



**MINETECH**

**MINETECH RESOURCES BERHAD GROUP**

**ANNOUNCEMENT PACKAGE**

**Q4/FY2023**

**MINETECH RESOURCES BERHAD [200201007880 (575543-X)]**

**(Incorporated in Malaysia)**

**INTERIM FINANCIAL STATEMENTS**

**Condensed Consolidated Statement Of Comprehensive Income For the Fourth Quarter Ended 31 March 2023**

**(The figures have not been audited)**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Current Year Quarter ended 31 Mar 2023 RM'000</b>	<b>Preceding Year Quarter ended 31 Mar 2022 RM'000</b>	<b>Current Year To Date Ended 31 Mar 2023 RM'000</b>	<b>Preceding Year To Date Ended 31 Mar 2022 RM'000</b>
<i>Continued operations</i>				
Revenue	36,866	25,228	124,203	85,391
Cost of sales	(33,893)	(27,427)	(111,209)	(83,016)
<b>Gross Profit/(Loss)</b>	<b>2,973</b>	<b>(2,199)</b>	<b>12,994</b>	<b>2,375</b>
Other income	106	108	1,052	2,657
Administrative expenses	(11,392)	(9,679)	(22,397)	(27,746)
Selling and marketing expenses	(143)	(98)	(448)	(476)
Finance costs	1,240	(273)	(1,370)	(1,150)
<b>Loss before tax</b>	<b>(7,216)</b>	<b>(12,141)</b>	<b>(10,169)</b>	<b>(24,340)</b>
Tax expense	(403)	(334)	(1,290)	(852)
<b>Loss from continued operations</b>	<b>(7,619)</b>	<b>(12,475)</b>	<b>(11,459)</b>	<b>(25,192)</b>
<i>Discontinued operations</i>				
Loss from discontinued operation, net of tax	-	(7)	-	-
<b>Net Loss for the period</b>	<b>(7,619)</b>	<b>(12,482)</b>	<b>(11,459)</b>	<b>(25,192)</b>
<b>Other comprehensive (income)/loss</b>				
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
- Exchange translation differences for foreign operation	(125)	9	(45)	5
<b>Total comprehensive loss</b>	<b>(7,744)</b>	<b>(12,473)</b>	<b>(11,504)</b>	<b>(25,187)</b>
<b>Loss attributable to:</b>				
Owners of the Parent	(7,064)	(11,856)	(10,187)	(22,159)
Non-controlling interests	(555)	(626)	(1,272)	(3,033)
	<b>(7,619)</b>	<b>(12,482)</b>	<b>(11,459)</b>	<b>(25,192)</b>
<b>Total comprehensive loss attributable to:</b>				
Owners of the Parent	(7,189)	(11,847)	(10,232)	(22,154)
Non-controlling interests	(555)	(626)	(1,272)	(3,033)
	<b>(7,744)</b>	<b>(12,473)</b>	<b>(11,504)</b>	<b>(25,187)</b>
Loss per share (sen)				
- Basic	(0.46)	(1.02)	(0.67)	(1.90)
- Diluted	(0.33)	(0.68)	(0.48)	(1.27)

**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 2022.**

**MINETECH RESOURCES BERHAD [200201007880 (575543-X)]****(Incorporated in Malaysia)****INTERIM FINANCIAL STATEMENTS****Condensed Consolidated Statement Of Financial Position****As at 31 March 2023**

	<b>Unaudited As At 31 March 2023 RM'000</b>	<b>Audited As At 31 March 2022 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	81,732	65,475
Right of use assets	4,291	3,959
Investment properties	1,559	1,580
Inventories	6,000	6,000
Quarry development expenditure	-	76
Goodwill on consolidation	-	3,455
Trade receivables	175	207
Other receivables	-	202
	<u>93,757</u>	<u>80,954</u>
<b>Current assets</b>		
Inventories	4,067	2,496
Contract assets	17,146	18,176
Trade receivables	53,886	35,203
Other receivables	16,212	16,120
Tax recoverables	318	93
Other investments	427	2,510
Asset held for sale	-	12,000
Fixed deposits with licensed bank	6,877	6,399
Cash and bank balance	7,555	10,028
	<u>106,488</u>	<u>103,025</u>
<b>Total assets</b>	<u>200,245</u>	<u>183,979</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	105,518	94,050
Less:- Treasury shares, at cost	(48)	(48)
Reserves	(18,463)	(8,231)
	<u>87,007</u>	<u>85,771</u>
Non-controlling interests	(3,940)	(2,668)
<b>Total equity</b>	<u>83,067</u>	<u>83,103</u>
<b>Non-current liabilities</b>		
Lease and borrowings	17,010	14,394
Deferred tax liabilities	2,109	2,804
	<u>19,119</u>	<u>17,198</u>
<b>Current liabilities</b>		
Trade payables	50,969	42,731
Other payables	15,738	6,225
Lease and borrowings	31,123	34,026
Tax payable	229	696
	<u>98,059</u>	<u>83,678</u>
<b>Total liabilities</b>	<u>117,178</u>	<u>100,876</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>200,245</u>	<u>183,979</u>
<b>Net assets per share (RM)</b>	<b>0.06</b>	<b>0.07</b>

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 2022.

**MINETECH RESOURCES BERHAD [200201007880 (575543-X)]**

**(Incorporated in Malaysia)**

**INTERIM FINANCIAL STATEMENTS**

**Condensed Consolidated Statement Of Cash Flows**

**For the Financial Year Ended 31 March 2023**

**(The figures have not been audited)**

	<b>12 Months To Date ended 31 March 2023</b>	<b>Preceding period 12 months ended 31 March 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax from continuing operations	(10,169)	(24,340)
Adjustments for:-		
Bad debts written off	-	-
Bad debts recovery	-	-
Depreciation and amortisation	2,454	2,293
Deposits written off	-	-
Gain on disposal of property, plant and equipment	(35)	(622)
Gain on disposal of subsidiary company	133	(1,102)
Reversal of impairment loss on investment in associate	123	-
Interest expenses	1,370	1,150
Interest income	(380)	(154)
Unrealised gain on foreign exchange	(30)	-
Reversal of impairment loss on receivables	-	-
Impairment losses on:		
- receivables	3,686	5,693
- intangible assets	3,455	552
- assets held for sale	-	4,244
Property, plant and equipment written off	-	-
Reversal on impairment losses on property, plant and equipment	-	-
Reversal on impairment losses on receivables	-	(592)
Share of associate company's result	-	(119)
Inventories written down	-	-
Inventories written off	-	-
<b>Operating loss before changes in working capital</b>	<b>607</b>	<b>(12,997)</b>
Changes in working capital		
Quarry development expenditure	76	11
Inventories	(1,571)	(476)
Receivables	(23,125)	(5,500)
Contract assets	1,030	18,046
Payables	16,985	(10,456)
<b>Net cash used in operations</b>	<b>(5,998)</b>	<b>(11,372)</b>
Tax paid	(2,780)	(2,066)
Tax refund	-	-
Interest paid	(1,370)	(1,150)
Interest received	380	154
<b>Net cash used in operating activities</b>	<b>(9,768)</b>	<b>(14,434)</b>

	<b>12 Months To Date ended 31 March 2023 RM'000</b>	<b>Preceding period 12 months ended 31 March 2022 RM'000</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(19,554)	(29,715)
Proceeds from disposal of property, plant & equipment	12,567	1,432
Changes in inventories	-	-
Proceeds from disposal of subsidiary companies	-	5,100
Net cash outflow from acquisition of subsidiary company	-	-
Changes in amount due to associate company	-	9,791
Changes in other investments	2,083	(2,095)
<b>Net cash used in investing activities</b>	<b><u>(4,904)</u></b>	<b><u>(15,487)</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Movement in fixed deposits pledged	(478)	1,094
Drawdown of borrowing	14,119	5,937
Repayment of borrowings	(10,516)	(6,734)
Drawdown of term loans	150	14,000
Repayment of term loans	(3,108)	(4,006)
Repayment of lease liabilities	(932)	(1,209)
Proceeds from issuance of shares	11,468	17,480
<b>Net cash generated from financing activities</b>	<b><u>10,703</u></b>	<b><u>26,562</u></b>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<b><u>(3,969)</u></b>	<b><u>(3,359)</u></b>
Cash and Cash Equivalents at beginning of the period	7,470	10,829
Effects of exchange translation differences on cash and cash equivalents	30	-
<b>Cash and Cash Equivalents at the end of period</b>	<b><u><u>3,531</u></u></b>	<b><u><u>7,470</u></u></b>
<b>Cash and Cash Equivalents comprises of :</b>		
Fixed deposits with licensed banks	6,877	6,399
Cash and bank balances	<u>7,555</u>	<u>10,028</u>
	14,432	16,427
Bank overdrafts	<u>(4,024)</u>	<u>(2,558)</u>
	10,408	13,869
Less: fixed deposits pledged to licensed banks	<u>(6,877)</u>	<u>(6,399)</u>
	<b><u><u>3,531</u></u></b>	<b><u><u>7,470</u></u></b>

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

Condensed Consolidated Statements of Changes in Equity  
For the Financial Year Ended 31 March 2023  
(The figures have not been audited)

----- Attributable to owners of the parent -----							
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
<b>At 1 April 2022</b>	94,050	(48)	45	(8,276)	85,771	(2,668)	83,103
Loss for the financial year	-	-	-	(10,187)	(10,187)	(1,272)	(11,459)
Other comprehensive income	-	-	(45)	-	(45)	-	(45)
<b>Total comprehensive loss for the financial year</b>	-	-	(45)	(10,187)	(10,232)	(1,272)	(11,504)
<b>Transactions with owners:</b>							
Issuance of ordinary shares	11,574	-	-	-	11,574	-	11,574
Exercise of Share Issuance Scheme	356	-	-	-	356	-	356
Share issue expenses	(462)	-	-	-	(462)	-	(462)
	11,468	-	-	-	11,468	-	11,468
<b>At 31 March 2023</b>	105,518	(48)	-	(18,463)	87,007	(3,940)	83,067

----- Attributable to owners of the parent -----							
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
<b>At 1 April 2021</b>	166,813	(48)	40	(76,027)	90,778	1,563	92,341
Loss for the financial year	-	-	-	(22,159)	(22,159)	(3,033)	(25,192)
Other comprehensive loss	-	-	5	-	5	-	5
<b>Total comprehensive loss for the financial year</b>	-	-	5	(22,159)	(22,154)	(3,033)	(25,187)
<b>Transactions with owners:</b>							
Right shares issued	17,480	-	-	-	17,480	-	17,480
Share capital reduction	(90,000)	-	-	90,000	-	-	-
Share issue expenses	(243)	-	-	-	(243)	-	(243)
Disposal of a subsidiary	-	-	-	-	-	(1,422)	(1,422)
Dilution of interest in a subsidiary	-	-	-	(114)	(114)	114	-
Acquisition of new subsidiary	-	-	-	24	24	110	134
	(72,763)	-	-	89,910	17,147	(1,198)	15,949
<b>At 31 March 2022</b>	94,050	(48)	45	(8,276)	85,771	(2,668)	83,103

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 2022.

**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 2022.

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 2022.

**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 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 16	Leases
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 137	Provision, Contingent Liabilities and Contingent Assets

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 101	Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 10 & 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

**3. Auditors' report on preceding annual financial statements**

The auditors' report on the Group's financial statements for the financial year ended 31 March 2022 was not subject to any qualification.

**4. Seasonal or cyclical factors**

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

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

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

**6. Change in accounting estimates**

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

**7. Issuance of debt**

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

**8. Dividend payment**

There were no dividends paid during the current financial quarter.

## 9. Segmental information

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

Quarry Products : Provision of turnkey and specialised quarry services, sales and marketing of quarry products.

Civil Engineering : Specialised civil engineering works.

Bituminous Products : Manufacturing and trading of bituminous products.

Services : Provision of services.

Food and Beverages : Importing and trading of food products.

Others : Investment holding and provision of managerial services.

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

### Segment assets

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

### Segment liabilities

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

### Segment capital expenditure

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

Segmental information for the 12 months ended 31 March 2023:

	Quarry Products RM'000	Civil Engineering RM'000	Bituminous Products RM'000	Services RM'000	Food and Beverages RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
<b>Revenue</b>								
Revenue to external customers	431	75,286	31,732	5,714	6,144	4,896	-	124,203
Inter-segment revenue	-	-	-	-	-	1,389	(1,389)	-
	<u>431</u>	<u>75,286</u>	<u>31,732</u>	<u>5,714</u>	<u>6,144</u>	<u>6,285</u>	<u>(1,389)</u>	<u>124,203</u>
Segment results	(672)	7,126	1,837	(1,005)	(754)	(15,711)	-	(9,179)
Interest income	-	167	1	141	-	71	-	380
Finance costs								(1,370)
Loss before tax								(10,169)
Taxation								(1,290)
Net loss for the period								<u>(11,459)</u>
<b>Assets</b>								
Segment assets	<u>2,562</u>	<u>74,737</u>	<u>16,122</u>	<u>24,336</u>	<u>(863)</u>	<u>163,791</u>	<u>(80,440)</u>	<u>200,245</u>
<b>Liabilities</b>								
Segment liabilities	<u>19,243</u>	<u>43,754</u>	<u>8,347</u>	<u>27,515</u>	<u>1,109</u>	<u>110,204</u>	<u>(92,994)</u>	<u>117,178</u>

Segmental information for the 12 months ended 31 March 2022:

	Quarry Products RM'000	Civil Engineering RM'000	Bituminous Products RM'000	Services RM'000	Others RM'000	Elimination RM'000	Total RM'000	Quarry Products (discontinued) RM'000	Consolidation RM'000
<b>Revenue</b>									
Revenue to external customers	3,203	55,511	15,161	7,515	4,001	-	85,391	2,785	88,176
Inter-segment revenue	-	-	-	-	2,178	(2,178)	-	-	-
	<u>3,203</u>	<u>55,511</u>	<u>15,161</u>	<u>7,515</u>	<u>6,179</u>	<u>(2,178)</u>	<u>85,391</u>	<u>2,785</u>	<u>88,176</u>
Segment results	(1,467)	2,813	451	(6,317)	(19,705)	940	(23,285)	94	(23,191)
Interest income	-	116	-	-	38	-	154	8	162
Finance costs							(1,216)	(95)	(1,311)
Loss before tax							(24,347)	7	(24,340)
Taxation							(852)	-	(852)
Net loss for the period							<u>(25,199)</u>	<u>7</u>	<u>(25,192)</u>
<b>Assets</b>									
Segment assets	<u>4,884</u>	<u>58,924</u>	<u>10,918</u>	<u>23,597</u>	<u>160,517</u>	<u>(74,861)</u>	<u>183,979</u>	-	<u>183,979</u>
<b>Liabilities</b>									
Segment liabilities	<u>31,520</u>	<u>33,482</u>	<u>4,498</u>	<u>26,029</u>	<u>87,647</u>	<u>(82,300)</u>	<u>100,876</u>	-	<u>100,876</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 31 Mar 2023 RM'000	As at 31 Mar 2022 RM'000
Corporate guarantees	28,993	32,562
Bank guarantees	6,687	5,993

#### 14. Capital commitments

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

	As at 31 Mar 2023 RM'000	As at 31 Mar 2022 RM'000
<u>Approved and contracted for:</u>		
Construction of solar plant	-	8,231
<u>Approved but not contracted for:</u>		
Bituminous plant upgrade and decanting	-	-

#### 15. Related party transactions

	Current Quarter Ended 31 Mar 2023 RM'000	Year-to -date Ended 31 Mar 2023 RM'000
Management fees between related companies	325	1,389
Rental payable to related companies	15	79
Advances to related companies	367	2,380

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

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

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

The comparisons of the results are tabulated below:

Operating Segment	Revenue		Operating Results	
	3 months ended 31 Mar 2023	3 months ended 31 Mar 2022	3 months ended 31 Mar 2023	3 months ended 31 Mar 2022
	RM'000	RM'000	RM'000	RM'000
Quarry Products	6	271	(236)	(652)
Civil Engineering	23,423	14,730	2,314	894
Bituminous Products	8,616	5,144	(150)	541
Services	384	1,656	(614)	(4,813)
Food and Beverages	-	-	(877)	-
Others	4,762	3,978	(2,070)	(9,071)
Eliminations	(325)	(551)	(6,823)	1,233
Group	36,866	25,228	(8,456)	(11,868)
Less: Finance Costs			1,240	(273)
Loss Before Tax			(7,216)	(12,141)

The Group's revenue has increased to RM36.87 million and recorded a operating loss of RM7.22 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 RM25.23 million and loss before tax of RM12.14 million respectively.

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

**Quarry Products**

No revenue recorded for this segment during current quarter due to closure of quarry operations in April 2022.

**Civil Engineering**

Revenue for the current quarter has increased to RM23.42 million with an operating profit of RM2.31 million compared with the same quarter of the last financial year's revenue of RM14.73 million and operating profit of RM0.89 million.

A higher revenue was recorded by Selinsing Gold Mine("SGM") of RM14.87 million as compared to the preceding year's corresponding quarter of RM8.93 million resulted from the increase in work volume. Revenue from the Cheras-Kajang Expressway ("CKE") project reduced at RM1.05 million as compared to RM1.90 million in the previous year . In addition, the new projects such as Wangsa Brezza Hill ("WBH") project and GM Emerald Square,Cheras ("GLB") each recorded revenue of RM3.95 million and RM 2.16 million during this quarter.The YTL Electrified Double Track project ("YEDT") drops by RM2.6 million since the project is expected to complete by end of the year.

**Bituminous Products**

Revenue recorded for this segment for the reporting quarter had increased significantly to RM8.62 million with an operating loss of RM0.2 million as compared to the same quarter of the last financial year's revenue of RM5.14 million and operating income of RM0.54 million. This is mainly due to increased in sales of Coating Enamel in local market. However, the operating loss is due to one-off repair and maintenance cost.

**Services**

Revenue for the current quarter decreased to RM0.38 million with an operating loss of RM0.6 million compared with the same quarter of the last financial year's revenue of RM1.66 million and operating loss of RM4.81 million. Lower revenue for the quarter is due to lower supply of manpower,storage tank maintenance services and lower number of remittance transactions.

**Food and Beverages**

No revenue contributed by this segment for current quarter and the same quarter of the last financial year. Operating loss for current quarter is RM0.88 million and NIL for the same quarter of last financial year.

**Comparison with immediate preceding quarter's results (Q4-FY'23 vs Q23-FY'23)**

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	%
Quarry Products	6	-	6	100%
Civil Engineering	23,423	22,051	1,372	6%
Bituminous Products	8,616	10,029	(1,413)	-14%
Services	384	3,175	(2,791)	-88%
Food and Beverages	-	1,055	(1,055)	-100%
Others	4,762	360	4,402	1223%
Eliminations	(325)	(324)	(1)	0%
Group	36,866	36,346		
(Loss)/Profit Before Tax	(7,216)	188	(7,404)	-3938%

The quarry products segment's do not have revenue due to the closure of quarry operations in April 2022.

The civil engineering segment's revenue has increased to RM23.42 million as compared to RM22.05 million recorded in the immediate preceding quarter mainly due to higher volume in overall works at the Selinsing Gold Mine.

The bituminous products segment recorded a decrease in revenue to RM8.62 million as compared to the revenue of RM10.03 million recorded in the immediate preceding quarter due to decrease in demand from foreign market especially for Blown Asphalt's products.

The Group performance has recorded at a loss before tax of RM7.21 million as compared to profit before tax of RM0.19 million recorded in the immediate preceding quarter, mainly due impairment exercises made. The Group recorded a negative EBITDA of RM0.77 million for the quarter.

## 17. Prospects

Malaysian economy registered a growth of 7.0% in the 4Q 2022 (3Q 2022: 14.2%) per the recent announcement by Bank Negara Malaysia (BNM). The quarter saw a steady household consumption, continued capital spending across all sectors; strong demand for electrical and electronics (E&E) sectors and recovery in tourism activities.

Improvement can be seen in all economic sectors during the period. Major sector that recorded growth during the review included Services at 8.9% (3Q 2022: 16.7%), Manufacturing at 3.9% (3Q 2022: 13.2%), Construction sector at 10.1% (3Q 2022: 15.3%) and the Mining sector at 6.8% (3Q 2022: 9.2%).

Private consumption recorded positive growth at 7.4% (3Q 2022: 15.1%) due to healthier labour market conditions and policy measures. Furthermore, spending on consumption necessities such as housing, utilities and transportation was driven by Government's support in emolument, supplies and services. Meanwhile, Malaysia's inflation rate moderated to 3.9% in 4Q 2022 (3Q 2022: 4.5%) due to the lapse in the base effect of rising electricity cost and the moderating global process leading to lower inflation for fuel and key staple food items. As per response to ease the inflation, BNM raising the Overnight Policy Rate (OPR) in its recent review.

The Group will continue to remain vigilant on its capital expenditure and spending in facing challenges in these uncertain times. Greater focus will be placed on various cost control measures, increasing efforts in replenishing order books and improvement in productions. The Group aims to strengthen our resilience and financial position by exploring strategic restructuring initiatives that have seen us embarking in renewable energy businesses. These diversified businesses have helped the Group towards a sustainable growth.

## 18. Significant Events

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

i) Minetech Asphalt Man International Sdn Bhd, an 85%-owned subsidiary of the Company had on 20 May 2021 entered into a Memorandum of Understanding ("MOU") with Seltrade Sdn Bhd ("Seltrade") to establish joint collaboration by supplying raw material including but not limited to cold mix, hot mix and emulsion to Seltrade for maintenance project of Selangor's state road awarded by Jabatan Kerja Negeri Selangor. On 23 February 2023, the Board of Directors announced that there has been no further material development since the previous announcement.

ii) Techmile Resources Sdn Bhd ("TRSB"), a wholly-owned subsidiary of Minetech had on 9 December 2022 entered into a Memorandum of Understanding ("MOU") with Tesdec Hydropower Sdn Bhd ("TESDEC") to establish a joint collaboration to undertake engineering, procurement, construction and commissioning ("EPCC") works for the development of a total of 30MW Mini-Hydro Project in Terengganu. ("Development") ("Joint Collaboration"). On 11 January 2023, TRSB has accepted a Letter of Award ("LOA") from TESDEC on the appointment as a Turnkey Contractor of Engineering, Procurement, Construction & Commissioning for Development of Mini-Hydro Project of 3.0MW at Sungai Pelagat, Besut, Terengganu ("Contract"). The estimated value of the Contract is approximately RM36.71 million. The Contract shall commence in January 2023 and is expected to be completed by May 2027. The LOA shall now supersede the MOU entered between TRSB and TESDEC on 9 December 2022 which the MOU would no longer subsist.

## 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:

	12months period ended 31 Mar 2023 RM'000	12 months period ended 31 Mar 2022 RM'000
<b>Current tax expense :</b>		
- current tax provision	(1,192)	(681)
- (under)/over provision in prior years	(98)	243
	<hr/>	<hr/>
	(1,290)	(438)
<b>Current deferred tax</b>		
- relating to origination and reversal of temporary differences	-	(110)
- under provision in prior years	-	(304)
	<hr/>	<hr/>
	(1,290)	(852)

## 21. Status of corporate proposals

### Balance Proceeds pursuant to the Right Issue

Existing	Time frame for utilisation	Proposed Utilisation RM'000	Amount Utilised RM'000	Amount Unutilised RM'000
Expenditure for construction projects	Within 24 months	595	595	-
Repayment of borrowings	Within 24 months	2,857	2,857	-
Development cost for Solar Power Plant	Within 6 months	2,500	2,500	-
Future business investments and/ or acquisitions	Within 24 months	476	-	476
Expansion of quarry division	Within 24 months	714	-	714
Funding of diversification into oil & gas	Within 24 months	714	714	-
Expansion of bituminous products division	Within 24 months	954	954	-
Working capital	Within 24 months	844	844	-
Expenses for corporate exercises	Within 1 month	207	207	-
Funding of Proposed Acquisition	Within 12 months	7,143	-	7,143
Funding of Proposed Diversificati Within 12 months	Within 12 months	476	476	-
<b>Total</b>		<b>17,480</b>	<b>9,147</b>	<b>8,333</b>

### Balance Proceeds pursuant to the Private Placement

Existing	Time frame for utilisation	Proposed Utilisation RM'000	Actual Proceed RM'000	Amount Utilised RM'000	Amount Unutilised RM'000
Expenditure for construction projects	Within 24 months	4,405	912	912	-
Repayment of borrowings	Within 24 months	9,143	1,892	1,892	-
Development cost for Solar Power Plant	Within 6 months	5,500	1,138	1,138	-
Future business investments and/ or acquisitions	Within 24 months	1,524	315	-	315
Expansion of quarry division	Within 24 months	2,286	473	-	473
Funding of diversification into oil & gas	Within 24 months	2,286	473	473	-
Expansion of bituminous products division	Within 24 months	3,046	631	631	-
Working capital	Within 24 months	2,702	559	559	-
Expenses for corporate exercises	Within 1 month	663	138	138	-
Funding of Proposed Acquisition	Within 12 months	22,857	4,728	-	4,728
Funding of Proposed Diversificati Within 12 months	Within 12 months	1,524	315	315	-
<b>Total</b>		<b>55,936</b>	<b>11,574</b>	<b>6,058</b>	<b>5,516</b>

## 22. Group lease and borrowings

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

	As at 31 March 2023		Total borrowings RM'000
	Long term RM'000	Short term RM'000	
<u>Secured</u>			
Term loans	9,530	23,511	33,041
Bank Overdrafts	-	4,024	4,024
Lease liabilities	7,480	1,302	8,782
Short term borrowing	-	2,286	2,286
	<u>17,010</u>	<u>31,123</u>	<u>48,133</u>

	As at 31 March 2022		Total borrowings RM'000
	Long term RM'000	Short term RM'000	
<u>Secured</u>			
Term loans	12,129	24,926	37,055
Bank Overdrafts	-	2,558	2,558
Lease liabilities	2,265	4,843	7,108
Short term borrowing	-	1,699	1,699
	<u>14,394</u>	<u>34,026</u>	<u>48,420</u>

The term loans and finance lease payables for the financial year ended 31 March 2023 recorded a decrease compared to correspondence financial year ended 31 March 2022 due to repayment of term loans and short term borrowings.

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

## 23. Derivatives

There were no derivatives for the current quarter under review.

## 24. Material Litigation

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

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

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

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

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

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

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

ODSB had filed 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 15 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 10th July 2023.

## 25. Share capital

	Year to date ended 31 Mar 2023	Year to date ended 31 Mar 2022	Year to date ended 31 Mar 2023	Year to date ended 31 Mar 2022
<b>Issued and fully paid-up</b>	<b>Number of Shares</b>		<b>RM'000</b>	<b>RM'000</b>
<i>Ordinary shares with no par value</i>	<b>('000)</b>	<b>('000)</b>		
At 1 April	1,165,614	1,165,614	76,813	166,813
Shares issued during financial year	349,599	-	11,817	-
Exercise of Share Issuance Scheme options	11,609	-	356	-
Share issue expenses	-	-	(705)	-
Share capital reduction	-	-	-	(90,000)
At 31 March	<u>1,526,822</u>	<u>1,165,614</u>	<u>88,281</u>	<u>76,813</u>
<i>Irredeemable convertible preference shares</i>				
At 1 April	582,664	-	17,237	-
Shares issued during financial year	-	582,664	-	17,480
Share issuance expenses	-	-	-	(243)
At 31 March	<u>582,664</u>	<u>582,664</u>	<u>17,237</u>	<u>17,237</u>
Total	<u>2,109,486</u>	<u>1,748,278</u>	<u>105,518</u>	<u>94,050</u>

## 26. Dividends

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

## 27. Loss per share

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months Quarter ended 31 Mar 2023</b>	<b>3 months Quarter ended 31 Mar 2022</b>	<b>Year to date ended 31 Mar 2023</b>	<b>Year to date ended 31 Mar 2022</b>
<b>Basic loss per share</b>				
Loss attributable to owners of the parent (RM'000)	(7,064)	(11,856)	(10,187)	(22,159)
Weighted average number of ordinary shares ('000)	1,522,570	1,165,614	1,165,614	1,165,614
Weighted average number of irredeemable convertible shares ('000)	582,664	582,664	582,664	-
Effect of ordinary shares issued ('000)	4,252	-	361,208	-
Effect of issuance of irredeemable convertible preference shares ('000)	-	-	-	582,664
Adjusted weighted average number of shares ('000)	<u>2,109,486</u>	<u>1,748,278</u>	<u>2,109,486</u>	<u>1,748,278</u>
Basic loss per share (sen)	(0.46)	(1.02)	(0.67)	(1.90)
Diluted loss per share (sen)	<u>(0.33)</u>	<u>(0.68)</u>	<u>(0.48)</u>	<u>(1.27)</u>

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

## 28. Notes to the Consolidated Statement of Comprehensive Income

	<b>Current Quarter Ended 31 Mar 2023 RM'000</b>	<b>Year-to -date Ended 31 March 2023 RM'000</b>
Depreciation and amortisation	661	2,454
Loss/(Gain) on disposal of property, plant and equipment	2	(35)
Reversal of impairment loss on investment in associate	-	123
Gain on disposal of subsidiary company	(133)	(133)
Impairment loss on receivables	3,347	3,686
Interest expense	(1,240)	1,370
Interest income	(175)	(380)
Realised loss on foreign exchange	67	14
Unrealised loss/(gain) on foreign exchange	<u>43</u>	<u>(30)</u>

## 29. Authorised for issuance

The interim financial statements for financial quarter ended 31 March 2023 has been approved by the Board of Directors of MRB on 29 May 2023 for release to the Bursa Securities.

## **Press Release**

For Immediate Distribution

### **Minetech Posts 46% Growth in Revenue for 4Q**

*LBT for FY2023 halved as civil engineering and bituminous products businesses continue to show earnings improvement*

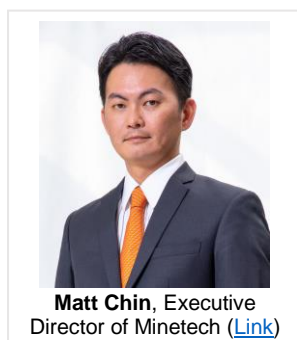
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**KUALA LUMPUR, 30 MAY 2023 – Minetech Resources Berhad** ("Minetech" or the "Company"), a civil engineering specialist and bituminous products manufacturer, today announced that the Company reported a 46.1% increase in revenue to RM36.9 million for the fourth quarter ended 31 March 2023 ("4Q FY2023") compared with revenue of RM25.2 million in 4Q FY2022.

The Company registered a loss before tax ("LBT") of RM7.2 million for 4Q FY2023 compared with LBT of RM12.1 million in 4Q FY2022. For FY2023, the Company recorded a 45.4% growth in revenue to RM124.2 million compared with RM85.4 million in FY2022 while LBT for the period under review has been halved to RM10.2 million from RM24.3 million.

For the quarter under review, the civil engineering division recorded revenue of RM23.4 million with an operating profit of RM2.3 million compared with revenue of RM14.7 million and operating profit of RM0.9 million in 4Q FY2022. The bituminous products division's revenue increased to RM8.6 million with an operating loss of RM0.2 million compared with revenue of RM5.1 million and an operating profit of RM0.5 million while the services division's revenue decreased to RM0.4 million with an operating loss of RM0.6 million compared with revenue of RM1.7 million and operating loss of RM4.8 million in 4Q FY2022.

For FY2023, the Company's adjusted EBITDA turned positive at RM0.75 million compared with adjusted negative EBITDA of RM11.2 million in FY2022.



**Matt Chin, Executive Director of Minetech**, said, "The civil engineering and bituminous products businesses continue to be the significant contributors to revenue. For the civil engineering business, the much higher contribution to revenue of RM14.9 million from the Selinsing gold mine compared with RM8.9 million a year ago was due to an increase in work volume. The increase in sales of coating enamel resulted in higher revenue for the bituminous products business while the operating loss was due to one-off repair and maintenance cost."

"The services business has seen an improvement with a much-reduced operating loss despite the decrease in revenue. The lower revenue was mainly due to lower supply of manpower, storage tank maintenance services and lower number of remittance transactions."

“The Company remains focused on growing the new businesses that we have diversified into over the past three years, which includes financial technology and renewable energy (“RE”) that can help sustain earnings and growth over the longer-term. For the RE venture, we won a contract valued at RM36.7 million in January this year from Tesdec Hydropower Sdn Bhd for the development of a 3MW mini hydropower plant in Besut, Terengganu. We are cautiously optimistic for the Company’s outlook given the better-than-expected economic growth of 5.6% in 1Q that was underpinned by broad-based growth across all sectors of the economy.”

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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, oil and gas services, financial technology and food and beverage distribution. 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](http://minetech.com.my).

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