



**MINETECH RESOURCES BERHAD GROUP**

**ANNOUNCEMENT PACKAGE**

**Q4/FY2024**

**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 2024**

(The figures have not been audited)

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Current Year Quarter ended 31 Mar 2024 RM'000</b>	<b>Preceding Year Quarter ended 31 Mar 2023 RM'000</b>	<b>Current Year To Date Ended 31 Mar 2024 RM'000</b>	<b>Preceding Year To Date Ended 31 Mar 2023 RM'000</b>
Revenue	33,472	36,435	128,143	123,772
Cost of sales	(29,856)	(33,032)	(113,169)	(110,348)
<b>Gross Profit</b>	<b>3,616</b>	<b>3,403</b>	<b>14,974</b>	<b>13,424</b>
Other income	1,440	1,967	3,303	2,913
Administrative expenses	(11,784)	(11,564)	(21,886)	(22,569)
Selling and marketing expenses	(151)	(116)	(522)	(421)
Finance costs	313	1,348	(2,720)	(1,262)
<b>Loss before tax</b>	<b>(6,566)</b>	<b>(4,962)</b>	<b>(6,851)</b>	<b>(7,915)</b>
Tax expense	(70)	(1,509)	(1,968)	(2,396)
<b>Loss for the period</b>	<b>(6,636)</b>	<b>(6,471)</b>	<b>(8,819)</b>	<b>(10,311)</b>
<b>Discontinued operations</b>				
Loss from discontinued operation, net of tax	-	(1,554)	-	(1,554)
<b>Net Loss for the period</b>	<b>(6,636)</b>	<b>(8,025)</b>	<b>(8,819)</b>	<b>(11,865)</b>
<b>Other comprehensive loss</b>				
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
- Exchange translation differences for foreign operation	-	(124)	-	(44)
<b>Total comprehensive loss</b>	<b>(6,636)</b>	<b>(8,149)</b>	<b>(8,819)</b>	<b>(11,909)</b>
<b>Loss attributable to:</b>				
Owners of the Parent	(5,902)	(7,470)	(6,989)	(10,593)
Non-controlling interests	(734)	(555)	(1,830)	(1,272)
	<b>(6,636)</b>	<b>(8,025)</b>	<b>(8,819)</b>	<b>(11,865)</b>
<b>Total comprehensive loss attributable to:</b>				
Owners of the Parent	(5,902)	(7,594)	(6,989)	(10,637)
Non-controlling interests	(734)	(555)	(1,830)	(1,272)
	<b>(6,636)</b>	<b>(8,149)</b>	<b>(8,819)</b>	<b>(11,909)</b>
Loss per share (sen)				
- Basic	(0.33)	(0.49)	(0.39)	(0.69)
- Diluted	(0.26)	(0.35)	(0.30)	(0.50)

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 31 March 2024**

	<b>Unaudited As At 31 March 2024 RM'000</b>	<b>Audited As At 31 March 2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	85,050	81,732
Right of use assets	3,855	4,291
Investment properties	8,539	1,559
Inventories	-	6,000
Investment in associate	3,697	-
Trade receivables	-	175
	<u>101,141</u>	<u>93,757</u>
<b>Current assets</b>		
Inventories	3,159	4,067
Contract assets	348	17,146
Trade receivables	40,284	56,287
Other receivables	1,654	16,192
Tax recoverables	-	202
Other investments	2,969	427
Fixed deposits with licensed bank	7,106	6,877
Cash and bank balance	15,225	7,575
	<u>70,745</u>	<u>108,773</u>
<b>Total assets</b>	<u>171,886</u>	<u>202,530</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	117,055	105,518
Less:- Treasury shares, at cost	(48)	(48)
Reserves	(28,110)	(18,868)
	<u>88,897</u>	<u>86,602</u>
Non-controlling interests	(7,070)	(3,941)
<b>Total equity</b>	<u>81,827</u>	<u>82,661</u>
<b>Non-current liabilities</b>		
Lease and borrowings	16,442	14,847
Deferred tax liabilities	1,003	2,111
	<u>17,445</u>	<u>16,958</u>
<b>Current liabilities</b>		
Trade payables	26,711	53,682
Other payables	15,625	15,736
Lease and borrowings	30,086	33,285
Tax payable	192	208
	<u>72,614</u>	<u>102,911</u>
<b>Total liabilities</b>	<u>90,059</u>	<u>119,869</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>171,886</u>	<u>202,530</u>
<b>Net assets per share (RM)</b>	<b>0.05</b>	<b>0.06</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for financial year ended 31 March 2023.

**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 2024****(The figures have not been audited)**

	<b>12 Months To Date ended 31 March 2024 RM'000</b>	<b>Preceding period 12 months ended 31 December 2022 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax from continuing operations	(6,851)	(7,915)
Adjustments for:-		
Depreciation and amortisation	5,131	2,460
Gain on disposal of property, plant and equipment	(100)	(57)
Gain on disposal of asset held for sale	-	(125)
Gain on disposal of subsidiary company	-	(132)
Interest expenses	2,720	1,262
Interest income	(563)	(380)
Unrealised loss/(gain) on foreign exchange	68	(30)
Impairment losses on:		
- receivables	7,088	4,035
- intangible assets	-	3,455
Reversal on impairment losses on receivables	-	(1,262)
Reversal on impairment losses on investment in subsidiary comp:	-	(123)
Share of associate company's result	(97)	-
<b>Operating profit before changes in working capital</b>	<b>7,396</b>	<b>1,188</b>
Changes in working capital		
Quarry development expenditure	-	75
Inventories	6,908	(1,572)
Receivables	24,880	(17,481)
Contract assets	16,798	1,030
Payables	(25,830)	20,462
<b>Net cash generated from operations</b>	<b>30,152</b>	<b>3,702</b>
Tax paid	(2,893)	(2,753)
Tax refund	13	-
Interest paid	(2,720)	(1,262)
Interest received	563	380
<b>Net cash generated from operating activities</b>	<b>25,115</b>	<b>67</b>

	<b>12 Months To Date ended 31 March 2024 RM'000</b>	<b>Preceding period 12 months ended 31 December 2022 RM'000</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	(15,066)	(17,467)
Proceeds from disposal of property, plant & equipment	173	60
Proceeds from disposal of other investments	-	2,600
Net cash outflow from acquisition of subsidiary company	(2,251)	-
Net cash outflow from acquisition of associate company	(3,600)	-
Changes in other investments	(2,542)	(516)
<b>Net cash used in investing activities</b>	<b>(23,286)</b>	<b>(15,323)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Drawdown of borrowing	10,052	11,542
Repayment of borrowings	(10,595)	(5,464)
Drawdown of term loans	-	150
Repayment of term loans	(611)	(4,122)
Repayment of lease liabilities	(450)	(1,263)
Proceeds from issuance of shares	11,537	11,930
<b>Net cash generated from financing activities</b>	<b>9,933</b>	<b>12,773</b>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<b>11,762</b>	<b>(2,483)</b>
Cash and Cash Equivalents at beginning of the period	3,531	10,028
Effects of exchange translation differences on cash and cash equivalents	(68)	30
<b>Cash and Cash Equivalents at the end of period</b>	<b>15,225</b>	<b>7,575</b>
<b>Cash and Cash Equivalents comprises of :</b>		
Cash and bank balances	<b>15,225</b>	<b>7,575</b>

## INTERIM FINANCIAL STATEMENTS

## Condensed Consolidated Statements of Changes in Equity

For the Financial Year Ended 31 March 2024

(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
<b>At 1 April 2023</b>	105,518	(48)	-	(18,868)	86,602	(3,941)	82,661
Loss for the financial period	-	-	-	(6,989)	(6,989)	(1,830)	(8,819)
<b>Total comprehensive loss for the financial period</b>	-	-	-	(6,989)	(6,989)	(1,830)	(8,819)
<b>Transactions with owners:</b>							
Exercise of employee option scheme	8,653	-	-	-	8,653	-	8,653
Conversion of ICPS to Ordinary Shares	2,884	-	-	-	2,884	-	2,884
Changes of ownership	-	-	-	(2,253)	(2,253)	(1,299)	(3,552)
	11,537	-	-	(2,253)	9,284	(1,299)	7,985
<b>At 31 March 2024</b>	<b>117,055</b>	<b>(48)</b>	<b>-</b>	<b>(28,110)</b>	<b>88,897</b>	<b>(7,070)</b>	<b>81,827</b>

	----- 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
<b>At 1 April 2022</b>	94,050	(48)	45	(8,275)	85,772	(2,669)	83,103
Loss for the financial period	-	-	-	(10,593)	(10,593)	(1,272)	(11,865)
Other comprehensive profit	-	-	(45)	-	(45)	-	(45)
<b>Total comprehensive income/ (loss) for the financial period</b>	-	-	(45)	(10,593)	(10,638)	(1,272)	(11,910)
<b>Transactions with owners:</b>							
Issuance of ordinary shares	11,574	-	-	-	11,574	-	11,574
Exercise of Share Issuance Scheme	356	-	-	-	356	-	356
Share issue expenses	(462)	-	-	-	(462)	-	(462)
	11,468	-	-	-	11,468	-	11,468
<b>At 31 March 2023</b>	<b>105,518</b>	<b>(48)</b>	<b>-</b>	<b>(18,868)</b>	<b>86,602</b>	<b>(3,941)</b>	<b>82,661</b>

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 according 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 transaction 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 12 months ended 31 March 2024:

	Civil Engineering RM'000	Bituminous Products RM'000	Services RM'000	Energy RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
<b>Revenue</b>							
Revenue to external customers	91,898	29,117	1,249	4,676	1,203	-	128,143
Inter-segment revenue	-	36	-	-	1,824	(1,860)	-
	<u>91,898</u>	<u>29,153</u>	<u>1,249</u>	<u>4,676</u>	<u>3,027</u>	<u>(1,860)</u>	<u>128,143</u>
Segment results	3,974	2,210	(2,026)	(2,700)	979	(7,131)	(4,694)
Interest income	248	3	17	-	295	-	563
Finance costs							(2,720)
Loss before tax							(6,851)
Taxation							(1,968)
Net loss for the period							<u>(8,819)</u>
<b>Assets</b>							
Segment assets	<u>78,849</u>	<u>19,814</u>	<u>516</u>	<u>64,127</u>	<u>103,832</u>	<u>(95,252)</u>	<u>171,886</u>
<b>Liabilities</b>							
Segment liabilities	<u>48,278</u>	<u>10,710</u>	<u>8,951</u>	<u>70,361</u>	<u>66,271</u>	<u>(114,512)</u>	<u>90,059</u>

The consolidated loss before tax for the year of RM6.85 million derived mainly due to one-off recognition of impairment loss. However, the consolidated EBITDA recorded for the year is RM7.41 million.

Segmental information for the 12 months ended 31 March 2023:

	Quarry Products RM'000	Civil Engineering RM'000	Bituminous Products RM'000	Services RM'000	Others RM'000	Elimination RM'000	Consolidation RM'000
<b>Revenue</b>							
Revenue to external customers	431	75,286	31,732	5,389	10,934	-	123,772
Inter-segment revenue	-	-	-	-	1,388	(1,388)	-
	<u>431</u>	<u>75,286</u>	<u>31,732</u>	<u>5,389</u>	<u>12,322</u>	<u>(1,388)</u>	<u>123,772</u>
Segment results	(1,634)	7,098	1,796	(880)	(20,770)	7,357	(7,033)
Interest income	73	167	1	68	71	-	380
Finance costs							(1,262)
Loss before tax							(7,915)
Taxation							(2,396)
Net loss for the period							<u>(10,311)</u>
<b>Assets</b>							
Segment assets	<u>205</u>	<u>77,132</u>	<u>19,563</u>	<u>23,052</u>	<u>168,997</u>	<u>(86,419)</u>	<u>202,530</u>
<b>Liabilities</b>							
Segment liabilities	<u>2,778</u>	<u>46,277</u>	<u>11,787</u>	<u>23,387</u>	<u>134,612</u>	<u>(98,972)</u>	<u>119,869</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 2024 RM'000	As at 31 Mar 2023 RM'000
Corporate guarantees	59,239	58,660
Bank guarantees	2,424	6,687
	<u>          </u>	<u>          </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 2024 RM'000	As at 31 Mar 2023 RM'000
<u>Approved but not contracted for:</u>		
Bituminous plant upgrade and decanting	98	-
Bituminous plant scrubber system overhaul	600	-
Machineries for drilling and blasting works	2,300	-
Remittance system upgrade	893	-
Office equipments and renovation works	218	-
	<u>          </u>	<u>          </u>
	<u>4,109</u>	<u>-</u>

#### 15. Related party transactions

	Current Quarter Ended 31 Mar 2024 RM'000	Year-to -date Ended 31 Mar 2024 RM'000
Management fees between related companies	456	1,824
Rental payable to related companies	69	300
Advances to related companies	10	600
	<u>          </u>	<u>          </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 2024	3 months ended 31 Mar 2023	3 months ended 31 Mar 2024	3 months ended 31 Mar 2023
	RM'000	RM'000	RM'000	RM'000
Civil Engineering	23,009	23,423	(906)	2,286
Bituminous Products	7,592	8,616	(301)	(191)
Services	30	59	(676)	(562)
Energy	1,775	-	(2,143)	(26)
Others	1,555	4,661	(1,881)	(8,351)
Eliminations	(489)	(324)	(932)	534
Group	33,472	36,435	(6,839)	(6,310)
Less: Finance Costs			273	1,348
Loss Before Tax			(6,566)	(4,962)

The Group's revenue has decreased to RM33.47 million and recorded an operating loss of RM6.57 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 RM36.44 million and loss before tax of RM4.96 million respectively.

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

**Civil Engineering**

Revenue for the current quarter has decreased to RM23.01 million with an operating loss of RM0.91 million compared with the same quarter of the last financial year's revenue of RM23.42 million and operating profit of RM2.29 million. The operating profit has decreased due to one-off recognition of impairment loss.

A higher revenue was recorded by Selinsing Gold Mine ("SGM") of RM19.44 million as compared to the preceding year's corresponding quarter of RM14.87 million resulted from the increase in work volume. Overall the revenue has dropped slightly due to a few projects had reached completion stages.

**Bituminous Products**

Revenue recorded for this segment for the reporting quarter had decreased to RM7.59 million with an operating loss of RM0.3 million as compared to the same quarter of the last financial year's revenue of RM8.62 million and operating loss of RM0.19 million. This is mainly due to there was a one-off local contract of Coating Enamel throughout the preceding year's quarter 3 & 4.

**Services**

Revenue for the current quarter decreased to RM0.03 million with an operating loss of RM0.68 million compared with the same quarter of the last financial year's revenue of RM0.06 million and operating loss of RM0.56 million. Lower revenue for the quarter is due to lesser supply of manpower, storage tank maintenance services and lower number of remittance transactions. The operating loss is due to one-off recognition of impairment loss on trade receivables.

**Energy**

The new energy segment, particularly the solar power plant project, has made a revenue contribution of RM1.78 million in the current quarter after achieving its commercial operation date at the end of May 2023. The current quarter has also recorded a one-off repair and maintenance work which resulted to operating loss of RM2.14 million.

**Comparison with immediate preceding quarter's results (Q4-FY'24 vs Q3-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	23,009	25,911	(2,902)	-11%
Bituminous Products	7,592	7,694	(102)	-1%
Services	30	30	-	0%
Energy	1,775	1,273	502	-100%
Others	1,555	736	819	111%
Eliminations	(489)	(691)	202	-29%
Group	33,472	34,953		
(Loss)/ Profit Before Tax	(6,566)	45	(6,611)	-14691%

The civil engineering segment's revenue has decreased to RM23.01 million as compared to RM25.91 million recorded in the immediate preceding quarter. There was decrease in production volume for Selinsing Gold Mine ("SGM") project and also completion of few minor projects.

The bituminous products segment recorded an decreased in revenue to RM7.59 million as compared to the revenue of RM7.69 million recorded in the immediate preceding quarter due to higher demand for the Coating Enamel products in the immediate preceding quarter.

The services segment remained the revenue of RM0.03 million as recorded in the immediate preceding quarter.

The new energy segment, recorded an increase in revenue to RM1.78 million as compared to RM1.27 million recorded in the immediate preceding quarter. The continuously heat weather and reduction of production downtime had increased solar power plant performance during the quarter.

The Group has recorded a loss before tax of RM6.57 million as compared to profit before tax of RM0.05 million recorded in the immediate preceding quarter, mainly due to impairment exercises made. The Group recorded a positive adjusted EBITDA of RM1.14 million for the quarter.

## 17. Prospects

Malaysian economy registered a growth in GDP of 4.2% in the 1Q 2024 (4Q 2023: 2.9%) per the recent announcement by Bank Negara Malaysia (BNM). The quarter saw a further expansion in household spending, higher turnaround in exports and stronger investment growth.

Further improvement can be seen in most economic sectors during the period. Major sector that recorded lower growth during the review included Services at 4.7% (4Q 2023: 4.1%), Manufacturing at 1.9% (4Q 2023: -0.3%) and Construction sector at 11.9% (4Q 2023: 3.6%).

Private consumption recorded growth at 4.7% (4Q 2023: 4.2%) due to improvement in both necessities and discretionary spending by households.

Meanwhile, Malaysia's inflation rate moderated but remained elevated at 1.8% in 1Q 2024 (4Q 2023: 2%) 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 Construction Sdn Bhd ("MCSB"), a wholly-owned subsidiary of the Company has on 31 January 2024 entered into an agreement with Able Return Sdn Bhd and Damar Consolidated Exploration Sdn Bhd in connection with the renewal of contract for waste removal, ore deliveries and associated works for open pit mining in respect of Selinsing Gold Mine Project for a further period of 36 months commencing from 1 January 2024 to 31 December 2026 with an estimated total contract value of approximately RM230.0 million ("Contract"). On 5 February 2024, the Company wishes to further clarify that while MCSB continues to adhere to the same scope of work arising from the renewed contract, the production volume has increased by approximately 220% due to the expansion of mining area as well as increase of price in additional materials and services, which resulted in a higher estimated total contract value.

## 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 2024 RM'000	12 months period ended 31 Mar 2023 RM'000
<b>Current tax expense :</b>		
- current tax provision	(2,470)	(1,115)
- under provision in prior years	(703)	(100)
	<u>(3,173)</u>	<u>(1,215)</u>
<b>Current deferred tax</b>		
- relating to origination and reversal of temporary differences	(237)	(288)
- under provision in prior years	1,442	167
	<u>1,205</u>	<u>(121)</u>
<b>Real property gain tax</b>		
	-	(1,060)
	<u>(1,968)</u>	<u>(2,396)</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

Between 03 Jan 2024 to 15 Jan 2024, a total of 6,322,500 new ordinary shares in the capital of the Company was issued pursuant to the conversion of 25,290,000 Irredeemable Convertible Preference Shares ("ICPS") to 6,322,500 new ordinary shares by way of conversion of four (4) ICPS for one (1) new ordinary share.

Between 04 Jan 2024 to 13 Mar 2024, a total of 136,961,620 Options under Share Issuance Scheme ("SIS") was exercised at a price of RM0.0307 each

Between 04 Jan 2024 to 31 Jan 2024, a total of 68,831,290 Options under Share Issuance Scheme ("SIS") was exercised at a price of RM0.0593 each

Between 10 Jan 2024 to 10 May 2024, a total of 32,149,700 new ordinary shares of the Company ("Shares") were issued pursuant to the conversion of 32,149,700 Irredeemable Convertible Preference Shares ("ICPS") to 32,149,700 new Shares by way of conversion of one (1) ICPS together with cash payment of RM0.09 for one (1) new Share. The conversion price for the ICPS is RM0.12 for one (1) new Share.

## 22. Group lease and borrowings

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

	As at 31 March 2024		Total
	Long term	Short term	borrowings
	RM'000	RM'000	RM'000
<u>Secured</u>			
Term loans	8,329	25,062	33,391
Bank Overdrafts	-	1,644	1,644
Lease liabilities	8,113	2,157	10,270
Short term borrowing	-	1,223	1,223
	<u>16,442</u>	<u>30,086</u>	<u>46,528</u>
	As at 31 March 2023		Total
	Long term	Short term	borrowings
	RM'000	RM'000	RM'000
<u>Secured</u>			
Term loans	7,726	25,357	33,083
Bank Overdrafts	-	4,024	4,024
Lease liabilities	7,121	1,618	8,739
Short term borrowing	-	2,286	2,286
	<u>14,847</u>	<u>33,285</u>	<u>48,132</u>

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 new Case Management date of 15th July 2024 for both parties to complete the classification of documents for the Assessment of Damages proceedings.

### 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.

Minetech had entered into a Settlement Agreement with MPAY dated 31 March 2024. Both parties have agreed on a settlement sum of RM3,888,888.88 and CPSB agreed to make a minimum monthly repayment of RM300,000.00 to MPAY until the final full loan settlement. MPAY agreed to waive any late payment interest calculated on the interest and on the Settlement Sum for March 2024 to October 2024. In avoidance of doubt, late payment interest shall be chargeable on any unpaid interest starting from November 2024 until such outstanding sum has been fully settled.

MPay's solicitors has further vide their letter dated 8 May 2024 confirmed that the Civil Suit against the Company, CPSB and JSK has been duly withdrawn on 7 May 2024.

## 25. Share capital

	Year to date ended 31 Mar 2024	Year to date ended 31 Mar 2023	Year to date ended 31 Mar 2024	Year to date ended 31 Mar 2023
<b>Issued and fully paid-up</b>	<b>Number of Shares</b>		<b>RM'000</b>	<b>RM'000</b>
<i>Ordinary shares with no par value</i>	<b>('000)</b>	<b>('000)</b>		
At 1 April	1,526,822	1,165,614	88,281	76,813
Shares issued during financial period	11,932	361,208	8,653	11,930
Conversion of ICPS to Ordinary Shares	246,032	-	2,884	-
Share issue expenses	-	-	-	(462)
At 31 March	<u>1,784,786</u>	<u>1,526,822</u>	<u>99,818</u>	<u>88,281</u>
<i>Irredeemable convertible preference shares ("ICPS")</i>				
At 1 April	582,664	582,664	17,237	17,237
Conversion of ICPS to Ordinary Shares	(64,809)	-	-	-
At 31 March	<u>517,855</u>	<u>582,664</u>	<u>17,237</u>	<u>17,237</u>
Total	<u>2,302,641</u>	<u>2,109,486</u>	<u>117,055</u>	<u>105,518</u>

## 26. Dividends

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

## 27. Loss per share

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months Quarter ended 31 Mar 2024</b>	<b>3 months Quarter ended 31 Mar 2023</b>	<b>Year to date ended 31 Mar 2024</b>	<b>Year to date ended 31 Mar 2023</b>
<b>Basic loss per share</b>				
Loss attributable to owners of the parent (RM'000)	(5,902)	(7,470)	(6,989)	(10,593)
Weighted average number of ordinary shares ('000)	1,540,621	1,522,569	1,526,822	1,165,614
Weighted average number of irredeemable convertible shares ('000)	575,195	582,664	582,664	582,664
Effect of ordinary shares issued ('000)	244,165	4,253	257,964	361,208
Effect of issuance of irredeemable convertible preference shares ('000)	(57,340)	-	(64,809)	-
Adjusted weighted average number of shares ('000)	<u>2,302,641</u>	<u>2,109,486</u>	<u>2,302,641</u>	<u>2,109,486</u>
Basic loss per share (sen)	(0.33)	(0.49)	(0.39)	(0.69)
Diluted loss per share (sen)	<u>(0.26)</u>	<u>(0.35)</u>	<u>(0.30)</u>	<u>(0.50)</u>

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

## 28. Notes to the Consolidated Statement of Comprehensive Income

	<b>Current Quarter Ended 31 Mar 2024 RM'000</b>	<b>Year-to -date Ended 31 Mar 2024 RM'000</b>
Depreciation and amortisation	1,161	4,968
Gain on disposal of property, plant and equipment	(52)	(100)
Impairment loss on receivables	5,359	7,088
Interest expense	(273)	2,720
Interest income	(90)	(563)
Impairment loss on property, plant and equipment	136	136
Realised loss on foreign exchange	44	115
Unrealised loss on foreign exchange	4	68
Share of associate company's result	97	97

## 29. Authorised for issuance

The interim financial statements for financial quarter ended 31 March 2024 has been approved by the Board of Directors of MRB on 29 May 2024 for release to the Bursa Securities.