MINETECH RESOURCES BERHAD GROUP

ANNOUNCEMENT PACKAGE

Q1/FY2023

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 2022
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter ended 30 Jun 2022	**Preceding Year Quarter ended 30 Jun 2021**	**Current Year To Date Ended 30 Jun 2022**	**Preceding Year To Date Ended 30 Jun 2021**
Continued operations	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	24,052	16,818	24,052	16,818
Cost of sales	(22,111)	(15,493)	(22,111)	(15,493)
Gross Profit	1,941	1,325	1,941	1,325
Other income	455	1,878	455	1,878
Administrative expenses	(3,616)	(7,138)	(3,616)	(7,138)
Selling and marketing expenses	(122)	(125)	(122)	(125)
Finance costs	(314)	(291)	(314)	(291)
Loss before tax	(1,656)	(4,351)	(1,656)	(4,351)
Tax expense	(300)	(92)	(300)	(92)
Loss from continued operations	(1,956)	(4,443)	(1,956)	(4,443)
Discontinued operations				
Profit from discontinued operation, net of tax	-	7	-	7
Net Loss for the period	(1,956)	(4,436)	(1,956)	(4,436)
Other comprehensive loss				
Items that are or may be reclassified subsequently to profit or loss				
- Exchange translation differences for foreign operation	56	(1)	56	(1)
Total comprehensive loss	(1,900)	(4,437)	(1,900)	(4,437)
Loss attributable to:				
Owners of the Parent	(1,875)	(3,349)	(1,875)	(3,349)
Non-controlling interests	(81)	(1,087)	(81)	(1,087)
	(1,956)	(4,436)	(1,956)	(4,436)
Total comprehensive loss attributable to:				
Owners of the Parent	(1,819)	(3,350)	(1,819)	(3,350)
Non-controlling interests	(81)	(1,087)	(81)	(1,087)
	(1,900)	(4,437)	(1,900)	(4,437)
Loss per share (sen)				
- Basic	(0.16)	(0.29)	(0.16)	(0.29)
- Diluted	(0.11)	(0.29)	(0.11)	(0.29)

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 30 June 2022

	Unaudited As At 30 June 2022 RM'000	Audited As At 31 March 2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	65,509	65,475
Right of use assets	4,072	3,959
Investment properties	1,575	1,580
Inventories	6,000	6,000
Quarry development expenditure	71	76
Goodwill on consolidation	3,455	3,455
Trade receivables	217	207
Other receivables	157	202
	81,056	80,954
Current assets		
Inventories	3,228	2,496
Contract assets	19,404	18,176
Trade receivables	33,252	35,203
Other receivables	18,179	16,120
Tax recoverables	41	93
Other investments	516	2,510
Asset held for sale	12,000	12,000
Fixed deposits with licensed bank	7,772	6,399
Cash and bank balance	8,018	10,028
	102,410	103,025
Total assets	183,466	183,979
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	95,072	94,050
Less:- Treasury shares, at cost	(48)	(48)
Reserves	(10,049)	(8,230)
	84,975	85,772
Non-controlling interests	(2,750)	(2,669)
Total equity	82,225	83,103
Non-current liabilities		
Lease and borrowings	16,931	14,394
Deferred tax liabilities	2,402	2,804
	19,333	17,198
Current liabilities		
Trade payables	41,750	42,731
Other payables	6,227	6,225
Lease and borrowings	33,411	34,026
Tax payable	520	696
	81,908	83,678
Total liabilities	101,241	100,876
TOTAL EQUITY AND LIABILITIES	183,466	183,979
Net assets per share (RM)	**0.07**	**0.07**

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 30 June 2022

(The figures have not been audited)

	3 Months To Date ended 30 June 2022 RM'000	Preceding period 3 months ended 30 June 2021 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax from continuing operations	(1,656)	(4,351)
Profit before tax from discontinued operation	-	7
Loss before tax	(1,656)	(4,344)
Adjustments for:-		
Depreciation and amortisation	526	543
(Gain)/Loss on disposal of property, plant and equipment	(81)	660
Gain on disposal of subsidiary company	-	(1,102)
Finance costs	291	307
Unrealised gain on foreign exchange	(56)	(5)
Impairment losses on:		
- receivables	-	2,237
Reversal on impairment losses on property, plant and equipment	-	(464)
Interest income	(31)	(34)
Operating loss before changes in working capital	**(1,007)**	**(2,202)**
Changes in working capital		
Quarry development expenditure	5	(3)
Inventories	(732)	308
Receivables	(1,340)	(10,132)
Contract assets	(1,228)	13,729
Payables	(979)	(17,584)
Net cash used in operations	**(5,281)**	**(15,884)**
Tax paid	(826)	(266)
Interest paid	(291)	(307)
Interest received	31	34
Net cash used in operating activities	**(6,367)**	**(16,423)**

	3 Months To Date ended 30 June 2022 RM'000	Preceding period 3 months ended 30 June 2021 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(896)	(36)
Proceeds from disposal of property, plant & equipment	309	1,455
Changes in amount due to associate company	-	9,791
Changes in other investments	1,994	(2)
Net cash generated from investing activities	**1,407**	**11,208**
CASH FLOW FROM FINANCING ACTIVITIES		
Net changes in fixed deposits pledged	(1,373)	1,696
Drawdown of borrowing	2,124	6,813
Repayment of borrowings	378	(2,207)
Drawdown of term loans	150	150
Repayment of term loans	(451)	(510)
Repayment of lease liabilities	(279)	(255)
Proceeds from issuance of shares	1,022	-
Net cash generated from financing activities	**1,571**	**5,687**
Net Changes in Cash & Cash Equivalents	**(3,389)**	**472**
Cash and Cash Equivalents at beginning of the year	7,470	10,829
Effects of exchange translation differences on cash and cash equivalents	56	(1)
Cash and Cash Equivalents at the end of period	**4,137**	**11,300**
Cash and Cash Equivalents comprises of :		
Fixed deposits with licensed banks	7,772	5,797
Cash and bank balances	8,018	14,663
	15,790	20,460
Bank overdrafts	(3,881)	(3,363)
	11,909	17,097
Less: fixed deposits pledged to licensed banks	(7,772)	(5,797)
	4,137	**11,300**

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

Condensed Consolidated Statements of Changes in Equity
For the Financial Year Ended 30 June 2022
(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**
At 1 April 2022	94,050	(48)	45	(8,275)	85,772	(2,669)	83,103
Loss for the financial period	-	-	-	(1,875)	(1,875)	(81)	(1,956)
Other comprehensive income	-	-	56	-	56	-	56
Total comprehensive income/ (loss) for the financial year	-	-	56	(1,875)	(1,819)	(81)	(1,900)
Transactions with owners:							
Issuance of ordinary shares	1,436	-	-	-	1,436	-	1,436
Share issue expenses	(414)				(414)	-	(414)
	1,022	-	-	-	1,022	-	1,022
At 30 June 2022	95,072	(48)	101	(10,150)	84,975	(2,750)	82,225

	---------- 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**
At 1 April 2021	166,813	(48)	40	(76,027)	90,778	1,563	92,341
Loss for the financial period	-	-	-	(3,349)	(3,349)	(1,087)	(4,436)
Other comprehensive loss	-	-	(1)	-	(1)	-	(1)
Total comprehensive loss for the financial period	-	-	(1)	(3,349)	(3,350)	(1,087)	(4,437)
Transactions with owners:							
Acquisition on subsidiary	-	-	-	-	-	110	110
Disposal of non-controlling interest	-	-	-	-	-	(1,288)	(1,288)
	-	-	-	-	-	(1,178)	(1,178)
At 30 June 2021	166,813	(48)	39	(79,376)	87,428	(702)	86,726

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 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 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, Contigent Liabilities and Contigent 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.

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 2022:

	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	364	13,670	5,857	996	3,165	-	24,052
Inter-segment revenue	-	-	-	-	416	(416)	-
	364	13,670	5,857	996	3,581	(416)	24,052
Segment results	(351)	726	583	(332)	(2,012)	13	(1,373)
Interest income	-	26	-	-	5	-	31
Finance costs							(314)
Loss before tax							(1,656)
Taxation							(300)
Net loss for the period							(1,956)
Assets							
Segment assets	4,412	58,230	12,513	24,479	159,349	(75,517)	183,466
Liabilities							
Segment liabilities	31,396	32,375	5,673	27,158	87,500	(82,861)	101,241

Segmental information for the 3 months ended 30 June 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	835	10,182	3,342	-	2,459	-	16,818	2,785	19,603
Inter-segment revenue	-	-	(1)	-	537	(536)	-	-	-
	835	10,182	3,341	-	2,996	(536)	16,818	2,785	19,603
Segment results	(688)	298	6	(359)	(3,110)	(241)	(4,094)	102	(3,992)
Interest income	8	26	-	-	-	-	34	-	34
Finance costs							(291)	(95)	(386)
Loss before tax							(4,351)	7	(4,344)
Taxation							(92)	-	(92)
Net loss for the period							(4,443)	7	(4,436)
Assets									
Segment assets	6,239	52,360	10,502	25,622	132,616	(64,139)	163,200	-	163,200
Liabilities									
Segment liabilities	32,047	28,439	4,317	20,186	60,044	(68,559)	76,474	-	76,474

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 2022 RM'000	As at 30 Jun 2021 RM'000
Corporate guarantees	50,394	33,492
Bank guarantees	6,687	3,111

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 2022 RM'000	As at 30 Jun 2021 RM'000
Approved and contracted for:		
Construction of solar plant	8,195	-
Approved but not contracted for:		
Bituminous plant upgrade and decanting	1,126	-

15. Related party transactions

	Current Quarter Ended 30 Jun 2022 RM'000	Year-to -date Ended 30 Jun 2022 RM'000
Management fees between related companies	416	416
Rental payable to related companies	13	13
Advances to related companies	180	180

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:

	Revenue		Operating Results	
Operating Segment	**3 months ended 30 Jun 2022 RM'000**	**3 months ended 30 Jun 2021 RM'000**	**3 months ended 30 Jun 2022 RM'000**	**3 months ended 30 Jun 2021 RM'000**
Quarry Products	364	835	(351)	(680)
Quarry Products (discontinued)	-	2,785	-	102
Civil Engineering	13,670	10,182	752	324
Bituminous Products	5,857	3,341	583	6
Services	996	-	(332)	(359)
Others	3,581	2,996	(2,007)	(3,110)
Eliminations	(416)	(536)	13	(241)
Group	24,052	19,603	(1,342)	(3,958)
Less: Finance Costs			(314)	(386)
Loss Before Tax			(1,656)	(4,344)

The Group's revenue has increased to RM24.05 million and recorded a operating loss of RM1.66 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 RM19.60 million and loss before tax of RM4.34 million respectively.

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

Quarry Products

Revenue for the quarry products segment has dropped to RM0.36 million with an operating loss of RM0.35 million as compared to the previous year's corresponding quarter revenue of RM3.62 million and operating loss of RM0.58 million. Revenue has decreased mainly due to closure of quarry operations in April 2022.

Civil Engineering

Revenue for the current quarter has increased to RM13.67 million with an operating profit of RM0.75 million compared with the same quarter of the last financial year's revenue of RM10.18 million and operating profit of RM0.32 million.

A higher revenue was recorded by Selinsing Gold Mine("SGM") of RM7.3 million as compared to the preceding year's corresponding quarter of RM4.2 million as production regained traction. Revenue from the Cheras-Kajang Expressway ("CKE") project inched higher at RM2.49 million as compared to RM2.48 million in the previous year as per the client's workplan. In addition, revenue from the new Wangsa Brezza Hill ("WBH") project recorded at RM0.79 million during this quarter has cushioned the lower revenue recorded from the YTL Electrified Double Track project ("YEDT") at RM1.8 million as compared to previous year's RM1.96 million.

Bituminous Products

Revenue recorded for this segment for the reporting quarter had increased significantly to RM5.86 million with an operating profit of RM0.58 million as compared to the same quarter of the last financial year's revenue of RM3.34 million and operating profit of RM0.06 million. This is mainly due to increased in sales from multiple product range such as Coating Enamel, Tack Coat and Blown Asphalt as a result of improvement in demand from water piping and road paving projects.

Services

Revenue for the current quarter was recorded at RM1 million with an operating loss of RM0.33 million compared with the same quarter of the last financial year's nil revenue and operating loss of RM0.36 million. Revenue is driven by 3 new services projects in relation to supply of manpower, scaffolding services and storage tank maintenance services.

Comparison with immediate preceding quarter's results (Q1-FY'23 vs Q4-FY'22)

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

Operating Segment	**Current Quarter RM'000**	**Immediate preceding Quarter RM'000**	**Variance RM'000**	**%**
Quarry Products	364	271	93	34%
Civil Engineering	13,670	14,730	(1,060)	-7%
Bituminous Products	5,857	5,144	713	14%
Services	996	1,656	(660)	-40%
Others	3,581	3,978	(397)	-10%
Eliminations	(416)	(551)	135	-25%
Group	24,052	25,228		
Loss Before Tax	(1,656)	(12,148)	10,492	-86%

The quarry products segment's revenue has increased to RM0.36 million compared to RM0.27 million recorded in the immediate preceding quarter mainly due to the renewal of operating license obtained in the first quarter of FY23.

The civil engineering segment's revenue has decreased to RM13.67 million as compared to RM14.73 million recorded in the immediate preceding quarter as YEDT project nears it completion.

The bituminous products segment recorded a increase in revenue to RM5.86 million as compared to the revenue of RM5.14 million recorded in the immediate preceding quarter due to continuous market share and demand growth.

The Group performance has recorded a loss before tax of RM1.65 million as compared to loss before tax of RM12.15 million recorded in the immediate preceding quarter, mainly due to cost-cutting initiatives as well as the absence of one-off write downs and impairments in the previous quarter. The Group's active operations recorded a negative EBITDA of RM0.87 million for the quarter.

17. Prospects

Malaysian economy expanded further by 5.0% in the 1Q2022 (4Q2021: 3.6%) per the recent announcement by Bank Negara Malaysia (BNM). The quarter saw an improvement in domestic demand as economic activity returns to normal following the easing of containment measures under the National Recovery Plan ("NRP").

Improvement can be seen in all economic sectors during the period. Major sector that recorded growth during the review included Services at 6.5% (Q42021: 3.2%) and Manufacturing at 6.6% (Q42021: 9.1%). On the other hand, the Construction sector is recovering, registering smaller decrease at -6.2% (Q3 2021: -12.2%) as well as the Mining sector at -1.1% (Q32021: -0.6%).

Private consumption recorded higher growth at 5.5% (Q4 2021: 3.7%) as a result of higher spending on necessities and selected discretionary items such as restaurants and hotels, recreational services and household furnishings. In addition, consumer spending is also supported by policy measures such as Bantuan Keluarga Malaysia. Furthermore, working capital loan disbursements continued to record strong positive growth during the quarter amid higher loan applications and continued drawdowns on existing credit lines by companies to manage their cash flow.

Overall, the latest available economic indicators show that growth is on a stronger footing, mainly supported by strengthening domestic demand and sustained export growth. The Government’s direction to transition to endemicity on 1 April 2022 further supported economic activity, matched with further easing of restrictions as well as the reopening of international borders.

Yet, risks to growth such as weaker-than-expected global growth, further worsening of geopolitical conflicts and increased supply chain disruptions remain.

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 as well as increased efforts in replenishing order books. 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.

18. Significant Events

During the financial 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 27 May 2022, the Board of Directors announced that there has been no further material development since the previous announcement.

ii) Minetech Construction Sdn Bhd("MCSB") (a wholly-owned subsidiary) had on 10 March 2022 and 1 April 2022, accepted a Letter of Award from GLM Emerald Square (Cheras) Sdn Bhd appointing MCSB as a contractor for the execution and completion of External Link Bridge, Covered Walkway and Associated Works for the proposed Emerald 9 Cheras Development on Lot 809 and 810, Mukim Cheras, daerah Hulu Langat, Selangor Darul Ehsan. This project is expected to commence on 1 April 2022 and shall be completed by 30 November 2022.

iii) Medium Visa Sdn Bhd ("MVSB") (a wholly-owned subsidiary) and Harapan Iringan Sdn Bhd ("HISB") (a wholly-owned subsidiary) have at 10 May 2022 entered into a Sale and Purchase Agreement with Alliance EV Sdn Bhd in relation to the disposal of three (3) units of leasehold land in Mukim Hulu Bernam Timor, Daerah Muallim, Negeri Perak for a total sale consideration of RM12,000,000.

iv) With reference to the announcement dated 15 May 2020 in relation to the acceptance of the Letter of Award ("LOA") from Mutual Premium Sdn Bhd ("MPSB") to Minetech Construction Sdn Bhd ("MCSB"), a wholly owned subsidiary, as a sub-contractor to undertake and complete the subcontract works in accordance to the Contract Drawings, Bill of Quantities and Specifications (including remedying of defects if any) for the Project. The Company annouced that both parties have mutually agreed to terminate the LOA ("Mutual Termination"). Following the Mutual Termination, It has been agreed by MPSB and MCSB that MCSB's appointment under the LOA shall accordingly be mutually withdrawn with immediate effect and there shall be no claims by both MPSB and MCSB against each other in relation to the termination of the LOA.

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 2022 RM'000	3 months period ended 30 Jun 2021 RM'000
Current tax expense :		
- current year tax provision	300	92

21. 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") (“Share Capital Reduction”);

(ii) Private placement of up to 349,598,600 new ordinary shares in the Company ("Minetech Shares" or "Shares"), representing not more than 30% of the Company's existing number of issued Shares (excluding any treasury shares);

(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;

(iv) Amendment to the Constitution of the Company to facilitate the issuance of the ICPS;

(v) Establishment of a share issuance scheme 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 (“SIS”);

(vi) Diversification of the existing businesses of the Company and its subsidiaries ("Minetech Group" or "Group") to include the renewable energy business; and

(vii) Diversification of the existing businesses of the Group to include the oil and gas business

The shareholders of the Company has approved the abovementioned corporate proposals in Extraordinary General Meeting held on 28 June 2021. The Right Issue of ICPS has been completed with the listing of and quotation for 582,664,397 ICPS on the Main Market of Bursa Securities on 25 October 2021.

The Company had on 29 December 2021 received a notice dated 23 December 2021 issued by the Registrar of Companies confirming all requirements for the Share Capital Reduction had been complied with on 24 November 2021. Accordingly, the Share Capital Reduction is effective on 24 November 2021.

The Company had also announced the effective date for the implementation of the SIS is 18 November 2021, which is the date of full compliance of the SIS in accordance with Paragraph 6.43 of the Listing Requirements.

On 6 May 2022, the Company issue 22,800,000 new ordinary shares at an issue price of RM0.063 each for a total consideration of RM1,436,400 via Private Placement for working capital purposes.

On 10 May 2022, Bursa Securities has granted the Company an extension of time of 6 months until 19 November 2022 to complete the implementation of the Private Placement.

22. Group lease and borrowings

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

	As at 30 June 2022		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Term loans	10,254	2,892	13,146
Bank Overdrafts	-	3,881	3,881
Lease liabilities	6,677	818	7,495
Short term borrowing	-	25,820	25,820
	16,931	33,411	50,342

	As at 30 June 2021		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
Term loans	11,649	2,564	14,213
Bank Overdrafts	-	3,363	3,363
Lease liabilities	4,377	458	4,835
Short term borrowing	-	18,712	18,712
	16,026	25,097	41,123

The term loans and finance lease payables for the current quarter ended 31 March 2022 recorded an increase compared to correspondence quarter ended 31 March 2021 due to new drawdown 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.

25. Share capital

	Year to date ended 30 Jun 2022	Year to date ended 30 Jun 2021	Year to date ended 30 Jun 2022	Year to date ended 30 Jun 2021
	Number of Shares			
Issued and fully paid-up	('000)	('000)	RM'000	RM'000
Ordinary shares with no par value				
At 1 April	1,165,614	1,165,614	94,050	166,813
Shares issued during financial period	22,800	-	1,436	-
Share issue expenses	-	-	(414)	-
At 31 December	1,188,414	1,165,614	95,072	166,813
Irredeemable convertible preference shares				
At 1 April	582,664	-	-	-
Rights issued during financial period	-	-	-	-
At 31 December	582,664	-	-	-
Total	1,771,078	1,165,614	95,072	166,813

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 2022	3 months Quarter ended 30 Jun 2021	Year to date ended 30 Jun 2022	Year to date ended 30 Jun 2021
Basic loss per share				
Loss attributable to owners of the parent (RM'000)	(1,875)	(3,349)	(1,875)	(3,349)
Weighted average number of ordinary shares ('000)	1,165,614	1,165,614	1,165,614	1,165,614
Weighted average number of irredeemable convertible shares ('000)	582,664	-	582,664	-
Effect of ordinary shares issued ('000)	22,800	-	22,800	-
Adjusted weighted average number of shares ('000)	1,771,078	1,165,614	1,771,078	1,165,614
Basic loss per share (sen)	(0.16)	(0.29)	(0.16)	(0.29)
Diluted loss per share (sen)	(0.11)	(0.29)	(0.11)	(0.29)

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 2022 RM'000	Year-to -date Ended 30 Jun 2022 RM'000
Depreciation and amortisation	526	526
Gain on disposal of property, plant and equipment	(81)	(81)
Interest expense	291	291
Interest income	(31)	(31)
Realised loss on foreign exchange	8	8

29. Authorised for issuance

The interim financial statements for financial quarter ended 30 June 2022 has been approved by the Board of Directors of MRB on 25 August 2022 for release to the Bursa Securities.

Press Release

For Immediate Distribution

Minetech's Revenue for 1Q Rises 43.0% to RM24 Million

Company's loss before tax narrows to RM1.66 million

KUALA LUMPUR, 25 AUGUST 2022 – **Minetech Resources Berhad** ("Minetech" or the "Company"), a civil engineering specialist and bituminous products manufacturer, today announced that the Company registered a 43.2% rise in revenue for the first quarter ended 30 June 2022 ("1Q FY2023") to RM24.05 million compared with RM16.80 million in the corresponding quarter of the last financial year ("1Q FY2022").

For the quarter under review, the Company recorded a loss before tax ("LBT") of RM1.66 million compared with LBT of RM4.35 million in 1Q FY2022.

On a segmental basis, Minetech's civil engineering division posted revenue contribution of RM13.7 million for 1Q FY2023, a gain of 34.3% compared with RM10.2 million in 1Q FY2022. The manufacturing division, which produces bituminous products for pipe coating, waterproofing and sealing, recorded revenue contribution of RM5.85 million, a gain of 75.1% compared with RM3.34 million in 1Q FY2022.



Matt Chin, Executive Director of Minetech (Link)

Matt Chin, Executive Director of Minetech, said, "The civil engineering division's contribution was supported by higher revenue from the Selinsing Gold Mine in the quarter under review compared to the corresponding quarter of the previous financial year as production regained traction while the manufacturing division saw a significant rise in revenue due to an increase in sales as a result of improved demand from water piping and road paving projects."

"Recent news flow point to firmer domestic economic growth and the announcement of the MRT3 project together with the continuation of other large civil infrastructure projects is positive for the construction sector as there will be need for civil engineering services as well as bituminous products."

"We will continue to be vigilant given the more challenging global economic outlook. We have rationalised our corporate structure and in recent years diversified into other businesses to enhance our financial performance while ensuring more stable recurring income. Our narrower losses for the quarter are a result of these measures."

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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.