



MINETECH

MINETECH RESOURCES BERHAD GROUP

ANNOUNCEMENT PACKAGE

Q1/FY2025

MINETECH RESOURCES BERHAD [200201007880 (575543-X)]

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statement Of Comprehensive Income For the First Quarter Ended 30 June 2024

(The figures have not been audited)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter ended 30 Jun 2024 RM'000	Preceding Year Quarter ended 30 Jun 2023 RM'000	Current Year To Date Ended 30 Jun 2024 RM'000	Preceding Year To Date Ended 30 Jun 2023 RM'000
Revenue	29,010	26,478	29,010	26,478
Cost of sales	(25,109)	(23,554)	(25,109)	(23,554)
Gross Profit	3,901	2,924	3,901	2,924
Other income	219	131	219	131
Administrative expenses	(4,174)	(3,415)	(4,174)	(3,415)
Selling and marketing expenses	(49)	(158)	(49)	(158)
Finance costs	(1,090)	(603)	(1,090)	(603)
Share of associate company's result	(3)	-	(3)	-
Loss before tax	(1,196)	(1,121)	(1,196)	(1,121)
Tax expense	(246)	(347)	(246)	(347)
Loss after tax, representing total comprehensive loss for the financial period	(1,442)	(1,468)	(1,442)	(1,468)
Loss and total comprehensive loss attributable to:				
Owners of the Parent	(1,329)	(1,268)	(1,329)	(1,268)
Non-controlling interests	(113)	(200)	(113)	(200)
	(1,442)	(1,468)	(1,442)	(1,468)
Loss per share (sen)				
- Basic	(0.07)	(0.08)	(0.07)	(0.08)
- Diluted	(0.06)	(0.06)	(0.06)	(0.06)

The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for financial year ended 31 March 2024.

MINETECH RESOURCES BERHAD [200201007880 (575543-X)]**(Incorporated in Malaysia)****INTERIM FINANCIAL STATEMENTS****Condensed Consolidated Statement Of Financial Position****As at 30 June 2024**

	Unaudited As At 30 June 2024 RM'000	Audited As At 31 March 2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	74,896	76,225
Right of use assets	3,737	3,855
Investment properties	8,503	8,539
Investment in associate	3,693	3,696
Trade receivables	5,215	7,434
	<u>96,044</u>	<u>99,749</u>
Current assets		
Inventories	4,135	3,159
Contract assets	1,230	348
Trade receivables	39,124	31,198
Other receivables	3,340	4,885
Tax recoverables	320	-
Other investments	1,379	2,969
Fixed deposits with licensed bank	7,149	7,106
Cash and bank balance	10,700	15,225
	<u>67,377</u>	<u>64,890</u>
Total assets	<u><u>163,421</u></u>	<u><u>164,639</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	117,072	117,055
Less:- Treasury shares, at cost	(48)	(48)
Reserves	(29,404)	(28,074)
	<u>87,620</u>	<u>88,933</u>
Non-controlling interests	(7,183)	(7,070)
Total equity	<u>80,437</u>	<u>81,863</u>
Non-current liabilities		
Lease and borrowings	15,794	16,442
Deferred tax liabilities	1,003	905
	<u>16,797</u>	<u>17,347</u>
Current liabilities		
Trade payables	29,260	28,225
Other payables	6,827	6,813
Lease and borrowings	30,024	30,087
Contingent liability	50	50
Tax payable	26	254
	<u>66,187</u>	<u>65,429</u>
Total liabilities	<u>82,984</u>	<u>82,776</u>
TOTAL EQUITY AND LIABILITIES	<u><u>163,421</u></u>	<u><u>164,639</u></u>
Net assets per share (RM)	0.05	0.05

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for financial year ended 31 March 2024.

MINETECH RESOURCES BERHAD [200201007880 (575543-X)]
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statement Of Cash Flows
For the Financial Period Ended 30 June 2024

(The figures have not been audited)

	3 Months To Date ended 30 June 2024 RM'000	Preceding period 3 months ended 30 June 2023 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(1,196)	(1,121)
Adjustments for:-		
Depreciation and amortisation	1,453	973
Interest expenses	1,090	588
Interest income	(79)	(90)
Unrealised loss on foreign exchange	-	62
Impairment losses on:		
- receivables	-	398
Share of associate company's result	3	-
Operating profit before changes in working capital	1,271	810
Changes in working capital		
Inventories	(976)	(66)
Receivables	(3,669)	1,280
Contract assets	(882)	2,778
Payables	1,486	(2,574)
Net cash (used in)/generated from operations	(2,770)	2,228
Tax paid	(699)	(536)
Tax refund	3	-
Interest paid	(1,090)	(588)
Interest received	79	90
Net cash (used in)/generated from operating activities	(4,477)	1,194

	3 Months To Date ended 30 June 2024 RM'000	Preceding period 3 months ended 30 June 2023 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(27)	(2,769)
Proceeds from disposal of property, plant & equipment	-	6
Changes in other investments	1,590	(2)
Net cash generated from/(used in) investing activities	1,563	(2,765)
CASH FLOW FROM FINANCING ACTIVITIES		
Movement in fixed deposits pledged	(43)	(98)
Drawdown of borrowing	1,369	2,435
Repayment of borrowings	(1,313)	(1,728)
Repayment of term loans	(170)	(137)
Repayment of lease liabilities	(597)	(363)
Proceeds from issuance of shares	17	-
Net cash (used in)/generated from financing activities	(737)	109
Net Changes in Cash & Cash Equivalents	(3,651)	(1,462)
Cash and Cash Equivalents at beginning of the period	14,326	3,531
Effects of exchange translation differences on cash and cash equivalents	-	(62)
Cash and Cash Equivalents at the end of period	10,675	2,007
Cash and Cash Equivalents comprises of :		
Fixed deposits with licensed banks	7,149	6,975
Cash and bank balances	10,700	6,982
	17,849	13,957
Bank overdrafts	(772)	(4,975)
	17,077	8,982
Less: Fixed deposits pledged to licensed banks	(6,402)	(6,975)
	10,675	2,007

MINETECH RESOURCES BERHAD [200201007880 (575543-X)]

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statements of Changes in Equity

For the Financial Period Ended 30 June 2024

(The figures have not been audited)

----- Attributable to owners of the parent -----

	Share capital RM'000	Treasury shares RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 April 2024	117,055	(48)	(28,075)	88,932	(7,070)	81,862
Loss for the financial period	-	-	(1,329)	(1,329)	(113)	(1,442)
Total comprehensive loss for the financial period	-	-	(1,329)	(1,329)	(113)	(1,442)
Transactions with owners:						
Conversion of ICPS to Ordinary Shares	17	-	-	17	-	17
	17	-	-	17	-	17
At 30 June 2024	117,072	(48)	(29,404)	87,620	(7,183)	80,437

----- Attributable to owners of the parent -----

	Share capital RM'000	Treasury shares RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 April 2023	105,518	(48)	(18,868)	86,602	(3,941)	82,661
Loss for the financial period	-	-	(1,268)	(1,268)	(200)	(1,468)
Total comprehensive loss for the financial period	-	-	(1,268)	(1,268)	(200)	(1,468)
At 30 June 2023	105,518	(48)	(20,136)	85,334	(4,141)	81,193

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for financial year ended 31 March 2024.

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

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in according with MFRS 134: - Interim Financial Reporting issued by the Malaysia Accounting Standards Board ("MASB") and paragraph 9.22, part K of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The interim financial report is in compliance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. It should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2024.

These explanatory notes attached to the interim financial reports provide an explanation of events and transaction that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2024.

2. Changes in accounting policies

Adoption of new and amended standards

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

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current and Non-Current Liabilities with Covenants
Amendments to MFRS 107	Statement of Cash Flows - Supplier Finance Arrangements
Amendments to MFRS 7	Financial Instruments: Disclosures - Supplier Finance Arrangements

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

Standards issued but yet effective

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability
Amendments to MFRS 9 & 7	Financial Instruments: Classification and Measurement of Financial Instruments & Disclosures
MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 10	Consolidated Financial Statements
Amendments to MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

3. Auditors' report on preceding annual financial statements

The auditors' report on the Group's financial statements for the financial year ended 31 March 2024 was not subject to any qualification.

4. Seasonal or cyclical factors

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

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

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

6. Change in accounting estimates

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

7. Issuance of debt

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

8. Dividend payment

There were no dividends paid during the current financial quarter.

9. Segmental information

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

Civil Engineering	: Specialised civil engineering works.
Bituminous Products	: Manufacturing and trading of bituminous products.
Services	: Provision of services.
Energy	: Solar plant operator
Others	: Investment holding and provision of managerial services.

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

Segment assets

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

Segment liabilities

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

Segment capital expenditure

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

Segmental information for the 3 months ended 30 June 2024:

	Civil Engineering RM'000	Bituminous Products RM'000	Services RM'000	Energy RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue							
Revenue to external customers	20,502	6,649	-	1,850	9	-	29,010
Inter-segment revenue	-	8	-	-	435	(443)	-
	<u>20,502</u>	<u>6,657</u>	<u>-</u>	<u>1,850</u>	<u>444</u>	<u>(443)</u>	<u>29,010</u>
Segment results	510	608	(233)	628	(2,189)	491	(185)
Interest income	58	1	-	-	20	-	79
Finance costs							(1,090)
Loss before tax							(1,196)
Taxation							(246)
Net loss for the period							<u>(1,442)</u>
Assets							
Segment assets	<u>78,244</u>	<u>21,062</u>	<u>560</u>	<u>57,496</u>	<u>97,568</u>	<u>(91,509)</u>	<u>163,421</u>
Liabilities							
Segment liabilities	<u>47,413</u>	<u>11,521</u>	<u>9,233</u>	<u>63,955</u>	<u>69,922</u>	<u>(119,060)</u>	<u>82,984</u>

Segmental information for the 3 months ended 30 June 2023:

	Civil Engineering RM'000	Bituminous Products RM'000	Services RM'000	Energy RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue							
Revenue to external customers	17,526	7,566	872	412	102	-	26,478
Inter-segment revenue	-	-	-	-	339	(339)	-
	<u>17,526</u>	<u>7,566</u>	<u>872</u>	<u>412</u>	<u>441</u>	<u>(339)</u>	<u>26,478</u>
Segment results	567	1,088	(540)	(337)	(1,401)	-	(623)
Interest income	52	1	25	-	12	-	90
Finance costs							(588)
Loss before tax							(1,121)
Taxation							(347)
Net loss for the period							<u>(1,468)</u>
Assets							
Segment assets	<u>74,763</u>	<u>17,753</u>	<u>18,656</u>	<u>67,110</u>	<u>99,030</u>	<u>(78,095)</u>	<u>199,217</u>
Liabilities							
Segment liabilities	<u>44,665</u>	<u>9,194</u>	<u>22,337</u>	<u>69,805</u>	<u>65,875</u>	<u>(93,852)</u>	<u>118,024</u>

10. Valuation of property, plant and equipment

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

11. Material events not reflected in the financial statements

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

12. Changes in composition of the Group

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

13. Changes in contingent assets or contingent liabilities

The changes in contingent liabilities were as below:-

	As at 30 Jun 2024 RM'000	As at 30 Jun 2023 RM'000
Corporate guarantees	55,351	54,375
Bank guarantees	545	6,250

14. Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements as follow:

	As at 30 Jun 2024 RM'000	As at 30 Jun 2023 RM'000
<u>Approved but not contracted for:</u>		
Bituminous plant upgrade and decanting	1,120	-
Bituminous plant scrubber system overhaul	1,500	715
DC cable replacement for solar plant	1,317	-
Machineries for drilling and blasting works	3,821	4,200
Motor vehicles for construction sites	-	450
Remittance system upgrade	953	894
Office equipments and renovation works	1,093	243

15. Related party transactions

	Current Quarter Ended 30 Jun 2024 RM'000	Year-to-date Ended 30 Jun 2024 RM'000
Management fees between related companies	435	435
Rental payable to related companies	6	6
Advances to related companies	(35)	(35)

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

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

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

The comparisons of the results are tabulated below:

Operating Segment	Revenue		Operating Results	
	3 months ended 30 Jun 2024	3 months ended 30 Jun 2023	3 months ended 30 Jun 2024	3 months ended 30 Jun 2023
	RM'000	RM'000	RM'000	RM'000
Civil Engineering	20,502	17,526	568	619
Bituminous Products	6,657	7,566	609	1,089
Services	-	872	(233)	(515)
Energy	1,850	412	628	(337)
Others	444	441	(2,169)	(1,389)
Eliminations	(443)	(339)	491	-
Group	29,010	26,478	(106)	(533)
Less: Finance Costs			(1,090)	(588)
Loss Before Tax			(1,196)	(1,121)

The Group's revenue has increased to RM29.01 million and recorded an operating loss of RM1.20 million in the current reporting quarter as compared with the preceding year's corresponding quarter in which the Group has recorded a total revenue of RM26.48 million and loss before tax of RM1.12 million respectively.

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

Civil Engineering

Revenue for the current quarter has increased to RM20.50 million with an operating profit of RM0.57 million compared with the same quarter of the last financial year's revenue of RM17.53 million and operating profit of RM0.62 million.

A higher revenue was recorded by Selinsing Gold Mine("SGM") of RM19.09 million as compared to the preceding year's corresponding quarter of RM12.89 million resulted from the increase in work volume.

Bituminous Products

Revenue recorded for this segment for the reporting quarter had decreased to RM6.66 million with an operating profit of RM0.61 million as compared to the same quarter of the last financial year's revenue of RM7.57million and operating profit of RM1.09 million. This was due to strong competition from Middle East, China and Korea that lower our sales of Blown Asphalt products.

Services

There is no revenue for the current quarter with an operating loss of RM0.23 million compared with the same quarter of the last financial year's revenue of RM0.87 million and operating loss of RM0.52 million. No revenue for the quarter is due to the completion of supply of manpower,storage tank maintenance services.

Energy

Revenue recorded for this segment for the reporting quarter had increased to RM1.85 million with an operating profit of RM0.62 million as compared to the same quarter of the last financial year's revenue of RM0.41 million and operating loss of RM0.34 million. The solar plant was commenced on end of the same quarter of the last financial year.

Comparison with immediate preceding quarter's results (Q1-FY'25 vs Q4-FY'24)

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

Operating Segment	Current Quarter	Immediate preceding Quarter	Variance	
	RM'000	RM'000	RM'000	%
Civil Engineering	20,502	23,009	(2,507)	-11%
Bituminous Products	6,657	7,592	(935)	-12%
Services	-	30	(30)	-100%
Energy	1,850	1,775	75	-100%
Others	444	1,555	(1,111)	-71%
Eliminations	(443)	(489)	46	-9%
Group	29,010	33,472		
Loss Before Tax	(1,196)	(6,566)	5,370	-82%

The civil engineering segment's revenue has decreased to RM20.50 million as compared to RM23.01 million recorded in the immediate preceding quarter. There was decrease in production volume for Selinsing Gold Mine ("SGM") project and also completion of few minor projects.

The bituminous products segment recorded an decreased in revenue to RM6.66 million as compared to the revenue of RM7.59 million recorded in the immediate preceding quarter due to lower demand for the Emulsion products in the immediate preceding quarter.

There is no revenue for services segment this quarter as compared to the revenue RM0.03 million recorded in the immediate preceding quarter.

The new energy segment, recorded an increase in revenue to RM1.85 million as compared to RM1.78 million recorded in the immediate preceding quarter. The continuously heat weather and reduction of production downtime had maintains solar power plant performance during the quarter.

The Group has recorded a loss before tax of RM1.20 million as compared to loss before tax of RM6.57 million recorded in the immediate preceding quarter, mainly due to impairment exercises made. The Group recorded a positive EBITDA of RM1.39 million for the quarter, which shows an increase of 95.77% from a positive RM0.71 million recorded in the corresponding quarter of the previous year Q1 FY2024.

17. Prospects

Malaysian economy registered a growth in GDP of 4.2% in the 1Q 2024 (4Q 2023: 2.9%) per the recent announcement by Bank Negara Malaysia (BNM). The quarter saw a further expansion in household spending, higher turnaround in exports and stronger investment growth.

Further improvement can be seen in most economic sectors during the period. Major sector that recorded lower growth during the review included Services at 4.7% (4Q 2023: 4.1%), Manufacturing at 1.9% (4Q 2023: -0.3%) and Construction sector at 11.9% (4Q 2023: 3.6%).

Private consumption recorded growth at 4.7% (4Q 2023: 4.2%) due to improvement in both necessities and discretionary spending by households.

Meanwhile, Malaysia's inflation rate moderated but remained elevated at 1.8% in 1Q 2024 (4Q 2023: 2%) due to the existing price controls and fuel subsidies. With the current Overnight Policy Rate (OPR) BNM is optimistic on its impact to accommodate the current economy.

The Group will continue to remain vigilant on its capital expenditure and its strategic ventures. The Group focuses to continuously improve efficiency in bituminous productions and electricity generations.

18. Significant Events

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

i) Minetech Construction Sdn Bhd ("MCSB"), a wholly-owned subsidiary of Minetech has on 3 July 2024 accepted a Letter of Award ("LOA") from MyVilla Development Sdn Bhd ("MyVilla"), a wholly-owned subsidiary of Mah Sing Group Berhad to undertake the proposed upgrading and construction of external road and drainage (JKR R.O.W) for Cadangan Pembangunan 3 Blok Pangsapuri Suite (2,080 Unit) di atas Lot 80646, Jalan Lingkaran Tengah II, Mukim Batu, Kuala Lumpur (M Nova) ("Project") at a contract value of approximately RM16.10 million only ("Contract"). The Contract is expected to be completed within twenty-one (21) months from the commencement date.

ii) Minetech Construction Sdn Bhd ("MCSB"), a wholly-owned subsidiary of Minetech has on 12 July 2024 accepted a Letter of Award ("LOA") from VED Engineers Sdn Bhd ("VED") (which act on behalf of its employer, i.e Bonus Essential Sdn Bhd) to undertake the proposed construction and completion of road and drainage and other related ancillaries for Banting Industrial City (Part of Phase 2D) on Lot 79116, Mukim Tanjung Duabelas, Daerah Kuala Langat, Selangor Darul Ehsan for a sum of RM4.05 million ("Contract"). The Contract shall commence on 28 June 2024 and is expected to be completed within three (3) months from the commencement date.

19. Profit forecast/profit guarantee

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

20. Tax expense

Tax expenses were as follows:

	3 months period ended 30 Jun 2024 RM'000	3 months period ended 30 Jun 2023 RM'000
Current tax expense :		
- current tax provision	(246)	(347)

21. Status of corporate proposals

On 10 May 2024, a total of 100,000 new ordinary shares of the Company ("Shares") were issued pursuant to the conversion of 100,000 Irredeemable Convertible Preference Shares ("ICPS") to 100,000 new Shares by way of conversion of one (1) ICPS together with cash payment of RM0.09 for one (1) new Share. The conversion price for the ICPS is RM0.12 for one (1) new Share.

On 21 May 2024, a total of 90,000 new ordinary shares of the Company ("Shares") were issued pursuant to the conversion of 90,000 Irredeemable Convertible Preference Shares ("ICPS") to 90,000 new Shares by way of conversion of one (1) ICPS together with cash payment of RM0.09 for one (1) new Share. The conversion price for the ICPS is RM0.12 for one (1) new Share.

22. Group lease and borrowings

The Group's lease and borrowings were as follows:-

	As at 30 June 2024		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
<u>Secured</u>			
Term loans	8,149	25,028	33,177
Bank Overdrafts	-	772	772
Lease liabilities	7,645	2,122	9,767
Short term borrowing	-	2,102	2,102
	<u>15,794</u>	<u>30,024</u>	<u>45,818</u>
	As at 30 June 2023		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
<u>Secured</u>			
Term loans	7,737	25,188	32,925
Bank Overdrafts	-	4,975	4,975
Lease liabilities	6,897	1,307	8,204
Short term borrowing	-	2,235	2,235
	<u>14,634</u>	<u>33,705</u>	<u>48,339</u>

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

23. Derivatives

There were no derivatives for the current quarter under review.

24. Material Litigation

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

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

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

The Trial for Suit 288 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 Summons dated 1st April 2013 until full payment and costs of RM80,000.

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

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

ODSB had filed Notice of Direction to the High Court for the assessment of damages. The Judge ordered for the assessment of damages to be stayed pending the disposal of SMGQ's Appeal.

SMGQ's Appeal was heard on 31st March 2021. The Court of Appeal dismissed SMGQ's Appeal and upheld the High Court's decision in deciding that SMGQ has unlawfully terminated ODSB's contract and the damages should only be given to ODSB.

On 29th April 2021, SMGQ filed a leave application at the Federal Court. On 15th September 2021, the Federal Court dismissed SMGQ's application for leave to appeal with cost of RM15,000.00. Therefore, the High Court's decision in deciding that SMGQ has unlawfully terminated ODSB's contract and the damages should only be given to ODSB is upheld. The Court has fixed 20th September 2022 for Case Management on Notice of Assessment of Damages.

On 18th October 2022, ODSB has submitted the Independent Report on Assessment Damages to the Court. The Court has fixed 22nd November 2022 for Case Management for Defendant's Rebuttal.

On 22nd November 2022 Case Management, the Defendant's Solicitor has requested for more time to finalise and submit their Rebuttal. The Court fixed 13th January 2023 for the next Case Management date. On 13th January 2023, the Defendant's Solicitor has required a further time extension. The Court fixed the next Case Management date on 31st October 2023. ODSB had engaged an external accountant, Messrs BDO, to prepare a Report to calculate ODSB's loss of profit for the purpose of the Assessment Proceedings.

The Court has fixed a new Case Management date of 15th October 2024 for both parties to complete the classification of documents for the Assessment of Damages proceedings.

b. Shah Alam High Court Suit No. BA-22NCC-95-07/2023

Coral Power Sdn Bhd ("CPSB") had received Writ of Summons and Statement of Claim ("Claims") dated 31st July 2023 from ManagePay Resources Sdn Bhd ("MPAY"). MPAY claims of the total amounting to RM5,610,011.47 for the overdue interest under the loan agreement and an interest at a rate of 8% per annum on late interest payments.

The Board of Directors had obtained a preliminary view from its solicitors who considers that Minetech and CPSB have a reasonably good prospect of defending the Claim and has made a counterclaim against the Plaintiff accordingly.

On 10th October 2023, the Company and CPSB had filed a Defence and Counterclaim ("Counterclaim") suit against the Plaintiff for failing to comply with the drawdown schedule in accordance to the Offer Letter and Loan Agreement, and had instead drawdown periodically via 59 tranches, which had caused material development and financial delays on the Project.

The counterclaim consists of compensation for general damages due to breach of the Offer Letter and Loan Agreement to be assessed by the High Court based on the costs incurred by CPSB and/or estimated damages amounting to RM20,742,738.71 and interest at the rate of 5% per annum on the amount of damages from the date of filing the Counterclaim until full settlement.

Minetech had entered into a Settlement Agreement with MPAY dated 31st March 2024. Both parties have agreed on a settlement sum of RM3,888,888.88 and CPSB agreed to make a minimum monthly repayment of RM300,000.00 to MPAY until the final full loan settlement. MPAY agreed to waive any late payment interest calculated on the interest and on the Settlement Sum for March 2024 to October 2024. In avoidance of doubt, late payment interest shall be chargeable on any unpaid interest starting from November 2024 until such outstanding sum has been fully settled.

MPay's solicitors has further vide their letter dated 8th May 2024 confirmed that the Civil Suit against the Company, CPSB and JSK has been duly withdrawn on 7th May 2024.

25. Share capital

	Year to date ended 30 Jun 2024	Year to date ended 30 Jun 2023	Year to date ended 30 Jun 2024	Year to date ended 30 Jun 2023
	Number of Shares		RM'000	RM'000
	('000)	('000)		
Issued and fully paid-up				
<i>Ordinary shares with no par value</i>				
At 1 April	1,784,787	1,526,822	99,818	88,281
Conversion of ICPS to Ordinary Shares	190	-	17	-
At 30 June	1,784,977	1,526,822	99,835	88,281
<i>Irredeemable convertible preference shares ("ICPS")</i>				
At 1 April	517,855	582,664	17,237	17,237
Conversion of ICPS to Ordinary Shares	(190)	-	-	-
At 30 June	517,665	582,664	17,237	17,237
Total	2,302,642	2,109,486	117,072	105,518

26. Dividends

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

27. Loss per share

	Individual Quarter		Cumulative Quarter	
	3 months Quarter ended 30 Jun 2024	3 months Quarter ended 30 Jun 2023	Year to date ended 30 Jun 2024	Year to date ended 30 Jun 2023
Basic loss per share				
Loss attributable to owners of the parent (RM'000)	(1,329)	(1,268)	(1,329)	(1,268)
Weighted average number of ordinary shares ('000)	1,784,787	1,526,822	1,784,787	1,526,822
Weighted average number of irredeemable convertible shares ('000)	517,855	582,664	517,855	582,664
Effect of ordinary shares issued ('000)	190	-	190	-
Effect of issuance of irredeemable convertible preference shares ('000)	(190)	-	(190)	-
Adjusted weighted average number of shares ('000)	2,302,642	2,109,486	2,302,642	2,109,486
Basic loss per share (sen)	(0.07)	(0.08)	(0.07)	(0.08)
Diluted loss per share (sen)	(0.06)	(0.06)	(0.06)	(0.06)

There is diluted loss per share due to issuance of irredeemable convertible preference shares.

28. Notes to the Consolidated Statement of Comprehensive Income

	Current Quarter Ended 30 Jun 2024 RM'000	Year-to -date Ended 30 Jun 2024 RM'000
Depreciation and amortisation	1,453	1,453
Interest expense	1,090	1,090
Interest income	(79)	(79)
Realised loss on foreign exchange	38	38
Share of associate company's result	3	3

29. Authorised for issuance

The interim financial statements for financial quarter ended 30 June 2024 has been approved by the Board of Directors of MRB on 28 August 2024 for release to the Bursa Securities.



Press Release

For Immediate Distribution

MINETECH REPORTS REVENUE GROWTH TO RM29.01 MILLION IN Q1 FY2025

Company Shows Continued Resilience and Operational Stability in Q1 FY2025

KUALA LUMPUR, 28 AUGUST 2024 – Minetech Resources Berhad ("Minetech" or the "Company"), is pleased to announce its financial results for the first quarter ended 30 June 2024 ("Q1 FY2025"). **The Company achieved a revenue of RM29.01 million, an increase of 9.56% as compared to RM26.48 million in the same quarter of the previous year ("Q1 FY2024")**, showcasing the Company's ability to maintain operational stability and resilience. **The Company recorded a gross profit of RM3.90 million in Q1 FY2025, an improvement from RM2.92 million in the corresponding quarter of the previous year**, contributed by a higher revenue base in the current quarter.

In Q1 FY2025, the Civil Engineering division saw revenue rise to RM20.50 million, driven by continued progress on the Selinsing Gold Mine project. The Bituminous Products segment experienced a slight decline in revenue to RM6.66 million, primarily due to heightened competition from international markets. On a positive note, the Energy segment, representing Minetech's expansion into renewable energy, contributed RM1.85 million in revenue for Q1 FY2025, reflecting ongoing growth in this area.

Compared to the immediate preceding quarter ("Q4 FY2024"), Minetech's revenue in Q1 FY2025 decreased from RM33.47 million to RM29.01 million, reflecting a decline in the Civil Engineering and Bituminous Products segments due to reduced production volume at the Selinsing Gold Mine project and lower demand for Emulsion products. **However, the Energy segment reported a slight increase in revenue, rising from RM1.78 million in Q4 FY2024 to RM1.85 million in Q1 FY2025, driven by favourable weather conditions and reduced production downtime.**

Despite the lower revenue, the Company's Loss Before Tax ("LBT") narrowed significantly, improving from a loss of RM6.57 million in Q4 FY2024 to RM1.20 million in Q1 FY2025, primarily due to impairment exercises conducted in the previous quarter. Additionally, the Company recorded an Earnings Before Interest, Taxes, Depreciation, and Amortisation ("EBITDA") of RM1.39 million in Q1 FY2025, which shows an increase of 95.77% from a positive RM0.71 million recorded in the corresponding quarter of the previous year Q1 FY2024.

Minetech has successfully concluded its 22nd Annual General Meeting ("AGM") today, with shareholders approving all 10 ordinary resolutions. These resolutions include the reappointment of directors, and other key corporate governance matters. Additionally, a special resolution to change the Company's name to AIZO Group

Berhad was also approved by the shareholders. This rebranding marks a significant milestone in the Company's journey, reflecting its evolving business strategy and future aspirations.



Encik Abang Abdillah Izzarim, Executive Chairman of Minetech, shared his thoughts on the Company's performance: "We are encouraged by our revenue growth and the stability we have maintained. The approval of all resolutions at our AGM, particularly the reappointment of directors and the special resolution to rebrand as AIZO Group Berhad, marks an exciting new chapter for our Company. This rebranding reflects our strategic direction and commitment to growth."

He further added, "As we transition to AIZO Group Berhad, our primary goal remains steering the Company towards profitability. We will continue to focus on enhancing operational efficiency, managing costs effectively, and pursuing strategic opportunities that align with our long-term objectives, all while delivering value to our shareholders."

To recap Minetech recent project wins, **the Company received a Letter of Award ("LOA") from MyVilla Development Sdn Bhd, a subsidiary of Mah Sing Group Berhad, for the RM16.10 million project to upgrade and construct external roads and drainage for the M Nova development in Kuala Lumpur.** Additionally, on 13 August 2024, **Coral Evergreen Sdn Bhd**, ("Coral Evergreen") a wholly-owned subsidiary has successfully secured a LOA from **Puncak Utara Sdn Bhd** ("Puncak Utara"), **the contract, valued at RM36.79 million for the project for upgrading sewage system and related works in Perbandaran Ketengah Jaya, Bukit Besi and Seri Bandi Phase III, located in the Wilayah Ketengah, Terengganu Darul Iman.** These contracts highlight Minetech's expanding role in the civil engineering and infrastructure industry.

As at 5:00 P.M. **28 August 2024**, the share price of Minetech closed at **RM0.14** reflecting a market capitalisation of **RM249.9 million**.

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ABOUT MINETECH RESOURCES BERHAD

Minetech Resources Berhad ("Minetech" or the "Company") is primarily a civil engineering specialist and bituminous products manufacturer that has diversified into renewable energy, as well as oil and gas services. The Company is a registered solar photovoltaic investor with the Sustainable Energy Development Authority Malaysia and owns a 9.99MW AC floating solar power plant.

For more information, visit minetech.com.my.
