



**MINETECH**  
**MINETECH RESOURCES BERHAD GROUP**

**ANNOUNCEMENT PACKAGE**

**Q3/FY2022**

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

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter ended 31 Dec 2021 RM'000	Preceding Year Quarter ended 31 Dec 2020 RM'000	Current Year To Date Ended 31 Dec 2021 RM'000	Preceding Year To Date Ended 31 Dec 2020 RM'000
<b>Continued operations</b>				
Revenue	22,915	28,261	60,163	54,152
Cost of sales	(21,169)	(24,223)	(55,589)	(46,148)
<b>Gross Profit</b>	<b>1,746</b>	<b>4,038</b>	<b>4,574</b>	<b>8,004</b>
Other income	296	1,456	2,549	2,235
Administrative expenses	(4,747)	(4,267)	(18,067)	(11,492)
Selling and marketing expenses	(125)	(106)	(378)	(299)
Finance costs	(299)	(396)	(877)	(994)
Share of associate company's result	-	70	-	11
<b>Loss/(Profit) before tax</b>	<b>(3,129)</b>	<b>795</b>	<b>(12,199)</b>	<b>(2,535)</b>
Tax expense	(227)	(441)	(518)	(1,223)
<b>Loss/(Profit) from continued operations</b>	<b>(3,356)</b>	<b>354</b>	<b>(12,717)</b>	<b>(3,758)</b>
<b>Discontinued operations</b>				
(Loss)/Profit from discontinued operation, net of tax	-	(33)	7	(905)
<b>Net (Loss)/Profit for the period</b>	<b>(3,356)</b>	<b>321</b>	<b>(12,710)</b>	<b>(4,663)</b>
<b>Other comprehensive (loss)/income</b>				
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
- Exchange translation differences for foreign operation	(11)	3	(4)	3
<b>Total comprehensive (loss)/income</b>	<b>(3,367)</b>	<b>324</b>	<b>(12,714)</b>	<b>(4,660)</b>
<b>(Loss)/Profit attributable to:</b>				
Owners of the Parent	(3,159)	232	(10,303)	(4,056)
Non-controlling interests	(197)	89	(2,407)	(607)
	<b>(3,356)</b>	<b>321</b>	<b>(12,710)</b>	<b>(4,663)</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Parent	(3,170)	235	(10,307)	(4,053)
Non-controlling interests	(197)	89	(2,407)	(607)
	<b>(3,367)</b>	<b>324</b>	<b>(12,714)</b>	<b>(4,660)</b>
<b>(Loss)/Earnings per share (sen)</b>				
- Basic	(0.27)	0.02	(0.88)	(0.35)
- Diluted	(0.18)	0.02	(0.59)	(0.35)

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 2021.

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

**Condensed Consolidated Statement Of Financial Position**  
**As at 31 December 2021**

	<b>Unaudited As At 31 December 2021 RM'000</b>	<b>Audited As At 31 March 2021 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	54,852	36,502
Right of use assets	11,192	11,504
Investment properties	10,720	10,816
Inventories	6,000	6,000
Quarry development expenditure	80	87
Goodwill on consolidation	4,065	3,979
Other receivables	354	582
	<u>87,263</u>	<u>69,470</u>
<b>Current assets</b>		
Inventories	2,465	2,019
Contract assets	23,174	36,222
Trade receivables	31,670	18,287
Other receivables	18,331	3,433
Amount due from an associate company	-	9,791
Tax recoverables	108	128
Other investments	5,493	466
Asset held for sale	-	31,255
Fixed deposits with licensed bank	6,366	7,493
Cash and bank balance	15,649	15,054
	<u>103,256</u>	<u>124,148</u>
<b>Total assets</b>	<u>190,519</u>	<u>193,618</u>
	<b>Unaudited As At 31 December 2021 RM'000</b>	<b>Audited As At 31 March 2021 RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	94,293	166,813
Less:- Treasury shares, at cost	(48)	(48)
Reserves	3,714	(75,987)
	<u>97,959</u>	<u>90,778</u>
Non-controlling interests	(2,022)	1,563
<b>Total equity</b>	<u>95,937</u>	<u>92,341</u>
<b>Non-current liabilities</b>		
Lease and borrowings	16,137	16,945
Deferred tax liabilities	2,390	2,390
	<u>18,527</u>	<u>19,335</u>
<b>Current liabilities</b>		
Trade payables	36,852	20,088
Other payables	5,500	18,411
Lease and borrowings	32,067	20,187
Tax payable	1,636	2,328
Liabilities associated to asset held for sale	-	20,928
	<u>76,055</u>	<u>81,942</u>
<b>Total liabilities</b>	<u>94,582</u>	<u>101,277</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>190,519</u>	<u>193,618</u>
<b>Net assets per share (RM)</b>	<b>0.08</b>	<b>0.08</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 2021.

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

**Condensed Consolidated Statement Of Cash Flows**  
**For the Financial Period Ended 31 December 2021**

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

	<b>9 Months To Date ended 31 December 2021 RM'000</b>	<b>Preceding period 9 months ended 31 December 2020 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax from continuing operations	(12,199)	(2,535)
Profit/(Loss) before tax from discontinued operation	7	(905)
Loss before tax	(12,192)	(3,440)
Adjustments for:-		
Bad debts recovery	(119)	(1,040)
Depreciation and amortisation	1,386	3,013
Loss/(Gain) on disposal of property, plant and equipment	773	(227)
Gain on disposal of associated company	(120)	-
Gain on disposal of subsidiary company	(1,102)	(28)
Finance costs	721	1,258
Unrealised gain on foreign exchange	(4)	(117)
Impairment losses on:		
- receivables	4,398	902
Reversal on impairment losses on property, plant and equipment	(464)	-
Share of associate company's result	-	(11)
Interest income	(117)	(298)
<b>Operating (loss)/profit before changes in working capital</b>	<b>(6,840)</b>	<b>12</b>
Changes in working capital		
Quarry development expenditure	7	88
Inventories	(446)	(1,129)
Receivables	(7,171)	6,157
Contract assets	13,048	(13,339)
Payables	(8,948)	(6,147)
<b>Net cash used in operations</b>	<b>(10,350)</b>	<b>(14,358)</b>
Tax paid	(1,214)	(781)
Tax refund	24	437
Interest paid	(721)	(1,258)
Interest received	117	298
<b>Net cash used in operating activities</b>	<b>(12,144)</b>	<b>(15,662)</b>

	<b>9 Months To Date ended 31 December 2021 RM'000</b>	<b>Preceding period 9 months ended 31 December 2020 RM'000</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(21,278)	(294)
Proceeds from disposal of property, plant & equipment	1,652	340
Net cash inflow from disposal of subsidiary companies	-	-
Changes in amount due to associate company	9,791	(6,576)
Changes in other investments	(5,027)	(4,303)
<b>Net cash used in investing activities</b>	<b>(14,862)</b>	<b>(10,833)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net changes in fixed deposits pledged	1,127	(1,906)
Drawdown of borrowing	23,299	3,512
Repayment of borrowings	(10,907)	-
Drawdown of term loans	894	3,046
Repayment of term loans	(1,810)	-
Repayment of lease liabilities	(404)	(1,340)
Proceeds from issuance of shares	17,480	34,286
<b>Net cash generated from financing activities</b>	<b>29,679</b>	<b>37,598</b>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<b>2,673</b>	<b>11,103</b>
Cash and Cash Equivalents at beginning of the period	10,840	4,254
Effects of exchange translation differences on cash and cash equivalents	4	117
<b>Cash and Cash Equivalents at the end of period</b>	<b>13,517</b>	<b>15,474</b>
<b>Cash and Cash Equivalents comprises of :</b>		
Fixed deposits with licensed banks	6,366	7,395
Cash and bank balances	15,649	16,862
	22,015	24,257
Bank overdrafts	(2,143)	(1,399)
	19,872	22,858
Less: fixed deposits pledged to licensed banks	(6,355)	(7,384)
	<b>13,517</b>	<b>15,474</b>

MINETECH RESOURCES BERHAD [200201007880 (575543-X)]

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statements of Changes in Equity

For the Financial Period Ended 31 December 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	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 period	-	-	-	(10,303)	(10,303)	(2,407)	(12,710)
Other comprehensive income	-	-	4	-	4	-	4
<b>Total comprehensive income/ (loss) for the financial period</b>	-	-	4	(10,303)	(10,299)	(2,407)	(12,706)
<b>Transactions with owners:</b>							
Right shares issued	17,480	-	-	-	17,480	-	17,480
Share capital reduction	(90,000)	-	-	90,000	-	-	-
Acquisition of new subsidiary	-	-	-	-	-	110	110
Disposal of non-controlling interest	-	-	-	-	-	(1,288)	(1,288)
	(72,520)	-	-	90,000	17,480	(1,178)	16,302
<b>At 31 December 2021</b>	<b>94,293</b>	<b>(48)</b>	<b>44</b>	<b>3,670</b>	<b>97,959</b>	<b>(2,022)</b>	<b>95,937</b>

----- 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 2020</b>	132,527	(48)	-	(67,785)	64,694	2,152	66,846
Loss for the financial period	-	-	-	(4,056)	(4,056)	(607)	(4,663)
Other comprehensive income	-	-	3	-	3	-	3
<b>Total comprehensive loss for the financial period</b>	-	-	3	(4,056)	(4,053)	(607)	(4,660)
<b>Transactions with owners:</b>							
Issuance of share capital	34,286	-	-	-	34,286	-	34,286
	34,286	-	-	-	34,286	-	34,286
<b>At 31 December 2020</b>	<b>166,813</b>	<b>(48)</b>	<b>3</b>	<b>(71,841)</b>	<b>94,927</b>	<b>1,545</b>	<b>96,472</b>

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 2021.

**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 2021.

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 2021.

**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 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 - 2020	

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
Amendment to MFRS 108	Definition of Accounting Estimates
Amendment 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 2021 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 9 months ended 31 December 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
<b>Revenue</b>									
Revenue to external customers	2,932	40,781	10,016	5,859	575	-	60,163	2,785	62,948
Inter-segment revenue	-	-	1	-	1,626	(1,627)	-	-	-
	<u>2,932</u>	<u>40,781</u>	<u>10,017</u>	<u>5,859</u>	<u>2,201</u>	<u>(1,627)</u>	<u>60,163</u>	<u>2,785</u>	<u>62,948</u>
Segment results	(815)	1,954	(90)	(1,504)	(10,683)	(293)	(11,431)	94	(11,337)
Interest income	-	81	-	-	28	-	109	8	117
Finance costs							(877)	(95)	(972)
(Loss)/ Profit before tax							<u>(12,199)</u>	<u>7</u>	<u>(12,192)</u>
Taxation							(518)	-	(518)
Net (loss)/ profit for the period							<u>(12,717)</u>	<u>7</u>	<u>(12,710)</u>
<b>Assets</b>									
Segment assets	<u>6,282</u>	<u>58,928</u>	<u>10,520</u>	<u>24,358</u>	<u>162,073</u>	<u>(71,642)</u>	<u>190,519</u>	-	<u>190,519</u>
<b>Liabilities</b>									
Segment liabilities	<u>32,256</u>	<u>33,987</u>	<u>4,533</u>	<u>21,857</u>	<u>77,943</u>	<u>(75,994)</u>	<u>94,582</u>	-	<u>94,582</u>

Segmental information for the 9 months ended 31 December 2020:

	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	2,815	36,633	7,217	7,440	47	-	54,152	10,905	65,057
Inter-segment revenue	-	-	-	-	1,003	(1,003)	-	-	-
	<u>2,815</u>	<u>36,633</u>	<u>7,217</u>	<u>7,440</u>	<u>1,050</u>	<u>(1,003)</u>	<u>54,152</u>	<u>10,905</u>	<u>65,057</u>
Segment results	157	4,978	113	481	(5,792)	(1,478)	(1,541)	(541)	(2,082)
Finance costs							(994)	(364)	(1,358)
Loss before tax							<u>(2,535)</u>	<u>(905)</u>	<u>(3,440)</u>
Taxation							(1,223)	-	(1,223)
Net loss for the period							<u>(3,758)</u>	<u>(905)</u>	<u>(4,663)</u>
<b>Assets</b>									
Segment assets	<u>11,001</u>	<u>52,366</u>	<u>9,905</u>	<u>6,960</u>	<u>110,206</u>	<u>(47,820)</u>	<u>142,618</u>	<u>16,406</u>	<u>159,024</u>
<b>Liabilities</b>									
Segment liabilities	<u>35,785</u>	<u>31,610</u>	<u>3,854</u>	<u>6,595</u>	<u>30,939</u>	<u>(60,050)</u>	<u>48,733</u>	<u>13,819</u>	<u>62,552</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 Dec 2021 RM'000	As at 31 Dec 2020 RM'000
Corporate guarantees	17,071	17,658
Bank guarantees	5,993	6,863

#### 14. Capital commitments

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

	As at 31 Dec 2021 RM'000	As at 31 Dec 2020 RM'000
Construction of solar plant	16,940	-

#### 15. Related party transactions

	Current Quarter Ended 31 Dec 2021 RM'000	Year-to -date Ended 31 Dec 2021 RM'000
Rental Income from related companies	(93)	(281)
Management fees between related companies	552	1,626
Rental payable to related companies	17	53
Advances to related companies	-	800

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 Dec 2021	3 months ended 31 Dec 2020	3 months ended 31 Dec 2021	3 months ended 31 Dec 2020
	RM'000	RM'000	RM'000	RM'000
Quarry Products	1,227	1,360	(142)	481
Quarry Products (discontinued)	-	4,533	-	(39)
Civil Engineering	15,626	15,918	919	1,542
Bituminous Products	4,005	3,812	41	340
Services	2,040	7,440	(535)	481
Others	569	739	(3,140)	(309)
Eliminations	(552)	(721)	27	(1,220)
Group	22,915	33,081	(2,830)	1,276
Less: Finance Costs			(299)	(514)
(Loss)/Profit Before Tax			(3,129)	762

The Group's revenue has decreased to RM22.92 million and recorded a operating loss of RM3.13 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 RM33.08 million and profit before tax of RM0.76 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 RM1.23 million with an operating loss of RM0.14 million as compared to the previous year's corresponding quarter revenue of RM5.89 million and operating profit of RM0.44 million. Revenue has decreased mainly due to products quality issue and replacement of quarry subcontractor resulting in lesser quarry production, as well as the disposal of a subsidiary - Bertam Capital Sdn Bhd which was completed in May 2021.

#### Civil Engineering

Revenue for the current quarter has increased to RM15.63 million with an operating profit of RM0.92 million compared with the same quarter of the last financial year's revenue of RM15.92 million and operating profit of RM1.54 million.

The higher revenue recorded for this reporting quarter is mainly contributed by Selinsing Gold Mine of RM9.92 million as compared to preceding year's corresponding quarter of RM6.78 million, Cheras-Kajang Expressway ("CKE") project of RM2.65 million as compared to preceding year's corresponding quarter of RM0.96 million, and new Wangsa Brezza Hill ("WBH") project of RM1.12 million during this quarter. However, the increase was dampen by much lower revenue recorded by the YTL Electrified Double Track project with only RM1.84 million compared to the previous year's corresponding quarter which is RM8.18 million, as the project near the tail end.

#### Bituminous Products

Revenue recorded for this segment for this reporting quarter stood at RM4.00 million with an operating profit of RM0.04 million as compared to the same quarter of the last financial year's revenue of RM3.81 million and operating profit of RM0.34 million. There was gradual recovery of sales starting from the month of August 2021 and there are more demands from local suppliers during this quarter compared to the same quarter of previous financial year.

#### Services

Revenue is derived from the information-technology services delivered by Uniqua (M) Sdn Bhd. As for Techmile Resources Berhad, no revenue was recorded for this entity mainly due to nature of the contract that is on Call-Out Basis Option of Works as well as the imposition of the Full Movement Control Order ("FMCO") that was announced in June 2021.

#### **Comparison with immediate preceding quarter's results (Q3-FY'22 vs Q2-FY'22)**

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	1,227	870	357	41%
Quarry Products (discontinued)	-	-	-	0%
Civil Engineering	15,626	14,973	653	4%
Bituminous Products	4,005	2,671	1,334	50%
Services	2,040	1,587	453	29%
Others	569	868	(299)	-34%
Eliminations	(552)	(539)	(13)	2%
Group	22,915	20,430		
Loss Before Tax	(3,129)	(4,719)	1,590	-34%

The quarry products segment's revenue has decreased to RM1.23 million compared to RM3.62 million recorded in the immediate preceding quarter mainly due to the disposal of one subsidiary - Bertam Capital Sdn Bhd in May 2021.

On the other hand, the civil engineering segment's revenue has increased to RM15.63 million as compared to RM14.97 million recorded in the immediate preceding quarter mainly due to higher volume in excavation works at the Selinsing Gold Mine.

The bituminous products segment recorded an increase of revenue to RM4.01 million as compared to the revenue of RM2.67 million recorded in the immediate preceding quarter due to higher demand from the local market.

The Group performance has recorded a loss before tax of RM3.13 million as compared to loss before tax of RM4.72 million recorded in the immediate preceding quarter, mainly due to reduced demand from the customers due to the imposition of FMCO. The Group's active operations recorded a negative EBITDA of RM1.63 million for the quarter.

## 17. Prospects

Malaysian economy contracted by 4.5% in the 3Q2021 (2Q2021: +16.1%) per the recent announcement by Bank Negara Malaysia (BNM). The contraction was particularly contributed by the re-imposition of strict containment measures under the National Recovery Plan (NRP).

All major economic sector's performance in the third quarter of 2021 recorded negative growth which is mainly from the Service sectors, registering a decline of 4.9% (2Q2021: 13.5%) and the Construction sector, recording a decline of 0.8% (2Q2021: 26.6%).

As the National COVID-19 Immunisation Programme is accelerated and the NRP thresholds are met for each state, the country's economy is expected to gradually recover. In addition, the Government has also implemented stimulus and assistance packages valued at RM530 billion, targeted to benefit more than 20 million people and 2.4 million businesses.

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) MRB Property Sdn Bhd ("MRBPSB") (a wholly-owned subsidiary) had on 19 November 2021, entered into a conditional sale and purchase agreement ("SPA") with M & GA Sdn Bhd ("MGSB") for the proposed acquisition of a parcel of freehold land held under Geran Mukim 277, Lot 11615, Tempat 4th Mile Ampang Road, Mukim Ampang, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur ("Subject Land"), for a purchase consideration of RM60,000,000, which will be satisfied entirely in cash ("Proposed Acquisition").

ii) Diman KS Chin Sdn Bhd (a wholly-owned subsidiary) had on 7 January 2022, entered into a teaming agreement with Vitamin 2U Sdn Bhd to work together for a project that involves import and trading of processed food in Malaysia from a South Korean food manufacturer, namely Samyang Food Co Ltd ("Teaming Agreement"); and in conjunction with the Teaming Agreement, the Company proposes to diversify the existing principal activities of Minetech and its subsidiaries to include the trading business of food and beverage.

## 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:

	9 months period ended 31 Dec 2021 RM'000	9 months period ended 31 Dec 2020 RM'000
<b>Current tax expense :</b>		
- current tax provision	(518)	(1,223)

## 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 23 November 2021, Bursa Securities has granted the Company an extension of time of 6 months until 19 May 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 31 December 2021		Total borrowings RM'000
	Long term RM'000	Short term RM'000	
<u>Secured</u>			
Term loans	10,742	2,916	13,658
Bank Overdrafts	-	2,143	2,143
Lease liabilities	5,395	665	6,060
Short term borrowing	-	26,343	26,343
	<u>16,137</u>	<u>32,067</u>	<u>48,204</u>

  

	As at 31 December 2020		Total borrowings RM'000
	Long term RM'000	Short term RM'000	
<u>Secured</u>			
Term loans	10,545	1,605	12,150
Bank Overdrafts	-	1,399	1,399
Lease liabilities	4,929	710	5,639
Short term borrowing	-	1,620	1,620
	<u>15,474</u>	<u>5,334</u>	<u>20,808</u>

The term loans and finance lease payables for the current quarter ended 31 December 2021 recorded an increase compared to correspondence quarter ended 31 December 2020 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 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 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 29 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. Now, it is pending the hearing date for the assessment of damages at High Court to be fixed.

### (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").

The appeal was heard on 31st March 2021. The Court of Appeal has dismissed the appeal.

The estimated legal fees to be incurred by the Group in the engagement of solicitors to litigate the abovementioned litigation cases is approximately RM50,000.

## 25. Share capital

	Year to date ended 31 Dec 2021	Year to date ended 31 Dec 2020	Year to date ended 31 Dec 2021	Year to date ended 31 Dec 2020
<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	921,575	166,813	132,527
Shares issued during financial period	-	244,039	-	34,286
Shares capital reduction	-	-	(90,000)	-
At 31 December	1,165,614	1,165,614	76,813	166,813
<i>Irredeemable convertible preference shares</i>				
At 1 April	-	-	-	-
Rights issued during financial period	582,664	-	17,480	-
At 31 December	582,664	-	17,480	-
<b>Total</b>			<b>94,293</b>	<b>166,813</b>

## 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 Dec 2021</b>	<b>3 months Quarter ended 31 Dec 2020</b>	<b>Year to date ended 31 Dec 2021</b>	<b>Year to date ended 31 Dec 2020</b>
<b>Basic loss per share</b>				
(Loss)/Profit attributable to owners of the parent (RM'000)	(3,159)	232	(10,303)	(4,056)
Weighted average number of ordinary shares ('000)	1,165,614	1,165,614	1,165,614	921,575
Effect of issuance of shares ('000)	-	-	-	244,039
Effect of issuance of irredeemable convertible preference shares ('000)	582,664	-	582,664	-
Adjusted weighted average number of ordinary shares ('000)	1,748,278	1,165,614	1,748,278	1,165,614
Basic (loss)/earning per share (sen)	(0.27)	0.02	(0.88)	(0.35)
Diluted (loss)/earning per share (sen)	(0.18)	0.02	(0.59)	(0.35)

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 Dec 2021 RM'000</b>	<b>Year-to -date Ended 31 Dec 2021 RM'000</b>
Bad debts recovery	-	(119)
Depreciation and amortisation	434	1,386
Gain on disposal of associate company	-	(120)
Gain on disposal of subsidiary companies	-	(1,102)
Impairment loss on receivables	-	4,398
Interest expense	266	891
Interest income	(55)	(117)
Loss on disposal of property, plant and equipment	-	773
Reversal of impairment loss on property, plant and equipment	-	(464)
Unrealised loss/(gain) on foreign exchange	1	(4)

## 29. Authorised for issuance

The interim financial statements for financial quarter ended 31 December 2021 has been approved by the Board of Directors of MRB on 23 February 2022 for release to the Bursa Securities.