



MINETECH RESOURCES BERHAD GROUP

ANNOUNCEMENT PACKAGE

Q2/FY2024

MINETECH RESOURCES BERHAD [200201007880 (575543-X)]

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statement Of Comprehensive Income For the Second Quarter Ended 30 September 2023

(The figures have not been audited)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Year Quarter ended 30 Sep 2023 RM'000	Preceding Year Quarter ended 30 Sep 2022 RM'000	Current Year To Date Ended 30 Sep 2023 RM'000	Preceding Year To Date Ended 30 Sep 2022 RM'000
Revenue	33,240	26,939	59,718	50,991
Cost of sales	(29,011)	(24,086)	(52,565)	(46,197)
Gross Profit	4,229	2,853	7,153	4,794
Other income	1,018	248	1,149	703
Administrative expenses	(3,124)	(3,346)	(6,539)	(6,962)
Selling and marketing expenses	(105)	(83)	(263)	(205)
Finance costs	(1,227)	(1,157)	(1,830)	(1,471)
Profit/(Loss) before tax	791	(1,485)	(330)	(3,141)
Tax expense	(714)	373	(1,061)	73
Profit/(Loss) for the period	77	(1,112)	(1,391)	(3,068)
Other comprehensive profit/(loss)				
Items that are or may be reclassified				
subsequently to profit or loss				
- Exchange translation differences for foreign operation	-	76	-	132
Total comprehensive profit/(loss)	77	(1,036)	(1,391)	(2,936)
Profit/(Loss) attributable to:				
Owners of the Parent	348	(778)	(920)	(2,653)
Non-controlling interests	(271)	(334)	(471)	(415)
	77	(1,112)	(1,391)	(3,068)
Total comprehensive profit/(loss)				
attributable to:				
Owners of the Parent	348	(702)	(920)	(2,521)
Non-controlling interests	(271)	(334)	(471)	(415)
	77	(1,036)	(1,391)	(2,936)
Earning/(Loss) per share (sen)				
- Basic	0.02	(0.07)	(0.06)	(0.22)
- Diluted	0.02	(0.04)	(0.04)	(0.15)

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 2023.

MINETECH RESOURCES BERHAD [200201007880 (575543-X)]**(Incorporated in Malaysia)****INTERIM FINANCIAL STATEMENTS****Condensed Consolidated Statement Of Financial Position****As at 30 September 2023**

	Unaudited As At 30 September 2023 RM'000	Audited As At 31 March 2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	84,023	81,732
Right of use assets	4,033	4,291
Investment properties	1,549	1,559
Inventories	6,000	6,000
Goodwill on consolidation	2,830	-
Trade receivables	-	175
	<u>98,435</u>	<u>93,757</u>
Current assets		
Inventories	3,644	4,067
Contract assets	14,835	17,146
Trade receivables	55,762	56,287
Other receivables	13,574	16,192
Tax recoverables	181	202
Other investments	432	427
Fixed deposits with licensed bank	7,016	6,877
Cash and bank balance	9,703	7,575
	<u>105,147</u>	<u>108,773</u>
Total assets	<u><u>203,582</u></u>	<u><u>202,530</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	105,591	105,518
Less:- Treasury shares, at cost	(48)	(48)
Reserves	(19,788)	(18,868)
	<u>85,755</u>	<u>86,602</u>
Non-controlling interests	(5,710)	(3,941)
Total equity	<u>80,045</u>	<u>82,661</u>
Non-current liabilities		
Lease and borrowings	16,225	14,847
Deferred tax liabilities	2,208	2,111
	<u>18,433</u>	<u>16,958</u>
Current liabilities		
Trade payables	52,936	53,682
Other payables	15,400	15,736
Lease and borrowings	36,661	33,285
Tax payable	107	208
	<u>105,104</u>	<u>102,911</u>
Total liabilities	<u>123,537</u>	<u>119,869</u>
TOTAL EQUITY AND LIABILITIES	<u><u>203,582</u></u>	<u><u>202,530</u></u>
Net assets per share (RM)	0.06	0.06

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 2023.

MINETECH RESOURCES BERHAD [200201007880 (575543-X)]**(Incorporated in Malaysia)****INTERIM FINANCIAL STATEMENTS****Condensed Consolidated Statement Of Cash Flows****For the Financial Period Ended 30 September 2023****(The figures have not been audited)**

	6 Months To Date ended 30 September 2023 RM'000	Preceding period 6 months ended 30 September 2022 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax from continuing operations	(330)	(3,141)
Adjustments for:-		
Depreciation and amortisation	2,215	1,162
Gain on disposal of property, plant and equipment	34	(113)
Interest expenses	1,799	1,430
Interest income	(391)	(96)
Unrealised gain on foreign exchange	63	(14)
Impairment losses on:		
- receivables	795	-
Operating profit/(loss) before changes in working capital	4,185	(772)
Changes in working capital		
Quarry development expenditure	-	10
Inventories	423	(1,619)
Receivables	892	(3,680)
Contract assets	2,311	2,686
Payables	(2,713)	3,524
Net cash generated from operations	5,098	149
Tax paid	(901)	(1,635)
Tax refund	13	-
Interest paid	(1,799)	(1,430)
Interest received	391	96
Net cash generated from/(used in) operating activities	2,802	(2,820)

	6 Months To Date ended 30 September 2023 RM'000	Preceding period 6 months ended 30 September 2022 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(4,363)	(2,890)
Proceeds from disposal of property, plant & equipment	91	563
Net cash outflow from acquisition of subsidiary company	(2,830)	-
Changes in other investments	(5)	1,992
Net cash used in investing activities	(7,107)	(335)
CASH FLOW FROM FINANCING ACTIVITIES		
Movement in fixed deposits pledged	(139)	(404)
Drawdown of borrowing	8,284	8,643
Repayment of borrowings	(2,765)	(4,268)
Drawdown of term loans	-	150
Repayment of term loans	(278)	(2,718)
Repayment of lease liabilities	(487)	(660)
Proceeds from issuance of shares	73	1,010
Net cash generated from financing activities	4,688	1,753
Net Changes in Cash & Cash Equivalents	383	(1,402)
Cash and Cash Equivalents at beginning of the period	3,531	7,470
Effects of exchange translation differences on cash and cash equivalents	(63)	132
Cash and Cash Equivalents at the end of period	3,851	6,200
Cash and Cash Equivalents comprises of :		
Fixed deposits with licensed banks	7,016	6,803
Cash and bank balances	9,703	10,136
	16,719	16,939
Bank overdrafts	(5,852)	(3,936)
	10,867	13,003
Less: fixed deposits pledged to licensed banks	(7,016)	(6,803)
	3,851	6,200

Condensed Consolidated Statements of Changes in Equity

For the Financial Period Ended 30 September 2023

(The figures have not been audited)

----- Attributable to owners of the parent -----							
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 April 2023	105,518	(48)	-	(18,868)	86,602	(3,941)	82,661
Loss for the financial period	-	-	-	(920)	(920)	(471)	(1,391)
Total comprehensive loss for the financial period	-	-	-	(920)	(920)	(471)	(1,391)
Transactions with owners:							
Exercise of employee option scheme	73	-	-	-	73	-	73
Changes of ownership	-	-	-	-	-	(1,298)	(1,298)
	73	-	-	-	73	(1,298)	(1,225)
At 30 September 2023	105,591	(48)	-	(19,788)	85,755	(5,710)	80,045

----- Attributable to owners of the parent -----							
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 April 2022	94,050	(48)	45	(8,275)	85,772	(2,669)	83,103
Loss for the financial period	-	-	-	(2,653)	(2,653)	(415)	(3,068)
Other comprehensive loss	-	-	132	-	132	-	132
Total comprehensive income/ (loss) for the financial period	-	-	132	(2,653)	(2,521)	(415)	(2,936)
Transactions with owners:							
Issuance of ordinary shares	1,436	-	-	-	1,436	-	1,436
Share issue expenses	(426)	-	-	-	(426)	-	(426)
	1,010	-	-	-	1,010	-	1,010
At 30 September 2022	95,060	(48)	177	(10,928)	84,261	(3,084)	81,177

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 2023.

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 2023.

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 2023.

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 101	Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 7 & 107	Supplier Finance Arrangements
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current and Non-Current Liabilities with Covenants
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 2023 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:

Civil Engineering	: Specialised civil engineering works.
Bituminous Products	: Manufacturing and trading of bituminous products.
Services	: Provision of services.
Energy	: Solar plant operator
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 6 months ended 30 September 2023:

	Civil Engineering RM'000	Bituminous Products RM'000	Services RM'000	Energy RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue							
Revenue to external customers	42,978	13,867	1,189	1,628	56	-	59,718
Inter-segment revenue	-	-	-	-	680	(680)	-
	<u>42,978</u>	<u>13,867</u>	<u>1,189</u>	<u>1,628</u>	<u>736</u>	<u>(680)</u>	<u>59,718</u>
Segment results	3,029	1,664	(1,492)	(262)	(1,861)	-	1,078
Interest income	117	1	25	-	248	-	391
Finance costs							(1,799)
Loss before tax							(330)
Taxation							(1,061)
Net loss for the period							<u>(1,391)</u>
Assets							
Segment assets	<u>81,641</u>	<u>18,086</u>	<u>18,077</u>	<u>67,202</u>	<u>96,282</u>	<u>(77,706)</u>	<u>203,582</u>
Liabilities							
Segment liabilities	<u>49,843</u>	<u>9,135</u>	<u>25,880</u>	<u>70,676</u>	<u>60,680</u>	<u>(92,677)</u>	<u>123,537</u>

Segmental information for the 6 months ended 30 September 2022:

	Quarry Products RM'000	Civil Engineering RM'000	Bituminous Products RM'000	Services RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
Revenue							
Revenue to external customers	425	29,812	13,087	2,155	5,512	-	50,991
Inter-segment revenue	-	-	-	-	740	(740)	-
	<u>425</u>	<u>29,812</u>	<u>13,087</u>	<u>2,155</u>	<u>6,252</u>	<u>(740)</u>	<u>50,991</u>
Segment results	(417)	1,788	1,418	(520)	(4,411)	376	(1,766)
Interest income	-	64	-	26	6	-	96
Finance costs							(1,471)
Loss before tax							(3,141)
Taxation							73
Net loss for the period							<u>(3,068)</u>
Assets							
Segment assets	<u>3,605</u>	<u>62,177</u>	<u>13,312</u>	<u>23,911</u>	<u>163,687</u>	<u>(80,524)</u>	<u>186,168</u>
Liabilities							
Segment liabilities	<u>30,615</u>	<u>35,079</u>	<u>5,818</u>	<u>26,699</u>	<u>94,209</u>	<u>(87,429)</u>	<u>104,991</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 30 Sep 2023 RM'000	As at 30 Sep 2022 RM'000
Corporate guarantees	63,313	49,926
Bank guarantees	4,452	4,889
	<hr/>	<hr/>

14. Capital commitments

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

	As at 30 Sep 2023 RM'000	As at 30 Sep 2022 RM'000
<u>Approved and contracted for:</u>		
Construction of solar plant	-	6,913
<u>Approved but not contracted for:</u>		
Bituminous plant upgrade and decanting	-	1,126
Bituminous plant scrubber system overhaul	715	-
Machineries for drilling and blasting works	2,610	-
Motor vehicles for construction sites	450	-
Remittance system upgrade	894	-
Office equipments and renovation works	218	-
	<hr/>	<hr/>
	4,887	1,126

15. Related party transactions

	Current Quarter Ended 30 Sep 2023 RM'000	Year-to -date Ended 30 Sep 2023 RM'000
Management fees between related companies	339	678
Rental payable to related companies	63	125
Advances to related companies	-	550
	<hr/>	<hr/>

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 30 Sep 2023	3 months ended 30 Sep 2022	3 months ended 30 Sep 2023	3 months ended 30 Sep 2022
	RM'000	RM'000	RM'000	RM'000
Civil Engineering	25,452	16,142	2,527	1,100
Bituminous Products	6,301	7,230	576	835
Services	317	1,159	(952)	(162)
Energy	1,216	-	75	26
Others	295	2,307	(224)	(2,047)
Eliminations	(341)	(324)	-	363
Group	33,240	26,514	2,002	115
Less: Finance Costs			(1,211)	(1,157)
Loss Before Tax			791	(1,042)

The Group's revenue has increased to RM33.24 million and recorded an operating profit of RM0.79 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 RM26.51 million and loss before tax of RM1.04 million respectively.

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

Civil Engineering

Revenue for the current quarter has increased to RM25.45 million with an operating profit of RM2.53 million compared with the same quarter of the last financial year's revenue of RM16.14 million and operating profit of RM1.10 million.

A higher revenue was recorded by Selinsing Gold Mine ("SGM") of RM19.72 million as compared to the preceding year's corresponding quarter of RM11.13 million resulted from the increase in work volume. Further, new incorporated construction of road and drainage system ("HRD") project also contributed revenue of RM2.44 million in current quarter.

Bituminous Products

Revenue recorded for this segment for the reporting quarter had decreased to RM6.30 million with an operating profit of RM0.58 million as compared to the same quarter of the last financial year's revenue of RM7.23 million and operating income of RM0.84 million. This is mainly due to the decrease in export sales of blown asphalt products and fluctuation of raw material price in the market.

Services

Revenue for the current quarter decreased to RM0.32 million with an operating loss of RM0.95 million compared with the same quarter of the last financial year's revenue of RM1.16 million and operating loss of RM0.16 million. Lower revenue for the quarter is due to lower supply of manpower, storage tank maintenance services and lower number of remittance transactions.

Energy

The new energy segment, particularly the solar power plant project, has made a revenue contribution of RM1.22 million in the current quarter after achieving its commercial operation date at the end of May 2023.

Comparison with immediate preceding quarter's results (Q2-FY'24 vs Q1-FY'24)

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	%
Civil Engineering	25,452	17,526	7,926	45%
Bituminous Products	6,301	7,566	(1,265)	-17%
Services	317	872	(555)	-64%
Energy	1,216	412	804	-100%
Others	295	441	(146)	-33%
Eliminations	(341)	(339)	(2)	1%
Group	33,240	26,478		
Profit/ (Loss) Before Tax	791	(1,121)	1,912	-171%

The civil engineering segment's revenue has increased to RM25.45 million as compared to RM17.53 million recorded in the immediate preceding quarter mainly due to increase in production volume for Selinsing Gold Mine ("SGM") project and new incorporated ("HRD") project.

The bituminous products segment recorded a decrease in revenue to RM6.30 million as compared to the revenue of RM7.57 million recorded in the immediate preceding quarter due to lower demand for the coating enamel and blown asphalt products.

The services segment recorded a decrease in revenue to RM0.32 million as compared to the revenue of RM0.87 million recorded in the immediate preceding quarter due to lower supply of manpower, storage tank maintenance services.

The new energy segment, recorded an increase in revenue to RM1.22 million as compared to RM0.41 million recorded in the immediate preceding quarter.

The Group has recorded a profit before tax of RM0.79 million as compared to loss before tax of RM1.12 million recorded in the immediate preceding quarter, mainly due to improvement of production volume in construction segment and new commenced energy segment. The Group recorded a positive adjusted EBITDA of RM3.36 million for the quarter.

17. Prospects

Malaysian economy registered a GDP of 2.9% in the 2Q 2023 (1Q 2023: 5.6%) per the recent announcement by Bank Negara Malaysia (BNM). The quarter saw a further expansion of private consumption, continued investment activities across all sectors and also improving labour market conditions.

Further improvement can be seen in all economic sectors during the period. Major sector that recorded lower growth during the review included Services at 4.7% (1Q 2023: 7.3%), Manufacturing at 0.1% (1Q 2023: 3.2%) and Construction sector at 6.2% (1Q 2023: 7.4%).

Private consumption recorded growth at 4.3% (1Q 2023: 5.9%) due to healthier labour market conditions and policy measures such as higher minimum wage and continued cash transfers.

Meanwhile, Malaysia's inflation rate moderated but remained elevated at 2.8% in 2Q 2023 (1Q 2023: 3.9%) due to the existing price controls and fuel subsidies. With the current Overnight Policy Rate (OPR) BNM is optimistic on its impact to accommodate the current economy.

The Group will continue to remain vigilant on its capital expenditure and its strategic ventures. The Group focuses to continuously improve efficiency in bituminous productions and electricity generations.

18. Significant Events

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

i) 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 11 October 2023, the Board of Directors announced that Seltrade and MAMI had mutually agreed to terminate the MOU due to the supply services by MAMI has not been active for the past two years. In accordance with the MOU dated 20 May 2021 between Seltrade and MAMI, the Parties had mutually agreed to terminate the MOU in writing. Hence, the MOU shall cease to be valid and effective from 11 October 2023.

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:

	6 months period ended 30 Sep 2023 RM'000	6 months period ended 30 Sep 2022 RM'000
Current tax expense :		
- current tax provision	1,061	(691)
- (under)/over provision in prior years	-	764
	<u>1,061</u>	<u>73</u>

For the current quarter, the Group effective tax rate is higher than the statutory tax rate. This is mainly due to tax losses in certain subsidiaries unavailable to set off against profitable subsidiaries with the Group and certain expenses not allowable for tax deduction.

21. Status of corporate proposals

Balance Proceeds pursuant to the Rights Issue

Existing	Time frame for utilisation	Proposed Utilisation	Amount Utilised	Amount Unutilised
		RM'000	RM'000	RM'000
Expenditure for construction projects	Within 24 months	3,648	3,648	-
Repayment of borrowings	Within 24 months	2,857	2,857	-
Development cost for Solar Power Plant	Within 6 months	2,500	2,500	-
Funding of diversification into oil & gas	Within 24 months	714	714	-
Expansion of bituminous products division	Within 24 months	3,954	2,954	1,000
Working capital	Within 24 months	3,124	3,124	-
Expenses for corporate exercises	Within 1 month	207	207	-
Funding of Proposed Diversificati Within 12 months	Within 12 months	476	476	-
Total		17,480	16,480	1,000

Balance Proceeds pursuant to the Private Placement

Existing	Time frame for utilisation	Proposed Utilisation	Actual Proceed	Amount Utilised	Amount Unutilised
		RM'000	RM'000	RM'000	RM'000
Expenditure for construction projects	Within 24 months	4,405	6,428	3,912	2,516
Repayment of borrowings	Within 24 months	9,143	1,892	1,892	-
Development cost for Solar Power Plant	Within 6 months	5,500	1,138	1,138	-
Future business investments and/ or acquisitions	Within 24 months	1,524	-	-	-
Expansion of quarry division	Within 24 months	2,286	-	-	-
Funding of diversification into oil & gas	Within 24 months	2,286	473	473	-
Expansion of bituminous products division	Within 24 months	3,046	631	631	-
Working capital	Within 24 months	2,702	559	559	-
Expenses for corporate exercises	Within 1 month	663	138	138	-
Funding of Proposed Acquisition	Within 12 months	22,857	-	-	-
Funding of Proposed Diversificati Within 12 months	Within 12 months	1,524	315	315	-
Total		55,936	11,574	9,058	2,516

22. Group lease and borrowings

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

	As at 30 September 2023		Total borrowings RM'000
	Long term RM'000	Short term RM'000	
<u>Secured</u>			
Term loans	7,568	26,089	33,657
Bank Overdrafts	-	5,852	5,852
Lease liabilities	8,657	1,955	10,612
Short term borrowing	-	2,765	2,765
	<u>16,225</u>	<u>36,661</u>	<u>52,886</u>

	As at 30 September 2022		Total borrowings RM'000
	Long term RM'000	Short term RM'000	
<u>Secured</u>			
Term loans	8,414	2,296	10,710
Bank Overdrafts	-	3,936	3,936
Lease liabilities	6,774	1,119	7,893
Short term borrowing	-	27,028	27,028
	<u>15,188</u>	<u>34,379</u>	<u>49,567</u>

The term loans and finance lease payables for the financial period ended 30 September 2023 recorded an increase compared to correspondence financial period ended 30 September 2022 due to the addition of new hire purchase.

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:-

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

The Trial for Suit 288 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 29th 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. The Court has fixed 20th September 2022 for Case Management on Notice of Assessment of Damages.

On 18th October 2022, ODSB has submitted the Independent Report on Assessment Damages to the Court. The Court has fixed 22nd November 2022 for Case Management for Defendant's Rebuttal.

On 22nd November 2022 Case Management, the Defendant's Solicitor has requested for more time to finalise and submit their Rebuttal. The Court fixed 13th January 2023 for the next Case Management date. On 13th January 2023, the Defendant's Solicitor has required a further time extension. The Court fixed the next Case Management date on 31st October 2023. ODSB had engaged an external accountant, Messrs BDO, to prepare a Report to calculate ODSB's loss of profit for the purpose of the Assessment Proceedings.

The Court has fixed a further Case Management date on 8th January 2024 for the parties to finalise the marking and categorisation of all documents intended to be relied on during the assessment of damages proceeding.

b. Shah Alam High Court Suit No. BA-22NCC-95-07/2023

Coral Power Sdn Bhd ("CPSB") had received Writ of Summons and Statement of Claim ("Claims") dated 31 July 2023 from ManagePay Resources Sdn Bhd ("MPAY"). MPAY claims of the total amounting to RM5,610,011.47 for the overdue interest under the loan agreement and an interest at a rate of 8% per annum on late interest payments.

The Board of Directors had obtained a preliminary view from its solicitors who considers that Minetech and CPSB have a reasonably good prospect of defending the Claim and has made a counterclaim against the Plaintiff accordingly.

On 10 October 2023, the Company and CPSB had filed a Defence and Counterclaim ("Counterclaim") suit against the Plaintiff for failing to comply with the drawdown schedule in accordance to the Offer Letter and Loan Agreement, and had instead drawdown periodically via 59 tranches, which had caused material development and financial delays on the Project.

The counterclaim consists of compensation for general damages due to breach of the Offer Letter and Loan Agreement to be assessed by the High Court based on the costs incurred by CPSB and/or estimated damages amounting to RM20,742,738.71 and interest at the rate of 5% per annum on the amount of damages from the date of filing the Counterclaim until full settlement.

25. Share capital

	Year to date ended 30 Sep 2023	Year to date ended 30 Sep 2022	Year to date ended 30 Sep 2023	Year to date ended 30 Sep 2022
Issued and fully paid-up	Number of Shares		RM'000	RM'000
<i>Ordinary shares with no par value</i>	('000)	('000)		
At 1 April	1,526,822	1,165,614	88,281	76,813
Shares issued during financial period	2,360	22,800	73	1,436
Share issue expenses	-	-	-	(426)
At 31 March	1,529,182	1,188,414	88,354	77,823
<i>Irredeemable convertible preference shares</i>				
At 1 April	582,664	582,664	17,237	17,237
Shares issued during financial period	-	-	-	-
At 31 March	582,664	582,664	17,237	17,237
Total	2,111,846	1,771,078	105,591	95,060

26. Dividends

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

27. Earning/(Loss) per share

	Individual Quarter		Cumulative Quarter	
	3 months Quarter ended 30 Sep 2023	3 months Quarter ended 30 Sep 2022	Year to date ended 30 Sep 2023	Year to date ended 30 Sep 2022
Basic earning/(loss) per share				
Earning/(Loss) attributable to owners of the parent (RM'000)	348	(778)	(920)	(2,653)
Weighted average number of ordinary shares ('000)	1,526,822	1,165,614	1,526,822	1,165,614
Weighted average number of irredeemable convertible shares ('000)	582,664	582,664	582,664	582,664
Effect of ordinary shares issued ('000)	2,360	22,800	2,360	22,800
Adjusted weighted average number of shares ('000)	2,111,846	1,771,078	2,111,846	1,771,078
Basic earning/(loss) per share (sen)	0.02	(0.07)	(0.06)	(0.22)
Diluted earning/(loss) per share (sen)	0.02	(0.04)	(0.04)	(0.15)

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

28. Notes to the Consolidated Statement of Comprehensive Income

	Current Quarter Ended 30 Sep 2023 RM'000	Year-to-date Ended 30 Sep 2023 RM'000
Depreciation and amortisation	1,242	2,215
Loss on disposal of property, plant and equipment	34	34
Impairment loss on receivables	397	795
Interest expense	1,211	1,799
Interest income	(301)	(391)
Realised loss on foreign exchange	28	35
Unrealised loss on foreign exchange	1	63

29. Authorised for issuance

The interim financial statements for financial quarter ended 30 September 2023 has been approved by the Board of Directors of MRB on 23 November 2023 for release to the Bursa Securities.