

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS****Condensed Consolidated Statement Profit and Loss And Other Comprehensive Income****For the Fourth Quarter Ended 31 December 2013****(The figures have not been audited)**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter ended 31 Dec 2013	Preceding Year Corr. Quarter ended 31 Dec 2012	Current Year To Date ended 31 Dec 2013	Preceding Year Corr. Period ended 31 Dec 2012
	RM'000	RM'000	RM'000	RM'000
Revenue	47,746	48,603	201,644	162,639
Cost of sales	(54,990)	(44,674)	(194,974)	(152,598)
<b>Gross (Loss)/Profit</b>	<b>(7,244)</b>	<b>3,929</b>	<b>6,670</b>	<b>10,041</b>
Other operating income	225	628	724	440
Administrative expenses	(5,148)	(7,862)	(14,100)	(15,729)
Selling and marketing expenses	(245)	(232)	(915)	(811)
Finance costs	(431)	(677)	(2,080)	(2,835)
<b>Loss before tax</b>	<b>(12,843)</b>	<b>(4,214)</b>	<b>(9,701)</b>	<b>(8,894)</b>
Tax expense	2,472	(191)	2,472	(192)
<b>Loss for the period</b>	<b>(10,371)</b>	<b>(4,405)</b>	<b>(7,229)</b>	<b>(9,086)</b>
<b>Other comprehensive income (expense)</b>				
Foreign currency translation differences	(8)	322	(105)	247
<b>Total comprehensive expense</b>	<b>(10,379)</b>	<b>(4,083)</b>	<b>(7,334)</b>	<b>(8,839)</b>
<b>(Loss)/Profit attributable to:</b>				
Owners of the company	(9,415)	(4,220)	(8,286)	(9,201)
Non-controlling interests	(956)	(185)	1,057	115
	<b>(10,371)</b>	<b>(4,405)</b>	<b>(7,229)</b>	<b>(9,086)</b>
<b>Comprehensive (expense)/income attributable to:</b>				
Owners of the company	(9,422)	(3,891)	(8,387)	(8,953)
Non-controlling interests	(957)	(192)	1,053	114
	<b>(10,379)</b>	<b>(4,083)</b>	<b>(7,334)</b>	<b>(8,839)</b>
Loss per share (sen)				
- Basic	(3.04)	(1.40)	(2.68)	(3.04)
- Diluted	N/A	N/A	N/A	N/A

N/A - Not Applicable

The Condensed Consolidated Statement of Profit and Loss And Other 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 2012.

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS****Condensed Consolidated Statement Of Financial Position****As at 31 Dec 2013****(The figures have not been audited)**

	<b>Unaudited As At 31 Dec 2013 RM'000</b>	<b>Audited As At 31 Dec 2012 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	48,764	51,048
Investment properties	1,659	1,659
Quarry development expenditure	7,540	10,595
Goodwill arising on consolidation	3	3
	<u>57,966</u>	<u>63,305</u>
<b>Current assets</b>		
Inventories	8,733	11,597
Trade and other receivables	44,837	47,663
Current tax asset	168	196
Cash and bank balances	14,988	7,494
	<u>68,726</u>	<u>66,950</u>
<b>Total assets</b>	<u><u>126,692</u></u>	<u><u>130,255</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Group</b>		
Share capital	66,538	60,494
Less:- Treasury shares, at cost	(48)	(48)
Reserves	(17,394)	(9,007)
	<u>49,096</u>	<u>51,439</u>
Non-controlling interests	1,882	829
<b>Total equity</b>	<u>50,978</u>	<u>52,268</u>
<b>Non-current liabilities</b>		
Borrowings	6,423	12,262
Deferred tax liabilities	2,800	6,133
	<u>9,223</u>	<u>18,395</u>
<b>Current liabilities</b>		
Trade and other payables	50,448	36,823
Borrowings	15,556	22,765
Taxation	487	4
	<u>66,491</u>	<u>59,592</u>
<b>Total liabilities</b>	<u>75,714</u>	<u>77,987</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>126,692</u></u>	<u><u>130,255</u></u>
<b>Net assets per share (RM)</b>	<b>0.153</b>	<b>0.173</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 2012.

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

**Condensed Consolidated Statements of Changes in Equity**  
**For the Fourth Quarter Ended 31 Dec 2013**  
(The figures have not been audited)

	----- Attributable to equity holders of the parent -----					Total RM'000	Non-Controlling 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 expenses	-	-	-	248	(9,201)	(8,953)	114	(8,839)
Acquisition of subsidiary company	-	-	-	-	-	-	490	490
<b>Balance as at 31 Dec 2012</b>	<u>60,494</u>	<u>1,921</u>	<u>(48)</u>	<u>226</u>	<u>(11,154)</u>	<u>51,439</u>	<u>829</u>	<u>52,268</u>
<b>At 1 Jan 2013</b>	60,494	1,921	(48)	226	(11,154)	51,439	829	52,268
Issuance of shares pursuant to private placement	6,044	-	-	-	-	6,044	-	6,044
Total Comprehensive expenses	-	-	-	(101)	(8,286)	(8,387)	1,053	(7,334)
<b>Balance as at 31 Dec 2013</b>	<u>66,538</u>	<u>1,921</u>	<u>(48)</u>	<u>125</u>	<u>(19,440)</u>	<u>49,096</u>	<u>1,882</u>	<u>50,978</u>

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 December 2012.

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS**

**Condensed Consolidated Statement Of Cash Flows**

**For the Fourth Quarter Ended 31 December 2013**

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

	<b>Unaudited As at 31 Dec 2013 RM'000</b>	<b>Audited As At 31 Dec 2012 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(9,701)	(8,894)
Adjustments for:-		
Depreciation and amortisation	11,342	10,596
Construction In Progress charge out to expenses	1,173	-
Impairment of asset	891	711
Loss/(Gain) on disposal of property, plant and equipment	105	(80)
Interest expenses	1,878	2,573
Loss on net asset of foreign operation	-	4,245
Provision for doubtful debts	1,154	-
Bad debts written off	686	-
Property, plant and equipment written off	650	72
Interest income	(113)	-
<b>Operating profit before changes in working capital</b>	<b>8,065</b>	<b>9,223</b>
Changes in working capital		
Decrease in inventories	2,864	813
Decrease in current assets	(599)	(6,273)
Decrease in current liabilities	14,044	10,389
<b>Net cash flow from operations</b>	<b>24,374</b>	<b>14,152</b>
Tax paid	(350)	(30)
Interest paid	(440)	(477)
<b>Net cash flow from operating activities</b>	<b>23,584</b>	<b>13,645</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(8,122)	(5,042)
Proceeds from disposal of property, plant & equipment	466	1,228
Proceeds from disposal of investment properties	-	3,850
Acquisition of a subsidiary, net of proceeds received	(0) *	-
Quarry development expenditure incurred	-	(1,122)
<b>Net cash flow (used in)/ generated from investing activities</b>	<b>(7,656)</b>	<b>(1,086)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(1,439)	(2,096)
Interest received	113	-
(Repayment)/Net Drawdown of short term borrowings	(6,244)	826
Drawdown of term loans	1,805	-
Repayment of term loans	(8,192)	(6,869)
Repayment of hire-purchase and lease creditors	(1,003)	(6,420)
Proceeds of issue new shares capital	6,044	490
<b>Net cash flow used in financing activities</b>	<b>(8,916)</b>	<b>(14,069)</b>
<b>Net Change in Cash &amp; Cash Equivalents</b>	<b>7,012</b>	<b>(1,510)</b>
Cash and Cash Equivalents at beginning of period	7,232	8,650
Effect on foreign exchange rate changes	(105)	92
<b>Cash and Cash Equivalents at end of period</b>	<b>14,139</b>	<b>7,232</b>
	<b>Note</b>	
<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
Fixed deposit with licensed banks	8,505	1,793
Cash and bank balances	6,483	5,702
Bank overdrafts	(849)	(263)
	14,139	7,232
Less: Fixed deposits pledged to a licensed bank	(4,006)	(591)
	10,133	6,641

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 2012.

Note :

\* Amount less than RM1,000

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**A. EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 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 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 2012.

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 2012.

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

**Effective for annual periods commencing on and after 1 July 2012**

Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income

**Effective for annual periods commencing on or after 1 January 2013**

MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)
MFRS 128	Investments in Associates and Joint Ventures (revised)
Amendments to MFRS 1	Government Loans
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance
Amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134	Annual Improvements 2009-2011 Cycle

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**2. Adoption of Revised Financial Reporting Standards (continued)**

IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to IC Interpretation 2	Annual Improvements 2009-2011 Cycle

The adoption of the above standards and IC interpretations did not have any significant impact on the financial performance of the Group.

**MFRSs, Amendments and IC Interpretations were issued but not yet effective:**

At the date of authorization of this interim report, the following MFRSs, Amendments to MFRSs and IC interpretation were issued but not yet effective and have not been applied by the Group:

		<b>Effective for annual periods beginning on and after</b>
MFRS 9	Financial Instruments	1 January 2015
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014

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

The annual audited financial statements for the financial year ended 31 December 2012 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 and raining season from November and December period. 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:

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.

Based on the advice given by our legal counsels, we are strongly contesting the purported termination as it is wrongful and without any valid bases. The subsidiary immediately initiate all necessary legal actions to challenge the purported termination of contract by issuing notices of demand to SMGQ for an amount of RM58,200,000 being the estimated losses incurred arisen from the unlawful termination of the agreement entered between the parties dated 28 March 2006.

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

As at 31 December 2013, the Quarry Development Expenditure capitalised of RM1,198,428 had been written off to statement of profit and loss and other comprehensive income for the financial year ended 31 December 2013.

**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**

During the current quarter under review, 30,218,000 new ordinary shares of RM0.20 each in Minetech Resources Berhad (“MRB Shares”) were issued pursuant to the private placement. The private placement was completed on 10 October 2013.

Other than above, 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.

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**9. Segmental information**

Operating Segment	Revenue		Operating Results	
	3 months ended 31 Dec 2013 RM'000	12 months ended 31 Dec 2013 RM'000	3 months ended 31 Dec 2013 RM'000	12 months ended 31 Dec 2013 RM'000
Quarry and Building Materials Products	29,401	111,414	(19,253)	(23,610)
Civil Engineering and Bituminous Products	21,695	104,321	(478)	8,823
Others	2,517	9,497	(13,822)	(13,360)
Eliminations	(5,867)	(23,588)	21,141	20,526
Group	<u>47,746</u>	<u>201,644</u>	<u>(12,412)</u>	<u>(7,621)</u>
Less: Finance Cost			(431)	(2,080)
Loss Before Tax			<u>(12,843)</u>	<u>(9,701)</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.

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

- (a) On 23 August 2013, Minetech Resources Berhad ("MRB") wholly owned subsidiary, Minetech Pavement Technologies Sdn Bhd, acquired two (2) ordinary shares of RM1.00 each in the capital of Minetech PQ Sdn Bhd ("MPQSB") (formerly known as Cova Gateway Sdn Bhd), representing the entire issued and paid up of MPQSB for a total cash consideration of RM2.00. With the acquisition, MPQSB has become a sub-subsidiary of MRB.

MPQSB was incorporated in Malaysia on 28 June 2012. The authorized share capital of MPQSB is RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each. The total issued and paid up capital of MPQSB is RM2.00 comprising two (2) ordinary shares of RM1.00 each.

MPQSB nature of business is to undertake the quarry operations inter-alia to win and extract various quarry products and to process and sell such quarry products.



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**12. Changes in composition of the Group (continued)**

- (b) 18 December 2013, MRB acquired two (2) ordinary shares of RM1.00 each in the capital of Popular Trinity Sdn Bhd ("PTSB"), representing the entire issued and paid up share capital of PTSB for a total consideration of RM2.00. With the acquisition, PTSB has become a wholly owned subsidiary of MRB.

PTSB was incorporated in Malaysia on 9 September 2013. The authorized share capital is RM 400,000.00 divided into 400,000 ordinary shares of RM1.00 each. The total issued and paid up capital is RM2.00 comprising two (2) ordinary shares of RM1.00 each.

PTSB is presently dormant and its proposed nature of business is to involve in asphalt trading.

**13. Contingent liabilities**

The changes in contingent liabilities are as follows:

	<b>As at 31 Dec 2013 RM'000</b>	<b>As at 31 Dec 2012 RM'000</b>
Bank guarantee issued in favour of third parties by certain subsidiaries	4,204	3,328

**14. Capital commitments**

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

	<b>As at 31 Dec 2013 RM'000</b>
Approved and contracted for	538
Approved but not contracted for	-
	<u>538</u>

**15. Related party transactions**

	<b>As at 31 Dec 2013 RM'000</b>	<b>As at 31 Dec 2012 RM'000</b>
Rental paid to Choy Sen @ Chin Kim Sang	162	137
Rental paid to Low Choon Lan	25	43
Land rental paid to a director related company - Choy Sen @ Chin Kim Sang	210	180
Professional fees paid to Chai Woon Chew	27	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 December 2013 has decreased by 1.9% to RM47.7 million as compared to RM48.6 million in the previous year corresponding quarter.

The Group recorded a loss before tax ("LBT") of RM12.8 million for the current quarter ended 31 December 2013 as compared to LBT of RM4.2 million in the previous year corresponding quarter. The significant increase of LBT RM8.6 million as compared to previous corresponding quarter mainly due to written off of stock pile, quarry development expenditure and property, plant and equipment of RM3.0 million, RM3.1 million and RM0.3 million respectively.

**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 December 2013 has decreased by 12.6% to RM47.7 million as compared to RM54.6 million in the preceding quarter ended 30 September 2013.

The Group recorded a LBT of RM12.8 million for the current quarter as compared to Profit before tax ("PBT") of RM0.9 million in the preceding quarter ended 30 September 2013. The increase in LBT for the current quarter as compared to immediate preceding quarter mainly due to high loss from quarry division, written off of stockpile, quarry development expenditure and property, plant and equipment of RM3.0 million, RM3.1 million and RM0.3 million respectively.

**18. Prospects**

Going forward, the Group will continue with its on-going expansion plan to collaborate with other industry expert to improve the existing asphalt products and to expand the range of asphalt products to other regions in Malaysia and other countries.

However, there is still volatility of global raw material prices as well as bitumen prices and the Ringgit's weakening against the Singapore Dollar continue to pose as a challenge to the Group's profitability.

Despite the challenges, the Group remains committed its effort to actively participating in the tendering of projects in Malaysia and projects to be rolled out under the on-going implementation of infrastructure project from the Government's Economic Transformation Programme (ETP) throughout Malaysia to further enhance shareholder's value.

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**19. Realised and unrealised profit/(loss)**

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

	<b>As at 31 Dec 2013 RM'000</b>	<b>As at 31 Dec 2012 RM'000</b>
Total accumulated losses of the Company and its subsidiaries		
Realised	(16,515)	(5,236)
Unrealised	<u>(2,925)</u>	<u>(5,918)</u>
Total Group accumulated losses	<u>(19,440)</u>	<u>(11,154)</u>

**20. Profit forecast/profit guarantee**

Not applicable.

**21. Tax expense**

Tax expense is as follows:

	<b>Current Quarter RM'000</b>	<b>Current Year-to-date RM'000</b>
<b>Current tax expense :</b>		
- current quarter/ year-to-date	(866)	(866)
- (under)/over provision in prior year	5	5
Current deferred tax	<u>3,333</u>	<u>3,333</u>
	<u>2,472</u>	<u>2,472</u>

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**22. Status of corporate proposals**

There is no corporate proposal announced but not completed as at the date of this announcement except for the following:

As at 31 December 2013, the utilisation of the proceeds of RM6,043,600 from the Private Placement is as follows:-

	Time frame for utilisation of proceeds (from 10 October 2013)	Proposed Utilisation RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	
To finance the leasing, development, operation and maintenance of potential new quarry site(s)	Within 12 months	5,860	-	5,860	*
Estimated expenses in relation to the Private Placement	Within 1 month	184	94	90	#
		<u>6,044</u>	<u>94</u>	<u>5,950</u>	

\*Pending the full utilisation of such proceeds, MRB had placed the proceeds (including accrued interest) or the balance thereof in interest-bearing deposit account(s) with licensed financial institution.

# In view of the actual Private Placement expenses were lower than estimated, the excess shall be utilised to finance the leasing, development, operation and maintenance of potential new quarry site(s).

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**23. Group borrowings**

The Group's borrowings are as follows:-

	<b>As at 31 Dec 2013 RM'000</b>	<b>As at 31 Dec 2012 RM'000</b>
<u>Current liabilities- secured</u>		
Hire purchase creditors	3,183	3,940
Term loans	7,859	8,114
Trade financing/short term borrowings	849	1,448
<u>Current liabilities- unsecured</u>		
Trade financing/short term borrowings	4,204	9,263
<u>Non-current liabilities- secured</u>		
Hire purchase creditors	5,884	6,130
Term loans	-	6,132
Total borrowings	21,979	35,027

**24. Material litigation**

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

Status update on the Writ of Summons dated 1 April 2013 served by the Company's wholly owned subsidiary, Optimis Dinamik Sdn Bhd ("ODSB") to Sri Manjung Granite Quarry Sdn Bhd ("SMGQ"):-

On 1 April 2013, the Company through its Advocates, Messrs CK Oon & Co. served on the Defendant, Sri Manjung Granite Quarry Sdn Bhd, through its Advocates, Messrs Gan Partnership, and submitted to the Arbitrator and the High Court of Kuala Lumpur, Commercial Division for Arbitration its Statement of Claim for the sum of RM43,397,367 being the loss of profit calculated from 2013 to 2021 and sum of RM14,818,447 being the NBV for fixed assets.

On 16 April 2013 Case Management, the Company has been served a Defence and Counter claim by the Defendant, SMGQ. The Defendant contends that the Company violated the conditions of license by the Forest Office by using lorries with unregistered sub-licenses and gave the Company a period of 60 days to vacate the quarry and return the quarry to the Defendant via Defendant's solicitors' letter dated 20 Dec 2012. In addition, the Defendant counter claim for the tribute of RM256,300.24 for the months of October and November 2012, respectively for RM169,095.35 and RM87,204.89 and the forwarding agency fee for materials shipped to Singapore for the months of September, October and November 2012 in the sum of RM24,623.50.

On 15 May 2013 Case Management, the learned judge informed both parties that she would like to deal with the Defendant's injunction application first. In any event, the judge has fixed a hearing date for the Defendant's injunction application on 29 May 2013.

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**24. Material litigation (continued)**

On 29 May 2013 Defendant's injunction, the learned Judge has directed the plaintiff to deliver vacant possession of the site to the defendant on or before 12 July 2013. On the remaining stockpiles, both parties have agreed to conduct a joint survey to determine the value of the remaining stockpiles. The joint survey on the stockpile was postponed and carried out on 22 July 2013.

On 19 July 2013 Case Management, the learned judge instructed both parties to file, amongst other things, the Common Bundle of Documents on the next case management.

On 19 September 2013 Case Management, the learned judge has fixed another Case Management on 19 November 2013.

The Case Management was postponed to 9 December 2013, and then further postponed to 15 January 2014.

The Trial of the matter initially scheduled on 24 and 25 March 2014 has been vacated and a new trial date will be fixed upon disposal of the application to amend the Statement of Claim.

The legal opinion given by the Company's lawyers is that the Defendant's termination is unlawful and the claim is without basis.

**25. Dividend**

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

**26. Loss per share**

	<b><u>Individual Quarter</u></b> <b>Current Year</b> <b>Quarter ended</b> <b>31 Dec 2013</b>	<b><u>Cumulative Quarter</u></b> <b>Current Year</b> <b>To Date ended</b> <b>31 Dec 2013</b>
Net Loss attributable to the owners of the company (RM'000)	(9,415)	(8,286)
Weighted average number of ordinary share of RM0.20 each ('000)	309,224	309,224
Basic loss per share (sen)	(3.04)	(2.68)

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

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

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**27. Authorised for issue**

The interim financial statements for financial period ended 31 December 2013 has been seen and approved by the Board of Directors of MRB on 21 February 2014 for release to the Bursa Securities.

By Order of the Board  
Tai Yit Chan ( MAICSA 7009143)  
Company Secretary  
21 February 2014