



MINETECH

MINETECH RESOURCES BERHAD GROUP

ANNOUNCEMENT PACKAGE

Q4/FY2021

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

Condensed Consolidated Statement Of Comprehensive Income For the Fourth Quarter Ended 31 March 2021
(The figures have not been audited)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter ended 31 Mar 2021 RM'000	Preceding Year Quarter ended 31 Mar 2020 RM'000 (Restated)	Current Year To Date Ended 31 Mar 2021 RM'000	Preceding Year To Date Ended 31 Mar 2020 RM'000 (Restated)
Continued operations				
Revenue	40,869	21,567	95,021	82,236
Cost of sales	(31,376)	(20,052)	(77,524)	(74,708)
Gross Profit	9,493	1,515	17,497	7,528
Other income	677	16,563	2,912	23,266
Administrative expenses	(2,603)	(37,710)	(14,095)	(48,144)
Selling and marketing expenses	(97)	(111)	(396)	(459)
Finance costs	(91)	(396)	(1,085)	(1,646)
Share of associate company's result	(129)	(2)	(118)	(2)
Profit/(Loss) before tax	7,250	(20,141)	4,715	(19,457)
Tax expense	(1,896)	(655)	(3,119)	(1,539)
Profit/(Loss) from continued operations	5,354	(20,796)	1,596	(20,996)
Discontinued operation				
Loss from discontinued operation, net of tax	(288)	-	(1,193)	-
Net Profit/(Loss) for the period/year	5,066	(20,796)	403	(20,996)
Other comprehensive income/(loss)				
Items that are or may be reclassified subsequently to profit or loss				
- Exchange translation differences for foreign operation	37	-	40	(71)
Total comprehensive income/(loss)	5,103	(20,796)	443	(21,067)
Profit/(Loss) attributable to:				
Owners of the Parent	4,972	(20,906)	916	(20,437)
Non-controlling interests	94	110	(513)	(559)
	5,066	(20,796)	403	(20,996)
Total comprehensive profit/(loss) attributable to:				
Owners of the Parent	5,009	(20,906)	956	(20,508)
Non-controlling interests	94	110	(513)	(559)
	5,103	(20,796)	443	(21,067)
Earnings/(Loss) per share (sen)				
- Basic	0.43	(2.27)	0.08	(2.22)
- Diluted	0.43	(2.27)	0.08	(2.22)

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 2020.

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

Condensed Consolidated Statement Of Financial Position
As at 31 March 2021

	Unaudited As At 31 March 2021 RM'000	Audited As At 31 March 2020 RM'000 (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	36,502	16,273
Right of use assets	11,504	13,004
Investment properties	10,816	10,944
Inventories	6,000	6,000
Investment in associates	-	118
Quarry development expenditure	87	356
Intangible assets	-	7,320
Goodwill on consolidation	3,979	-
Other investment	-	64
Other receivables	342	342
	<u>69,230</u>	<u>54,421</u>
Current assets		
Inventories	2,019	8,388
Contract assets	36,222	3,327
Trade receivables	18,287	28,980
Other receivables	3,674	7,131
Amount due from an associate company	9,791	-
Tax recoverables	128	259
Other investments	466	155
Asset held for sale	30,242	-
Fixed deposits with licensed bank	7,493	7,389
Cash and bank balance	15,054	10,390
	<u>123,376</u>	<u>66,019</u>
Total assets	<u><u>192,606</u></u>	<u><u>120,440</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	166,813	132,527
Less:- Treasury shares, at cost	(48)	(48)
Reserves	(75,995)	(77,063)
	<u>90,770</u>	<u>55,416</u>
Non-controlling interests	1,259	2,152
Total equity	<u><u>92,029</u></u>	<u><u>57,568</u></u>
Non-current liabilities		
Lease and borrowings	16,020	10,702
Deferred tax liabilities	2,390	2,329
	<u>18,410</u>	<u>13,031</u>
Current liabilities		
Trade payables	20,089	26,351
Other payables	17,708	11,514
Lease and borrowings	21,114	11,730
Tax payable	2,329	246
Liabilities associated to asset held for sale	20,927	-
	<u>82,167</u>	<u>49,841</u>
Total liabilities	<u><u>100,577</u></u>	<u><u>62,872</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>192,606</u></u>	<u><u>120,440</u></u>
Net assets per share (RM)	0.08	0.06

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 2020.

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

Condensed Consolidated Statements of Changes in Equity
For the Financial Year Ended 31 March 2021
(The figures have not been audited)

	Attributable to owners of the parent								
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Warrant reserve RM'000	Other reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 April 2020	132,527	(48)	-	-	-	(67,785)	64,694	2,152	66,846
- Prior year adjustments	-	-	-	-	-	(9,278)	(9,278)	-	(9,278)
Balance as at 1 April 2020 (restated)	132,527	(48)	-	-	-	(77,063)	55,416	2,152	57,568
Profit/(Loss) for the financial year	-	-	-	-	-	916	916	(513)	403
Other comprehensive income	-	-	40	-	-	-	40	-	40
Total comprehensive loss for the financial year	-	-	40	-	-	916	956	(513)	443
Transactions with owners:									
Issuance of share capital	34,286	-	-	-	-	-	34,286	-	34,286
Acquisition of new subsidiary	-	-	-	-	-	112	112	(380)	(268)
	34,286	-	-	-	-	112	34,398	(380)	34,018
At 31 March 2021	166,813	(48)	40	-	-	(76,035)	90,770	1,259	92,029

	Attributable to owners of the parent								
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Warrant reserve RM'000	Other reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 April 2019	132,527	(48)	71	21,972	(21,972)	(56,604)	75,946	8,884	84,830
- effects of adoption of the MFRS Framework	-	-	-	-	-	(22)	(22)	-	(22)
Balance as at 1 April 2019 (restated)	132,527	(48)	71	21,972	(21,972)	(56,626)	75,924	8,884	84,808
Loss for the financial year	-	-	-	-	-	(20,437)	(20,437)	(559)	(20,996)
Other comprehensive income	-	-	(71)	-	-	-	(71)	-	(71)
Total comprehensive loss for the financial year	-	-	(71)	-	-	(20,437)	(20,508)	(559)	(21,067)
Transactions with owners:									
Disposal of non-controlling interest	-	-	-	-	-	-	-	(6,173)	(6,173)
Lapse of warrants	-	-	-	(21,972)	21,972	-	-	-	-
	-	-	-	(21,972)	21,972	-	-	(6,173)	(6,173)
At 31 March 2020	132,527	(48)	-	-	-	(77,063)	55,416	2,152	57,568

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 2020.

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

Condensed Consolidated Statement Of Cash Flows
For the Financial Year Ended 31 March 2021

(The figures have not been audited)

	12 Months To Date ended 31 March 2021 RM'000	Preceding period 12 months ended 31 March 2020 RM'000 (Restated)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax from continuing operations	4,715	(19,457)
Loss before tax from discontinued operation	(1,100)	-
Profit / (Loss) before tax	3,615	(19,457)
Adjustments for:-		
Bad debts written off	-	1,996
Bad debts recovery	(1,184)	-
Deposits recovered	-	(1)
Depreciation and amortisation	3,913	5,243
Fair value adjustment on other receivables	-	(14)
Finance costs	1,199	1,576
Gain on disposal of property, plant and equipment	(354)	(1,290)
(Gain)/Loss on disposal of subsidiaries	(28)	1,155
Interest income	(308)	(322)
Impairment losses on:		
- receivables	105	7,474
- intangible assets	-	4,259
- goodwill on consolidation	-	1,341
Property, plant and equipment written off	-	(11)
Reversal on impairment losses on receivables	-	(2,284)
Share of associate company's result	118	(2)
Unrealised gain on foreign exchange	(96)	(10)
Operating profit before changes in working capital	6,980	(347)
Changes in working capital		
Quarry development expenditure	31	(32)
Inventories	(1,807)	(3,712)
Receivables	10,091	(8,296)
Contract assets	(32,895)	7,150
Payables	14,750	2,718
Net cash used in operations	(2,850)	(2,519)
Tax paid	(1,222)	(1,442)
Tax refund	437	1,481
Interest paid	(1,199)	(1,576)
Interest received	308	322
Net cash used in operating activities	(4,526)	(3,734)

	12 Months To Date ended 31 March 2021 RM'000	Preceding period 12 months ended 31 March 2020 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(25,816)	(982)
Proceeds from disposal of property, plant and equipment	413	8,286
Proceeds from disposal of subsidiary companies	-	6,649
Changes in amount due from associate company	(9,791)	(98)
Changes in other investments	(311)	684
Net cash (used in)/generated from investing activities	(35,505)	14,539
CASH FLOW FROM FINANCING ACTIVITIES		
Net changes in fixed deposits pledged	(2,017)	3,807
Drawdown of borrowings	18,487	-
Repayment of borrowings	(4,659)	(770)
Drawdown of term loans	3,150	-
Repayment of term loans	(380)	(961)
Repayment of lease liabilities	(2,347)	(4,368)
Proceeds from issuance of shares	34,286	-
Net cash generated from/(used in) financing activities	46,520	(2,292)
Net Changes in Cash and Cash Equivalents	6,489	8,513
Cash and Cash Equivalents at beginning of the year	4,254	(4,199)
Effects of exchange translation differences on cash and cash equivalents	96	(60)
Cash and Cash Equivalents at the end of year	10,839	4,254
Cash and Cash Equivalents comprises of :		
Fixed deposits with licensed banks	7,493	7,389
Cash and bank balances	15,054	10,390
	22,547	17,779
Bank overdrafts	(4,226)	(6,147)
	18,321	11,632
Less: fixed deposits pledged to licensed banks	(7,482)	(7,378)
	10,839	4,254

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

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134: - Interim Financial Reporting issued by the Malaysia Accounting Standards Board ("MASB") and paragraph 9.22, 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 2020.

These explanatory notes attached to the interim financial reports provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2020.

2. Changes in accounting policies

Adoption of new and amended standards

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

Amendments to Reference to the Conceptual Framework in MFRS Standards	
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 7, 9 & 139	Interest Rate Benchmark Reform
Amendments to MFRS 101 & 108	Definition of Material
Amendments to MFRS 16	Covid-19-Related Rent Concessions
MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9 (Amendments to MFRS 4 Insurance Contracts)

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 16	Covid-19-Related Rent Concessions beyond 30 June 2021
MFRS 3	Reference to the Conceptual Framework
Amendment to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendment to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvement to MFRS Standards 2018 - 2020	
MFRS 17	Insurance Contracts
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current & Disclosure of Accounting policies
Amendments to MFRS 108	Estimate and Errors -Definition of Accounting Estimates
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 2020 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.

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 2021:

	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
Revenue									
Revenue to external customers	3,768	55,460	11,401	23,813	579	-	95,021	15,020	110,041
Inter-segment revenue	-	-	-	-	1,764	(1,764)	-	-	-
	<u>3,768</u>	<u>55,460</u>	<u>11,401</u>	<u>23,813</u>	<u>2,343</u>	<u>(1,764)</u>	<u>95,021</u>	<u>15,020</u>	<u>110,041</u>
Segment results	1,142	9,145	375	3,677	(6,954)	(1,893)	5,492	(829)	4,663
Interest income							308	-	308
Finance costs							(1,085)	(271)	(1,356)
Loss before tax							4,715	(1,100)	3,615
Taxation							(3,119)	(93)	(3,212)
Net profit/(loss) for the year							<u>1,596</u>	<u>(1,193)</u>	<u>403</u>
Assets									
Segment assets	<u>3,774</u>	<u>52,449</u>	<u>10,036</u>	<u>28,648</u>	<u>128,226</u>	<u>(53,893)</u>	<u>169,240</u>	<u>23,366</u>	<u>192,606</u>
Liabilities									
Segment liabilities	<u>28,893</u>	<u>28,641</u>	<u>3,809</u>	<u>22,854</u>	<u>51,953</u>	<u>(56,515)</u>	<u>79,635</u>	<u>20,942</u>	<u>100,577</u>

Segmental information for the 12 months ended 31 March 2020:

	Quarry Products RM'000	Civil Engineering RM'000	Bituminous Products RM'000	Services RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue							
Revenue to external customers	23,227	43,712	15,199	-	98	-	82,236
Inter-segment revenue	20	3,355	-	-	456	(3,831)	-
	<u>23,247</u>	<u>47,067</u>	<u>15,199</u>	<u>-</u>	<u>554</u>	<u>(3,831)</u>	<u>82,236</u>
Segment results	966	1,195	848	-	(4,457)	(16,685)	(18,133)
Interest income							322
Finance costs							(1,646)
Loss before tax							(19,457)
Taxation							(1,539)
Net loss for the year							<u>(20,996)</u>
Assets							
Segment assets	<u>32,401</u>	<u>46,896</u>	<u>11,793</u>	<u>-</u>	<u>77,224</u>	<u>(47,874)</u>	<u>120,440</u>
Liabilities							
Segment liabilities	<u>55,063</u>	<u>32,274</u>	<u>5,498</u>	<u>-</u>	<u>26,483</u>	<u>(56,446)</u>	<u>62,872</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 2021 RM'000	As at 31 Mar 2020 RM'000
Corporate guarantees	28,681	13,322
Bank guarantees	5,064	5,752

14. Capital commitments

There was no material capital commitment not provided for as at 31 March 2021.

15. Related party transactions

	Current Quarter Ended 31 Mar 2021 RM'000	Year-to -date Ended 31 Mar 2021 RM'000
Sales of direct material to related companies	(1,768)	(7,613)
Management fees from related companies	(881)	(2,244)
Commission from related company	(56)	(205)
Rental Income from related companies	(53)	(562)
Purchase of direct material from related companies	242	334
Office rental paid to related companies	48	385
Management fees paid to related companies	761	1,764
Transportation charged from related company	31	164
Rental paid to related companies	39	327
Advances to related companies	3,000	7,201

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 2021	3 months ended 31 Mar 2020	3 months ended 31 Mar 2021	3 months ended 31 Mar 2020
	RM'000	RM'000	RM'000	RM'000
Quarry Products	952	5,771	675	(3,816)
Quarry Products (discontinued)	4,116	-	22	-
Civil Engineering	18,827	12,787	4,167	(2,378)
Bituminous Products	4,184	2,873	262	182
Services	16,373	-	3,196	-
Others	1,293	136	(854)	562
Eliminations	(761)	-	(415)	(14,431)
Group	44,984	21,567	7,053	(19,881)
Less: Finance Costs			2	(260)
Profit/(Loss) Before Tax			7,055	(20,141)

The Group's revenue has improved to RM44.98 million and recorded a operating profit of RM7.06 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 RM21.57 million and loss before tax of RM20.14 million respectively.

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

Quarry Products

Revenue for the quarry products segment has decreased to RM5.07 million with an operating profit of RM0.7 million as compared to the previous year's corresponding quarter revenue of RM5.77 million and operating loss of RM3.82 million. This is mainly due to the replacement of the quarry subcontractor and the new subcontractor has yet to achieve optimal performance.

Civil Engineering

Revenue for the current quarter has increased to RM18.83 million with an operating profit of RM4.17 million compared with the same quarter of the last financial year's revenue of RM12.79 million and operating loss of RM2.38 million.

The higher revenue recorded for this reporting quarter is mainly due to new projects undertaken namely, YTL Electrified Double Track (YEDT), YEDT2 and Cheras-Kajang Expressway. In addition, the revenue recorded for Selinsing Gold Mine has also increased to RM6.5 million as compared to the preceding year's corresponding quarter of RM6 million.

The improvement in the operating profit is mainly due to the Group's proactive initiatives to ensure that costs are properly managed.

Bituminous Products

Revenue recorded for this segment for this reporting quarter was RM4.18 million with an operating profit of RM0.26 million as compared with same quarter of the last financial year's revenue of RM2.87 million and operating profit of RM0.18 million. The higher revenue is due to the recovery of local and export demand.

Services

This new segment had contributed a revenue and operating profit of RM16.37 million and RM3.2 million respectively, which is generated through contract awarded to a newly incorporated subsidiary.

Comparison with immediate preceding quarter's results (Q4-FY'21 vs Q3-FY'21)

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	952	1,360	(408)	-30%
Quarry Products (discontinued)	4,116	4,533	(417)	-9%
Civil Engineering	18,827	15,918	2,909	18%
Bituminous Products	4,184	3,812	372	10%
Services	16,373	7,440	8,933	0%
Others	1,293	739	554	75%
Eliminations	(761)	(721)	(40)	0%
Group	44,984	33,081		
Profit Before Tax	7,055	762	6,293	>100%

For the current quarter under review, the quarry products segment's revenue had decreased to RM5.07 million compared to RM5.89 million recorded in the immediate preceding quarter is mainly due to the new subcontractor has yet to achieve optimal performance upon commencement of operation.

The civil engineering segment's revenue had increased to RM18.83 million as compared to RM15.92 million recorded in the immediate preceding quarter mainly due to increase of capacity in order to meet the backlog demand in the previous quarters.

The bituminous products segment recorded an increase of revenue to RM4.18 million as compared to the revenue of RM3.81 million recorded in the immediate preceding quarter due to the recovery of local and export demand.

The services segment's revenue recorded an increase of revenue to RM16.37 million as compared to RM7.44 million recorded in the immediate preceding quarter as the works progresses.

The Group performance has recorded a profit before tax of RM7.06 million as compared to loss before tax of RM0.76 million recorded in the immediate preceding quarter due mainly to higher revenue generated from new contracts as well as proactive measures and initiatives undertaken by the Group to manage its costs.

17. Prospects

The Malaysian economy contracted by 3.4% in the fourth quarter (3Q 2020: -2.6%; 2Q 2020: -17.1%; 1Q 2020: 0.7%) due to the restrictions imposed to curb the spread of the COVID-19 pandemic. For 2020 as a whole, the economy contracted by 5.6%, its worst performance since 1998 and below the government's projection of -3.5% to -5.5%. Based on Bank Negara Malaysia's Economic and Monetary Review 2020 Report, Malaysia's economy is expected to recover in 2021, with growth ranging from 6.0% - 7.5%, a slight drop from its earlier projection of 6.5% - 7.5%.

The revised outlook comes amid the spike of Covid-19 cases in January 2021 forcing the proclamation of state of emergency and MCO 2.0 to curb the spread. Nonetheless, the restrictions imposed during this period were less stringent and majority of the business supply chain for construction and manufacturing sectors were not very much affected. Coupled with the rollout of the National COVID-19 Immunisation Programme, this will further improve confidence and support the economic recovery. Growth will be driven by a strong recovery in exports, higher private consumption, faster investment activity and progress in major infrastructure projects such as the East Coast Rail Link and Mass Rapid Transit 3 (MRT 3).

The Group will continue to remain vigilant on its capital expenditure and spending. Greater focus will be placed on various cost control measures and cash conservation. The Group aims to strengthen our resilience and financial position by exploring strategic restructuring initiatives that have seen us embarking into technology and innovation, and penetration into second-tier construction activities. These diversified businesses have helped the Group to weather the storm and continue to create values to shareholders and other stakeholders during this difficult time.

Barring any further unforeseen circumstances, the Group remains upbeat on the positive outlook for financial year 2022 considering the rollout of vaccine to achieve herd immunity and allocation of funds for large infrastructure projects including the recent announcement on MRT 3 project in Klang Valley.

18. Significant Events

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

i) Techmile Resources Sdn Bhd ("TRSB"), a wholly-owned subsidiary of the Company had on 27 October 2020 accepted a Letter of Award dated 19 October 2020 ("LOA") from ARNN Technologies Sdn Bhd ("ATSB") appointing TRSB as a contractor to undertake and complete the contract works for "Merekabentuk, membangun, membekal, memasang, mengkonfigurasi, menguji dan mentauliah Pusat Data Bersepadu" at a contract value of RM37,462,130, on a Call Out Basis Option for Works ("Works"). The Works will commence upon acceptance of service order and is expected to be completed within 24 months from the commencement date with any extension period obtained from the project owner to be added to the completion date.

ii) Konsep Khas Sdn Bhd ("KKSB"), an associate company of the Company had on 10 November 2020 accepted a Letter of Offer form K.H. Communication Sdn Bhd for the sub-contract works in relation to the provision of construction services for the supply, delivery and installation of traffic signs and overhead signboards for development and upgrading of Pan Borneo Highway in Sarawak - Phase 1 (Project) for Serian, Sri Aman, Bintulu and Miri Stretches at a contract value of RM15,040,000 ("Project"). The Project is expected to start effective from 2 November 2020 which shall take approximately twelve (12) months from the date of commencement, and the Project shall be completed on 1 November 2021.

iii) The Company had on 26 June 2020, entered into a Memorandum of Understanding ("MOU") with Hadid Oil & Gas LLP ("HAG") to collaboratively engage in potential business opportunities, particularly in the field of oil & gas, construction 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. On 24 February 2021, the Board of Directors announced that there has been no further material development since the previous announcement.

iv) The Company had on 3 March 2021, announced that the Company has successfully registered itself as a Registered Solar PV Investor ("RPVI") with Sustainable Energy Development Authority Malaysia ("SEDA") under the Net-Energy Metering Programme (NEM 3.0). The implementation of NEM 3.0 programme was introduced by the Energy and Natural Resources Ministry (KeTSA) offer a quota of 500 megawatts (MW) from 2021 to 2023, which aims to encourage the growth of renewable energy, provide an opportunity for more users to install the solar photovoltaic (PV) systems on the roofs of their respective buildings.

v) With the reference to Company's announcement dated 25 May 2009, 26 September 2012, 2 October 2014, 26 October 2016 and 23 November 2018 in relation to the contract works for waste removal, ore delivery and associated works for open pit mining in respect of Selinsing Gold Mine Project. Minetech Construction Sdn Bhd ("MCSB"), a wholly-owned subsidiary of the Company had on 11 March 2011 entered into an agreement with Able Return Sdn Bhd and Damar Consolidated Exploration Sdn Bhd in connection to this Project for a further period of 36 months commencing from 1 July 2020 to 30 June 2023 with an estimated total contract value of approximately RM70.0 million.

vi) The Company announced on 12 March 2021, Techmile Resources Sdn Bhd ("TRSB"), a wholly-owned subsidiary of the Company entered into a Shares Sale Agreement with the Encik Ahmad Razhizal Bin Dato' Ahmad Rasidi, Encik Jamaluddin Bin Mann, and Ms Lui Soik Teng for the purpose of acquisition of 300,000 ordinary shares in Uniqa (M) Sdn Bhd ("Uniqa") representing 60% of the issued and paid-up share capital of Uniqa for a total purchase consideration of RM2,829,472.

vii) The Company announced on 13 August 2020, Minetech Construction Sdn Bhd ("MCSB"), a wholly-owned subsidiary of the Company had entered into a Memorandum of Understanding ("MOU") with Borneo Oil & Gas Corporation Sdn Bhd ("BOG") to establish joint collaboration to undertake mining works at Hutan Simpan Bukit Ibam, Mukim Keratong, Daerah Rompin, Pahang Darul Makmur ("Land") ("Joint Collaboration"). On 2 April 2021, the Board of Directors announced that BOG and MCSB had mutually agreed to terminate the MOU due to the Parties are unable to agree and finalise the terms of potential collaboration.

viii) Coral Evergreen Sdn Bhd (formerly known as Minetech Builders Sdn Bhd), an indirect wholly-owned subsidiary of the Company had on 3 May 2021 accepted a Letter of Acceptance dated 3 May 2021 ("LOA") from Azan Engineering Sdn Bhd ("AESB") to undertake the construction works of the project "Cadangan Pembinaan Fasa Kedua Institut Kemahiran Islam Sarawak" at a contract value of RM33,687,910 ("Project"). The Project is expected to commence upon receipt of Official Order to commence with works from AESB and the Project shall be completed on 18 March 2024.

ix) The Company announced on 18 May 2021, entered into a Shares Sale Agreement ("SSA") with Bertam Roadbase Sdn Bhd ("BRBS") to dispose its entire investment of 1,200,000 ordinary shares in Bertam Capital Sdn Bhd ("BCSB"), representing 60% equity interest in BCSB to BRBS for a total consideration of RM10,200,000 for future business opportunity.

x) The Company announced on 20 May 2021, Minetech Asphalt Man International Sdn Bhd ("MAMI"), an 85%-owned subsidiary of the Company had 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 ("Project") ("Joint Collaboration").

xi) The Company had on 1 June 2021, announced that Konsep Khas Sdn Bhd ("KKSB"), an 55%-owned subsidiary of the Company had entered into a Distributor Agreement ("Agreement") with Krohne (M) Sdn Bhd ("Krohne") to be appointed as a distributor and service partner of Krohne's products and spare parts to the general industry (non-oil and gas industry) in the State of Sarawak and Pahang. The Agreement will become effective on 1 June 2021 until 31 May 2022. It shall have an initial terms of one (1) year and another one (1) year of Agreement extension will be offered until 31 May 2023.

19. Private Placement

The Company had on 12 May 2020 announced a Proposed Private Placement of new ordinary shares in MRB, representing up to ten percent (10%) of the total number of issued shares in MRB. As at 8 May 2020, being the latest practicable date prior to the announcement, the total number of issued shares of MRB is 999,489,900 and the number of the new MRB shares that could be issued under the Proposed Private Placement would be as follow:

- (i) Up to 105,938,900 new MRB Shares, representing not more than ten percent (10%) of the Company's enlarged issued share capital, assuming the full exercise of 59,900,000 outstanding SIS options prior to the implementation of the Proposed Private Placement and assuming none of the 285,000 treasury shares are resold in the open market by MRB ("Maximum Scenario"); or
- (ii) Up to 99,948,900 new MRB Shares, representing not more than ten percent (10%) of the Company's issued share capital, assuming that none of the outstanding SIS options are exercised prior to the implementation of the Proposed Private Placement and assuming none of the 285,000 treasury shares are resold in the open market by MRB ("Minimum Scenario").

Bursa Malaysia Securities Berhad had, vide its letter dated 19 May 2020, approved the listing and quotation of the proposed Private Placement.

The Company has made placements as follows:

- (i) First tranche Private Placement of 48,000,000 new MRB Shares at RM0.235 each on 15 June 2020 and completed on 25 June 2020
- (ii) Second tranche Private Placement of 30,000,000 new MRB Shares at RM0.275 each on 7 July 2020 and completed on 20 July 2020
- (iii) Third tranche Private Placement of 27,938,900 new MRB Shares at RM0.281 each on 30 July 2020 and completed on 12 August 2020

Status of Utilisation of Proceeds from Placement Shares

The proceeds from private placement of three tranches are RM27.38 million after the corporate exercise of the private placement.

As at 31 March 2021, the Group had utilised the proceeds from private placement in the following manner:-

Details of Utilisation	Proposed Utilisation	Actual Utilisation	Intended Timeframe for Utilisation	Deviation Amount		Explanations (if the deviation is 5% or more)
	RM'000	RM'000		RM'000	%	
Proceeds from Private Placement of three tranches						
a) Construction Projects Expenditure	9,000	6,000	Within 24 months	3,000	33%	In progress
b) Development of Large Scale Solar Photovoltaic Plant ("Solar Plant")	9,500	6,546	Within 24 months	2,954	31%	In progress
c) Working capital	8,729	8,729	Within 24 months	-	0%	
d) Estimate expenses in relation to Private Placement	152	152	Within 1 month	-	0%	
Total	27,381	21,427		5,954		

20. Profit forecast/profit guarantee

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

21. Tax expense

Tax expenses were as follows:

Current tax expense :

- current tax provision
- under provision in prior years

Current deferred tax

- relating to origination and reversal of temporary differences
- under provision in prior years

	12 months period ended 31 Mar 2021 RM'000	12 months period ended 31 Mar 2020 RM'000
Current tax expense :		
- current tax provision	3,151	1,285
- under provision in prior years	-	151
	<u>3,151</u>	<u>1,436</u>
Current deferred tax		
- relating to origination and reversal of temporary differences	61	65
- under provision in prior years	-	38
	<u>3,212</u>	<u>1,539</u>

22. Status of corporate proposals

The Company had on 15 March 2021, 18 March 2021 and 22 April 2021 announced multiple corporate proposals as following:-

- (i) Reduction of the Company's issued share capital by RM90 million pursuant to Section 116 of the Companies Act 2016 ("Act") ("Proposed Share Capital Reduction");
- (ii) Private placement of up to 349,598,600 new ordinary shares in the Company ("Minetech Shares" or "Shares") ("Placement Shares"), representing not more than 30% of the Company's existing number of issued Shares (excluding any treasury shares) ("Proposed Private Placement");
- (iii) Renounceable right issue of up to 582,664,400 new irredeemable convertible preference shares in the Company ("ICPS") on the basis of 1 ICPS for every 2 existing Minetech Shares held on an entitlement date to be determined ("Entitlement Date") ("Proposed Rights Issue of ICPS");
- (iv) Amendment to the Constitution of the Company to facilitate the issuance of the ICPS ("Proposed Constitution Amendment");
- (v) Establishment of a share issuance scheme ("SIS") of up to 15% of the total number of issued Shares (excluding any treasury shares) at any one time during the duration of the share issuance scheme ("Proposed SIS");
- (vi) Diversification of the existing businesses of the Company and its subsidiaries ("Minetech Group" or "Group") to include the renewable energy business ("Proposed Diversification into Renewable Energy"); and
- (vii) Diversification of the existing businesses of the Group to include the oil and gas ("O&G") business ("Proposed Diversification into O&G")

The Company had submitted an application to Bursa securities seeking its approval for abovementioned multiple corporate proposals.

23. Group lease and borrowings

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

	As at 31 March 2021		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
<u>Secured</u>			
Term loans	11,568	1,905	13,473
Bank overdrafts	-	4,226	4,226
Lease liabilities	4,452	566	5,018
Short term borrowing	-	14,417	14,417
	16,020	21,114	37,134
	As at 31 March 2020		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
<u>Secured</u>			
Term loans	9,188	1,031	10,219
Bank overdrafts	-	6,147	6,147
Lease liabilities	1,514	2,228	3,742
Short term borrowing	-	2,324	2,324
	10,702	11,730	22,432

The term loans and finance lease payables for the current quarter ended 31 March 2021 recorded an increase compared to correspondence quarter ended 31 March 2020 due to new drawdown of term loans and short term borrowings.

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

24. Derivatives

There were no derivatives for the current quarter under review.

25. 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 Summons dated 1 April 2013 until full payment and costs of RM80,000.

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

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

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

Hearing of the appeals was done on 31st March 2021. The court has rejected ODSB's appeals as well as SMGQ's appeal. Briefly, they have 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.

Hearing for assessment of damages will be resumed at the HC. The hearing of SMGQ's application for leave to appeal to the Federal Court is fixed on 15/9/2021 via Zoom.

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

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

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

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

Hearing of the appeals was done on 31st March 2021. The court has rejected this appeal as well as SMGQ's appeal.

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.

26. Share capital

	Year to date ended 31 Mar 2021	Year to date ended 31 Mar 2020	Year to date ended 31 Mar 2021	Year to date ended 31 Mar 2020
	<u>Number of Shares</u>		<u>RM'000</u>	<u>RM'000</u>
	('000)	('000)		
Issued and fully paid-up				
<i>Ordinary shares with no par value</i>				
At 1 April	921,575	921,575	132,527	132,527
Shares issued during financial period	244,039	-	34,286	-
At 31 March	1,165,614	921,575	166,813	132,527

27. Dividends

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

28. Earnings/(Loss) per share

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months Quarter ended 31 Mar 2021	3 months Quarter ended 31 Mar 2020	Year to date ended 31 Mar 2021	Year to date ended 31 Mar 2020
Basic earnings/(loss) per share				
Profit/(Loss) attributable to owners of the parent (RM'000)	4,972	(20,906)	916	(20,437)
Weighted average number of ordinary shares ('000)	1,165,614	921,575	921,575	921,575
Effect of issuance of shares ('000)	-	-	244,039	-
Adjusted weighted average number of ordinary shares ('000)	1,165,614	921,575	1,165,614	921,575
Basic earnings/(loss) per share (sen)	0.43	(2.27)	0.08	(2.22)

29. Notes to the Consolidated Statement of Comprehensive Income

	Current Quarter Ended 31 Mar 2021 RM'000	Year-to -date Ended 31 Mar 2021 RM'000
Interest income	(10)	(308)
Interest expense	(59)	1,199
Bad debts recovery	(144)	(1,184)
Unrealised loss/(gain) on foreign exchange	21	(96)
Depreciation and amortisation	900	3,913
Gain on disposal of property, plant and equipment	(127)	(354)
Gain on disposal of subsidiary companies	-	(28)
(Reversal of impairment loss)/Impairment loss on receivables	(797)	105
Share of associate company's result	129	118

30. Prior Year Adjustments

There are some restatements of financial statements items to reflect the prior year adjustments made for the write offs of property development cost capitalised of RM2.065 million and write off of other debtors of RM7.213 million at some subsidiaries.

	31 Mar 2020 As previously reported RM'000	Adjustments RM'000	31 Mar 2020 Restated RM'000
Consolidated Statement of Financial Position			
<u>Non-Current Assets</u>			
Inventories			
- land held for property development	8,065	(2,065)	6,000
<u>Current Assets</u>			
Other receivables	14,344	(7,213)	7,131
Reserves	(67,785)	(9,278)	(77,063)
Consolidated Statement of Financial Position			
Administrative expenses	(38,866)	(9,278)	(48,144)
Profit before tax	(10,179)	(9,278)	(19,457)
Profit after tax	(11,718)	(9,278)	(20,996)
Loss for the financial year attributable to:			
- Owners of the Parent	(11,159)	(9,278)	(20,437)
Total comprehensive loss attributable to:			
- Owners of the Parent	(11,230)	(9,278)	(20,508)

31. Authorised for issuance

The interim financial statements for financial year ended 31 March 2021 has been approved by the Board of Directors of MRB on 9 June 2021 for release to the Bursa Securities.