



MINETECH
MINETECH RESOURCES BERHAD GROUP

ANNOUNCEMENT PACKAGE

Q4/FY2022

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

Condensed Consolidated Statement Of Comprehensive Income For the Fourth Quarter Ended 31 March 2022
(The figures have not been audited)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter ended 31 Mar 2022	Preceding Year Quarter ended 31 Mar 2021	Current Year To Date Ended 31 Mar 2022	Preceding Year To Date Ended 31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
Continued operations				
Revenue	25,228	40,869	85,391	95,021
Cost of sales	(27,427)	(31,376)	(83,016)	(77,524)
Gross Profit	(2,199)	9,493	2,375	17,497
Other income	109	677	2,658	2,912
Administrative expenses	(9,621)	(3,302)	(27,688)	(14,794)
Selling and marketing expenses	(98)	(97)	(476)	(396)
Finance costs	(339)	(91)	(1,216)	(1,085)
Share of associate company's result	-	(129)	-	(118)
(Loss)/Profit before tax	(12,148)	6,551	(24,347)	4,016
Tax expense	(334)	(1,896)	(852)	(3,119)
(Loss)/Profit from continued operations	(12,482)	4,655	(25,199)	897
Discontinued operations				
Profit/(Loss) from discontinued operation, net of tax	-	723	7	(182)
Net (Loss)/Profit for the period/year	(12,482)	5,378	(25,192)	715
Other comprehensive income/(loss)				
Items that are or may be reclassified subsequently to profit or loss				
- Exchange translation differences for foreign operation	(31)	37	(35)	40
Total comprehensive (loss)/income	(12,513)	5,415	(25,227)	755
(Loss)/Profit attributable to:				
Owners of the Parent	(11,856)	4,980	(22,159)	924
Non-controlling interests	(626)	398	(3,033)	(209)
	(12,482)	5,378	(25,192)	715
Total comprehensive (loss)/income attributable to:				
Owners of the Parent	(11,887)	5,017	(22,194)	964
Non-controlling interests	(626)	398	(3,033)	(209)
	(12,513)	5,415	(25,227)	755
(Loss)/Earnings per share (sen)				
- Basic	(0.68)	0.43	(1.90)	0.08
- Diluted	(0.68)	0.43	(1.27)	0.08

The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for financial year ended 31 March 2021.

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

Condensed Consolidated Statement Of Financial Position
As at 31 March 2022

	Unaudited As At 31 March 2022 RM'000	Audited As At 31 March 2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	65,476	36,502
Right of use assets	3,959	11,504
Investment properties	1,580	10,816
Inventories	6,000	6,000
Quarry development expenditure	76	87
Goodwill on consolidation	3,455	3,979
Other receivables	202	582
	<u>80,748</u>	<u>69,470</u>
Current assets		
Inventories	2,496	2,019
Contract assets	20,533	36,222
Trade receivables	32,886	18,287
Other receivables	16,121	3,433
Amount due from an associate company	-	9,791
Tax recoverables	93	128
Other investments	2,510	466
Asset held for sale	12,000	31,255
Fixed deposits with licensed bank	6,399	7,493
Cash and bank balance	10,028	15,054
	<u>103,066</u>	<u>124,148</u>
Total assets	<u><u>183,814</u></u>	<u><u>193,618</u></u>
	Unaudited As At 31 March 2022 RM'000	Audited As At 31 March 2021 RM'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	94,050	166,813
Less:- Treasury shares, at cost	(48)	(48)
Reserves	(8,231)	(75,987)
	<u>85,771</u>	<u>90,778</u>
Non-controlling interests	(2,669)	1,563
Total equity	<u>83,102</u>	<u>92,341</u>
Non-current liabilities		
Lease and borrowings	16,055	16,945
Deferred tax liabilities	2,402	2,390
	<u>18,457</u>	<u>19,335</u>
Current liabilities		
Trade payables	42,731	32,463
Other payables	6,061	6,036
Lease and borrowings	32,365	20,187
Tax payable	1,098	2,328
Liabilities associated to asset held for sale	-	20,928
	<u>82,255</u>	<u>81,942</u>
Total liabilities	<u>100,712</u>	<u>101,277</u>
TOTAL EQUITY AND LIABILITIES	<u><u>183,814</u></u>	<u><u>193,618</u></u>
Net assets per share (RM)	0.07	0.08

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for financial year ended 31 March 2021.

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

Condensed Consolidated Statement Of Cash Flows
For the Financial Year Ended 31 March 2022

(The figures have not been audited)

	12 Months To Date ended 31 March 2022 RM'000	Preceding period 12 months ended 31 March 2021 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax from continuing operations	(24,347)	4,016
Profit before tax from discontinued operation	7	-
Loss before tax	(24,340)	4,016
Adjustments for:-		
Bad debts written off	-	-
Bad debts recovery	(119)	(175)
Depreciation and amortisation	2,261	2,145
Loss/(Gain) on disposal of property, plant and equipment	773	(300)
Gain on disposal of associated company	(120)	-
Gain on disposal of subsidiary company	(1,102)	-
Goodwill written off	552	-
Finance costs	1,036	1,085
Unrealised gain on foreign exchange	(1)	(96)
Impairment losses on:		
- receivables	4,174	86
- assets held for sale	4,243	-
Reversal on impairment losses on property, plant and equipment	(464)	-
Reversal on impairment losses on receivables	-	(1,183)
Share of associate company's result	-	118
Interest income	(162)	(258)
Operating (loss)/profit before changes in working capital	(13,269)	5,438
Changes in working capital		
Quarry development expenditure	11	(86)
Inventories	(477)	6,369
Receivables	(6,312)	15,519
Contract assets	15,689	(32,895)
Payables	(2,469)	286
Net cash used in operations	(6,827)	(5,369)
Tax paid	(2,083)	(977)
Tax refund	54	131
Interest paid	(1,036)	(1,085)
Interest received	162	258
Net cash used in operating activities	(9,730)	(7,042)

	12 Months To Date ended 31 March 2022 RM'000	Preceding period 12 months ended 31 March 2021 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(32,428)	(20,933)
Proceeds from disposal of property, plant & equipment	1,433	413
Net cash inflow from disposal of subsidiary companies	-	-
Changes in amount due to associate company	9,791	(9,790)
Changes in other investments	(2,044)	439
Net cash used in investing activities	(23,248)	(29,871)
CASH FLOW FROM FINANCING ACTIVITIES		
Net changes in fixed deposits pledged	1,094	(103)
Drawdown of borrowing	24,315	-
Repayment of borrowings	(10,896)	(3,418)
Drawdown of term loans	1,006	15,700
Repayment of term loans	(2,048)	(402)
Repayment of lease liabilities	(1,089)	(2,564)
Proceeds from issuance of shares	17,237	34,286
Net cash generated from financing activities	29,619	43,499
Net Changes in Cash & Cash Equivalents	(3,359)	6,586
Cash and Cash Equivalents at beginning of the year	10,839	4,254
Effects of exchange translation differences on cash and cash equivalents	1	-
Cash and Cash Equivalents at the end of year	7,481	10,840
Cash and Cash Equivalents comprises of :		
Fixed deposits with licensed banks	6,399	7,493
Cash and bank balances	10,028	15,054
Bank overdrafts	(2,558)	(4,225)
	13,869	18,322
Less: fixed deposits pledged to licensed banks	(6,388)	(7,482)
	7,481	10,840

MINETECH RESOURCES BERHAD [200201007880 (575543-X)]

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statements of Changes in Equity

For the Financial Year Ended 31 March 2022

(The figures have not been audited)

	----- Attributable to owners of the parent -----						
	Share capital	Treasury shares	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2021	166,813	(48)	40	(76,027)	90,778	1,563	92,341
Loss for the financial year	-	-	-	(22,159)	(22,159)	(3,033)	(25,192)
Other comprehensive income	-	-	(36)	-	(36)	-	(36)
Total comprehensive income/ (loss) for the financial year	-	-	(36)	(22,159)	(22,195)	(3,033)	(25,228)
Transactions with owners:							
Right shares issued	17,480	-	-	-	17,480	-	17,480
Share capital reduction	(90,000)	-	-	90,000	-	-	-
Share issue expenses	(243)	-	-	-	(243)	-	(243)
Acquisition of new subsidiary	-	-	-	(109)	(109)	149	40
Change of ownership	-	-	-	60	60	(60)	-
Disposal of non-controlling interest	-	-	-	-	-	(1,288)	(1,288)
	(72,763)	-	-	89,951	17,188	(1,199)	15,989
At 31 March 2022	94,050	(48)	4	(8,235)	85,771	(2,669)	83,102

	----- Attributable to owners of the parent -----						
	Share capital	Treasury shares	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2020	132,527	(48)	-	(77,060)	55,419	2,152	57,571
Profit/(Loss) for the financial period	-	-	-	924	924	(209)	715
Other comprehensive income	-	-	40	-	40	-	40
Total comprehensive loss for the financial period	-	-	40	924	964	(209)	755
Transactions with owners:							
Issuance of share capital	34,286	-	-	-	34,286	-	34,286
Acquisition on subsidiaries	-	-	-	109	109	(380)	(271)
	34,286	-	-	109	34,395	(380)	34,015
At 31 March 2021	166,813	(48)	40	(76,027)	90,778	1,563	92,341

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for financial year ended 31 March 2021.

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

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134: - Interim Financial Reporting issued by the Malaysia Accounting Standards Board ("MASB") and paragraph 9.22, part K of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The interim financial report is in compliance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. It should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2021.

These explanatory notes attached to the interim financial reports provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2021.

2. Changes in accounting policies

Adoption of new and amended standards

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

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

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

Standards issued but yet effective

Amendments to MFRS 101	Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies
Amendment to MFRS 108	Definition of Accounting Estimates
Amendment to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 10 & 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

3. Auditors' report on preceding annual financial statements

The auditors' report on the Group's financial statements for the financial year ended 31 March 2021 was not subject to any qualification.

4. Seasonal or cyclical factors

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

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

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

6. Change in accounting estimates

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

7. Issuance of debt

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

8. Dividend payment

There were no dividends paid during the current financial quarter.

9. Segmental information

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

Quarry Products : Provision of turnkey and specialised quarry services, sales and marketing of quarry products.

Civil Engineering : Specialised civil engineering works.

Bituminous Products : Manufacturing and trading of bituminous products.

Services : Provision of services.

Others : Investment holding and provision of managerial services.

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

Segment assets

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

Segment liabilities

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

Segment capital expenditure

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

Segmental information for the 12 months ended 31 March 2022:

	Quarry Products RM'000	Civil Engineering RM'000	Bituminous Products RM'000	Services RM'000	Others RM'000	Elimination RM'000	Total RM'000	Quarry Products (discontinued) RM'000	Consolidation RM'000
Revenue									
Revenue to external customers	3,203	55,511	15,161	7,515	4,001	-	85,391	2,785	88,176
Inter-segment revenue	-	-	-	-	2,178	(2,178)	-	-	-
	<u>3,203</u>	<u>55,511</u>	<u>15,161</u>	<u>7,515</u>	<u>6,179</u>	<u>(2,178)</u>	<u>85,391</u>	<u>2,785</u>	<u>88,176</u>
Segment results	(1,467)	2,813	451	(6,317)	(19,705)	940	(23,285)	94	(23,191)
Interest income	-	116	-	-	38	-	154	8	162
Finance costs							(1,216)	(95)	(1,311)
(Loss)/ Profit before tax							<u>(24,347)</u>	<u>7</u>	<u>(24,340)</u>
Taxation							(852)	-	(852)
Net (loss)/ profit for the period							<u>(25,199)</u>	<u>7</u>	<u>(25,192)</u>
Assets									
Segment assets	<u>4,884</u>	<u>58,924</u>	<u>10,918</u>	<u>23,597</u>	<u>160,352</u>	<u>(74,861)</u>	<u>183,814</u>	<u>-</u>	<u>183,814</u>
Liabilities									
Segment liabilities	<u>31,520</u>	<u>33,482</u>	<u>4,498</u>	<u>26,029</u>	<u>87,483</u>	<u>(82,300)</u>	<u>100,712</u>	<u>-</u>	<u>100,712</u>

Segmental information for the 12 months ended 31 March 2021:

	Quarry Products RM'000	Civil Engineering RM'000	Bituminous Products RM'000	Services RM'000	Others RM'000	Elimination RM'000	Total RM'000	Quarry Products (discontinued) RM'000	Consolidation RM'000
Revenue									
Revenue to external customers	3,768	54,936	11,400	24,332	584	-	95,020	15,020	110,040
Inter-segment revenue	-	-	-	-	1,764	(1,764)	-	-	-
	<u>3,768</u>	<u>54,936</u>	<u>11,400</u>	<u>24,332</u>	<u>2,348</u>	<u>(1,764)</u>	<u>95,020</u>	<u>15,020</u>	<u>110,040</u>
Segment results	689	9,167	375	3,677	(7,222)	(1,892)	4,794	182	4,976
Interest income	136	128	-	-	43	-	307	-	307
Finance costs									-
Loss before tax							<u>5,101</u>	<u>182</u>	<u>5,283</u>
Taxation							(3,119)	(93)	(3,212)
Net loss for the period							<u>1,982</u>	<u>89</u>	<u>2,071</u>
Assets									
Segment assets	<u>23,625</u>	<u>52,191</u>	<u>10,036</u>	<u>28,648</u>	<u>121,608</u>	<u>(58,896)</u>	<u>177,212</u>	<u>16,406</u>	<u>193,618</u>
Liabilities									
Segment liabilities	<u>41,004</u>	<u>28,338</u>	<u>3,809</u>	<u>22,854</u>	<u>52,971</u>	<u>(61,518)</u>	<u>87,458</u>	<u>13,819</u>	<u>101,277</u>

10. Valuation of property, plant and equipment

The valuation of property, plant and equipment has been brought forward without any amendments from the previous audited financial statements.

11. Material events not reflected in the financial statements

There were no material events subsequent to the end of the reporting period except as reported in Note 18 which is likely to substantially affect the results or the operations of the Group.

12. Changes in composition of the Group

There were no material events subsequent to the end of the reporting period except as reported in Note 18 which is likely to substantially affect the results or the operations of the Group.

13. Changes in contingent assets or contingent liabilities

The changes in contingent liabilities were as below:-

	As at 31 Mar 2022 RM'000	As at 31 Mar 2021 RM'000
Corporate guarantees	16,281	28,681
Bank guarantees	5,993	5,064
	<u>22,274</u>	<u>33,745</u>

14. Capital commitments

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

	As at 31 Mar 2022 RM'000	As at 31 Mar 2021 RM'000
Construction of solar plant	8,231	-
	<u>8,231</u>	<u>-</u>

15. Related party transactions

	Current Quarter Ended 31 Mar 2022 RM'000	Year-to -date Ended 31 Mar 2022 RM'000
Rental Income from related companies	(91)	(372)
Management fees between related companies	552	2,178
Rental payable to related companies	22	75
Advances to related companies	190	3,550
	<u>673</u>	<u>2,321</u>

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 2022	3 months ended 31 Mar 2021	3 months ended 31 Mar 2022	3 months ended 31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
Quarry Products	271	952	(652)	1,367
Quarry Products (discontinued)	-	4,116	-	24
Civil Engineering	14,730	18,303	894	4,317
Bituminous Products	5,144	4,183	541	262
Services	1,656	16,892	(4,813)	3,196
Others	3,978	1,298	(9,012)	(1,387)
Eliminations	(551)	(761)	1,233	(414)
Group	25,228	44,983	(11,809)	7,365
Less: Finance Costs			(339)	2
(Loss)/Profit Before Tax			(12,148)	7,367

The Group's revenue has decreased to RM25.23 million and recorded a operating loss of RM12.15 million in the current reporting quarter as compared with the preceding year's corresponding quarter in which the Group has recorded a total revenue of RM44.98 million and profit before tax of RM7.37 million respectively.

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

Quarry Products

Revenue for the quarry products segment has dropped to RM0.27 million with an operating loss of RM0.65 million as compared to the previous year's corresponding quarter revenue of RM5.07 million and operating profit of RM1.39 million. Revenue has decreased mainly due to lower demand for our quarry products, as well as the disposal of a subsidiary - Bertam Capital Sdn Bhd which was completed in May 2021.

Civil Engineering

Revenue for the current quarter has decreased to RM14.73 million with an operating profit of RM0.99 million compared with the same quarter of the last financial year's revenue of RM18.3 million and operating profit of RM4.32 million.

A higher revenue was recorded by Selinsing Gold Mine of RM8.93 million as compared to the preceding year's corresponding quarter of RM6.52 million as production regained traction. However, revenue from the Cheras-Kajang Expressway ("CKE") project is lower at RM1.90 million as compared to RM2.10 million in the previous year as per the client's workplan. Revenue from the new Wangsa Brezza Hill ("WBH") project recorded at RM0.91 million during this quarter has cushioned the lower revenue recorded from the YTL Electrified Double Track project at RM2.62 million as compared to previous year's RM3.02 million.

Bituminous Products

Revenue recorded for this segment for the reporting quarter stood at RM5.14 million with an operating profit of RM0.53 million as compared to the same quarter of the last financial year's revenue of RM4.18 million and operating profit of RM0.26 million. The improved performance can be attributed to an increase in demand from the overseas market as economic activities in the SEA region resumes.

Services

Revenue for the current quarter has increased to RM3.98 million with an operating loss of RM2.38 million compared with the same quarter of the last financial year's revenue of RM1.3 million and operating loss of RM1.39 million. Revenue is derived from the information-technology services delivered by Uniq (M) Sdn Bhd. As for Techmile Resources Berhad, no revenue was recorded for this entity mainly due to nature of the contract that is on Call-Out Basis Option of Works. However, there were additional rectifying works incurred during the quarter.

Comparison with immediate preceding quarter's results (Q4-FY'22 vs Q3-FY'22)

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

Operating Segment	Current Quarter	Immediate preceding Quarter	Variance	
	RM'000	RM'000	RM'000	%
Quarry Products	271	1,227	(956)	-78%
Civil Engineering	14,730	15,626	(896)	-6%
Bituminous Products	5,144	4,005	1,139	28%
Services	1,656	2,040	(384)	-19%
Others	3,978	569	3,409	599%
Eliminations	(551)	(552)	1	0%
Group	25,228	22,915		
Loss Before Tax	(12,148)	(3,129)	(9,019)	288%

The quarry products segment's revenue has decreased significantly to RM0.27 million compared to RM1.23 million recorded in the immediate preceding quarter mainly due to lower demand from the market.

The civil engineering segment's revenue has decreased to RM14.73 million as compared to RM15.63 million recorded in the immediate preceding quarter mainly due to reduced production from the Selinsing Gold Mine.

The bituminous products segment recorded a healthy increase in revenue to RM5.14 million as compared to the revenue of RM4 million recorded in the immediate preceding quarter due to increase in demand from overseas market upon resumption of economic activities in the SEA region. In addition, the division faced fewer competition from other suppliers internationally due to the Russian conflict as well as higher selling price from suppliers in the Middle East.

The Group performance has recorded a loss before tax of RM12.15 million as compared to loss before tax of RM3.13 million recorded in the immediate preceding quarter, mainly due to additional rectifying works required, impairment of receivables as well as write down of assets held for sale. The Group's active operations recorded a negative EBITDA of RM6.05 million for the quarter.

17. Prospects

Malaysian economy rebounded by 3.6% in the 4Q2021 (3Q2021: -4.5%) per the recent announcement by Bank Negara Malaysia (BNM). The quarter saw an improvement in domestic demand as economic activity returns to normal following the easing of containment measures under the National Recovery Plan ("NRP").

Improvement can be seen in all economic sectors during the period. Major sector that recorded growth during the review included Services at 3.2% (Q32021: -4.9%), Manufacturing at 9.1% (Q32021: -0.8%) and Agriculture at 2.8% (Q32021: -1.9%). On the other hand, the Construction sector is recovering, registering smaller decrease at -12.2% (Q3 2021: -20.6%) as well as the Mining sector at -0.9% (Q32021: -3.6%).

Overall, the relaxation of pandemic containment measures as well as an increase in consumer confidence amid strong vaccination progress has supported a recovery in demand and market activities.

The Group will continue to remain vigilant on its capital expenditure and spending. Greater focus will be placed on various cost control measures and cash conservation as well as increased efforts in replenishing order books. The Group aims to strengthen our resilience and financial position by exploring strategic restructuring initiatives that have seen us embarking into technology and innovation, and penetration into second-tier construction activities. These diversified businesses have helped the Group to weather the storm and continue to create values to shareholders and other stakeholders during this difficult time.

18. Significant Events

During the financial period, the following significant events took place for the Company and its subsidiaries companies:

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

ii) Minetech Asphalt Man International Sdn Bhd, an 85%-owned subsidiary of the Company had on 20 May 2021 entered into a Memorandum of Understanding("MOU") with Seltrade Sdn Bhd ("Seltrade") to establish joint collaboration by supplying raw material including but not limited to cold mix, hot mix and emulsion to Seltrade for maintenance project of Selangor's state road awarded by Jabatan Kerja Negeri Selangor. On 25 February 2022, the Board of Directors announced that there has been no further material development since the previous announcement.

iii) Minetech Construction Sdn Bhd("MCSB") (a wholly-owned subsidiary) had on 10 March 2022 and 1 April 2022, accepted a Letter of Award from GLM Emerald Square (Cheras) Sdn Bhd appointing MCSB as a contractor for the execution and completion of External Link Bridge, Covered Walkway and Associated Works for the proposed Emerald 9 Cheras Development on Lot 809 and 810, Mukim Cheras, daerah Hulu Langat, Selangor Darul Ehsan. This project is expected to commence on 1 April 2022 and shall be completed by 30 November 2022.

iv) Medium Visa Sdn Bhd ("MVSB") (a wholly-owned subsidiary) and Harapan Iringan Sdn Bhd ("HISB") (a wholly-owned subsidiary) have at 10 May 2022 entered into a Sale and Purchase Agreement with Alliance EV Sdn Bhd in relation to the disposal of three (3) units of leasehold land in Mukim Hulu Bernam Timor, Daerah Muallim, Negeri Perak for a total sale consideration of RM12,000,000.

19. Profit forecast/profit guarantee

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

20. Tax expense

Tax expenses were as follows:

	12 months period ended 31 Mar 2022 RM'000	12 months period ended 31 Mar 2021 RM'000
Current tax expense :		
- current tax provision	803	3,360
- under provision in prior years	49	(301)
	<hr/> 852	<hr/> 3,059
Current deferred tax		
- relating to origination and reversal of temporary differences	-	(54)
- under provision in prior years	-	114
	<hr/> 852	<hr/> 3,119

21. Status of corporate proposals

The Company had on 15 March 2021, 18 March 2021 and 22 April 2021 announced multiple corporate proposals as following:-

- (i) Reduction of the Company's issued share capital by RM90 million pursuant to Section 116 of the Companies Act 2016 ("Act") ("Share Capital Reduction");
- (ii) Private placement of up to 349,598,600 new ordinary shares in the Company ("Minetech Shares" or "Shares"), representing not more than 30% of the Company's existing number of issued Shares (excluding any treasury shares);
- (iii) Renounceable right issue of up to 582,664,400 new irredeemable convertible preference shares in the Company ("ICPS") on the basis of 1 ICPS for every 2 existing Minetech Shares held on an entitlement date to be determined;
- (iv) Amendment to the Constitution of the Company to facilitate the issuance of the ICPS;
- (v) Establishment of a share issuance scheme of up to 15% of the total number of issued Shares (excluding any treasury shares) at any one time during the duration of the share issuance scheme ("SIS");
- (vi) Diversification of the existing businesses of the Company and its subsidiaries ("Minetech Group" or "Group") to include the renewable energy business; and
- (vii) Diversification of the existing businesses of the Group to include the oil and gas business

The shareholders of the Company has approved the abovementioned corporate proposals in Extraordinary General Meeting held on 28 June 2021. The Right Issue of ICPS has been completed with the listing of and quotation for 582,664,397 ICPS on the Main Market of Bursa Securities on 25 October 2021.

The Company had on 29 December 2021 received a notice dated 23 December 2021 issued by the Registrar of Companies confirming all requirements for the Share Capital Reduction had been complied with on 24 November 2021. Accordingly, the Share Capital Reduction is effective on 24 November 2021.

The Company had also announced the effective date for the implementation of the SIS is 18 November 2021, which is the date of full compliance of the SIS in accordance with Paragraph 6.43 of the Listing Requirements.

On 10 May 2022, Bursa Securities has granted the Company an extension of time of 6 months until 19 November 2022 to complete the implementation of the Private Placement.

22. Group lease and borrowings

The Group's lease and borrowings were as follows:-

	As at 31 March 2022		Total
	Long term RM'000	Short term RM'000	borrowings RM'000
<u>Secured</u>			
Term loans	9,563	3,757	13,320
Bank Overdrafts	-	2,558	2,558
Lease liabilities	6,492	617	7,109
Short term borrowing	-	25,433	25,433
	<u>16,055</u>	<u>32,365</u>	<u>48,420</u>
As at 31 March 2021			
	Long term RM'000	Short term RM'000	Total borrowings RM'000
<u>Secured</u>			
Term loans	12,493	14,569	27,062
Bank Overdrafts	-	4,225	4,225
Lease liabilities	4,452	565	5,017
Short term borrowing	-	828	828
	<u>16,945</u>	<u>20,187</u>	<u>37,132</u>

The term loans and finance lease payables for the current quarter ended 31 March 2022 recorded an increase compared to correspondence quarter ended 31 March 2021 due to new drawdown of term loans and short term borrowings.

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

23. Derivatives

There were no derivatives for the current quarter under review.

24. Material Litigation

This is an update to the Report previously submitted by Minetech Resources Berhad ("MRB") regarding material litigation cases involving the Group.

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

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

The Trial for Suit 288 and the below stated Suit 433 had proceeded at the Kuala Lumpur High Court before Y.A. Datin Hajah Azizah on 23rd, 24th, 25th and 26th October 2017, 13th and 23rd November 2017.

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

As regards to SMGQ's Counterclaim, the High Court only allowed SMGQ's counterclaim for the outstanding tribute payment of RM256,300 owing by ODSB which is to be deducted (set-off) from the damages assessed to be paid by SMGQ to ODSB. The Counterclaim of RM256,300 allowed by the High Court in Suit 288 should have no financial impact on the Group as it is to be deducted (set-off) against damages to be paid by SMGQ to ODSB.

On 15th May 2018, SMGQ filed their appeal against the High Court's decision in Suit 288 ("SMGQ's Appeal").

ODSB had filed Notice of Direction to the High Court for the assessment of damages. The Judge ordered for the assessment of damages to be stayed pending the disposal of SMGQ's Appeal.

SMGQ's Appeal was heard on 31st March 2021. The Court of Appeal dismissed SMGQ's Appeal and upheld the High Court's decision in deciding that SMGQ has unlawfully terminated ODSB's contract and the damages should only be given to ODSB.

On 29 April 2021, SMGQ filed a leave application at the Federal Court. On 15 September 2021, the Federal Court dismissed SMGQ's application for leave to appeal with cost of RM15,000.00. Therefore, the High Court's decision in deciding that SMGQ has unlawfully terminated ODSB's contract and the damages should only be given to ODSB is upheld. Now, it is pending the hearing date for the assessment of damages at High Court to be fixed.

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

As stated above, Suit 433 and Suit 288 were tried together.

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

ODSB, Minetech Quarries Sdn Bhd and K.S. Chin Mineral Sdn Bhd had on 18th May 2018 filed an appeal to the Court of Appeal against the High Court's decision in Suit 433 ("ODSB's Appeal").

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

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

25. Share capital

	Year to date ended 31 Mar 2022	Year to date ended 31 Mar 2021	Year to date ended 31 Mar 2022	Year to date ended 31 Mar 2021
	<u>Number of Shares</u>		<u>RM'000</u>	<u>RM'000</u>
	('000)	('000)		
Issued and fully paid-up				
<i>Ordinary shares with no par value</i>				
At 1 April	1,165,614	921,575	166,813	132,527
Shares issued during financial year	-	244,039	-	34,286
Shares capital reduction	-	-	(90,000)	-
At 31 December	1,165,614	1,165,614	76,813	166,813
<i>Irredeemable convertible preference shares</i>				
At 1 April	-	-	-	-
Rights issued during financial year	582,664	-	17,480	-
Share issuance expenses	-	-	(243)	-
At 31 December	582,664	-	17,237	-
Total			94,050	166,813

26. Dividends

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

27. Loss per share

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months Quarter ended 31 Mar 2022	3 months Quarter ended 31 Mar 2021	Year to date ended 31 Mar 2022	Year to date ended 31 Mar 2021
Basic loss per share				
(Loss)/Profit attributable to owners of the parent (RM'000)	(11,856)	4,980	(22,159)	924
Weighted average number of ordinary shares ('000)	1,165,614	1,165,614	1,165,614	921,575
Effect of issuance of shares ('000)	-	-	-	244,039
Effect of issuance of irredeemable convertible preference shares ('000)	582,664	-	582,664	-
Adjusted weighted average number of ordinary shares ('000)	1,748,278	1,165,614	1,748,278	1,165,614
Basic (loss)/earning per share (sen)	(1.02)	0.43	(1.90)	0.08
Diluted (loss)/earning per share (sen)	(0.68)	0.43	(1.27)	0.08

There is diluted loss per share due to issuance of irredeemable convertible preference shares.

28. Notes to the Consolidated Statement of Comprehensive Income

	<u>Current Quarter Ended 31 Mar 2022 RM'000</u>	<u>Year-to -date Ended 31 Mar 2022 RM'000</u>
Bad debts recovery	-	(119)
Depreciation and amortisation	875	2,261
Gain on disposal of associate company	-	(120)
Gain on disposal of subsidiary companies	-	(1,102)
Goodwill written off	552	552
Impairment loss on receivables	619	5,017
Impairment loss on assets held for sale	4,243	4,243
Interest expense	320	1,211
Interest income	(45)	(162)
Loss on disposal of property, plant and equipment	-	773
Reversal of impairment loss on property, plant and equipment	-	(464)
Unrealised loss/(gain) on foreign exchange	3	(1)

29. Authorised for issuance

The interim financial statements for financial quarter ended 31 March 2022 has been approved by the Board of Directors of MRB on 25 May 2022 for release to the Bursa Securities.