MINETECH RESOURCES BERHAD GROUP

ANNOUNCEMENT PACKAGE

Q4/FY2016

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

Condensed Consolidated Statement Of Comprehensive Income
For the Fourth Quarter Ended 31 Mar 2016
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
				15 Months
	Current Year Quarter ended 31 Mar 2016 RM'000	Preceding Year Corr.Quarter ended 31 Mar 2015 RM'000	Current Year To Date ended 31 Mar 2016 RM'000	Preceding Year Corr. Period ended 31 Mar 2015 RM'000
Revenue	24,899	30,819	110,281	206,870
Cost of sales	(25,628)	(24,526)	(105,108)	(186,895)
Gross profit	(729)	6,293	5,173	19,975
Other operating income/ (loss)	1,326	1,514	931	5,000
Administrative expenses	(3,653)	(5,334)	(16,001)	(21,121)
Selling and marketing expenses	(98)	(347)	(524)	(488)
Finance costs	(344)	(330)	(1,253)	(1,905)
Share of loss in associate companies	165	(123)	(202)	(123)
(Loss)/Profit before tax	(3,333)	1,673	(11,876)	1,339
Tax expense	(317)	(931)	(408)	(786)
Net (Loss)/Profit for the financial year/period	(3,650)	742	(12,284)	553
Other comprehensive income				
Foreign currency translation differences	-	-	(243)	183
Total comprehensive income	(3,650)	742	(12,527)	736
Net (Loss)/Profit for the financial year/period attributable to				
Owners of the company	(2,266)	755	(9,491)	643
Non-controlling interests	(1,384)	(13)	(2,793)	(90)
	(3,650)	742	(12,284)	553
Earning/(Loss) per share (sen)				
- Basic	(0.54)	0.11	(2.24)	0.09
- 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 period ended 31 March 2015.

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

Condensed Consolidated Statement Of Comprehensive Income
For the Four Quarter Ended 31 Mar 2016
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
				15 Months
	Current Year Quarter ended 31 Mar 2016 RM'000	Preceding Year Corr.Quarter ended 31 Mar 2015 RM'000	Current Year To Date ended 31 Mar 2016 RM'000	Preceding Year Corr. Period ended 31 Mar 2015 RM'000
Net (loss)/profit for the financial year/period	(3,650)	742	(12,284)	553
Other comprehensive income				
Foreign currency translation differences	-	-	(243)	183
Total comprehensive income	(3,650)	742	(12,527)	736
Total comprehensive income for the year/period attributable to:				
Owners of the company	(2,266)	755	(9,491)	826
Non-controlling interests	(1,384)	(13)	(2,793)	(90)
	(3,650)	742	(12,527)	736
	-	-		

Net (Loss)/Profit for the financial year/ period attributable to

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 period ended 31 March 2015.

MINETECH RESOURCES BERHAD (575543-X)
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INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statement Of Financial Position
As at 31 Mar 2016

	Unaudited As At 31 Mar 2016 RM'000	Audited As At 31 March 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	44,624	48,085
Investment properties	2,811	1,655
Investment in associate companies	166	-
Quarry development expenditure	9,910	10,671
	57,512	60,411
Current assets		
Inventories	8,197	8,191
Trade and other receivables	38,627	41,995
Cash and bank balances	30,070	55,459
	76,894	105,645
Total assets	134,406	166,056
EQUITY AND LIABILITIES		
Net (Loss)/Profit for the financial year/ period attributable to		
Equity attributable to equity holders of the Group		
Share capital	99,764	99,764
Less:- Treasury shares, at cost	(48)	(48)
Reserves	(13,286)	(1,002)
	86,430	98,714
Non-controlling interests	720	1,151
Total equity	87,150	99,865
Non-current liabilities		
Borrowings	605	9,449
Deferred tax liabilities	1,533	2,017
	2,138	11,466
Current liabilities		
Trade and other payables	24,848	46,409
Borrowings	20,147	7,729
Taxation	123	587
	45,118	54,725
Total liabilities	47,256	66,191
TOTAL EQUITY AND LIABILITIES	134,406	166,056
Net assets per share (RM) attributable to owners of the parent	**0.130**	**0.148**

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 period ended 31 March 2015.

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

Condensed Consolidated Statements of Changes in Equity
For the Fourth Quarter Ended 31 Mar 2016
(The figures have not been audited)

	----------------------------- Attributable to owners of the parent -------------------------------									
	Share Capital RM'000	**Share Premium RM'000**	**Treasury Shares RM'000**	**Foreign Exchange Reserve RM'000**	**Warrant Reserve RM'000**	**Other Reserve RM'000**	**Accumulated losses RM'000**	**Total RM'000**	**Non-Controlling Interests RM'000**	**Total Equity RM'000**
At 1 January 2014	66,538	1,921	(48)	218	-	-	(19,471)	49,158	1,711	50,869
Total comprehensive income	-	-	-	183	-	-	643	826	(90)	736
Capital reduction	(16,634)	-	-	-	-	-	16,634	-	-	-
Changes in ownership interest in subsidiary	-	-	-	-	-	-	-	-	(470)	(470)
Right shares issues	49,860	(1,130)	-	-	-	-	-	48,730	-	48,730
Issue of warrants	-	-	-	-	21,972	(21,972)	-	-	-	-
Balance as at 31 Mar 2015	99,764	791	(48)	401	21,972	(21,972)	(2,194)	98,714	1,151	99,865
				-	-					
At 1 April 2015	99,764	791	(48)	401	21,972	(21,972)	(2,194)	98,714	1,151	99,865
Net (Loss)/Profit for the financial year/ peri attributable to	-	-	-	(243)	-	-	(12,041)	(12,284)	(431)	(12,715)
Balance as at 31 Mar 2016	99,764	791	(48)	158	21,972	(21,972)	(14,235)	86,430	720	87,150

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 period ended 31 March 2015.

MINETECH RESOURCES BERHAD (575543-X)
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INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statement Of Cash Flows
For the Fourth Quarter Ended 31 Mar 2016
(The figures have not been audited)

	12 Months To Date ended 31 Mar 2016 RM'000	Preceding period To Date ended 31 Mar 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(11,876)	1,338
Adjustments for:-		
Depreciation and amortisation	12,792	13,695
Fair value gain on financial assets at fair value through profit or loss.	-	(159)
Allowance for foreseeable losses for contract works	-	327
Bad debts written off	-	193
Loss/(Gain) on disposal of property, plant and equipment	1,866	312
Interest expenses	1,253	1,715
Property, plant and equipment written off	33	305
Gain on disposal of subsidiary company	-	(1,915)
Impairment loss	2,535	1,795
Share of loss on associate company	202	123
Interest income	(808)	(202)
Unrealised gain on foreign exchange	(31)	(122)
Operating profit before changes in working capital	**5,966**	**17,405**
Net (Loss)/Profit for the financial year/ period		
attributable to		
Changes in working capital		
(Increase)/Decrease in inventories	(6)	(1,201)
(Increase)/Decrease in current assets	3,368	(2,608)
Increase/ (Decrease) in current liabilities	(21,562)	(1,133)
Net cash used in operations	**(12,234)**	**12,463**
Tax paid	(1,710)	(1,272)
Interest paid	(1,253)	(1,715)
Interest received	808	202
Net cash used in operating activities	**(14,389)**	**9,678**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash acquired	(4,000)	-
Purchase of property, plant & equipment	(5,785)	(11,310)
Proceeds from disposal of property, plant & equipment	911	4,384
Purchase of investment properties	(2,831)	-
Purchase of financial assets at fair values through profit & loss	-	(32,000)
Proceeds from disposal of other investment	33,749	-
Investment in associate company	(202)	(123)
Investment in subsidiary company by non-controlling interest	-	475
Net Proceeds from disposal of a subsidiary	-	(1,236)
Quarry development expenditure incurred	(3,364)	-
Net cash generated from/(used in) investing activities	**18,478**	**(39,810)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Drawdown/ (Repayment) of short term borrowings	(4,352)	(710)
Repayment of term loans	-	(6,292)
Proceeds from hire-purchase	5,654	-
Decrease in fixed deposits pledged	-	1,119
MI share of loss	431	-
Repayment of hire-purchase and lease creditors	(3,907)	(4,440)
Proceeds from issuance of shares	-	49,861
Share issues expenses	-	(1,130)
Net cash generated from financing activities	**(2,174)**	**38,408**
Net Change in Cash & Cash Equivalents	**1,915**	**8,276**
Cash and Cash Equivalents at beginning of period	18,995	10,414
Effect on foreign exchange rate changes	-	305
Cash and Cash Equivalents at end of period **Note**	**20,910**	**18,995**

Note

Fixed deposit with licensed banks	17,087	3,400
Cash and bank balances	12,983	19,899
	30,070	23,299
Bank overdrafts	(6,346)	(904)
	23,724	22,395
Less: Fixed deposits pledged to a licensed bank	(2,814)	(3,400)
	20,910	18,995

The Condensed Consolidated Statement of Cash Flows 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 2015.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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

1. Change in Financial Year End

The Board of Directors of Minetech Resources Berhad and its subsidiaries ("the Group") has changed the previous financial year end date of the Group from 31 December to 31 March. Accordingly, the comparative financial period end date of the Group under review is for the fifteen months period ended 31st March 2015. The current financial statements of the Group are for a period of 12 months, made up from 1 April 2015 to 31 March 2016.

Thereafter, the subsequent financial years of the Group shall end on 31 March every year.

2. 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 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 period ended 31 March 2015.

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 period ended 31 March 2015.

3. Changes in accounting policies
Adoption of new and amended standards

During the financial year, the Group and the Company 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 119 Defined Benefits Plans: Employee Contributions
Annual Improvements to MFRSs 2010 – 2012 Cycle
Annual Improvements to MFRSs 2011 – 2013 Cycle

Adoption of above amendments to MFRSs did not have any significant impact on the financial statements of the Group and the Company.

3. Changes in accounting policies (cont'd)
Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for financial periods beginning on or after
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Aments to MFRS 101	Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012–2014 Cycle		1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Lease	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The Group and the Company intend to adopt the above MFRSs when they become effective.

The initial application of the abovementioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and the Company except as mentioned below:

3. Changes in accounting policies (cont'd)

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 Financial Instruments: Recognition and Measurement.

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting MFRS 9.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces MFRS 118 Revenue, MFRS 111 Construction Contracts and related IC Interpretations. The Group is in the process of assessing the impact of this Standard. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group is in the process of assessing the impact of this Standard.

3. Changes in accounting policies (cont'd)

MFRS 16 Leases

MFRS 16, which upon the effective date will supersede MFRS 117 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The directors of the Company will assess the impact of the application of MFRS 16. For the moment, it is not practicable to provide a reasonable estimate of the effect of the application of MFRS 16 until the Group performs a detailed review.

4. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial period ended 31 March 2015 was not subject to any qualification.

5. 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, August 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.

6. 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.

7. 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.

8. Issuance of debt

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

9. Dividend payment

There were no dividends paid during the current financial quarter.

10. 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 and sales and marketing of quarry products
Civil engineering	:	Specialised civil engineering works
Premix products	:	Manufacturing and trading of premix products
Bituminous products	:	Manufacturing and trading bituminous products
Others	:	Investment holding, provision of managerial services, rental of machinery, trading of industrial machinery spare parts

Performance is measured based on the segment revenue and profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group Managing Director (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

10. Segmental information (Continued)

Segmental information for the twelve months ended 31 Mar 2016:

FY 2016	**Quarry products RM'000**	**Civil engineering RM'000**	**Premix products RM'000**	**Bituminous Products RM'000**	**Others RM'000**	**Elimination RM'000**	**Consolidation RM'000**
Revenue							
Sales to external customers	42,163	29,999	24,465	11,936	1,718	-	110,281
Inter-segment sales	4,968	178	-	96	10,224	(15,466)	-
	47,131	30,177	24,465	12,032	11,942	(15,466)	110,281
Results							
Segment results	(9,241)	1,633	683	(2,598)	(1,857)	959	(10,421)
Finance costs							(1,253)
Share of loss of associated companies							(202)
Net loss before tax							(11,876)
Taxation							(408)
Net Loss for the financial period							(12,284)

10. Segmental information (Continued)

Segment information for the financial year ended 31 Mar 2015.

FY 2015	Quarry products RM'000	Civil engineering RM'000	Premix products RM'000	Bituminous Products RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue							
Sales to external customers	56,271	58,790	55,660	25,750	10,399	-	206,870
Inter-segment sales	11,160	11,255	3	1,095	134	(23,647)	-
	67,431	70,045	55,663	26,845	10,533	(23,647)	206,870
Results							
Segment results	(5,704)	9,289	834	642	(950)	(745)	3,367
Finance costs							(1,905)
Share of loss of associated companies							(123)
Profit before tax							1,339
Taxation							(786)
Profit for the financial period							553

11. 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.

12. 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 or the operations of the Group.

13. Changes in composition of the Group

There were no material changes in the composition of the Group for the period ended 31 Mar 2016, except for the following:-

a) On 01 April 2015, Minetech Resources Berhad ("MRB") subscribed for an additional 1,500,000 shares at RM1.00 each at par in the share capital of KS Chin Minerals Sdn Bhd ("KSCM") by offsetting amount due by "KSCM" to "MRB".

b) On 01 April 2015, Minetech Construction Sdn Bhd ("MCSB") issue additional 1,500,000 shares at RM1.00 each at par via bonus shares to MRB.

c) On 14 September 2015, Minetech Resources Berhad ("MRB") acquired the entire two (2) ordinary shares of RM1.00 each in the share capital of Popular Trinity Sdn. Bhd. (Company No.1061325-P) ("PTSB"), representing 100% of the issued and paid-up share capital of PTSB from K.S. Chin Minerals Sdn Bhd, a wholly-owned subsidiary of the Company for a total cash consideration of RM2.00 only ("Acquisition"). Upon the Acquisition, PTSB became a direct wholly-owned subsidiary of MRB.

d) On 30 Mar 2016, Minetech Quarries Sdn Bhd (MQSB) a 100% owned subsidiary of Minetech Resources Berhad ("MRB") has completed the disposal of its entire shareholding representing 70% of the equity shares of USD600,000.00 in the share capital of MHBM ("MHBM Shares") to Li Hong Nan for a total cash consideration of RMB7,000.00 by way of a Share Sale Agreement and as a result thereof, MHBM has ceased to be a subsidiary of MQSB.

The above items does not have any material effect on the earnings per share, gearing and net assets per share of the Minetech Group.

14. Changes in contingent assets or contingent liabilities

The changes in contingent liabilities are as follows:

	As At 31 Mar 2016 RM'000	15 Months As At 31 March 2015 RM'000
Bank guarantee	2,952	2,844
	2,952	2,844

There were no contingent assets as at the date of this interim financial report.

15. Capital commitments

Capital commitment not provided for as at 31 Mar 2016 were as follows:

	As at 31 Mar 2016 RM'000
Approved and contracted for property, plant & equipment and motor vehicles	28,116
	=====

16. Related party transactions

	As at 31 Mar 2016 RM'000	As at 31 Mar 2015 RM'000
Rental paid to Choy Sen @ Chin Kim Sang	190	320
Rental paid to Low Choon Lan	70	100
Land rental paid to a director related company - Choy Sen @ Chin Kim Sang	240	400

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

17. Review of the performance of the Company and its principal Subsidiaries.

The comparison of the results is tabulated below:

	Revenue		Operating Results	
	3 months ended	3 months ended	3 months ended	3 months ended
Operating Segment	**31 Mar 2016 RM'000**	**31 Mar 2015 RM'000**	**31 Mar 2016 RM'000**	**31 Mar 2015 RM'000**
Quarry and Building Materials Products	13,502	18,426	(2,929)	(1,363)
Civil Engineering and Bituminous Products	11,445	7,764	(1,350)	(203)
Others	5,136	7,612	(462)	703
Eliminations	(5,184)	(2,983)	1,587	2,989
Group	24,899	30,819	(3,154)	2,126
Less: Finance Costs			(344)	(330)
Less: Share of loss in associate			165	(123)
(Loss)/Profit Before Tax			(3,333)	1,673

The Group was in a transitional period last financial year to change its financial year end from 31 December to 31 March. As such, the cumulative year to-date performance is for a 12-month period versus a 15-month period ended 31 March 2015 for the previous financial year. Accordingly, the comparison figures which cover the financial year ended 31 March 2015, may not be comparable with the current period's financial figures.

The Group recorded a revenue of RM24.899 million and loss before tax of RM3.333 million in the current quarter. For the preceding year corresponding quarter, the Group recorded revenue and profit before tax of RM30.819 million and RM1.673 million respectively.

The decrease in revenue and the increase in loss before tax for the current quarter affected all Products segment.

<u>Quarry and Building Materials Products Segment</u>

Revenue for the quarry and buildings materials segment were RM13.502 million and loss before tax of RM2.929 million.

Revenue for this segment has declined by 26.7%, while the loss before taxation has widen by 114.5% versus the comparative quarter of last financial year. The decline was attributed to a lower demand in the market and stiff price competition from our competitors.

17. Review of the performance of the Company and its principal Subsidiaries (cont'd)

Civil Engineering and Bituminous Products Segment

Revenue for the segment was RM11.445 million and loss before tax of RM 1.350 million; comparative with same quarter of last financial year's revenue of RM7.764 million and net loss before tax of RM0.203 million. The segment revenue has increased by 47.4% and loss before tax has widen by 565%.

The increased in this segment were mainly attributable to the Civil Engineering and Bituminious Companies; due to completion most of the project works and the impairment on slow moving stocks.

Others

Revenue for others segment was RM5.136 million with a loss before tax of RM0.461 million. For the same quarter last financial year, revenue was RM7.612 million with profit before tax of RM0.703 million.

Comparison with immediate preceding quarter's results (Q4 vs Q3-FY'16)

The Group's performance for the current financial quarter compared to the immediate preceding quarter is as follows;

Operating Segment	Current quarter RM'000	Immediate preceding quarter RM'000	Variance RM'000	Variance %
Quarry and Building Materials Products	13,502	16,656	(3,155)	(18.94)
Civil Engineering and Bituminous Products	11,445	8,648	2,797	32.35
Others	5,136	347	4,789	1380.12
Eliminations	(5,184)	(1,414)	(3,770)	266.62
Group	24,899	24,237		
Loss Before Tax	(3,333)	(2,532)	(621)	(24.55)

For the current quarter under review, the quarry slipped into a lower revenue of RM13.502 million compared to the immediate preceding quarter of RM16.656 million due to slow market condition in the region.

Loss before tax of RM3.333 million in the current quarter is higher compared to the RM2.532 million registered in the immediate preceding quarter due to impairment of slow moving stock.

18. Prospects

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

However, there is still volatility of global raw material prices. The oil prices in particular has weaken, hovering around the US$36 per barrel. Fluctuation in Bitumen prices and the Ringgit's value against the US Dollar; also pose a challenge to the Group's financials.

Despite the challenges, the Group is actively participating in the tenders for projects in Malaysia under the private companies, as well as those under the Government's Economic Transformation Programme ("ETP"). The Group has already completed the Cochrane Station in the Klang Valley Mass Rapid Transit Project ("MRT Project") and is currently engaged in underground station works at the Maluri Station.

Our Group currently has three (3) manufacturing plants that blend different sizes of aggregates with a pre-determined amount of bitumen and filler or cement for asphalt premix production. These products are primarily used for road construction and maintenance and are sold to the local market. Our products meet the Jabatan Kerja Raya Malaysia's standards that enables us to supply to major federal and state road concessionaires. Our Group has acquired two (2) additional batching plants to be located at Sepang, Selangor Darul Ehsan and Junjung, Kulim, Kedah Darul Aman, which are expected to be ready for production in the second (2nd) half of 2016 and increasing our current production capacity of 40,000 tonnes per month to 100,000 tonnes per month.

Our Group has put in place several initiatives to improve this segment which include qualification of our design mixes to supply to other concessionaires, (e.g. Projek Penyelenggaraan Lebuhraya Berhad) and formulation of new design mixes using proprietary technology that is more durable. Those new mixes have passed all the relevant tests and are acceptable to municipal councils.

The Group continues to search for new quarry sites so as to secure exclusive rights to extract and sell quarry products. The Pantai Quarry 2 which is located at Mukim Pengkalan Baharu, Daerah Manjung, Perak, has commenced operation and is running smoothly.

The shareholders had on 15 March 2016 approved the following:-

(i) proposed acquisition by MRB of two (2) ordinary shares of RM1.00 each in Medium Visa Sdn Bhd ("MVSB"), representing 100% of the equity interest in MVSB, from Choy Sen @ Chin Kim Sang and Low Choon Lan for a cash consideration of RM9,430,000 ("Proposed Acquisition of MVSB");

18. Prospects (cont'd)

(ii) proposed acquisition by MRB of two (2) ordinary shares of RM1.00 each in Harapan Iringan Sdn Bhd ("HISB"), representing 100% of the equity interest in HISB, from Lee Kwan Ming and Shia Fui Kin for a cash consideration of RM7,510,000 ("Proposed Acquisition of HISB");

(iii) proposed acquisition by MRB of a parcel of leasehold land held under PN 349139, Lot 345761, Mukim Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan with an area measuring approximately 7,924 square metres from Glamour Heights Sdn Bhd for a cash consideration of RM6,000,000 ("Proposed Acquisition of Kinta Land");

Upon completion of the Proposed Acquisition of MVSB and HISB [items (i) & (ii)], both MVSB and HISB will become our wholly-owned subsidiaries. The Proposed Acquisition of MVSB and Proposed Acquisition of HISB will enable our Group to own the BP Lands with an aggregate land area of 223,866.7 m^2 for the construction of service cum distribution centre and provide a large space for storage of the products relating to our Group's heavy machineries business which are bulky. Essentially our Group will be able to have a one-stop facility for the heavy machineries distributed by our Group as part of the expansion on its heavy machineries business which is expected to provide a new source of income to our Group.

The proposed acquisitions of MVSB & HISB have been completed as at the date of this report.

The Proposed Acquisition of Kinta Land [item (iii)] is intended to mark our Group's diversification into the property development industry. The Proposed Acquisition of Kinta Land would enable our Group to co-develop the ongoing Glamour Avenue Project by utilising the existing building plans, permits and licenses already approved by the relevant authorities for GHSB as the original developer.

19. Acquisition of Kinta Land

The Group had on 19 November 2014 entered into a MOA with Mr Mooi Weng Wah and Madam Low Choon Len ("The Parties") for the purpose of acquiring 2,000,000 ordinary shares of RM1.00 each in the share capital of Glamour Heights Sdn Bhd ("GHSB"), together with 2 existing projects that GHSB is currently undertaking, namely Project 1 – Condo 1 and Project 2 – Meru Dream Park for an estimated total purchase consideration of RM27,450,000 / ("Proposed Acquisition).

On 10th March 2015, the Board of Directors of MRB announced that the legal and financial due diligence exercise of the Proposed Acquisition is still on-going. Upon the completion of the legal and financial due diligence, the Company will proceed to negotiate and finalise the terms of the Proposed Acquisition.

Further to the MOA, the Group had on 05 October 2015 signed the Sales Purchase Agreement (SPA) and had announced on even date, that acquisition by MRB of a parcel of leasehold land held under PN 349139, Lot 345761, Mukim Hulu Kinta, District of Kinta, State of Perak Darul Ridzuan with an area measuring approximately 7,924 square metres from Glamour Heights Sdn Bhd for a cash consideration of RM6,000,000 ("Proposed Acquisition of Kinta Land").

19. Acquisition of Kinta Land (cond't)

The Company had on 5 January 2016 entered into a supplemental agreement with GHSB in relation to the Proposed Acquisition of Kinta Land to extend the "Cut-Off Date" to the day falling six(6) months from the date of the SPA.

20. Proposed Private Placement

The Group had on 26 April 2016 announced a Proposed Private Placement that entails the issuance of up to 99,749,800 new ordinary shares of RM0.15 each in MRB ("MRB Shares" or "Shares") ("Placement Shares"), representing not more than ten percent (10%) of the enlarged issued and paid-up share capital of MRB of RM149,624,775 comprising 997,498,500 MRB Shares, after taking into consideration the following:

(i) MRB's existing issued and paid-up share capital of RM99,721,350 comprising 664,809,000 MRB Shares (i.e., after excluding 285,000 MRB Shares held as treasury shares by the Company ("Treasury Shares") as at 25 April 2016 (being the latest practicable date prior to this announcement ("LPD")));

(ii) assuming full exercise of the 332,404,500 outstanding warrants 2014/2019 in MRB ("Warrants 2014/2019") as at the LPD into 332,404,500 new MRB Shares; and

(iii) assuming the 285,000 Treasury Shares are resold in the open market by MRB,prior to the implementation of the Proposed Private Placement.(collectively known as "Maximum Scenario").

Based on the minimum scenario, the size of the Proposed Private Placement is up to 66,480,900 Placement Shares, representing not more than ten percent (10%) of the existing issued and paid-up share capital of MRB of RM99,721,350 comprising 664,809,000 MRB Shares (i.e., after excluding 285,000 Treasury Shares) as at the LPD, assuming none of the outstanding Warrants 2014/2019 is exercised into new MRB Shares and none of the Treasury Shares is resold in the open market prior to the implementation of the Proposed Private Placement ("Minimum Scenario").

The actual number of Placement Shares to be issued will depend on the total issued and paid-up share capital of the Company on a date to be determined later, after the approval set out in Section 5 of this announcement has been obtained.

21. Memorandum of Understanding ("MOU")

The Group had on 24 June 2014 entered into a dealership MOU with Sany to act as a dealer of selected Sany's products, i.e. concrete batching plant, concrete truck mixer, road machineries and asphalt batching plant in Malaysia for a duration of two (2) years commencing from 1 July 2014 to 30 June 2016. Sany is part of the Sany Group Co. Ltd., one of the largest public listed companies in China, and is principally involved in manufacturing of heavy equipment and machinery.

22. Realised and unrealised profits/losses

The breakdown of the accumulated profit/(losses) of the Group is as follows:

	12 Months As at 31 Mar 2016 RM'000	15 Months As at 31st March 2015 RM'000
Total accumulated profit / (losses) of the Company and its subsidiaries		
- Realised	(14,266)	(2,316)
- Unrealised gain/(loss)	31	122
Total Group accumulated gain/(losses)	(14,235)	(2,194)

23. Profit forecast/profit guarantee

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

24. Tax expense

Tax expense is as follows:

	Current Quarter RM'000	Financial Year-to-Date 31 Mar 2016 RM'000
Current tax expense :		
- current quarter	317	408
- under/(over) provision in prior year	-	-
Current deferred tax	-	-
	317	408

The effective tax rate of the Group for the financial year-to-date is higher than the statutory tax rate due principally to the non-allowable expenses incurred by the Group.

25. Status of corporate proposals

Rights Issue

Issuance of 332,689,500 Rights Shares together with 332,689,500 Warrants on the basis of one (1) Rights Share together with one (1) Warrant for every one (1) existing MRB Share held by the Entitled Shareholders at an issue price of RM0.15 per Rights Share.

Our Company raised gross proceeds of RM49.86 million from the Rights Issue 2014. Our Company is proposing to reallocate RM20.00 million of the Rights Issue Proceeds, originally allocated for purchase of quarry sites, to be used to fund our Group's distribution of heavy machineries and working capital requirements.

While our Group remains interested in purchasing new quarry sites, we presently have yet to identify any viable target quarry sites. Following the Proposed Revision of Proceeds Utilisation, our Group intends to use our internally-generated funds and/or bank borrowings for any future acquisition of quarry sites.

As at 31 March 2016, our Group has utilised approximately RM19.86 million from the total Rights Issue Proceeds of RM49.86 million. The details of the Revision of Proceeds Utilisation approved on16 March 2016 are as follows:-

Existing	Time frame for utilisation[1] of proceeds (from 01 Dec 2014)	Utilisation	Amount Utilised	Amount Unutilised
		RM'000	RM'000	RM'000
Purchase of quarry sites	Within 24 months	-	-	-
Distribution of heavy machineries	Within 24 months	20,000	-	20,000
Working capital	Within 12 months	20,000	(10,230)[2]	10,000
Repayment of bank borrowings	Within 12 months	8,631	(8,351)[2][3]	-
Estimated expenses in relation to the corporate exercise	Within 2 weeks	1,230	(1,280)[3]	-
		49,861	(19,861)	30,000

25. Status of corporate proposals (cont'd)

Rights Issue

Notes:

(1) As disclosed in our Company's circular to the shareholders dated 16 July 2014 and abridged prospectus dated 7 November 2014.

(2) The actual amount utilised for the working capital of our Group were RM10.23 million, with the excess RM0.23 million taken from the allocation for the repayment of bank borrowings.

(3) The actual expenses for the Rights Issue 2014 amounted to RM1.28 million, with the excess RM0.05 million taken from the allocation for the repayment of bank borrowings.

26. Group borrowings

The Group's borrowings are as follows:-

	As at 31 Mar 2016 RM'000
Short term borrowings- secured	
Term loans	-
Bank overdrafts	-
Finance lease payables	13,802
Short term borrowings - unsecured	
Trade financing/short term borrowings	6,345
Total Short Term borrowings	20,147

	As at 31 Mar 2016 RM'000
Long term borrowings- secured	
Finance lease payables	605
Total Long Term borrowings	605

27. Material Litigation

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

(i) **<u>Kuala Lumpur High Court Suit No. S-22NCVC-288-04/2013</u>**

Optimis Dinamik Sdn Bhd ("ODSB"), our indirect wholly-owned subsidiary, and Sri Manjung Granite Quarry Sdn Bhd ("SMGQ") had entered into an agreement dated 28 March 2006 ("Agreement") for ODSB to be given the exclusive right to undertake quarry works at quarry sites located in Mukim Pengkalan Baru, Daerah Manjung, Perak ("Quarry Sites") as described in the Agreement for a period of fifteen (15) years.

ODSB received a letter dated 20 December 2012 from SMGQ, the owner of the Quarry Sites, giving sixty (60) days' notice to cease any remaining operation or activity on the Quarry Sites 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.

On 1 April 2013, ODSB through its solicitors filed and thereafter served on SMGQ through SMGQ's solicitors a writ and 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 net book value for its fixed assets.
On 30 April 2013, ODSB was served with the defence and counter claim by SMGQ. In the defence, SMGQ had contended that ODSB had violated the conditions of license by the Forest Office by using lorries with unregistered sub-licenses and gave ODSB a period of sixty (60) days to vacate the Quarry Sites and return the Quarry Sites to SMGQ. In addition, SMGQ counter claimed for the tribute of RM256,300.24 for the months of October 2012 and November 2012, respectively and the forwarding agency fee for materials shipped to Singapore for the months of September 2012, October 2012 and November 2012 in the sum of RM24,623.50.

At the hearing date for SMGQ's injunction application on 29 May 2013, ODSB was directed to deliver vacant possession of the Quarry Sites to SMGQ on or before 12 July 2013. ODSB fully evacuated the Quarry Sites on 9 July 2013.

SMGQ by way of an amended statement of defence and amended counter-claim dated 20 March 2014 added Minetech Quarries Sdn Bhd ("MQSB"), our wholly-owned subsidiary, as a party to the amended counter-claim by reason of a performance guarantee dated 28 March 2006 in favour of SMGQ.

The trial of the above matter commenced on 30 October 2015. The Court has fixed 15 February 2016, 3 to 4 March 2016 for continued hearing. This has been further postponed to 11 & 12 August 2016 and 19 to 21 September 2016.

ODSB's solicitors are of the view that ODSB has a reasonable prospect of succeeding in its claim for damages and it is for SMGQ to proof its counter-claim. The exposure of liabilities as a result of this would be the amount claimed in SMGQ's counter claim (in the event that SMGQ's counter claim

27. Material Litigation (Cont'd)

is allowed with cost and ODSB's claim is dismissed with cost) and the legal fees incurred in ODSB's engagement of the solicitors to litigate this matter amounting to approximately RM500,000.

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

ODSB, MQSB and KSC, our wholly-owned subsidiary (collectively referred to as the "Companies") had on 19 September 2014 through their solicitors served a statement of claim and writ of summons both dated 15 September 2014 against SMGQ and its shareholders, namely Moo Khean Choong @ Mu Kan Chong, Atma Singh @ Atma Singh Lahre s/o Keer Singh and Low Sow Fong ("Defendants") in the High Court of Malaya. By this suit, the Companies sought for orders to rescind the agreement dated 28 March 2006 as mentioned in item (i) above, demanded general damages to be assessed by the Senior Assistant Registrar, special damages in the sum of RM4,000,000.00 for the wasted expenditure incurred in developing the Quarry Sites, interest and cost.

The subject matter of this suit is based on the breach of the agreement dated 28 March 2006 as mentioned in item (i) above. However, the reliefs sought herein are different from the above suit described in item (i) above.
This suit is premised on the deceit and misrepresentation that is committed by the Defendants against the Companies and also involving the tort of deceit. This has caused the Companies to suffer loss and damages.

This suit will be heard together with Kuala Lumpur High Court Suit No. S-22NCVC-288-04/2013. As such, the trial dates for both the suits are the same.

The Companies' solicitors are of the view that the Companies have a reasonable prospect of succeeding subject to the fact that the Companies are able to furnish or provide the relevant evidence in respect of the matters averred in the statement of claims. In the worst case scenario, the Companies will be liable to the Defendants for costs incurred.

(iii) **Shah Alam High Court Suit No. 22NCVC-560-10/2015**

Diman K.S Chin Sdn Bhd ("DKSC"), our wholly-owned subsidiary, at the request of Diman Premix Industries Sdn Bhd ("DPI") supplied DPI with premix and quarry products. The total outstanding sum which is due and payable to DKSC for the supply of premix and quarry products to DPI is RM471,798.79.

DKSC filed an action at the Sessions Court for the sum payable. DPI on the other hand counter claimed against the Plaintiff, amongst others, for Special Damages in the sum of RM 1,701,106.80 and General Damages.

On 28/7/2015, DPI filed an Originating Summons vide Shah Alam High Court Originating Summons No. 24-904-07/2015 to transfer the Sessions Court Suit to the High Court in light of their counter claim. On 1/9/2015, the High Court allowed DPI's application. The Suit is now registered as Shah Alam High Court

27. Material Litigation (Cont'd)

Suit No. 22NCVC-560-10/2015 and the matter was fixed for Case Management on 22/2/2016 with the matter fixed for trial on 9th and 10th May 2016.

However, an out of court settlement has been reached by way of a consent judgement and we are awaiting the sealed order by the court.

(iv) **Kuala Lumpur High Court Case No. 13(25)/4-1104/2015**

Lee Cheng Yew (a former employee of Minetech Resources Berhad) filed a claim for constructive dismissal against Minetech Resources. In her claim, she is claiming for backwages as well as reinstatement (with compensation in lieu of reinstatement).

The contingent liability of Minetech Resources Berhad in the event the Claimant's claim for constructive dismissal is allowed by the Industrial Court is RM215,000.

The case is presently pending in the Industrial Court, whereby both parties have filed their Statement of Case and Statement of Reply respectively. A mediation date has been fixed on 26 May 2016 to discuss an out of court settlement.

28. Dividends

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

29. Earnings/Loss per share

	Individual Quarter Current Period Quarter ended 31 Mar 2016	Cumulative Quarter Current Year To Date ended 31 Mar 2016
Net (Loss)/Profit attributable to the owners of the company (RM)	(2,266)	(9,491)
Weighted average number of ordinary share of RM0.15 each ('000)	422,994	422,994
Basic earnings per share (sen)	(0.54)	(2.24)

There is no dilute event as at 31 Mar 2016 and 31 Mar 2015. Therefore, the diluted EPS is the same as the basic EPS.

30. Notes to the Consolidated Statement of Comprehensive Income

	Current Quarter Ended 31 Mar 2016 RM'000	Financial Year-to-Date Ended 31 Mar 2016 RM'000
Interest income	(158)	(808)
Other income including investment income	-	-
Interest expense	345	1,253
Depreciation and amortization	2,720	12,792
Loss on disposal of property, plant and equipment	24	1,866
Property, plant and equipment written off	-	33
Realised (gain)/loss on foreign exchange	(167)	(141)
Unrealised (gain)/loss on foreign exchange	(270)	(31)
Realised gain on derivatives	-	-
Provision for and written off trade receivables.	1,290	1,290
Provision for and written off inventories	2,296	2,296

31. Authorised for issuance

The interim financial statements for financial period ended 31 Mar 2016 has been seen and approved by the Board of Directors of MRB on 24 May 2016 for release to the Bursa Securities.