

**MINETECH RESOURCES BERHAD (575543-X)**

**(Incorporated in Malaysia)**

**INTERIM FINANCIAL STATEMENTS**

**Condensed Consolidated Statement Of Comprehensive Income**

**For the Fourth Quarter Ended 31 Dec 2012**

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter ended 31 Dec 2012 RM'000	Preceding Year Corr. Quarter ended 31 Dec 2011 RM'000	Current Year To date ended 31 Dec 2012 RM'000	Preceding Year Corr. Period ended 31 Dec 2011 RM'000
<b>Revenue</b>	48,785	31,438	162,821	121,505
Cost of sales	(44,735)	(26,577)	(152,659)	(107,691)
Gross profit	4,050	4,861	10,162	13,814
Other operating income/(loss)	202	540	14	687
Administrative expenses	(7,059)	(3,167)	(14,926)	(9,163)
Selling and marketing expenses	(232)	(130)	(811)	(427)
Finance costs	(675)	(807)	(2,833)	(3,569)
<b>Profit/(Loss) before tax</b>	(3,714)	1,297	(8,394)	1,342
Tax expense	(151)	(325)	(152)	(325)
<b>Profit/(Loss) for the period</b>	(3,865)	972	(8,546)	1,017
<b>Other comprehensive income</b>				
Foreign currency translation differences	310	(338)	235	(345)
<b>Total comprehensive income</b>	(3,555)	634	(8,311)	672
<b>Profit/(Loss) attributable to:</b>				
Owners of the company	(3,688)	1,004	(8,670)	1,156
Non- controlling interests	(176)	(32)	124	(139)
<b>Profit/(Loss) for the period</b>	(3,864)	972	(8,546)	1,017
<b>Comprehensive income attributable to:</b>				
Owners of the company	(3,370)	675	(8,432)	820
Non- controlling interests	(185)	(42)	121	(149)
<b>Comprehensive income for the period</b>	(3,555)	634	(8,311)	672
Earnings/(loss) per share (sen)				
- Basic	(1.22)	0.33	(2.87)	0.38
- Diluted	N/A	N/A	N/A	N/A

N/A - Not Applicable

**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 December 2011.**

**MINETECH RESOURCES BERHAD (575543-X)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL STATEMENTS**  
**Condensed Consolidated Statement Of Financial Position**  
**As at 31 Dec 2012**

	<b>Unaudited As at 31 Dec 2012 RM'000</b>	<b>Audited As at 31 Dec 2011 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	52,426	56,878
Investment properties	280	5,127
Quarry development expenditure	10,595	12,099
Goodwill arising on consolidation	3	3
	<u>63,304</u>	<u>74,107</u>
<b>Current assets</b>		
Inventories	11,981	13,945
Trade and other receivables	47,290	45,166
Current tax asset	233	204
Cash and bank balances	7,495	9,158
	<u>66,999</u>	<u>68,473</u>
<b>TOTAL ASSETS</b>	<u><u>130,303</u></u>	<u><u>142,580</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Group</b>		
Share capital	60,494	60,494
Less:- Treasury shares, at cost	(48)	(48)
Reserves	(8,486)	(54)
	<u>51,960</u>	<u>60,392</u>
<b>Minority interest</b>	836	225
<b>Total equity</b>	<u>52,796</u>	<u>60,617</u>
<b>Non-current liabilities</b>		
Borrowings	12,262	20,229
Deferred tax liabilities	6,133	5,983
	<u>18,395</u>	<u>26,212</u>
<b>Current liabilities</b>		
Trade and other payables	36,347	33,099
Borrowings	22,765	22,652
	<u>59,112</u>	<u>55,751</u>
<b>Total liabilities</b>	<u>77,507</u>	<u>81,963</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>130,303</u></u>	<u><u>142,580</u></u>
<b>Net assets per share (RM)</b>	<b>0.175</b>	<b>0.200</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 December 2011.

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

**Condensed Consolidated Statements of Changes in Equity**  
**For The Quarter Ended 31 Dec 2012**  
**(The figures have not been audited)**

	----- Attributable to equity holders of the parent -----					Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Forex Reserve RM'000	Retained Earnings RM'000			
<b>At 1 Jan 2012</b>	60,494	1,921	(48)	(22)	(1,953)	60,392	225	60,617
Total comprehensive income	-	-	-	238	(8,670)	(8,432)	121	(8,311)
Changes in ownership interest in a subsidiary	-	-	-	-	-	-	490	490
<b>Balance as at 31 Dec 2012</b>	<u>60,494</u>	<u>1,921</u>	<u>(48)</u>	<u>216</u>	<u>(10,623)</u>	<u>51,960</u>	<u>836</u>	<u>52,796</u>
<b>At 1 Jan 2011</b>	60,494	1,921	(48)	314	(3,109)	59,572	374	59,946
Total comprehensive income	-	-	-	(336)	1,156	820	(149)	671
<b>Balance as at 31 Dec 2011</b>	<u>60,494</u>	<u>1,921</u>	<u>(48)</u>	<u>(22)</u>	<u>(1,953)</u>	<u>60,392</u>	<u>225</u>	<u>60,617</u>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited statements for the financial year ended 31 December 2011.

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

**Condensed Consolidated Statement Of Cash Flows**  
**For the Fourth Quarter Ended 31 Dec 2012**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at Year Ended</b>	<b>As at Year Ended</b>
	<b>31 Dec 2012</b>	<b>31 Dec 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(8,394)	1,342
Adjustment for:-		
Depreciation and amortisation	10,607	10,273
Loss on net asset of foreign operation	4,245	
Interest expenses	2,539	3,241
Other non-cash items	466	588
<b>Operating profit before changes in working capital</b>	<b>9,463</b>	<b>15,444</b>
Changes in working capital		
Decrease/(Increase) in inventories	429	(1,748)
(Increase)/Decrease in current assets	(2,429)	9,801
Increase/(Decrease) in current liabilities	7,366	(4,138)
<b>Net cash flow from operations</b>	<b>14,829</b>	<b>19,360</b>
Tax (paid)/refunded	(30)	142
Interest paid	(447)	(429)
<b>Net cash flow from operating activities</b>	<b>14,352</b>	<b>19,072</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(9,567)	(3,569)
Proceeds from disposal of property, plant & equipment	1,519	1,418
Proceeds from disposal of investment properties	3,329	-
Quarry development expenditure incurred	(876)	-
Acquisition of a subsidiary, net of proceeds received	-	(3)
<b>Net cash flow (used in)/generated from investing activities</b>	<b>(5,595)</b>	<b>(2,154)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(2,092)	(2,812)
Interest received	44	88
Net Drawdown/(Repayment) of short term borrowings	826	1,228
Repayment of term loans	(6,870)	(6,295)
Repayment of hire-purchase and lease creditors	(2,076)	(6,068)
Withdraw/(Increase) in fixed deposit pledged	-	1,355
Proceeds of issue new shares capital	490	-
<b>Net cash flow used in financing activities</b>	<b>(9,678)</b>	<b>(12,504)</b>
<b>Net changes in cash and cash equivalents</b>	<b>(921)</b>	<b>4,414</b>
Cash and cash equivalents at beginning of period	8,650	4,752
Effect on foreign exchange rate changes	(497)	(516)
<b>Cash and cash equivalents at end of period</b>	<b>7,232</b>	<b>8,650</b>
	<b>Note</b>	
<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
Fixed deposit with licensed banks	1,793	4,637
Cash and bank balances	5,702	4,520
Bank overdrafts	(263)	(507)
	7,232	8,650
Less: Fixed deposits pledged to a licensed bank	-	-
	<b>7,232</b>	<b>8,650</b>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements and the audited financial statements for financial year ended 31 December 2011.

**Notes to the Interim Financial Report**  
**For the Quarter Ended 31 Dec 2012**

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

**1. Basis of preparation**

The interim financial reports 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 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). It should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2011.

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 December 2011.

The new Malaysian Financial Reporting Standards (“MFRS”) framework which is in line with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). This MFRS is effective for annual periods beginning on or after 1 January 2012.

**2. Adoption of Revised Financial Reporting Standards**

The adoption of the above standards, amendments and interpretations did not have any significant impact on the interim financial reports of the Group in the period of initial application.

The following MFRs and IC Interpretations were issued but not yet effective and have not been applied by the Group:

		<u>Effective date</u>
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 Jan 2015
MFRS 10	Consolidated Financial Statements	1 Jan 2013
MFRS 11	Joint Arrangements	1 Jan 2013
MFRS 12	Disclosure of Interests in Other Entities	1 Jan 2013
MFRS 13	Fair Value measurement	1 Jan 2013
MFRS 119	Employee Benefits (as amended in June 2011)	1 Jan 2013
MFRS 127	Separate Financial Statements (as amended by IASB in May 2011)	1 Jan 2013
MFRS 128	Investments in Associates and Joint Ventures (As Amended by IASB in May 2011)	1 Jan 2013
Amendments to MFRS 7	Disclosures-Offsetting Financial Assets and Financial Liabilities	1 Jan 2013
Amendments to MFRS 101	Presentation of items of Other Comprehensive Income	1 Jul 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 Jan 2014
IC interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 Jan 2013

**3. Preceding year's audit report**

The annual audited financial statements for the financial year ended 31 December 2011 were 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 and August. The manufacturing and trading of industrial products will experience a shorter production and trading time during these two (2) 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 other than the following:

On 27 January 2011, K.S. Chin Minerals Sdn. Bhd. ("KSC") served a notice of termination to Batu Ayer Granite Pte. Ltd. ("BAG"), the quarry owner to terminate the Karimun Quarry Agreement and Asset Purchase Agreement both dated 14 December 2006 ("Agreements") and to claim for the refund and compensation amounting to RM10,292,422 (SGD4,313,853). On 23 February 2011, KSC received a written reply from BAG, requesting KSC to withdraw the letter of termination and allow an extension up to end of 2011 in order for them to pursue the quarry permit. The Karimun quarry permit was issued by Gubernur of Riau in 1998 and subsequently renewed and issued by Bupati Karimun in 2005. However, the Ministry of Forestry of Indonesia has suspended the quarry operations since November 2007 pending the approval of the Master Plan of Riau Province.

Subsequently, on 6 April 2011, BAG sent in a letter requesting KSC to settle the outstanding balance of the assets purchase consideration and other balances owing to BAG amounting to RM7,135,595 (SGD2,990,735), of which RM6,929,692 (SGD2,904,435) has been taken up in the books of KSC. KSC replied on 18 April 2011 mentioning that KSC does not admit the claim and is prepared to meet BAG's request to extend the time period until end of 2011 for BAG to pursue the quarry permit.

Bupati Karimun had via a letter dated 14 February 2012 mentioned that after taking into consideration the results of studies by the Kepala Dinas Pertanian dan Kehutanan Kabupaten Karimun ( Agriculture and Forestry Office of the District of Karimun), it supports the investment in principle and may issue the quarry permit subject to the execution of certain statues to change the status (rezone) of the area from forest reserve land to quarry land.

As at 31 December 2012, the net assets of the Group relating to this quarry amounted to RM4,245,233 (SGD1,696,058). In view that there is no further development of the status since then, the Board of Directors has decided to recognise the loss for the net assets in the financial statement for the year ended 31 December 2012.

**MINETECH RESOURCES BERHAD (575543-X)**  
**Incorporated in Malaysia**

**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 and equity securities**

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review.

**8. Dividend payment**

There were no dividends paid during the current financial quarter.

**9. Segmental information**

Operating Segment	Revenue		Operating Results	
	3 months ended 31 Dec 2012 RM'000	12 months ended 31 Dec 2012 RM'000	3 months ended 31 Dec 2012 RM'000	12 months ended 31 Dec 2012 RM'000
Quarry Products	21,140	80,165	(5,062)	(3,613)
Civil Engineering	15,235	38,234	2,285	(1,626)
Premix Products	8,801	25,100	(207)	(486)
Bituminous Products	4,089	20,999	(141)	648
Others	1,148	4,061	355	769
Eliminations	(1,628)	(5,738)	(269)	(1,253)
Group	<u>48,785</u>	<u>162,821</u>	<u>(3,039)</u>	<u>(5,561)</u>
Less: Finance Cost			(675)	(2,833)
Profit Before Tax			<u>(3,714)</u>	<u>(8,394)</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 which is likely to substantially affect the results of the operations of the Group other than the following:

Optimis Dinamik Sdn Bhd ("ODSB"), a wholly owned subsidiary of MRB Group, received a letter dated 20 December 2012 from Sri Manjung Granite Quarry Sdn Bhd ("SMGQ"), the owner of quarry sites located at Mukim Pengkalan Baru, Daerah Manjung, Perak ("Quarry Site") on 24 December 2012, giving 60 days' notice to cease any remaining operation or activity on the Quarry Site and to dismantle and remove all plant and machinery and vacate all buildings and structures at the Quarry Sites and return the Quarry Sites to SMGQ.

**MINETECH RESOURCES BERHAD (575543-X)**  
**Incorporated in Malaysia**

---

Based on the advice given by our legal counsels, we are strongly contesting the purported termination as it is wrongful and without any valid basis. We immediately initiate all necessary legal actions to challenge the purported termination of contract by issuing notices of demand to Sri Manjung Granite Quarry Sdn Bhd for the losses arisen from the unlawful termination of the agreement entered between the parties dated 28 March 2006.

We are challenging the notice of termination as baseless and wrongful in view that the above breached of terms and conditions have been rectified immediately upon receiving the notice and claimed from SMGQ for the losses arisen form the unlawful termination of the agreement entered between the parties dated 28 March 2006 (the Agreement) and demanded for RM58,200,000.00 being the estimated losses incurred by ODSB.

The said demand of estimated losses was derived upon the estimated loss of profit of the remaining 9 years of the Agreement and the net book value of the Fixed Assets for Manjung Quarry.

As at 31 December 2012, the Quarry Development Expenditure capitalised is RM2,396,865. Should the quarry operations be terminated permanently, this amount shall be written off.

**12. Changes in composition of the Group**

There were no changes in the composition of the Group during the quarter under review.

**13. Contingent liabilities**

The changes in contingent liabilities are as follows:

	<b>As at 31 Dec 2012 RM'000</b>	<b>As at 31 Dec 2011 RM'000</b>
Guarantees given to financial institutions in respect of credit facilities granted to subsidiary companies	983	-
Guarantee given to Government of Malaysia for performance bond for services rendered	5	5
Performance guarantees extended to third parties	2,340	1,553

**14. Capital Commitments**

Capital expenditure in respect of purchase of property, plant & equipment and motor vehicles:

	<b>As at 31 Dec 2012 RM'000</b>
Approved and contracted for	3,317
Approved but not contracted for	544
	<u>3,861</u>



**MINETECH RESOURCES BERHAD (575543-X)**  
**Incorporated in Malaysia**

---

**15. Related party transactions**

	<b>As at 31 Dec 2012 RM'000</b>
Rental paid to Choy Sen @ Chin Kim Sang	137
Rental paid to Low Choon Lan	43
Land rental paid to a director related company - Choy Sen @ Chin Kim Sang	180
Professional fees paid to Chai Woon Chew	44

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 Subsidiary**

The Group's revenue for the 4th quarter ended 31 Dec 2012 has increased by 55% to RM48.8 million as compared to RM31.4 million in the previous year corresponding quarter. This was mainly due to the growth in revenue from Premix Products, Bituminous Products and Civil Engineering segments.

The Group recorded a loss before tax ("LBT") of RM3.7 million for the current quarter ended 31 Dec 2012 as compared to profit before tax ("PBT") of RM1.3 million in the previous year corresponding quarter. This was mainly due to lower operating margins particularly in the Quarry Products and Premix Products segments as well as the recognition of loss for the net assets of Karimun Quarry from Quarry Products segment.

**17. Explanatory comments on any material change in the profit before tax for the quarter reported on as compared with preceding quarter**

The Group's revenue for the 4th quarter ended 31 Dec 2012 increased marginally RM48.8 million as compared to RM42.7 million in preceding quarter ended 30 Sep 2012.

The Group recorded a LBT of RM3.7 million for the current quarter as compared to LBT of RM0.86 million in the preceding quarter ended 30 Sep 2012. The current quarter LBT was mainly due to the recognition of loss for the net assets of Karimun Quarry from Quarry Products segment.

**18. Prospects**

For FY2013, the global economic outlook remains fluid. The construction sector in Malaysia is still very much domestic driven and expected to grow 7%. The major driver for growth is the government's Economic Transformation Program (ETP). The projects identified include Mass Rapid Transport (MRT), East Coast Highway and West Coast Highway etc. The projects augur well with the Group's business.

However, the Group faces some challenges during the current financial year due to open competition from its Quarry Products and Premix Products segments. The Group will continue to focus on operational consolidation strategies, review contract works as well as to mobilise resources within the Group to enhance the future earnings of the Group.

**19. Realised and unrealised profit/losses**

Bursa Malaysia Securities Berhad has on 25 March 2010 issued directives requiring all listed issuers to disclose a breakdown of unappropriated profits or accumulated losses into realised and unrealised profits or losses in quarterly reports and annual audited financial statements based on the Guidance on Special Matter no.1 issued by Malaysian Institute of Accountants on 20 December 2010.

**MINETECH RESOURCES BERHAD (575543-X)**  
**Incorporated in Malaysia**

---

The breakdown of the accumulated losses of the Group is as follows:

	<b>As at 31 Dec 2012 RM'000</b>	<b>As at 31 Dec 2011 RM'000</b>
Total accumulated losses of the Company and its subsidiaries		
Realised	90	4,017
Unrealised	<u>(10,714)</u>	<u>(5,971)</u>
Total Group accumulated losses	<u>(10,624)</u>	<u>(1,954)</u>

**20. Profit forecast/profit guarantee**

Not applicable.

**21. Tax expense**

Deferred tax expense recognised is RM0.15 million and no provision for tax is recognised for the current quarter as the Group has sufficient unabsorbed capital allowances and unused tax losses, and unutilised reinvestment allowances to offset against the tax liabilities arose in the current quarter under review.

**22. Status of corporate proposals**

There is no corporate proposal announced but not completed as at the date of this announcement.

**23. Group borrowings**

The Group's borrowings are as follows:-

	<b>As at 31 Dec 2012 RM'000</b>	<b>As at 31 Dec 2011 RM'000</b>
<u>Current liabilities- secured</u>		
Hire purchase creditors	3,940	5,794
Term loans	8,114	6,728
Trade financing/short term borrowings	1,448	1,874
<u>Current liabilities- unsecured</u>		
Trade financing/short term borrowings	9,263	8,255
<u>Non-current liabilities- secured</u>		
Hire purchase creditors	6,130	5,841
Term loans	6,132	14,389
Total borrowings	<u>35,027</u>	<u>42,881</u>

**24. Material litigation**

Save as disclosed below, MRB Group is not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence which has a material effect on the financial position of the Group and the Directors do not know of any proceedings pending or threatened or any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the MRB Group:-

**a) Alor Setar High Court Originating Summons No: 24-709-2006**

An Originating Summons 24-709-2006 was filed at the Alor Setar High Court by Awang @ Harun bin Ismail and 6 others against the State Government of Kedah and 5 others and received by the Company's Management on 10 May 2006. The 6th Defendant in the Originating Summons is KSC. The Plaintiffs were seeking an injunction to stop the quarry works and declarations to inter-alia nullify the approvals of the Kedah State Government and other relevant authorities to carry out the quarry work. In addition, the Plaintiffs have prayed for damages for pollution and losses suffered and for the leaseholder Kemelong & Sankojaya Construction Sdn Bhd ("5th Defendant") and KSC to rectify damage caused principally to Sungai Singkir. However, all the 6 Defendants filed separate applications to strike out the Originating Summons. On 12 December 2006, the Learned Judge struck out the Originating Summons filed by the plaintiffs. The plaintiffs have filed an appeal to the Court of Appeal on 24 December 2006.

On 14 October 2008, the Court of Appeal decided that the Originating Summons should not have been dismissed on the preliminary objections. KSC and the 5th Defendant filed a Motion for leave to appeal to the Federal Court against the decision of the Court of Appeal but leave to appeal was refused on 24 February 2009.

The matter is pending for hearing at the Alor Setar High Court. KSC and other Defendants particularly the 5th Defendant moved the High Court to decide on the issue of the Plaintiffs Locus Standi to commence this suit as they were not the registered owner or ratepayers of the land on which they purport to claim and the said land is not an adjoining land to the Quarry land as to cloth the Plaintiffs with Locus Standi to initiate this action. Nevertheless the Honourable High Court Judge on 9 November 2009 had made a decision that the Plaintiffs have the necessary Locus Standi to pursue this action.

All the Defendants except the 3rd Defendant filed an appeal to the COA against the decision delivered on 9 November 2009. A motion was filed recently to consolidate the appeals and be heard together which was allowed by the COA on 26 January 2010.

On 6 April 2010, KSC and the 5th Defendant filed a Notice of Motion at the Court of Appeal for a Stay of Proceedings since the High Court Judge did not grant a Stay of Proceedings. On 19 April 2010, upon hearing submissions of the parties the Court of Appeal dismissed the said Notice of Motion with cost.

KSC's solicitors filed a Summons in Chambers for a Stay of Proceedings pending outcome of the appeal against the decision of 9 November 2009. On 29 March 2010, the High Court Judge dismissed the said application with cost.

**MINETECH RESOURCES BERHAD (575543-X)**  
**Incorporated in Malaysia**

---

On 28 September 2010, the Honourable Judge had dismissed the plaintiffs Originating Summons with cost. The Honourable Judge found that there is no issue of illegality as alleged by the Plaintiffs. The Plaintiffs have lodged an appeal to the Court of Appeal against the decision dated 28 September 2010.

The appeal against the decision dated 9 November 2009 and the appeal against the decision dated 28 September 2010, was fixed for hearing on 7 May 2012 and is now fixed for continued hearing on 29 June 2012 since the Honourable Judges of the Court of Appeal require clarification from the High Court Judge in respect of the decision made on 28 September 2010. Since the hearing of appeal could not be Concluded on 29 June 2012 it is now fixed for continued hearing on 7 September 2012 at the Court of Appeal.

The oral submissions hearing date on 7 September 2012 was postponed to 14 September 2012. The Judges then reserved the matter for decision to 30 November 2012 because after oral submissions hearing and the Judges require further time to deliver the decision and perusing the written submissions.

On 7 December 2012 ,the Court of Appeal dismissed the Plaintiffs/ Azizan Appeal holding that Plaintiffs/Azizian had no substantive locus standi and held that the quarry was not illegal. This means that KSC can carry on operating the quarry.

**25. Dividend**

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

**26. Loss Per Share**

	<b>3 months ended 31 Dec 2012</b>	<b>12 months ended 31 Dec 2012</b>
<b>Basic</b>		
Net loss for the period (RM'000)	(3,688)	(8,670)
Weighted average no of ordinary share of RM0.20 each ('000)	302,472	302,472
Basic loss per share (sen)	(1.22)	(2.87)

The Group has no dilution in its earnings per ordinary share in the current quarter and the preceding year as there are no dilutive potential ordinary shares.

- 27.** This Quarterly Results for the financial period ended 31 Dec 2012 has been seen and approved by the Board of Directors of MRB on 27 Feb 2013 for release to the Bursa Securities.

By Order of the Board  
Pang Chia Tyng ( MAICSA 7034545)  
Company Secretary  
27 Feb 2013