	2,169,940	–	2,169,940
Charge for the financial year	1,340,837	4,259,163	5,600,000
At 31 March 2020	3,510,777	4,259,163	7,769,940
Carrying amount			
At 31 March 2020	–	7,319,589	7,319,589
Group			
Cost			
At 1 April 2018/31 March 2018	1,517,193	–	1,517,193
Acquisition through business combination	1,993,584	12,585,600	14,579,184
At 31 March 2019	3,510,777	12,585,600	16,096,377
Accumulated amortisation			
At 1 April 2018/31 March 2018	–	–	–
Charge for the financial year	–	461,472	461,472
At 31 March 2019	–	461,472	461,472
Accumulated impairment losses			
At 1 April 2018	1,517,193	–	1,517,193
Charge for the financial year	652,747	–	652,747
At 31 March 2019	2,169,940	–	2,169,940
Carrying amount			
At 31 March 2019	1,340,837	12,124,128	13,464,965

11. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill on consolidation

The recoverable amount of the property development unit is determined based on a value in use by discounting future cash flow to be generated by the unit. The carrying amount of the unit was determined to be higher than its recoverable amount and an impairment loss of RM1,340,837 (2019: RM652,747) was recognised. The impairment loss is recorded within administrative expenses in the statements of profit or loss and other comprehensive income.

For the purpose of impairment testing, the recoverable amount of goodwill as at the end of the previous financial year was determined based on a value in use calculation by discounting the future cash flows generated from the continuing use of the cash generating unit ("CGU") and was based on the following assumptions:

(i) Pre-tax cash flows projections based on the most recent financial budgets covering a twenty-four (24) years period.

(ii) The anticipated annual revenue growth rate used in the financial budgets and plans of the CGU is 10%.

(iii) Pre-tax discount rate of 8% per annum has been applied in determining the recoverable amount of the CGU. The discount rate was estimated based on the Group's weighted average cost of capital.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

The management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the units to materially exceed their recoverable amounts.

(b) Intangible assets

During the financial year, the carrying amount of the unit was determined to be higher than its recoverable amount and an impairment loss of RM4,259,163 was recognised. The impairment loss is recorded within administrative expenses in the statements of profit or loss and other comprehensive income.

In the previous financial year, the Company has completed the purchase price allocation ("PPA") exercise to determine the fair values of the net assets of Bertam Capital Sdn. Bhd. ("BCSB") within twelve (12) months from the acquisition date of 28 November 2017, in accordance with MFRS 3, *Business Combinations*.

Based on the PPA exercise conducted, RM1,340,837 and RM12,585,600 have been identified as goodwill on consolidation and intangible assets respectively arising from the fair value of the quarry.

12. OTHER INVESTMENTS

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Non-current				
At cost				
Investment in club memberships	64,464	64,464	–	–
Current				
Financial assets at FVTPL				
Unit trust, quoted in Malaysia	155,013	839,208	3,433	3,322

12. OTHER INVESTMENTS (CONT'D)

The investment in club memberships is unquoted and the management are of the view that under such circumstances, it is not possible to disclose the range estimates within which a fair value is unlikely to be estimated.

The fair value of the quoted shares were determined by reference to the quoted price in the share market.

13. OTHER RECEIVABLES

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Non-current				
Other receivables	342,000	615,600	–	–
Current				
Other receivables	11,722,488	10,188,172	403,571	186,931
Less: Accumulated impairment losses	(1,159,675)	(2,789,492)	–	–
	10,562,806	7,398,680	403,571	186,931
Deposits	1,203,994	1,706,738	48,212	60,212
Prepayments	2,503,921	3,436,834	60,628	84,575
GST receivables	72,688	365,806	–	17,319
	14,343,409	12,908,058	512,414	349,037

Movements in the allowance for impairment losses of other receivables are as follows:

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
At 1 April	2,789,492	193,956	–	–
Impairment losses recognised	8,310	2,595,536	–	–
Reversal of impairment loss	(825,513)	–	–	–
Written off	(812,614)	–	–	–
At 31 March	1,159,675	2,789,492	–	–

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments.

14. CONTRACT ASSETS/(LIABILITIES)

The Group's contract assets and contract liabilities relating to construction contracts and property development activities at the end of the reporting period are as follows:

	Note	Group 2020 RM	Group 2019 RM
Contract assets			
Construction contracts	(a)	3,327,364	8,983,367
Contract liabilities			
Construction contracts	(a)	–	–
Property development activities	(b)	–	(78,911)
		–	(78,911)

(a) Construction contracts

	Group 2020 RM	Group 2019 RM
Contracts costs incurred to-date	74,488,807	58,640,634
Attributable profits recognised to-date	5,019,530	4,492,676
	79,508,337	63,133,310
Less: Progress billings	(76,180,973)	(54,149,943)
	3,327,364	8,983,367
Presented as:		
Contract assets	3,327,364	8,983,367
Contract liabilities	–	–
	3,327,364	8,983,367

Included in progress billings of the Group are retention sum amounting to RM2,562,443 (2019: RM3,255,085).

The contract assets represent the unbilled amount for work completed as at the reporting date. This amount will be transferred to trade receivables when the right to bill becomes unconditional.

The contract liabilities consist of advance billings in excess of revenue recognised overtime during the construction period.

(b) Property development activities

	Group 2020 RM	Group 2019 RM
At 1 April	(78,911)	–
Property development revenue recognised during the financial year	–	1,491,378
Less: Progress billing during the financial year	–	(1,570,289)
Less: Disposal of subsidiary company	78,911	–
At 31 March	–	(78,911)
Presented as:		
Contract liabilities	–	(78,911)

14. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(b) Property development activities (Cont'd)

Contract liabilities consist of billings in excess of revenue recognised, this amount is expected to be recognised as revenue over a period.

(c) Contract value yet to be recognised as revenue

The Group applies the practical expedient in MFRS 15 on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the Group recognises revenue from the satisfaction of the performance obligation using output methods in accordance with paragraph B16 of MFRS 15.

15. TRADE RECEIVABLES

	Group	
	2020	**2019**
	RM	**RM**
Trade receivables	29,435,021	37,372,664
Less: Accumulated for impairment losses	(454,853)	(2,032,315)
	28,980,168	35,340,349

The Group's normal trade credit terms range from 30 to 180 days (2019: 30 to 180 days). Other credit terms are assessed and approved on a case by case basis. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables of the Group are retention sum amounting to RM2,562,443 (2019: RM3,255,085).

Movements in the allowance for impairment losses of trade receivables are as follows:

	Lifetime allowance	**Credit impaired**	**Loss allowance**
	RM	**RM**	**RM**
Group			
At 1 April 2019	373,448	1,658,867	2,032,315
Arising from disposal of subsidiary companies	(40,874)	20,429	(20,445)
Impairment losses recognised	–	252,981	252,981
Reversal of impairment losses	(201,878)	(1,258,001)	(1,459,879)
Write off of impairment losses	–	(350,119)	(350,119)
At 31 March 2020	130,696	324,157	454,853
At 1 April 2018	–	838,194	838,194
Effect of adopting MFRS 9 [Note 2(a)(i)]	283,692	–	283,692
At 1 April 2018, as restated	283,692	838,194	1,121,886
Arising from acquisition of a subsidiary company	38,312	–	38,312
Impairment losses recognised	51,444	820,673	872,117
At 31 March 2019	373,448	1,658,867	2,032,315

* Impairment losses reversed during the financial year when the related amounts were collected.

15. TRADE RECEIVABLES (CONT'D)

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the trade receivable directly.

The aged analysis of trade receivables as at the end of the reporting period are as follows:

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
2020			
Neither past due	8,526,321	(1,486)	8,524,835
Past due			
Less than 30 days	6,058,404	(7,849)	6,050,555
31 to 60 days	4,731,954	(18,865)	4,713,089
61 to 90 days	2,113,223	(8,056)	2,105,167
More than 90 days	7,577,485	(94,440)	7,483,045
	20,481,066	(129,210)	20,351,856
Credit impaired			
Individually impaired	427,634	(324,157)	103,477
	29,435,021	(454,853)	28,908,168
2019			
Neither past due nor impaired	11,484,017	(8,364)	11,475,653
Past due nor impaired			
Less than 30 days	6,454,732	(18,738)	6,435,994
31 to 60 days	6,588,899	(22,135)	6,566,764
61 to 90 days	3,299,498	(28,175)	3,271,323
More than 90 days	7,886,651	(296,036)	7,590,615
	24,229,780	(365,084)	23,864,696
Credit impaired			
Individually impaired	1,658,867	(1,658,867)	-
	37,372,664	(2,032,315)	35,340,349

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 31 March 2020, the Group has trade receivables amounting to RM20,351,856 (2019: RM23,864,696) were past due but not impaired. These relate to a number of independent customers with slower repayment records.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM427,634 (2019: RM1,658,867), relate to customers that are in financial difficulties, and have defaulted on payment. These balances are expected to be recovered through the debts recovery process.

16. AMOUNT DUE FROM ASSOCIATES

Amount due from associates are unsecured, non-interest bearing advances and repayable on demand. An amount of RMNil (2019: RM21,879) represents trade transactions, which generally on Nil (2019: Nil) terms.

17. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

(a) Amount due from subsidiary companies

	Company	
	2020	2019
	RM	RM
Amount due from subsidiary companies	45,365,234	52,737,577
Less: Accumulated impairment losses	(40,812,489)	(47,105,896)
	4,552,745	5,631,681

Movements in the allowance for impairment losses on amount due from subsidiary companies are as follows:

	Company	
	2020	2019
	RM	RM
At 1 April	47,105,896	44,541,638
Impairment losses recognised	5,007,727	2,564,258
Impairment losses reversed	(9,643,921)	–
Impairment written off	(1,657,213)	–
At 31 March	40,812,489	47,105,896

Amount due from subsidiary companies are unsecured, non-interest bearing advances and repayable on demand.

(b) Amount due to subsidiary companies

Amount due to subsidiary companies are unsecured, non-interest bearing advances and repayable on demand.

18. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group amounting to RM7,378,496 (2019: RM11,185,819) are pledged to licensed banks as securities for credit facilities granted to a subsidiary company as disclosed in Note 22.

The interest rates of fixed deposits at the end of the reporting period are ranging from 1.80% to 3.35% (2019: 1.08% to 3.15%) per annum and the maturities of deposits are ranging from 30 to 365 days (2019: 30 to 365 days).

19. SHARE CAPITAL

	Group/Company			
	Number of shares		Amount	
	2020	2019	2020	2019
	Units	Units	RM	RM
Issued and fully paid ordinary shares				
At 1 April	921,574,900	731,574,900	132,526,862	110,526,862
Shares issued during financial year	–	70,000,000	–	5,200,000
Issued pursuant to acquisition of subsidiary company	–	120,000,000	–	16,800,000
At 31 December	921,574,900	921,574,900	132,526,862	132,526,862

In the previous financial year,

(a) the Company issued 30,000,000 new ordinary shares at an issue price of RM0.10 each for a total cash consideration of RM3,000,000 for working capital purposes;

(b) the Company issued 40,000,000 new ordinary shares at an issue price of RM0.055 each for a total cash consideration of RM2,200,000 for working capital purposes; and

(c) the Company issued 120,000,000 new ordinary shares at an issue price of RM0.14 each for a total consideration of RM16,800,000 for the acquisition of subsidiary company.

(d) the Company increased its issued and paid up ordinary shares from 725,094,000 to 731,574,900 by way of issuance of 6,480,900 ordinary shares at an issue price of RM0.15 per ordinary share for a total consideration of RM972,135.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

20. RESERVES

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Non distributable					
Foreign currency translation reserve	(a)	–	70,737	–	–
Warrant reserve	(b)	–	21,971,937	–	21,971,937
Other reserve	(c)	–	(21,971,937)	–	(21,971,937)
Accumulated losses		(67,784,564)	(56,626,007)	(84,496,898)	(82,551,823)
		(67,784,564)	(56,555,270)	(84,496,898)	(82,551,823)

20. RESERVES (CONT'D)

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) Warrant reserve

Warrants reserve represents reserve allocated to free detachable warrants issued with right issue.

On 28 November 2014, the Company has issued 332,404,500 free detachable warrants to all the entitled shareholders of the Company on the basis of one (1) warrant for every one existing ordinary shares held in the Company.

The salient term of the warrants are as follows:

(i) Each warrant entitles the holder to subscribe for one new ordinary share of RM0.15 each in the Company at the exercise price of RM0.15 per ordinary share;

(ii) The warrants may be exercised at any time up to 27 November 2019. Any warrants which have not been exercised at date of maturity will thereafter lapse and cease to be valid for any purpose.; and

(iii) The shares arising from the exercise of warrants shall rank pari passu in all respects with the existing ordinary shares of the Company, save and except that the new shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the allotment date of the new shares.

As at 31 March 2020, the total number of Warrants that remain unexercised was 332,404,500 (2019: 332,404,500) and hence, became invalid.

The exercised of warrants expired on 27 November 2019 and removal of the warrants from the Official List of Bursa Malaysia Securities Berhad is effective from 28 November 2019.

(c) Other reserve

Other reserve represents the fair value allocated to the detachable warrants issued in conjunction with rights issue as disclose in Note 20(b).

21. TREASURY SHARES

	Group/Company			
	Number of shares		Amount	
	2020	2019	2020	2019
	Units	Units	RM	RM
At 1 April/31 March	285,000	285,000	47,990	47,990

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or re-issuance.

21. TREASURY SHARES (CONT'D)

The Company does not repurchase any of its issued shares from the open market during the financial year.

The Directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

22. LOANS AND BORROWINGS

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Secured				
Term loans (Note a)	10,218,565	11,179,219	–	–
Bank overdrafts (Note a)	6,147,005	9,114,091	–	–
Bankers' acceptance (Note a)	2,324,000	2,370,760	–	–
Bills payables (Note a)	–	157,381	–	–
Trust receipts (Note a)	–	566,415	–	–
Finance lease payables Note b)	–	11,645,042	–	188,944
Lease liabilities (Note c)	3,742,218	–	505,703	–
	22,431,788	35,032,908	505,703	188,944
Non-current				
Term loans	9,187,466	10,240,943	–	–
Finance lease payables	–	6,193,468	–	61,361
Lease liabilities	1,514,242	–	254,621	–
	10,701,708	16,434,411	254,621	61,361
Current				
Term loans	1,031,099	938,276	–	–
Bank overdrafts	6,147,005	9,114,091	–	–
Bankers' acceptance	2,324,000	2,370,760	–	–
Bills payables	–	157,381	–	–
Trust receipts	–	566,415	–	–
Finance lease payables	–	5,451,574	–	127,583
Lease liabilities	2,227,976	–	251,082	–
	11,730,080	18,598,497	251,082	127,583
	22,431,788	35,032,908	505,703	188,944

22. LOANS AND BORROWINGS (CONT'D)

(a) Bank borrowings

The term loans, bankers' acceptance, bills payables, trust receipts and bank overdrafts are secured by the following:

(i) first legal charge over freehold land and buildings and improvements of a subsidiary company as disclosed in Note 4(b);
(ii) fixed and floating charge over certain property, plant and equipment of a subsidiary company;
(iii) pledge of fixed deposits of the Group as disclosed in Note 18;
(iv) debenture over all the fixed and floating assets of a subsidiary company;
(v) guarantee provided by the Government of Malaysia; and
(vi) corporate guarantee provided by the Company.

Maturity of bank borrowings (excluding lease liabilities and finance lease payables) are as follows:

	Group	
	2020	**2019**
	RM	**RM**
Within one year	9,502,104	13,146,923
Between one to two years	1,094,835	1,007,541
Between two to five years	3,101,826	3,293,969
After five years	4,990,805	5,939,433
	18,689,570	23,387,866

The ranges of effective interest rates per annum at the reporting date are as follows:

	Group	
	2020	**2019**
	%	**%**
Term loans	8.06 – 8.70	4.77 – 8.31
Bank overdrafts	4.02 – 7.95	6.80 – 8.70
Bankers' acceptance	3.29 – 3.78	1.75 – 4.47
Bills payables	–	4.35 – 6.35
Trust receipts	–	8.40

22. LOANS AND BORROWINGS (CONT'D)

(b) Finance lease payables

	Group 2019 RM	Company 2019 RM
Minimum lease payments		
Within one year	5,991,451	134,446
Later than one year and not later than two years	3,640,190	37,020
Later than two years and not later than five years	2,939,213	27,762
	12,570,854	199,228
Less: Future finance charges	(925,812)	(10,284)
Present value of minimum lease payments	11,645,042	188,944
Present value of minimum lease payments		
Within one year	5,451,574	127,583
Later than one year and not later than two years	3,374,938	34,266
Later than two years and not later than five years	2,809,387	27,095
Later than five years	9,143	–
	11,645,042	188,944
Analysed as:		
Repayables within twelve months	5,451,574	127,583
Repayables after twelve months	6,193,468	61,361
	11,645,042	188,944

The effective interest rates of finance lease payables are ranging from 4.05% to 9.23% (2019: 4.05% to 9.23%) per annum.

The Group and the Company lease motor vehicles and plant and machinery under finance lease [Note 4(a)]. There are no restrictive covenants imposed by the lease agreement and no arrangements have been entered into for contingent rental payments.

22. LOANS AND BORROWINGS (CONT'D)

(c) Lease liabilities

	Group 2019 RM	Company 2019 RM
At 1 January	–	–
Effect of adoption MFRS 16	6,900,041	246,108
At 1 January, restated	6,900,041	246,108
Additions	1,210,486	593,795
Payments	(4,368,309)	(334,200)
At 31 December	3,742,218	505,703
Presented as:		
Current	2,227,976	251,082
Non-current	1,514,242	254,621

The maturity analysis of lease liabilities of the Group and of the Company at the end of the reporting period:

	Group 2019 RM	Company 2019 RM
Within one year	2,342,007	270,540
Later than one year not later than five years	1,627,696	261,282
	3,969,703	531,822
Less: Future finance charges	(227,485)	(26,119)
Present value of lease liabilities	3,742,218	505,703

23. DEFERRED TAX LIABILITIES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
At 1 April	2,372,075	2,471,720	–	–
Recognised in profit or loss (Note 29)	97,215	(31,751)	–	–
Underprovision in prior year	6,530	–	–	–
Arising from disposal of subsidiary companies	(146,300)	–	–	–
Arising from acquisition of subsidiary companies	–	(67,894)	–	–
At 31 March	2,329,520	2,372,075	–	–

23. DEFERRED TAX LIABILITIES (CONT'D)

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Deferred tax liabilities	3,106,680	3,464,424	–	115
Deferred tax assets	(777,160)	(1,092,349)	–	(115)
	2,329,520	2,372,075	–	–

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Unutilised capital allowances	Unutilised tax losses	Unutilised reinvestment allowances	Others	Total
	RM	RM	RM	RM	RM
Group					
Deferred tax assets					
At 1 April 2019	(325,431)	(752,202)	–	(14,716)	(1,092,349)
Recognised in profit or loss	205,554	190,904	–	–	396,458
Arising from disposal of subsidiary companies	3,126	39,307	–	–	42,433
Over provision in prior years	(123,702)	–	–	–	(123,702)
At 31 March 2020	(240,453)	(521,991)	–	(14,716)	(777,160)
At 1 April 2018	(545,150)	(1,398,319)	(9,140)	–	(1,952,609)
Recognised in profit or loss	194,193	35,470	–	–	229,663
Arising from acquisition of a subsidiary company	–	–	–	(67,894)	(67,894)
Over provision in prior years	25,526	610,647	9,140	53,178	698,491
At 31 March 2019	(325,431)	(752,202)	–	(14,716)	(1,092,349)

	Accelerated capital allowances
	RM
Group	
Deferred tax liabilities	
At 1 April 2019	3,464,424
Arising from disposal of subsidiary companies	(188,733)
Recognised in profit or loss	(330,843)
Over provision in prior years	161,832
At 31 March 2020	3,106,680
At 1 April 2018	4,424,329
Recognised in profit or loss	(395,385)
Over provision in prior years	(564,520)
At 31 March 2019	3,464,424

23. DEFERRED TAX LIABILITIES (CONT'D)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (Cont'd)

	Deferred tax liabilities	Deferred tax assets	
	Accelerated capital allowances	Unutilised capital allowances	Total
	RM	RM	RM
Company			
At 1 April 2019	115	(115)	–
Recognised in profit or loss	(115)	115	–
Under/(Over) provision in prior years	–	–	–
At 31 March 2020	–	–	–
At 1 April 2018	42,102	(42,102)	–
Recognised in profit or loss	(59,753)	59,753	–
Under/(Over) provision in prior years	17,766	(17,766)	–
At 31 March 2019	115	(115)	–

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Unutilised capital allowances	11,419,451	9,502,312	1,049,643	906,636
Unutilised tax losses	33,530,849	28,294,067	12,569,386	9,113,637
Unutilised reinvestment allowances	38,093	38,083	–	–
Others	142,113	–	142,113	–
	45,130,506	37,834,462	13,761,142	10,020,273

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

The amounts of unutilised tax losses and deductible temporary differences for which no deferred tax asset is recognised in the statements of financial position are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Unutilised tax losses				
– expiring not more than six years	31,238,341	23,200,919	9,131,661	6,313,846
– expiring not more than seven years	4,467,471	8,063,544	3,437,725	2,799,791
	35,705,812	31,264,463	12,569,386	9,113,637

23. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax assets have not been recognised on the unutilised tax losses as the realisation of the tax benefits accruing to these tax losses is uncertain.

(a) With effect from year of assessment 2019, unutilised tax losses are allowed to be carried forward up to a maximum of seven consecutive years of assessment under the current tax legislation. The other temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future profits will be available against which the Group and the Company can utilise the benefits therefrom.

24. TRADE PAYABLES

The Group's normal trade credit terms range from 30 to 150 days (2019: 30 to 150 days), depending on the terms of contracts.

25. OTHER PAYABLES

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Other payables	7,137,720	9,916,937	65,159	183,814
Deposits	4,131,221	936,200	192,500	192,500
Accruals	244,800	13,518,561	211,166	2,065,365
	11,513,741	24,371,698	468,825	2,441,679

26. REVENUE

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Revenue from contracts with customers				
Turnkey quarry services	–	8,891,691	–	–
Sale of goods	38,202,798	74,369,201	–	–
Construction contracts	43,711,449	49,310,612	–	–
Property development	–	2,151,798	–	–
Management fees	–	–	456,000	780,000
	81,914,247	134,723,302	456,000	780,000
Revenue from other sources				
Rental income	321,860	283,972	–	–
	82,236,107	135,007,274	456,000	780,000
Timing of revenue recognition				
At a point in time	38,202,798	83,260,892	456,000	780,000
Over time	43,711,449	51,462,410	–	–
Total revenue from contracts with customers	81,914,247	134,723,302	456,000	780,000

26. REVENUE (CONT'D)

Disaggregation of the Group's revenue from contracts with customers:

	Quarry product RM	Civil engineering RM	Premix products RM	Bituminous products RM	Property development RM	Total RM
2020						
Major services						
Sale of goods	23,285,502	–	39,912	15,199,244	–	38,524,658
Construction contracts	–	43,711,449	–	–	–	43,711,449
	23,285,502	43,711,449	39,912	15,199,244	–	82,236,107
Geographical market						
Malaysia	23,285,502	43,711,449	39,912	15,199,244	–	82,236,107
Timing of revenue recognition						
At a point in time	23,285,502	–	39,912	15,199,244	–	38,524,658
Over time	–	43,711,449	–	–	–	43,711,449
Total revenue from contracts with customers	23,285,502	43,711,449	39,912	15,199,244	–	82,236,107
2019						
Major services						
Turnkey quarry services	8,891,691	–	–	–	–	8,891,691
Sale of goods	60,105,014	–	395,499	14,152,660	–	74,653,173
Construction contracts	–	49,310,612	–	–	–	49,310,612
Property development	–	–	–	–	2,151,798	2,151,798
	68,996,705	49,310,612	395,499	14,152,660	2,151,798	135,007,274
Geographical market						
Malaysia	68,996,705	49,310,612	395,499	14,152,660	2,151,798	135,007,274
Timing of revenue recognition						
At a point in time	68,996,705	–	395,499	14,152,660	–	83,544,864
Over time	–	49,310,612	–	–	2,151,798	51,462,410
Total revenue from contracts with customers	68,996,705	49,310,612	395,499	14,152,660	2,151,798	135,007,274

27. FINANCE COSTS

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Bank charges	70,227	42,383	1,476	1,201
Interest expenses on:				
Bank overdrafts	455,551	445,424	–	–
Bankers' acceptance/Trust receipts	94,991	188,306	–	–
Finance lease	–	1,035,817	–	16,706
Lease liabilities	299,020	–	33,765	–
Term loans	548,022	554,458	–	–
Others	178,227	623,056	61,171	–
	1,575,811	2,847,061	94,936	16,706
	1,646,038	2,889,444	96,412	17,907

28. LOSS BEFORE TAX

Loss before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Amortisation on:				
– quarry development expenditure	118,247	1,280,140	–	–
– intangible assets	545,376	461,472	–	–
– right-of-use assets	2,147,343	–	255,979	–
Auditors' remuneration				
– statutory audit	174,125	225,840	45,000	45,000
– non-statutory	5,000	5,000	5,000	5,000
– over provision in prior years	2,750	16,850	–	–
Bad debts written off	1,996,216	6,418	837,618	–
Bad debts recovered	(113,719)	(653)	–	–
Depreciation of:				
– investment properties	127,752	3,363	–	–
– property, plant andequipment	2,303,665	7,751,081	315,726	438,416
Fair value adjustment on other receivables	(14,604)	14,604	–	–
Foreign exchange loss/(gain):				
– realised	38,591	28,492	–	–
– unrealised	(10,613)	38,277	–	–
Inventories written down	–	313,930	–	–
Inventories written off	–	119,872	–	–

28. LOSS BEFORE TAX (CONT'D)

Loss before tax is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Impairment losses on:				
– trade receivables	252,981	872,117	–	–
– other receivables	8,310	2,595,536	–	–
– property, plant and equipment	–	1,513,655	–	–
– amount due from subsidiary companies	–	–	5,007,727	2,564,258
– investment in subsidiary companies	–	–	6,600,049	–
– intangible assets	4,259,163	–	–	–
– goodwill on consolidation	1,340,837	652,747	–	–
Non-executive Directors'remunerations				
– Fees	616,629	1,080,000	212,629	444,000
– Other emoluments	11,942	46,193	11,942	46,193
– Benefit in-kind	7,000	9,900	7,000	9,900
Property, plant and equipment written off	11,177	576,044	–	114,879
Quarry development expenditure written off	–	478,839	–	–
Rental expenses:				
– land	–	920,500	–	–
– motor vehicles, plant and machinery	4,532,062	3,192,520	–	–
– office equipment	7,911	12,507	–	–
– premises	99,996	732,454	–	–
– store	–	60,000	–	–
– others	44,114	48,717	–	–
Loss/(Gain) on disposal of property, plant and equipment	(1,290,592)	(1,288,207)	17,723	(91,216)
Loss on disposal of subsidiary companies	1,154,854	–	–	–
Interest income	(321,887)	(299,584)	(110)	(3,814)
Rental income:				
– plant	–	(1,475,850)	–	–
– investment properties	(75,000)	(26,400)	–	–
– motor vehicles	–	(5,734)	–	–
Reversal of impairment losses on trade receivables	(1,459,879)	–	–	–
Reversal of impairment losses on other receivables	825,513	–	–	–
Reversal of impairment losses on amount due from subsidiary companies	–	–	(9,643,921)	–
Reversal of impairment losses on investment in subsidiary companies	–	–	(5,777,761)	–
Reversal of inventories written down	–	(40,918)	–	–

29. TAXATION

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Tax expenses recognised in profit or loss				
Malaysian income tax				
– Current tax provision	1,284,928	2,022,972	–	–
– Under/(over) provision in prior years	150,691	(48,192)	(17,331)	19,719
	1,435,619	1,974,780	(17,331)	19,719
Deferred taxation				
– Relating to origination and reversal of temporary differences	65,615	(112,730)	–	–
– Under provision in prior years	38,130	80,979	–	–
	103,745	(31,751)	–	–
	1,539,364	1,943,029	(17,331)	19,719

Malaysian income tax is calculated at the statutory tax rate of 24% (2019: 24%) of the estimated assessable profits for the financial year.

A reconciliation of income tax expenses applicable to (loss)/profit before tax at the statutory tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Loss before tax	(10,178,663)	(12,352,414)	(1,959,388)	(7,521,766)
At Malaysian statutory tax rate of 24% (2019: 24%)	(2,442,879)	(2,964,579)	(470,253)	(1,805,224)
Expenses not deductible for tax purposes	7,436,368	3,350,412	3,063,356	902,122
Income not subject to tax	(3,833,167)	(644,673)	(3,509,034)	(93,146)
Deferred tax assets not recognised	1,751,052	2,169,082	915,931	996,248
Utilisation of previously unrecognised deferred tax assets	(1,560,8311)	–	–	–
(Over)/Under provision of income tax in prior years	150,691	(48,192)	(17,331)	19,719
Under provision of deferred tax in prior years	38,130	80,979	–	–
Tax expenses for the financial year	1,539,364	1,943,029	(17,331)	19,719

The Group and the Company have unutilised capital allowances, unutilised tax losses and unutilised reinvestment allowances available for carry forward to set-off against future taxable profits. The said amounts are subject to approval by the tax authorities.

29. TAXATION (CONT'D)

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Unutilised capital allowances	12,421,382	11,360,673	1,049,643	906,636
Unutilised tax losses	35,705,812	31,264,463	12,569,386	9,113,637
Unutilised reinvestment allowances	38,093	38,083	–	–
	48,165,287	42,663,219	13,619,029	10,020,273

30. LOSS PER SHARE

Basic loss per share

The basic loss per share are calculated based on the consolidated loss for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2020	2019
	RM	RM
Loss attributable to owners of the parent	(11,158,557)	(15,072,844)
Weighted average number of ordinary shares:		
Ordinary shares in issue at 1 April	921,574,900	731,574,900
Effect of ordinary shares issued during the financial year	–	150,205,479
Effect of treasury shares held	–	(285,000)
Weighted average number of ordinary shares at 31 March	921,574,900	881,495,379
Basic loss per ordinary share (sen)	(1.21)	(1.71)

Diluted loss per share

The Group has no dilution in their loss per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the reporting period and before the authorisation of these financial statements.

31. STAFF COSTS

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Fees	554,693	1,020,000	150,693	204,000
Salaries, wages and other emoluments	10,757,629	12,928,888	2,512,728	2,346,679
Defined contribution plans	1,075,501	1,292,799	333,458	299,273
Social security contributions	82,972	109,015	11,750	14,768
Others benefits	1,431,726	1,733,713	220,682	295,178
	13,902,521	17,084,415	3,229,311	3,159,898

31. STAFF COSTS (CONT'D)

Included in staff costs is aggregate amount of remuneration received and receivables by the Executive Directors of the Company and of its subsidiary companies during the financial year as below:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Executive Directors of the Company				
Fees	–	180,000	–	–
Salaries, wages and other emoluments	2,327,742	2,263,340	1,277,742	840,000
Defined contribution plans	318,169	254,600	197,687	102,646
Other benefits	65,413	60,467	43,025	41,350
	2,711,324	2,758,407	1,518,454	983,996
Executive Director of the subsidiary companies				
Fees	–	180,000	–	–
Salaries, wages and other emoluments	1,050,000	1,423,340	–	–
Defined contribution plans	120,482	151,954	–	–
Other benefits	22,388	19,117	–	–
	1,192,870	1,774,411	–	–
Total remuneration of Executive Directors				
Company's Directors	2,711,324	2,758,407	1,518,454	983,996
Subsidiary company's Director	1,192,870	1,774,411	–	–
	3,904,194	4,532,818	1,518,454	983,996

32. CONTINGENCIES

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Secured				
Bank guarantee issued in favour of third parties by certain subsidiary companies	10,752,581	8,059,381	–	–
Unsecured				
Corporate guarantee given to financial institution for credit facilities granted to subsidiary companies	–	–	13,322,182	23,763,778
Corporate guarantee given to suppliers of subsidiary companies for credit terms granted to subsidiary companies	–	–	245,429	6,385,228
	10,752,581	8,059,381	13,567,611	30,149,006

33. RELATED PARTIES DISCLOSURES

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed in elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	2020 RM	2019 RM
Group		
Transaction with Directors		
Rental expenses	60,000	–
Company		
Transactions with subsidiary companies		
Management fees received	456,000	780,000
Rental expenses	419,552	715,339
Professional fee	33,600	–

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management are as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Fees	691,629	1,260,000	212,629	444,000
Salaries, wages and other emoluments	4,066,462	3,227,705	1,855,139	1,420,485
Defined contribution plans	507,082	363,557	254,852	162,682
Others benefits	92,091	79,517	54,275	53,900
	5,357,264	4,930,779	2,376,895	2,081,067

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	Note	At 1 April RM	Effect of adopting MFRS 16	Financing cash flows (i) RM	New finance lease [Note 4(c) & 22(c)] RM	At 31 March RM
Group						
2020						
Lease liabilities	21	–	6,900,041	(4,368,309)	1,210,486	3,742,218
Term loans	21	11,179,219	–	(960,654)	–	10,218,565
Short–term borrowings	21	3,094,556	–	(770,556)	–	2,324,000
		14,273,775	6,900,041	(6,099,519)	1,210,486	16,284,783
2019						
Finance lease payables	21	15,164,862	–	(4,129,090)	609,270	11,645,042
Term loans	21	10,398,122	–	781,097	–	11,179,219
Short–term borrowings	21	2,509,657	–	584,899	–	3,094,556
		28,072,641	–	(2,763,094)	609,270	25,918,817

	Note	At 1 April RM	Effect of adopting MFRS 16	Financing cash flows (i) RM	New finance lease [Note 22(c)] RM	At 31 March RM
Company						
2020						
Lease liabilities	21	–	246,108	(334,200)	593,795	505,703
2019						
Finance lease payables	21	399,848	–	(210,904)	–	188,944

(i) The cash flows from finance lease liabilities and bank borrowings make up the net amount of proceeds from or repayments of finance lease liabilities and bank borrowings in the statements of cash flows.

35. SEGMENT INFORMATION

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

Quarry products	:	Provision of turnkey and specialised quarry services and sales and marketing of quarry products
Civil engineering	:	Specialised civil engineering works
Premix products	:	Manufacturing and trading of premix products
Bituminous products	:	Manufacturing and trading bituminous products
Others	:	Investment holding, provision of managerial services, rental of machinery, trading of industrial machinery spare parts and property development

Performance is measured based on the segment revenue and profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Chief Executive Officer. Segment profit is used to measure performance as management believes that such information is 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 assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Chief Executive Officer. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment, as include in the internal management reports that are reviewed by the Chief Executive Officer.

Segment capital expenditure

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

Allocation basis and inter-segment pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial years.

35. SEGMENT INFORMATION (CONT'D)

	Quarry products RM	Civil engineering RM	Premix products RM	Bituminous products RM	Others RM	Consolidation adjustment RM	Consolidation RM
Group							
2020							
Revenue							
External customers	23,187,402	43,711,449	39,912	15,199,244	98,100	–	82,236,107
Inter-segment	20,000	3,355,477	–	–	456,000	(3,831,477)	–
Total revenue	23,207,402	47,066,926	39,912	15,199,244	554,100	(3,831,477)	82,236,107
Results							
Segment results	2,186,062	1,195,724	29,669	848,414	(2,392,503)	(10,721,878)	(8,854,512)
Interest income							321,887
Finance costs							(1,646,038)
Loss before tax							(10,178,663)
Taxation							(1,539,364)
Loss for the financial year							(11,718,027)
Assets							
Capital expenditure	–	–	–	–	–	–	–
Segment assets	30,796,991	46,895,741	2,854,388	11,792,866	79,289,488	(41,910,940)	129,718,534
Liabilities							
Segment liabilities	42,399,686	32,273,637	12,663,260	5,498,535	26,483,535	(56,446,136)	62,872,517
Other non-cash items							
Bad debts written off	30,330	–	201,339	–	1,764,547	–	1,996,216
Amortisation of right of use assets	815,123	426,908	523,400	–	339,196	–	2,104,627
Amortisation of quarry development expenditure	118,247	–	–	–	–	–	118,247
Depreciation of property, plant and equipment	1,461,900	274,134	70,996	327,596	258,210	(89,171)	2,303,665

35. SEGMENT INFORMATION (CONT'D)

	Quarry products RM	Civil engineering RM	Premix products RM	Bituminous products RM	Others RM	Consolidation adjustment RM	Consolidation RM
Group							
2020							
Other non-cash items							
Depreciation of investment properties	–	3,364	–	–	124,388	–	127,752
Deposits written off	–	–	–	–	(800)	–	(800)
Amortisation of intangible assets	–	–	–	–	–	545,376	545,376
Fair value adjustment on other receivables	(14,604)	–	–	–	–	–	(14,604)
Property, plant and equipment written off	2,216	–	–	–	8,961	–	11,177
(Gain)/Loss on disposal of property, plant and equipment	(797,352)	51,355	(76,796)	–	9,723	(477,522)	(1,290,592)
Impairment losses on:							
– trade receivables	–	–	252,981	–	–	–	252,981
– other receivables	8,310	–	–	–	–	–	8,310
– amount due from subsidiary companies	5,007,727	–	–	–	–	(5,007,727)	–
– intangible assets	–	–	–	–	–	4,804,539	4,804,539
– goodwill on consolidation	–	–	–	–	–	1,340,837	1,340,837
Unrealised foreign exchange (loss)/gain	–	–	–	(30,943)	20,330	–	(10,613)
Reversal of :							
- Impairment loss on investment in subsidiary company	–	–	–	–	(5,777,761)	5,777,761	–
- Amount owing by subsidiary companies	–	–	–	–	(9,643,921)	9,643,921	–

35. SEGMENT INFORMATION (CONT'D)

	Quarry products RM	Civil engineering RM	Premix products RM	Bituminous products RM	Property development RM	Others RM	Consolidation adjustment RM	Consolidation RM
Group								
2019								
Revenue								
External customers	68,912,905	49,310,612	395,499	14,152,660	2,151,798	83,800	–	135,007,274
Inter-segment	329,494	4,729,389	–	546,122	–	780,000	(6,385,005)	–
Total revenue	69,242,399	54,040,001	395,499	14,698,782	2,151,798	863,800	(6,385,005)	135,007,274
Results								
Segment results	(8,648,783)	3,000,082	(4,037,134)	560,133	145,847	(7,910,434)	7,127,735	(9,762,554)
Interest income								299,584
Finance costs								(2,889,444)
Loss before tax								(12,352,414)
Taxation								(1,943,029)
Loss for the financial year								(14,295,443)
Assets								
Capital expenditure	933,438	298,646	190,000	265,452	–	–	(70,000)	1,617,536
Segment assets	76,808,025	43,838,222	7,258,752	12,477,723	9,975,347	84,084,704	(57,412,184)	177,030,589
Liabilities								
Segment liabilities	77,037,255	28,799,721	16,940,703	6,783,224	7,801,635	30,775,448	(75,915,178)	92,222,808
Other non-cash items								
Bad debts written off	–	–	–	2,178	–	4,240	–	6,418
Amortisation of quarry development expenditure	1,280,140	–	–	–	–	–	–	1,280,140
Depreciation of property, Property, plant and equipment	4,602,676	712,436	1,231,004	679,122	2,959	525,513	(2,629)	7,751,081

35. SEGMENT INFORMATION (CONT'D)

	Quarry products RM	Civil engineering RM	Premix products RM	Bituminous products RM	Property development RM	Others RM	Consolidation adjustment RM	Consolidation RM
Group								
2019								
Other non-cash items								
Depreciation of investment properties	–	3,363	–	–	–	–	–	3,363
Deposits written off	1,800	4,250	–	–	–	–	–	6,050
Amortisation of intangible assets	–	–	–	–	–	–	461,472	461,472
Fair value adjustment on other receivables	14,604	–	–	–	–	–	–	14,604
Property, plant and equipment written off	88,894	–	368,093	4,178	–	114,879	–	576,044
(Gain)/Loss on disposal of Property, plant and equipment	(1,207,068)	84,522	–	(103,836)	–	(92,816)	30,991	(1,288,207)
Inventories written off	–	–	119,872	–	–	–	–	119,872
Inventories written down	313,930	–	–	–	–	–	–	313,930
Quarry development expenditure written off	478,839	–	–	–	–	–	–	478,839
Impairment losses on:								
– property, plant and equipment	–	–	1,513,655	–	–	–	–	1,513,655
– trade receivables	828,681	40,700	–	2,736	–	–	–	872,117
– other receivables	2,490,013	105,523	–	–	–	–	–	2,595,536
– amount due from subsidiary companies	5,873,059	–	–	–	–	2,564,258	(8,437,317)	–
– goodwill on consolidation	–	–	–	–	–	–	652,747	652,747
Unrealised foreign exchange gain/(loss)	–	–	–	(1,009)	–	39,286	–	38,277
Reversal of inventories written down	(40,918)	–	–	–	–	–	–	(40,918)

35. SEGMENT INFORMATION (CONT'D)

Adjustment and eliminations

Interest income and finance costs are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Inter-segment revenues and balances are eliminated on consolidation.

Geographic information

No disclosure on geographical segment information as the Group operates predominantly in Malaysia.

Major customer

No disclosure on major customer information as no customer represents equal or more than ten percent of the Group's revenue.

36. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of the financial instruments are measured, and how income and expenses including fair values gain or loss, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis:

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities measured at amortised cost RM	Total RM
Group				
2020				
Financial Assets				
Trade receivables	–	28,980,168	–	28,980,168
Other receivables	–	11,766,800	–	11,766,800
Other investments	155,013	–	–	155,013
Fixed deposits with licensed banks	–	7,389,596	–	7,389,596
Cash and bank balances	–	10,390,085	–	10,390,085
	155,013	58,526,649	–	58,681,662

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities measured at amortised cost RM	Total RM
Financial Liabilities				
Trade payables	–	–	26,351,573	26,351,573
Other payables	–	–	11,513,741	11,513,741
Loans and borrowings	–	–	22,431,788	22,431,788
	–	–	60,297,102	60,297,102
2019				
Financial Assets				
Trade receivables	–	35,340,349	–	35,340,349
Other receivables	–	9,105,418	–	9,105,418
Amount due from associates	–	21,879	–	21,879
Other investments	839,208	–	–	839,208
Fixed deposits with licensed banks	–	11,196,610	–	11,196,610
Cash and bank balances	–	4,904,495	–	4,904,495
	839,208	60,568,751	–	61,407,959
Financial Liabilities				
Trade payables	–	–	29,718,645	29,718,645
Other payables	–	–	24,371,698	24,371,698
Loans and borrowings	–	–	35,032,908	35,032,908
	–	–	89,123,251	89,123,251

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities measured at amortised cost RM	Total RM
Company				
2020				
Financial Assets				
Other receivables	–	451,783	–	451,783
Amount due from subsidiary companies	–	4,552,745	–	4,552,745
Other investments	3,433	–	–	3,433
Cash and bank balances	–	170,312	–	170,312
	3,433	5,174,840	–	5,178,273
Financial Liabilities				
Other payables	–	–	468,825	468,825
Amount due to subsidiary companies	–	–	5,354,649	5,354,649
Loans and borrowings	–	–	505,703	505,703
	–	–	6,329,177	6,329,177
2019				
Financial Assets				
Other receivables	–	247,143	–	247,143
Amount due from subsidiary companies	–	5,631,681	–	5,631,681
Other investments	3,322	–	–	3,322
Cash and bank balances	–	187,309	–	187,309
	3,322	6,066,133	–	6,069,455
Financial Liabilities				
Other payables	–	–	2,441,679	2,441,679
Amount due to subsidiary companies	–	–	3,001,222	3,001,222
Loans and borrowings	–	–	188,944	188,944
	–	–	5,631,845	5,631,845

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, amount due from associates and deposits with banks. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies. There are no significant changes as compared to prior periods.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiary companies. It also provides unsecured financial guarantees to banks for banking facilities granted to supplier of certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any of the receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represent the Group's and the Company's maximum exposure to credit risk except for corporate guarantees provided to banks and suppliers for banking facilities and credit terms granted to certain subsidiary companies. The Company's maximum exposure in this respect is RM13,567,611 (2019: RM30,149,006). There was no indication that any subsidiary companies would default on repayment as at the end of the reporting period.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credit risks except for loans and advances to its subsidiary companies where risks of default have been assessed to be low.

There are no significant changes as compared to previous financial year.

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group						
2020						
Non-derivative financial liabilities						
Trade payables	26,351,573	–	–	–	26,351,573	26,351,573
Other payables	11,513,741	–	–	–	11,513,741	11,513,741
Lease liabilities	2,342,007	1,627,696	–	–	3,969,703	3,742,218
Bank borrowings	6,620,786	1,562,256	4,071,940	6,923,576	19,178,558	18,689,570
	46,828,107	3,189,952	4,071,940	6,923,576	61,013,575	60,297,102
2019						
Non-derivative financial liabilities						
Trade payables	29,718,645	–	–	–	29,718,645	29,718,645
Other payables	24,371,698	–	–	–	24,371,698	24,371,698
Finance lease payables	5,991,451	3,640,190	2,939,213	–	12,570,854	11,645,042
Bank borrowings	11,692,174	2,014,092	4,520,683	7,712,992	25,939,941	23,387,866
	71,773,968	5,654,282	7,459,896	7,712,992	92,601,138	89,123,251

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company						
2020						
Non-derivative financial liabilities						
Other payables	468,825	–	–	–	468,825	468,825
Amount due to subsidiary companies	5,354,649	–	–	–	5,354,649	5,354,649
Lease liabilities	270,540	261,282	–	–	531,822	505,703
Corporate guarantee *	13,567,611	–	–	–	13,567,611	–
	19,661,625	261,282	–	–	19,922,907	6,329,177
2019						
Non-derivative financial liabilities						
Other payables	2,441,679	–	–	–	2,441,679	2,441,679
Amount due to subsidiary companies	3,001,222	–	–	–	3,001,222	3,001,222
Finance lease payables	134,446	37,020	27,762	–	199,228	188,944
Corporate guarantee *	30,149,006	–	–	–	30,149,006	–
	35,726,353	37,020	27,762	–	35,791,135	5,631,845

* The corporate guarantee are financial guarantees given to banks and suppliers for banking facilities and credit terms granted to certain subsidiary companies.

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks

(a) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in foreign currencies other than the respective functional currencies of group entities. The currencies giving rise to this risk are primarily United States Dollar (USD) and Singapore Dollar (SGD).

The Group and the Company have not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. Where possible, the Group and the Company will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's and of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in USD RM
Group	
2020	
Trade receivables	194,205
Fixed deposits with licensed banks	2,056,614
Cash and bank balances	4,004,708
Other payables	(6,752,071)
	(496,544)
2019	
Trade receivables	160,540
Fixed deposits with licensed banks	6,037,500
Cash and bank balances	89,676
Other payables	(6,404,462)
	(116,746)
Company	
2020	
Amount due from a subsidiary company	–
2019	
Amount due from a subsidiary company	1,758,114

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

Foreign currency risk arises from group entities which have a RM functional currency. The exposure to currency risk of group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's and of the Company's loss before tax to a reasonably possible change in the USD and SGD exchange rates against RM, with all other variables held constant.

	Changes in currency rate RM	2020 Effect on loss before tax RM	Changes in currency rate RM	2019 Effect on loss before tax RM
Group				
USD	Strengthened 10%	49,654	Strengthened 10%	11,675
	Weakened 10%	(49,654)	Weakened 10%	(11,675)
Company				
SGD	Strengthened 10%	–	Strengthened 10%	175,811
	Weakened 10%	–	Weakened 10%	(175,811)

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manage the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group and the Company manage its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

	2020 RM	2019 RM
Group		
Fixed rate instruments		
Financial asset		
Fixed deposits with licensed banks	7,389,596	11,196,610
Financial liability		
Lease liabilities	(3,742,218)	(11,645,042)
	3,647,378	(448,432)
Floating rate instruments		
Financial liabilities		
Term loans	10,218,565	11,179,219
Bank overdrafts	6,147,005	9,114,091
Bankers' acceptance	2,324,000	2,370,760
Bills payables	–	157,381
Trust receipts	–	566,415
	18,689,570	23,387,866
Company		
Fixed rate instruments		
Financial liability		
Lease liabilities	505,703	188,944

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's loss before tax by RM186,896 (2019: RM233,879) arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

36. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term loans and borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and/or insignificant impact of discounting.

The carrying amount of long-term floating rate loans and borrowings approximately their fair value as the loans and borrowings will be re-paid to market interest rate on or near reporting date.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments not carried at fair value			Carrying amount
	Level 1	Level 2	Level 3	
	RM	RM	RM	RM
Group				
2019				
Financial liability				
Finance lease payables	–	6,074,707	–	6,193,468
Company				
2019				
Financial liability				
Finance lease payables	–	59,696	–	61,361

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

<u>Non-derivative financial instruments</u>
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

36. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instruments (Cont'd)

(iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.

37. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to safeguard the Group's and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitor capital using a gearing ratio. The Group's and Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Total loans and borrowings	22,431,788	35,032,908	505,703	188,944
Less: Cash and cash equivalents (excluded bank overdrafts)	(10,401,185)	(4,915,286)	(170,312)	(187,309)
Net debts	12,030,603	30,117,622	335,391	1,635
Total equity	66,846,017	84,807,781	47,981,974	49,927,049
Gearing ratio (times)	0.18	0.36	0.01	0.00

There were no changes in the Group's approach to capital management during the financial year.

38. LITIGATION AND CLAIMS MATTERS

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

(a) 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.

38. LITIGATION AND CLAIMS MATTERS (CONT'D)

As regards to SMGQ's Counterclaim, the High Court only allowed SMGQ's counterclaim for the outstanding tribute payment of RM256,300.24 owing by ODSB which is to be deducted (set-off) from the damages assessed to be paid by SMGQ to ODSB. The Counterclaim of RM256,300.24 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 to be heard together on 31st March 2021.

(b) **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 to be heard together on 31st March 2021.

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.

39. SIGNIFICANT EVENT

(a) Outbreak of coronavirus pandemic

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel and movement restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group operates.

At the reporting date, the Group and the Company have performed an assessment of the overall impact of the situation on the Group's and the Company's operations, including the recoverability of the carrying amount of assets and measurements of assets and liabilities and concluded that there is no material adverse effects on the financial statements for the financial year ended 31 March 2020 save for reassessment on the credit risk of receivables, with further implementation of stringent credit controls to mitigate the risk of credit loss.

39. SIGNIFICANT EVENT (CONT'D)

The Directors and management of the Group are not aware of any uncertainties arising after the end of the financial year that would have a significant impact on the current financial statements, including the financial continuity and sustainability of the Group as going concern for the next twelve (12) months.

40. SUBSEQUENT EVENT

(a) Private placement

On 12 May 2020, MRB had proposed private placement of new ordinary shares, representing 10% of the total number of issued shares in the Company.

41. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 18 August 2020.

LIST OF PROPERTIES
AS AT 31 MARCH 2020

No	Name of Registered Owner/ Postal Address/Title Identification	Approximate Age of Building/ Tenure/ Date of Expiry of Lease	Description and Existing Use/Date of Acquisition	Approximate Land Area/ Built Up Area (square metres)	Net Book Value @ 31 March 2020 (RM)
		Minetech Resources Berhad			
1	Lot 345761 (formerly known as PT 183213) held under Master Title No. PN 349139 **Mukim of Hulu Kinta District of Kinta Perak Darul Ridzuan**	99 years leasehold Expiring on 16 June 2101	Vacant residential development land 30 November 2016	7,924	6,000,000
		Medium Visa Sdn Bhd			
1	Lot PT 17209 held under Title No. HSD 15403 **Mukim Hulu Bernam Timur District Batang Padang Perak Darul Ridzuan**	99 years leasehold/ Expiring on 8 December 2107	Vacant industrial lands 21 April 2016	7,001.7	525,838
2	Lot PT 17211 held under Title No. HSD 15405 **Mukim Hulu Bernam Timur District Batang Padang Perak Darul Ridzuan**	99 years leasehold/ Expiring on 8 December 2107	Vacant industrial lands 21 April 2016	117,135	8,797,003
		Harapan Iringan Sdn Bhd			
1	Lot PT 17210 held under Title No. HSD 15404 **Mukim Hulu Bernam Timur District Batang Padang Perak Darul Ridzuan**	99 years leasehold/ Expiring on 8 December 2107	Vacant industrial lands 4 April 2016	99,730	7,302,302
		Minetech Construction Sdn Bhd			
1	Unit A6-02 and A6-04 Plaza Dwitasik No. 21 Jalan 5/106 Bandar Seri Permaisuri 56000 Kuala Lumpur **Phase 1, Level 6 Unit No. 13.2 and 14.2 Storey Level 6 Block A Plaza Dwitasik PN 27024 Lot 51975 Mukim Kuala Lumpur Daerah Kuala Lumpur**	18 years/99 years leasehold/Expiring on 11 January 2095	2 commercial office units currently rented to third parties 18 January 1996	– 879	259,834

List Of Properties
31 March 2020 (Cont'd)

No	Name of Registered Owner/ Postal Address/Title Identification	Approximate Age of Building/ Tenure/ Date of Expiry of Lease	Description and Existing Use/Date of Acquisition	Approximate Land Area/ Built Up Area (square metres)	Net Book Value @ 31 March 2020 (RM)
			Minetech Construction Sdn Bhd		
2.	Unit 123-523, Unit 223A-523A FAS Business Avenue Jalan Perbandaran 47301 Petaling Jaya Selangor Darul Ehsan **Unit 12A-12I HS (D) 85220 PT 14532 Mukim Damansara Daerah Petaling***	22 years/99 years leasehold/ Expiring on 6 December 2092	9 units 5 storeys commercial shop lots 22 November 1994	– 720	1,000,267
3.	D-G-5 – D-5-5 & M-5, Ground Floor to Fifth Floor, Block D Parklane Commercial Hub Kelana Jaya Selangor Darul Ehsan **HS(D) 259689, P.T. No. 14532 Mukim of Damansara Daerah Petaling Negeri Selangor Darul Ehsan***	7 years/99 years leasehold/Expiring on 6 December 2092	6 ½ units commercial shop office 2 February 2016	– 1,178	7,081,368
			Minetech Realty Sdn Bhd		
1.	SA-SM23, SA-SG23, SA-SG25, SA-SG26, SA-SG29 Ukay Perdana **HS(M) 12614 PT 643 and HS(M) 12615 PT 644 both in Bandar Ulu Kelang Tempat Batu 7 Ulu Kelang (Ukay Perdana) Daerah Gombak Negeri Selangor***	9 years/99 years leasehold/Expiring on 4 October 2100	5 units commercial shoplots currently rented to third parties 4 units were acquired on 30 April 2004 SA-SG26 was acquired on 10 May 2004	– 731	1,361,118
			Minetech Asphalt Man International Sdn Bhd		
1.	Lot 1414 Mukim Ulu Yam District of Hulu Selangor Selangor Darul Ehsan Title: GM 5739	Freehold land and factory building	Freehold land / factory building 27 February 2007	14,416.9	3,902,051
	Grand Total				36,229,781

Note:–

* The land title particulars disclosed are the particulars of the master titles registered under the names of the respective developers. The respective strata titles of properties in Ukay Perdana, FAS Business Avenue and Parklane to the individual commercial shop lots/offices have yet to be issued.

ANALYSIS OF SHAREHOLDINGS
AS AT 30 JULY 2020

Issued Shares	:	1,137,674,900 ordinary shares (including shares held as treasury shares)
Treasury Shares	:	285,000 Ordinary Shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share

ANALYSIS OF SHAREHOLDINGS
Distribution of shareholdings according to size:

Size of Holdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital*
1 – 99	10	0.15	202	0.00
100 – 1,000	723	11.08	419,175	0.04
1,001 – 10,000	2,437	37.36	15,957,103	1.40
10,001 – 100,000	2,625	40.24	100,540,900	8.84
100,001 to less than 5% of issued shares	726	11.13	693,542,620	60.98
5% and above of issued shares	2	0.03	326,929,900	28.74
Total	6,523	100.00	1,137,389,900	100.00

* Excluding a total of 285,000 shares bought-back by the Company and retained as treasury shares as per the Record of Depositors as at 30 July 2020.

SUBSTANTIAL SHAREHOLDERS
(As per Register of Substantial Shareholders)

Name of Shareholders	<---------- Direct ----------->		<------- Indirect ---------->	
	No. of Shares held	% of Issued Capital#	No. of Shares held	% of Issued Capital#
Dato' Awang Daud Bin Awang Putera	272,859,100	23.99	–	–
Choy Sen @ Chin Kim Sang	182,097,020	16.01	48,056,100(1)	4.22

SHAREHOLDINGS OF DIRECTORS
(As per Register of Directors' Shareholdings)

Name of Directors	<---------- Direct ----------->		<------- Indirect ---------->	
	No. of Shares held	% of Issued Capital#	No. of Shares held	% of Issued Capital#
Dato' Awang Daud Bin Awang Putera	272,859,100	23.99	–	–
Choy Sen @ Chin Kim Sang	182,097,020	16.01	48,056,100(1)	4.22
Chin Leong Choy	47,456,100	4.17	–	–
Awgku Mohd Reza Farzak Bin Awg Daud	1,150,000	0.10	–	–
Azlan Shah Bin Zainal Arif	4,170,000	0.37	–	–
Abdul Farid Bin Abdul Kadir	–	–	–	–
Ahmad Ruslan Zahari Bin Zakaria	–	–	–	–
Ahmad Rahizal Bin Dato' Ahmad Rasidi	–	–	–	–
Datin Feridah Binti Bujang Ismail	–	–	–	–
Siti Aishah Binti Othman	–	–	–	–

Notes:

(1) Deemed interested by virtue of the shares held by spouse and child.

\# Excluding a total of 285,000 shares bought-back by the Company and retained as treasury shares.

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name Of Shareholders	No. Of Shares Held	% Of Issued Capital#
1.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Awang Daud Bin Awang Putera (M05)	187,729,900	16.51
2.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Choy Sen @ Chin Kim Sang	139,200,000	12.24
3.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Awang Daud Bin Awang Putera (7006114)	52,578,400	4.62
4.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chin Leong Choy	45,973,200	4.04
5.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Choy Sen @ Chin Kim Sang (Smart)	42,897,020	3.77
6.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Allianz Life Insurance Malaysia Berhad (Mef)	36,975,000	3.25
7.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Awang Daud Bin Awang Putera	32,550,800	2.86
8.	Chin Set Fah	19,600,100	1.72
9.	Hong Foh Nyok	14,394,700	1.27
10.	Yek Nai Hwat	11,500,000	1.01
11.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt An For Affin Hwang Asset Management Berhad (Tstac/Clnt-T)	9,379,600	0.82
12.	Lam Yuet Wah	9,300,000	0.82
13.	Cartaban Nominees (Asing) Sdn Bhd Exempt An For Barclays Capital Securities Ltd (Sbl/Pb)	7,361,700	0.65
14.	Mohd Yunus Bin Abdul Karim	7,200,000	0.63
15.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yee Kon Sin (Menara Mrcb-Cl)	7,000,000	0.62
16.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Viannie Undikai	6,891,500	0.61
17.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Soh Tong Hwa (Stf)	6,851,500	0.60
18.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Allianz Life Insurance Malaysia Berhad (Mde)	5,082,000	0.45
19.	Sahroi Bin Laari	5,000,000	0.44
20.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Heng Teng Kuang	5,000,000	0.44
21.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Abdul Hisham Bin Md Hashim (7007423)	4,801,600	0.42
22.	Lee Min Shan	4,250,000	0.37
23.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Azlan Shah Bin Zainal Arif	4,170,000	0.37
24.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Allianz Life Insurance Malaysia Berhad (Dgf)	3,914,000	0.34
25.	Amanahraya Trustees Berhad Affin Hwang Aiiman Quantum Fund	3,772,100	0.33
26.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Allianz Life Insurance Malaysia Berhad (Mdf)	3,571,000	0.31
27.	Merry Noel Robert	3,514,900	0.31
28.	Chua Siew Siew	3,500,000	0.31
29.	Kenanga Nominees (Tempatan) Sdn Bhd Rakuten Trade Sdn Bhd For Azharina Binti Sulaiman	3,500,000	0.31
30.	Ho Ban Fatt	3,300,000	0.29
	Total	690,759,020	60.73

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

MINETECH RESOURCES BERHAD

Registration No. 200201007880 (575543-X)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting of **MINETECH RESOURCES BERHAD** (the "**Company**" or "**Minetech**") will be held at Ballroom I & II, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 29 September 2020 at 10.00 a.m. for the following purposes:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 March 2020 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note 1 of the Explanatory Notes)**

2. To approve the payment of Directors' Fees and Benefits Payable to the Directors up to an aggregate amount of RM700,000.00 from 1 April 2020 until the next Annual General Meeting ("**AGM**") in 2021. **Ordinary Resolution 1**

3. To re-elect Mr Choy Sen @ Chin Kim Sang who is retiring pursuant to Clause 97 of the Constitution of the Company. **Ordinary Resolution 2**

4. To re-elect the following Directors of the Company who are retiring pursuant to Clause 105 of the Constitution of the Company:–
   (i) Dato' Awang Daud Bin Awang Putera **Ordinary Resolution 3**
   (ii) Encik Awgku Mohd Reza Farzak Bin Awg Daud **Ordinary Resolution 4**
   (iii) Encik Azlan Shah Bin Zainal Arif **Ordinary Resolution 5**
   (iv) Encik Abdul Farid Bin Abdul Kadir **Ordinary Resolution 6**
   (v) Datin Feridah Binti Bujang Ismail **Ordinary Resolution 7**
   (vi) Puan Siti Aishah Binti Othman **Ordinary Resolution 8**

5. To appoint Messrs. KPMG PLT as Auditors of the Company in place of the retiring Auditors, Messrs. UHY and to authorise the Directors to fix their remuneration. **Ordinary Resolution 9**

As Special Business

To consider and, if thought fit, to pass the following resolutions:

6. **Authority under Section 76 of the Companies Act 2016 for the Directors to allot and issue shares**

   "THAT pursuant to Section 76 of the Companies Act 2016, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed twenty per centum (20%) of the total number of issued shares of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issuance." **Ordinary Resolution 10**

7. Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares

Ordinary Resolution 11

"THAT subject to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the approvals of any other relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase the ordinary shares in the Company ("**Proposed Renewal of Share Buy-Back Authority**") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

(a) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time of the said purchase(s);

(b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained earnings of the Company at the time of purchase; and

(c) the authority conferred by this resolution shall continue to be in force until:–

i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting

whichever occurs first,

but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:-

(a) cancel all the ordinary shares so purchased; and/or

(b) retain the ordinary shares so purchased as treasury shares; and/or

(c) retain part thereof as treasury shares and cancel the remainder.

7. **Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares (Cont'd)**

   AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including the opening and maintaining of depository account(s) under the Securities Industry (Central Depositories) Act, 1991 and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company."

8. **To transact any other business for which due notice shall have been given.**

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
Company Secretaries

Selangor Darul Ehsan
Date: 28 August 2020

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote for him but his attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

2. A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid.

6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 22 September 2020 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS

1. To receive the Audited Financial Statements

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will **not be put for voting**.

2. Ordinary Resolution 9 on Appointment of Messrs. KPMG PLT as Auditors of the Company

The Board of Directors is proposing to shareholders that Messrs. KPMG PLT be appointed as the Auditors of the Company in replacement of the retiring Auditors, Messrs. UHY for the financial year ending 31 March 2021 and to hold office until the conclusion of the next AGM at a remuneration to be determined by the Directors. A copy of consent to act in relation to the appointment of Messrs. KPMG PLT as Auditors of the Company has been received by the Company to propose this ordinary resolution.

The Board of Directors would like to thank Messrs. UHY for their diligence and dedications to the Company over the past years.

3. Ordinary Resolution 10 on the Authority under Section 76 of the Companies Act 2016 for the Directors to allot and issue shares

The Company had, during its Seventeenth AGM held on 28 August 2019, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to the Section 76 of the Companies Act 2016. As at the date of this Notice, the Company had fully issued 105,938,900 ordinary shares under the Private Placement Exercise. The breakdown of each Private Placement Exercise with respective subscription price pursuant to this mandate obtained is tabulated as below:–

Date	No. of Ordinary shares issued	Subscription price per share	Total Proceeds
22.06.2020	48,000,000	RM0.235	RM11,280,000.00
15.07.2020	30,000,000	RM0.275	RM8,250,000.00
07.08.2020	27,938,900	RM0.281	RM7,850,830.90
	105,938,900		RM27,380,830.90

The total proceeds raised from the Private Placement would be utilitised as working capital and defraying of expenses incidental thereof.

The Ordinary Resolution 10 proposed under item 6 of the Agenda seeks the shareholders' approval of a general mandate for issuance of shares by the Company under Section 76 of the Act. Bursa Securities had on 16 April 2020 announced that listed issuers are allowed to seek a higher general mandate under Paragraph 6.03 of Main Market Listing Requirements of not more than 20% of the total number of issued shares for issue of new securities ("**20% General Mandate**"), provided that the following are being complied with:–

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS (Cont'd)

3. Ordinary Resolution 10 on the Authority under Section 76 of the Companies Act 2016 for the Directors to allot and issue shares (Cont'd)

(a) Procure shareholders' approval for the 20% General Mandate at a general meeting; and

(b) Complies with all relevant applicable legal requirements, including its Constitution or relevant constituent document.

This 20% General Mandate may be utilised by listed issuer to issue new securities until 31 December 2021 and thereafter, the 10% general mandate will be reinstated.

The Board, having considered the current economic climate arising from the global Covid-19 pandemic and future financial needs of the Group, is of the opinion that this 20% General Mandate is in the best interests of the Company and its shareholders. This 20% General Mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 20% of the total number of issued shares of the Company for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

4. Ordinary Resolution 11 on Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares

The Ordinary Resolution 11, if passed, will give the Directors of the Company authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or to effect the purchase(s) of shares by the Company as the Directors may deem fit and expedient in the best interest of the Company. The authority will, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM of the Company is required by law to be held.

For further information on Ordinary Resolution 11, please refer to the Statement to Shareholders dated 28 August 2020 accompanying the Annual Report of the Company for the financial year ended 31 March 2020.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

MINETECH RESOURCES BERHAD

Registration No. 200201007880 (575543-X)

PROXY FORM

No. of ordinary shares held	CDS account no. of holder

I/We, ______________________________ NRIC No./ Passport No./ Company No. ______________

(name of shareholder as per NRIC/Passport, in capital letters)

______________ of ______________________________

______________(full address) being a member or members of **MINETECH RESOURCES BERHAD** **[Registration No. 200201007880 (575543-X)]** hereby appoint * THE CHAIRMAN OF THE MEETING or failing him/her

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

And/or (delete as appropriate)

Full Name	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

as my/our proxy(ies) to vote for me/us on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held at Ballroom I & II, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 29 September 2020 at 10.00 a.m. or at any adjournment thereof.

* if you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "the Chairman of the Meeting or failing him/her" and insert the name(s) of the person(s) desired. My/our proxy/proxies is/are to vote as indicated below.

	Resolutions		For	Against
1.	To approve the payment of Directors' Fees and Benefits Payable to the Directors up to an aggregate amount of RM700,000.00 from 1 April 2020 until the next Annual General Meeting in 2021.	Ordinary Resolution 1		
2.	To re-elect Mr Choy Sen @ Chin Kim Sang who is retiring pursuant to Clause 97 of the Constitution of the Company.	Ordinary Resolution 2		
3.	To re-elect Dato' Awang Daud Bin Awang Putera who is retiring pursuant to Clause 105 of the Constitution of the Company.	Ordinary Resolution 3		
4.	To re-elect Encik Awgku Mohd Reza Farzak Bin Awg Daud who is retiring pursuant to Clause 105 of the Constitution of the Company.	Ordinary Resolution 4		
5.	To re-elect Encik Azlan Shah Bin Zainal Arif who is retiring pursuant to Clause 105 of the Constitution of the Company.	Ordinary Resolution 5		
6.	To re-elect Encik Abdul Farid Bin Abdul Kadir who is retiring pursuant to Clause 105 of the Constitution of the Company.	Ordinary Resolution 6		
7.	To re-elect Datin Feridah Binti Bujang Ismail who is retiring pursuant to Clause 105 of the Constitution of the Company.	Ordinary Resolution 7		
8.	To re-elect Puan Siti Aishah Binti Othman who is retiring pursuant to Clause 105 of the Constitution of the Company.	Ordinary Resolution 8		
9.	To appoint Messrs. KPMG PLT as Auditors of the Company in place of the retiring Auditors, Messrs. UHY and to authorise the Directors to fix their remuneration.	Ordinary Resolution 9		
10.	Authority under Section 76 of the Companies Act 2016 for the Directors to allot and issue shares	Ordinary Resolution 10		
11.	Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares	Ordinary Resolution 11		

(Please indicate with an "X" in the appropriate box against the resolutions on how you wish your proxy to vote. The proxy is to vote on the resolutions set out in the Notice of Meeting as you have indicated. If no specific instruction as to voting is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

____

Signature/Common Seal of Shareholder

Number of shares held: ______________

Date: ______________

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:	
No. of shares	Percentage
Proxy 1	%
Proxy 2	%
Total	100%

Fold this for sealing

NOTES:

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5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar of the Company at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid.
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Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 28 August 2020.

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STAMP

MINETECH RESOURCES BERHAD
Registration No. 200201007880 (575543-X)

11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

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MINETECH RESOURCES BERHAD
Registration No. 200201007880 (575543-X)

D-G-5, Block D, Parklane Commercial Hub
No. 21, Jalan SS7/26
Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Tel: (603) 7886 7848
Fax: (603) 7886 3370

www.minetech.com.my