



MINETECH RESOURCES BERHAD GROUP

ANNOUNCEMENT PACKAGE

Q4/FY2018

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

Condensed Consolidated Statement Of Comprehensive Income
For the Forth Quarter Ended 31 March 2018
(The figures have not been audited)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter ended 31 Mar 2018 RM'000	Preceding Year Corr. Quarter ended 31 Mar 2017 RM'000	Current Year To Date ended 31 Mar 2018 RM'000	Preceding Year Corr. Year ended 31 Mar 2017 RM'000
Revenue	29,365	26,331	122,211	95,018
Cost of sales	(26,189)	(34,192)	(114,001)	(98,321)
Gross profit / (loss)	3,176	(7,861)	8,210	(3,303)
Other income	6,438	6,581	10,912	7,203
Administrative expenses	(5,392)	(14,737)	(15,201)	(26,856)
Selling and marketing expenses	(211)	(243)	(806)	(568)
Finance costs	(718)	(324)	(2,097)	(1,719)
Share of loss in an associate company	-	(41)	-	(166)
Profit/ (loss) before tax	3,293	(16,625)	1,018	(25,409)
Tax expense	(845)	(371)	(1,916)	(371)
Profit / (loss) for the financial period	2,448	(16,996)	(898)	(25,780)
Other comprehensive income				
Items that are or may be reclassified				
subsequently to profit or loss				
- Exchange translation differences for foreign operation	150	(662)	150	(228)
Total comprehensive income	2,598	(17,658)	(748)	(26,008)
Profit / (loss) attributable to:				
Owners of the parent	1,904	(17,187)	(2,691)	(25,659)
Non-controlling interests	544	191	1,793	(121)
	2,448	(16,996)	(898)	(25,780)
Total comprehensive income				
attributable to:				
Owners of the parent	2,054	(17,849)	(2,541)	(25,887)
Non-controlling interests	544	191	1,793	(121)
	2,598	(17,658)	(748)	(26,008)
Earning / (loss) per share (sen)				
- Basic	0.26	(2.40)	(0.37)	(3.58)
- Diluted	0.26	(2.40)	(0.37)	(3.58)

The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for financial year ended 31 March 2017.

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

Condensed Consolidated Statement Of Financial Position
As at 31 March 2018

	Unaudited As At 31 March 2018 RM'000	Audited As At 31 March 2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	48,659	46,064
Investment properties	11,075	1,648
Inventories	8,942	22,899
Investment in associate company	-	-
Quarry development expenditure	3,128	3,231
Goodwill	1,517	1,517
	<u>73,321</u>	<u>75,359</u>
Current assets		
Inventories	8,033	8,067
Trade receivables	25,461	19,569
Other receivables	22,068	5,765
Amount due from customers for contract works	7,558	3,589
Tax recoverables	935	934
Deposit, cash and bank balances	9,535	17,479
	<u>73,590</u>	<u>55,403</u>
Total assets	<u><u>146,911</u></u>	<u><u>130,762</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	110,527	109,555
Less:- Treasury shares, at cost	(48)	(48)
Reserves	(40,733)	(38,192)
	<u>69,746</u>	<u>71,315</u>
Non-controlling interests	6,495	4,702
Total equity	<u>76,241</u>	<u>76,017</u>
Non-current liabilities		
Borrowings	18,210	15,314
Deferred tax liabilities	2,060	2,060
	<u>20,270</u>	<u>17,374</u>
Current liabilities		
Trade payables	27,772	22,657
Other payables	9,805	4,529
Amount due to customers for contract works	-	6
Borrowings	12,583	9,980
Tax payable	240	199
	<u>50,400</u>	<u>37,371</u>
Total liabilities	<u>70,670</u>	<u>54,745</u>
TOTAL EQUITY AND LIABILITIES	<u><u>146,911</u></u>	<u><u>130,762</u></u>
Net assets per share (RM) attributable to owners of the parent	0.10	0.10

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for financial year ended 31 March 2017.

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

Condensed Consolidated Statements of Changes in Equity
For the Forth Quarter Ended 31 March 2018
(The figures have not been audited)

	----- Attributable to owners 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	Foreign currency translation reserve RM'000	Warrant reserve RM'000	Other reserve RM'000	Accumulated losses RM'000			
At 1 April 2016	99,764	791	(48)	183	21,972	(21,972)	(12,488)	88,202	299	88,501
Net loss for the financial year	-	-	-	-	-	-	(25,659)	(25,659)	(121)	(25,780)
Total comprehensive income	-	-	-	-	-	-	(25,659)	(25,659)	(121)	(25,780)
Other comprehensive income	-	-	-	228	-	-	-	(228)	-	(228)
Issue of ordinary shares	9,000	-	-	-	-	-	-	9,000	-	9,000
Adjustments for effect of Companies Act 2016	791	(791)	-	-	-	-	-	-	-	-
Changes in ownership interest in a subsidiary company	-	-	-	-	-	-	-	-	4,524	4,524
Balance as at 31 March 2017	109,555	-	(48)	(45)	21,972	(21,972)	(38,147)	71,315	4,702	76,017
At 1 April 2017	109,555	-	(48)	(45)	21,972	(21,972)	(38,147)	71,315	4,702	76,017
Net loss for the financial year	-	-	-	-	-	-	(2,691)	(2,691)	1,793	(898)
Total comprehensive income	-	-	-	-	-	-	(2,691)	(2,691)	1,793	(898)
Other comprehensive income	-	-	-	150	-	-	-	150	-	150
Issue of ordinary shares	972	-	-	-	-	-	-	972	-	972
Balance as at 31 March 2018	110,527	-	(48)	105	21,972	(21,972)	(40,838)	69,746	6,495	76,241

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for financial year ended 31 March 2017.

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

Condensed Consolidated Statement Of Cash Flows
For the Forth Quarter Ended 31 March 2018
(The figures have not been audited)

	12 Months To Date ended 31 March 2018	Preceding period 12 months ended 31 March 2017
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	1,018	(25,409)
Adjustments for:-		
Depreciation and amortisation	9,907	9,792
Inventories written down	-	1,523
Impairment loss on property, plant and equipment	-	1,156
Impairment loss on quarry development expenditure	-	7,250
Impairment loss on trade receivables	-	153
Impairment loss on other receivables	-	195
Gain on disposal of property, plant and equipment	(924)	(398)
Interest expenses	2,035	1,537
Property, plant and equipment written off	96	1,839
Bad debts written off	-	364
Unrealised profit / (loss) on foreign exchange	150	(160)
Loss on disposal of subsidiary company	-	459
Share of loss on associate company	-	166
Reversal of impairment loss on Inventories	(32)	(1,790)
Reversal of impairment loss on trade receivables	-	(1,452)
Reversal of accrual - tribute	-	(800)
Interest income	(345)	(176)
Operating profit / (loss) before changes in working capital	11,905	(5,751)
Changes in working capital		
Quarry development expenditure	(1,770)	(557)
Inventories	(2,876)	143
Receivables	(22,195)	14,574
Customers for contract works	(3,975)	(693)
Payables	10,391	(2,106)
Net cash (used in) / generated from operations	(8,520)	5,610
Tax paid	(2,101)	(884)
Tax refund	225	112
Interest paid	(2,035)	(1,537)
Interest received	345	176
Net cash (used in) / generated from operating activities	(12,086)	3,477
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(3,072)	(2,832)
Proceeds from disposal of property, plant & equipment	7,811	2,973
Changes in Inventories	-	(6,000)
Net cash outflow from acquisition of subsidiary companies	-	(14,748)
Net proceeds from disposal of a subsidiary	-	4,065
Proceeds/(purchase) of financial assets at fair value through profit or loss	-	14,273
Net cash used in investing activities	4,739	(2,269)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increased in fixed deposit pledged	(2,427)	(328)
Net changes in short term borrowings	(864)	771
Drawdown from term loan	4,000	-
Repayment of term loans	(147)	(828)
Repayment of finance lease payables	(5,619)	(6,369)
Proceeds from issuance of shares	972	9,000
Net cash generated from financing activities	(4,085)	2,246
Net Change in Cash & Cash Equivalents	(11,432)	3,454
Cash and Cash Equivalents at beginning of the financial year	12,695	9,308
Effect on foreign exchange rate changes	-	(67)
Cash and Cash Equivalents at the end of financial year	1,263	12,695
	Note	
Cash and Cash Equivalents comprises of :		
Fixed deposit with licensed banks	5,569	3,144
Cash and bank balances	3,966	14,335
	9,535	17,479
Bank overdrafts	(2,713)	(1,652)
	6,822	15,827
Less: fixed deposits pledged to a licensed bank	(5,559)	(3,132)
	1,263	12,695

The Condensed Consolidated Statement of Cash Flows 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 2017.

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

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134: - Interim Financial Reporting issued by the Malaysia Accounting Standards Board ("MASB") and paragraph 9.22 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 March 2017.

These explanatory notes attached to the interim financial reports provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2017.

2. Changes in accounting policies

Adoption of new and amended standards

During the financial year, the Group have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to MFRSs 2014 – 2016 Cycle:	
Amendments to MFRS 12 <i>Disclosure of Interests in Other Entities</i>	

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

Standards issued but yet effective

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 without subsequent recycling to profit or loss. 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.

MFRS 15 Revenue from contracts with Customers

MFRS 15 replaces MFRS 118 Revenue, MFRS 111 Construction Contracts and related IC Interpretations. 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.

2 Changes in accounting policies

Adoption of new and amended standards (Continued)

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.

3. Auditors' report on preceding annual financial statements

The auditors' report on the Group's financial statements for the financial year ended 31 March 2017 was not subject to any qualification.

4. Seasonal or cyclical factors

The Group's business operations and performance are not significantly affected by any seasonal or cyclical factors except during the festive season in the month of February, June and the raining season from November to December period. The manufacturing and trading of industrial products will experience a shorter production and trading time during these four (4) months.

5. Unusual items affecting assets, liabilities, equity, net income and cash flows

There were no unusual items affecting assets, liabilities, equity, net income and cash flows during the current quarter under review.

6. Change in accounting estimates

There were no changes in estimates used for accounting estimates which may have a material effect for the current quarter under review.

7. Issuance of debt

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

8. Dividend payment

There were no dividends paid during the current financial quarter.

9. Segmental information

The Group comprises the following main business segments which are based on the Group's management and internal reporting structure:

Quarry and Premix Products : Provision of turnkey and specialised quarry services, sales and marketing of quarry products, manufacturing and trading of asphaltic premix products.

Civil Engineering : Specialised civil engineering works.

Bituminous Products : Manufacturing and trading of bituminous products.

Others : Investment holding, provision of managerial services and property development.

Performance is measured based on the segment revenue and profit before tax, interest depreciation and amortisation, as presented in the internal management reports. Segment profit is used to measure performance as management believes that such information are the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

9. Segmental information (Continued)

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

The total of segment liability is measured based on all liabilities of a segment.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment and for quarry development expenditure.

Segmental information for the 12 months ended 31 March 2018:

	Quarry and Premix Products RM'000	Civil Engineering RM'000	Bituminous Products RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue						
Revenue to external customers	78,836	27,256	14,637	80	-	120,809
Inter-segment revenue	600	154	8	85	555	1,402
	<u>79,436</u>	<u>27,410</u>	<u>14,645</u>	<u>165</u>	<u>555</u>	<u>122,211</u>
Segment results	6,449	2,056	1,125	(4,907)	(1,608)	3,115
Finance costs						(2,097)
Share of profit of associated companies						-
Profit before tax						1,018
Taxation						(1,916)
Net loss for the financial year						<u>(898)</u>
Assets						
Segment assets	<u>92,865</u>	<u>37,102</u>	<u>10,764</u>	<u>66,677</u>	<u>(60,497)</u>	<u>146,911</u>
Liabilities						
Segment liabilities	<u>90,277</u>	<u>23,556</u>	<u>5,430</u>	<u>21,313</u>	<u>(69,906)</u>	<u>70,670</u>

Segmental information for the 12 months ended 31 March 2017:

	Quarry and Premix Products RM'000	Civil Engineering RM'000	Bituminous Products RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue						
Revenue to external customers	50,104	27,783	13,048	4,083	-	95,018
Inter-segment revenue	8,327	518	1	3,955	(12,801)	-
	<u>58,431</u>	<u>28,301</u>	<u>13,049</u>	<u>8,038</u>	<u>(12,801)</u>	<u>95,018</u>
Segment results	(20,967)	1,574	822	(66,268)	61,315	(23,524)
Finance costs						(1,719)
Share of loss of associated companies						(166)
Loss before tax						(25,409)
Taxation						(371)
Net loss for the financial year						<u>(25,780)</u>
Assets						
Segment assets	<u>78,756</u>	<u>27,999</u>	<u>12,587</u>	<u>69,111</u>	<u>(57,691)</u>	<u>130,762</u>
Liabilities						
Segment liabilities	<u>82,675</u>	<u>16,037</u>	<u>7,735</u>	<u>21,782</u>	<u>(73,484)</u>	<u>54,745</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 or the operations of the Group.

12. Changes in composition of the Group

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

13. Changes in contingent assets or contingent liabilities

The changes in contingent liabilities were as below:-

	As at 31 Mar 2018 RM'000	As at 31 Mar 2017 RM'000
Corporate guarantees	28,995	19,891

14. Capital commitments

There was no material capital commitment not provided for as at 31 March 2018.

15. Related party transactions

	3 Months As at 31 Mar 2018 RM'000	3 Months As at 31 Mar 2017 RM'000
Rental paid to Choy Sen @ Chin Kim Sang	20	53
Rental paid to Low Choon Lan	-	21

The Board of Directors, save for the interested directors are of the opinion that all business transactions between the Group and the interested directors and interested substantial shareholders and/or persons connected to them are at arm's length basis and on terms not more favourable to the related parties than those generally available to the public.

B. ADDITIONAL DISCLOSURES IN COMPLIANCE WITH THE BURSA SECURITIES LISTING REQUIREMENTS

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

The comparisons of the results are tabulated below:

Operating Segment	Revenue		Operating Results	
	3 months ended 31 Mar 2018 RM'000	3 months ended 31 Mar 2017 RM'000	3 months ended 31 Mar 2018 RM'000	3 months ended 31 Mar 2017 RM'000
Quarry and Premix Products	15,648	8,349	3,972	(17,042)
Civil Engineering	8,801	6,524	721	309
Bituminous Products	3,536	2,914	539	(330)
Others	20	969	297	(64,098)
Eliminations	1,360	7,575	(1,518)	64,901
Group	29,365	26,331	4,011	(16,260)
Less: Finance Costs			(718)	(324)
Less: Share of loss in associate			-	(42)
Profit/(Loss) Before Tax			3,293	(16,626)

The Group's performance has improved with an increase of its total revenue to RM29.4 million and a profit before tax of RM3.3 million in the current reporting quarter as compared to the preceding year's corresponding quarter in which the Group's recorded total revenue were RM26.3 million and loss before tax were RM16.6 million respectively.

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

Quarry and Premix Products

Revenue for the quarry and asphaltic premix products segment is higher at RM15.6 million as compared to the previous year's quarter of RM8.3 million and is mainly due to the substantially higher sales from the quarry business.

Operating profit for this year's quarter is recorded at RM4.0 million when compared to operating loss for the previous corresponding year's quarter at RM17.0 million which is mainly due to additional production line, export to Bangladesh and gain on disposal of a crusher plant.

Civil Engineering

Revenue for this segment is recorded at RM8.8 million with an operating profit of RM0.7 million compared with the same quarter of the last financial year's revenue of RM6.5 million and operating profit of RM0.3 million respectively.

The higher operating profit recorded for this reporting quarter is mainly due to a project with higher margin.

Bituminous Products

Revenue recorded for this segment for this reporting quarter is RM3.5 million with an operating profit of RM0.5 million as compared with same quarter of the last financial year's revenue of RM2.9 million and operating loss of RM0.3 million respectively.

The higher revenue and operating profit are mainly due to higher sales in the local markets.

16. Review of the performance of the Company and its principal Subsidiaries. (Continued)

Comparison with immediate preceding quarter's results (Q4-FY'18 vs Q3-FY'18)

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

Operating Segment	Current	Immediate	Variance	
	Quarter	preceding	RM'000	%
	RM'000	Quarter	RM'000	
Quarry and Premix Products	15,648	21,556	(5,908)	-27%
Civil Engineering	8,801	6,604	2,197	33%
Bituminous Products	3,536	4,337	(801)	-18%
Others	20	39	(19)	-49%
Eliminations	1,360	(150)	1,510	-1007%
Group	<u>29,365</u>	<u>32,386</u>		
Profit Before Tax	<u>3,293</u>	<u>106</u>	3,187	>100%

For the current quarter under review, the quarry and asphaltic premix products segment generated a lower revenue of RM15.6 million compared to RM21.6 million recorded in the immediate preceding quarter, mainly due to the prevailing competitive market and because of the reduced asphaltic premix products operations and festival season factor .

The civil engineering segment recorded a revenue of RM8.8 million compared to RM6.6 million in the immediate preceding quarter, which is mainly due to a higher rate of work of the projects undertaken.

The bituminous products segment recorded a lower revenue of RM3.5 million as compared to the revenue of RM4.3 million recorded in the immediate preceding quarter is mainly due to lower oversea sales.

The Group profitability in this reporting quarter has improved by recording a profit before tax of RM3.3 million as compared to a RM0.1 million recorded in the immediate preceding quarter as a results of the cost control and gain on disposal of machinery as part of the rationalisation exercise carried out.

17. Prospects

The next financial year will be challenging due to the uncertainty in the implementation of certain mega infrastructure project, that are being reviewed or to be reviewed by the Government.

Notwithstanding the above, basic requirements of aggregates and premixes for on going projects are expected to be satisfied by the quarry division, thus the operations of this specific segment is expected to be satisfactory.

As for the bituminous products segment, exports of bituminous products is expected to be at least stable, if not improving and therefore should continue to post positive operating results.

18. Acquisition of Bertam Capital Sdn Bhd

The Company had announced on 13 December 2017 a Proposed Acquisition of 1,200,000 ordinary shares in Bertam Capital Sdn Bhd ("BCSB"), representing 60% of the entire issued share capital in BCSB, for a purchase consideration of RM16,800,000 to be fully satisfied via the allotment and issuance of 120,000,000 new ordinary shares in MRB ("MRB shares") at an issue price of RM0.14 per MRB share ("Proposed Acquisition"). Upon completion of the Proposed Acquisition, BCSB will become a subsidiary of the Company.

On 17 January 2018, The Company had announced that the application in relation to the Proposed Acquisition has been submitted to Bursa Malaysia Securities Berhad. The Company had on 27 March 2018 obtained approval from Bursa Malaysia Security Berhad for the listing and quotation for 120,000,000 new MRB shares to be issued pursuant to the Proposed Acquisition subject to the fulfilment of the conditions.

On 4 April 2018, the Company had entered into a supplemental agreement to the Share Sale Agreement (SSA) with Bertam Roadbase Sdn Bhd (BRBS) to extend the Conditional Period for a further from 12 April 2018 to 11 June 2018 for fulfill all the remaining Condition Precedent. The Condition Precedent of the SSA and the supplemental SSA have been fulfilled on 23 April 2018 announcement.

The notice for an Extraordinary General Meeting ("EGM") to be held on 20 April 2018 was announced on 4 April 2018. The Circular to Shareholders were sent out on the next day. The EGM was held as scheduled and the Company obtained shareholders' approval.

On 30 April 2018, the Company announced the completion of the aforesaid acquisition and the listing of the 120,000,000 new MRB Shares on the Main Market of Bursa Malaysia Securities Berhad.

19. Private Placement

The Company had on 28 December 2017 announced a Proposed Private Placement of up to 106,397,940 new ordinary shares in MRB, representing up to ten percent (10%) of the total number of issued shares of MRB. After taking into account the Company's issue share capital as at 6 December 2017, being the latest practicable date prior to the announcement ("LPD") of 731,289,900 MRB shares (i.e. excluding 285,000 treasury shares), as well as the 332,404,500 outstanding warrants 2014/2019 of MRB ("Warrant(s)"), the number of the new MRB Shares that could be issued under the Proposed Private Placement would be:

(i) Up to 106,379,940 new MRB Shares, representing up to ten percent (10%) of the Company's enlarged issued share capital, assuming that the outstanding Warrants are fully exercised into new MRB Shares prior to the implementation of the Proposed Private Placement and assuming the 285,000 treasury shares resold in the open market by MRB ("Maximum Scenario"); or

(ii) Up to 73,128,990 new MRB Shares, representing up to ten percent (10%) of the Company's issued share capital, assuming that none of the outstanding Warrants are exercised into new MRB Shares prior to the implementation of the Proposed Private Placement and assuming none of the 285,000 treasury shares resold in the open market by MRB ("Minimum Scenario").

On 5 January 2018, the Company announced the submission of the listing application to Bursa Malaysia Securities Berhad for the listing of and quotation for the Placement Shares on the Main Market.

The 30,000,000 new ordinary shares of RM0.10 each were issued and allotted pursuant to the Private Placement which was announced on 20 April 2018.

There was no other issuance of MRB shares pursuant to the private placement since the announcement on 20 April 2018.

20. Joint Venture Agreement

The Company had on 27 November 2017 announced that MRB Land Sdn Bhd ("MLSB"), a wholly-owned subsidiary of the Company has entered into a Joint Venture Agreement ("JVA") with Cheong See Weng ("CSW"), Chong Moey Loy ("CML") and Chong Thin Choy ("CTC") ("the Landowner") to appoint MLSB as developer for the development of all that parcel of freehold land held under Geran Mukim 697 No. Lot 7033 in Tempat Batu 1 ½ Jalan Cheroh, Raub, Mukim Gali, Daerah Raub, Negeri Pahang measuring approximately 1.955 hectares ("the Land") into a housing development project ("the Project") on a joint-venture basis whereby:-

(a) the Landowner is to contribute the Land free from all liens charge and encumbrances caveats restrains whatsoever; and

(b) MLSB is to make such other arrangement, financial or otherwise, as MLSB shall deem fit and to contribute the entire cost of erecting the building units thereon and all other amenities and facilities serving the entire project in accordance with the plans to be approved by the relevant authorities.

MLSB has obtained all the required approvals and on 26 April 2018, MLSB launched the Project under the name of Taman Bukit Indah. The construction team has started with the earthworks and estimates that the completion of this stage is by end of June 2018.

21. Large Scale Solar Photovoltaic Energy

The Company had on 30 March 2018 announced that Coral Power Sdn Bhd, a 70%-owned subsidiary had on 26 March 2018 entered into a Power Purchase Agreement with Tenaga Nasional Berhad (TNB) pursuant to a Letter of Acceptance of Offer dated 28 November 2017 issued by Suruhanjaya Tenaga for generation and sale of solar photovoltaic energy to TNB grid system at PPU Pantai Remis from its solar photovoltaic energy generating facility with a capacity of 9.99 MWac to be located in PT 18535, Persiaran Segari, Mukim Pengkalan Baharu, Daerah Manjung, Perak ("Project"). Upon completion, this project will be one of the first system utilising floatation devices on a pond in Malaysia. The Project is expected to contribute positively to the earnings and net assets of the Group in year 2020.

On 24 April 2018, the Company announced the acceptance of the Letter of Award from the Energy Commission to develop Large Scale Solar PV Plant of 9.99 MWa.c. at PT18535, Persiaran Segari, Mukim Pengkalan Baharu, Daerah Manjung, Perak at the offer price of 37.50 sen/kWh for a period of 21 years.

22. Profit forecast/profit guarantee

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

23. Tax expense

Tax expenses were as follows:

	12 Months period ended 31 Mar 2018 RM'000	12 Months period ended 31 Mar 2017 RM'000
Current tax expense :		
- current taxation	(2,140)	(371)
- under/(over) provision in prior year	224	-
	<u>(1,916)</u>	<u>(371)</u>
Current deferred tax	-	-
	<u>(1,916)</u>	<u>(371)</u>

24 Status of corporate proposals

Rights Issue

As at 31 March 2018, our Group has fully utilised the total Rights Issue Proceeds of RM49.86 million. The details of the Revision of Proceeds Utilisation approved on 16 March 2016 are as follows:-

Existing	Time frame of proceeds utilisation	Proceeds RM'000	Amount Utilised RM'000	Amount Unutilised		Explanations (if the deviation is 5% or more)
				RM'000	%	
Purchase of quarry sites	Within 24 months	-	-	-		
Distribution of heavy machineries	Within 24 months	20,000	(20,000)	-	0%	
Working capital	Within 12 months	20,000	(20,000)	-	0%	
Repayment of bank borrowings	Within 12 months	8,631	(8,631)	-	0%	
Estimated expenses in relation to the corporate exercise	Within 2 weeks	1,230	(1,230)	-	0%	
		<u>49,861</u>	<u>(49,861)</u>	-	0%	

25 Group borrowings

The Group's borrowings were as follows:-

	As at 31 March 2018		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
<u>Secured</u>			
Term loans	9,201	1,197	10,398
Finance lease payables	9,009	6,163	15,172
Bank overdrafts	-	2,713	2,713
Bankers acceptance/Letter of credit	-	2,510	2,510
	<u>18,210</u>	<u>12,583</u>	<u>30,793</u>
	As at 31 March 2017		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
<u>Secured</u>			
Term loans	6,367	179	6,546
Finance lease payables	8,947	4,775	13,722
Bank overdrafts	-	1,652	1,652
<u>Unsecured</u>			
Bankers acceptance/Letter of credit	-	3,374	3,374
	<u>15,314</u>	<u>9,980</u>	<u>25,294</u>

The term loan for the current quarter of RM10.4 million compare to RM6.5 million correspondence period mainly due to a drawdown of RM4.0 million.

Finance lease payable increase due to draw down for finance acquisition of property plant and machinery.

The Group does not have any borrowings denominated in foreign currency.

26. Derivatives

There were no derivatives for the current quarter under review.

27. Material Litigation

This is an update to the Report as at 30 May 2018 previously submitted by Minetech Resources Berhad (“MRB”) regarding material litigation cases involving the Group.

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

(i) Kuala Lumpur High Court Suit No. S-22NCVC-288-04/2013 (“Suit 288”)

The Trial for Suit 288 and the below stated Suit 433 had proceeded at the Kuala Lumpur High Court before Y.A. Datin Hajah Azizah on 23rd, 24th, 25th and 26th October 2017, 13th and 23rd November 2017. Written submission was filed by both parties on 15th January 2018 and written reply to each other’s written submission was filed on 5th February 2018 by both parties. The Court has also heard both parties’ oral submission on 8th February 2018 before the Judge.

The Judge had on 20th April 2018 found the termination by Sri Manjung Granite Quarry Sdn Bhd (“SMGQ”) to be unlawful and had ordered SMGQ to pay damages to Optimis Dinamik Sdn Bhd (“ODSB”) (the quantum of damages is to be assessed by the Court Registrar) together with interest thereon at the rate of 5% per annum from the date of the Writ of Summon dated 1 April 2013 until full payment and costs of RM80,000.

As regards to SMGQ’s Counterclaim, the High Court only allowed SMGQ’s counterclaim for the outstanding tribute payment of RM256,300.24 owing by ODSB which is to be deducted (set-off) from the damages assessed to be paid by SMGQ to ODSB. The Counterclaim of RM256,300.24 allowed by the High Court in Suit 288 should have no financial impact on the Company as it is to be deducted (set-off) against damages to be paid by SMGQ to ODSB.

ODSB has filed a Notice of Direction to the High Court for the assessment of damages and case management for this direction has been fixed on 6th June 2018. However, on 15th May 2018, SMGQ filed their appeal against the High Court’s decision in Suit 288 and the case management for SMGQ’s appeal has been fixed on 23rd July 2018.

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

As stated above, Suit 433 and Suit 288 are tried together, hence written submission was filed by both parties on 15th January 2018 and written reply to each other’s written submission was filed on 5th February 2018 by both parties. The Court has also heard both parties’ oral submission on 8th February 2018 before the Judge.

The Judge had on 20th April 2018 dismissed ODSB, Minetech Quarries Sdn Bhd and K.S. Chin Minerals Sdn Bhd’s claim against SMGQ and its 3 Directors, namely Mr. Moo Khean Chong, Ms. Low Sow Fong & Mr. Atma Singh, with costs of RM50,000.

ODSB further proceed to file an appeal to the Court of Appeal against the High Court’s decision in Suit 433 on 18th May 2018.

28. Dividends

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

29. Earning / (Loss) per share

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months Quarter ended</u> 31 Mar 18	<u>3 months Quarter ended</u> 31 Mar 17	<u>Year to date ended</u> 31 Mar 18	<u>Year to date ended</u> 31 Mar 17
Basic Earning/ (loss) per share				
Profit / (loss) for the period (RM'000)	1,904	(17,187)	(2,691)	(25,659)
Weighted average number of ordinary shares ('000)	730,480	716,343	730,480	716,343
Basic earning / (loss) per share (sen)	0.26	(2.40)	(0.37)	(3.58)

There is no dilute event for the current quarter and year to date. 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 18 RM'000	Year-to -date Ended 31 Mar 18 RM'000
Interest income	(51)	(345)
Interest expense	715	2,035
Depreciation and amortisation	2,155	9,907
Gain on disposal of property, plant and equipment	164	(924)
Property, plant and equipment written off	30	96
Reversal on impairment loss on Inventories	-	(32)

31. Authorised for issuance

The interim financial statements for financial year ended 31 March 2018 has been approved by the Board of Directors of MRB on 30 May 2018 for release to the Bursa Securities.