MINETECH
RESOURCES
BERHAD

ANNUAL REPORT 2023

BUILDING ON OUR CORE STRENGTH

WHAT'S INSIDE

21ST
ANNUAL GENERAL MEETING

online meeting platform of TIIH Online website at https://tiih.online

Monday,
28 AUG 2023

10.00 a.m.

CORPORATE STRUCTURE
As at 30 June 2023

MINETECH

QUARRY
- K.S. CHIN MINERALS SDN BHD 100%
  - ADVANCE SOLAR SDN BHD 100%
    - OPTIMIS DINAMIK SDN BHD 100%
    - MINETECH BIDOR QUARRY SDN BHD 100%

CONSTRUCTION
- MINETECH CONSTRUCTION SDN BHD 100%
  - CORAL EVERGREEN SDN BHD 100%
  - MRB MAJUCONSTRUCT SDN BHD 80%
  - MINETECH FORWARD BASE JV SDN BHD 50%

PROPERTY DEVELOPMENT
- MRB PROPERTY SDN BHD 100%
- HARAPAN IRINGAN SDN BHD 100%
- MEDIUM VISA SDN BHD 100%
- MINETECH REALTY SDN BHD 100%

MANUFACTURING
- MINETECH ASPHALT MAN INTERNATIONAL SDN BHD 85%

ENERGY
- CORAL POWER SDN BHD 70%
- CORAL ENERGY SDN BHD 100%

FINANCIAL TECHNOLOGY
- TECHMILE RESOURCES SDN BHD 100%
  - UNIQA (M) SDN BHD 60%

OTHERS
- MINETECH INDUSTRIES SDN BHD 100%
- MINETECH COMMERCE SDN BHD 95%
- KONSEP KHAS SDN BHD 54.99%
- MINETECH PARKING SDN BHD (FKA MINETECH PREMIX SDN BHD) 100%

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. **Ahmad Rahizal Bin Dato' Ahmad Rasidi**
   Non-Independent Non-Executive Chairman
2. **Choy Sen @ Chin Kim Sang**
   Executive Director of Advisory
3. **Chin Leong Choy**
   Executive Director of Business Development and Operations
4. **Azlan Shah Bin Zainal Arif**
   Executive Director of Business Development, Operations and Finance
5. **Loke Kim Meng**
   Non-Independent Non-Executive Director
6. **Ahmad Ruslan Zahari Bin Zakaria**
   Independent Non-Executive Director
7. **Datin Feridah Binti Bujang Ismail**
   Independent Non-Executive Director
8. **Siti Aishah Binti Othman**
   Independent Non-Executive Director
9. **Chin Sheong Choy**
   Alternate Director to Choy Sen @ Chin Kim Sang

AUDIT AND RISK MANAGEMENT COMMITTEE

1. Ahmad Ruslan Zahari Bin Zakaria *(Chairman)*
2. Datin Feridah Binti Bujang Ismail
3. Siti Aishah Binti Othman

NOMINATION AND REMUNERATION COMMITTEE

1. Siti Aishah Binti Othman *(Chairperson)*
2. Datin Feridah Binti Bujang Ismail
3. Ahmad Ruslan Zahari Bin Zakaria

BUSINESS AND OPERATION ADDRESS

D-G-5, Block D
Parklane Commercial Hub
No. 21, Jalan SS7/26
Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan
Tel No: 603-7886 7848
Fax No: 603-7886 3370
Email: corporate@mrb.com.my
Website: www.minetech.com.my

REGISTERED OFFICE

12th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel No : 603 7890 4800
Fax No : 603 7890 4650

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
(SSM Practicing Certificate No. 202008001023)

Tan Ai Ning (MAICSA 7015852)
(SSM Practicing Certificate No. 202008000067)

SHARE REGISTRAR

E Reg Corporate Services Sdn. Bhd.
[Registration No. 202201026086 (1471783-A)]
98-2B, Jalan PJU 1/3B
SunwayMas Commercial Centre
47301 Petaling Jaya
Selangor Darul Ehsan
Tel No : 603 7780 2010
Email : corporate@ereg.com.my

AUDITORS

Al Jafree Salihin Kuzaimi PLT
201506002872 (LLP0006652-LCA) & AF 1522
Chartered Accountants
No. 555, Jalan Samudra Utara 1
Taman Samudra
68100 Batu Caves
Selangor Darul Ehsan
Tel No : 03 6185 9970
Fax No : 03 6184 2524
Careline : 1300 88 5678

PRINCIPAL BANKERS

Malayan Banking Berhad
Registration Number : 196001000142 (3813-K)

STOCK EXCHANGE LIST

Main Market of Bursa Malaysia Securities Berhad

Ordinary Shares

Stock Short Name : MINETEC
Stock Code : 7219

Irredeemable Convertible Preference Shares

Stock Short Name : MINETEC-PA
Stock Code : 7219PA

DIRECTORS' PROFILE

AHMAD RAHIZAL BIN DATO' AHMAD RASIDI

Position:
Non-Independent
Non-Executive Chairman

Gender:
Male

Age:
40

Ahmad Rahizal was appointed as Independent Non-Executive Director on 28 October 2016. On 1 April 2022, he was re-designated as Non-Independent Non-Executive Director and subsequently to Non-Independent Non-Executive Chairman on 9 June 2023.

Ahmad Rahizal has over 14 years of experience in corporate and business ventures. He began his career as a Director in Noble Signet Sdn Bhd in 2008, an IT developer catering for the banking industry. From 2009 to 2012, he was appointed as Chairman of UQ Holiday Sdn Bhd which charters flights for pilgrims to perform the Umrah. He joined Auto MasterCop Sdn Bhd [now known as Uniqa (M) Sdn Bhd] as Chief Executive Officer from 2012-2020 and Director of Uniqa (M) Sdn Bhd until 2021. Uniqa (M) Sdn Bhd provides electronic payment systems as an alternative delivery channel for banks and other financial institutions.

He is also involved in coconut plantation, sand quarry, waste-management and edible oil business.

Other than Minetech, he is not a director of any public companies nor a listed issuer. He sits on the board of Aliran Utara Sdn Bhd (subsidiary of Aliran Ihsan Resources Berhad which is part of MMC Corporation Berhad Group) and also the board of several private limited companies.

He has no conflict of interest with the Minetech Group.

CHOY SEN @ CHIN KIM SANG

Position:
Executive Director of Advisory

Gender:
Male

Age:
70

Choy Sen @ Chin Kim Sang was the founder of Minetech. He has been re-designated from Executive Chairman to Executive Director on 31 March 2020. He is also member of the Executive Committee of Minetech.

He received his Masters in Business Administration from the Southern Pacific University, United States in 2004. He is also an Associate of the Institute of Quarrying Malaysia and a registered Shot-Firer with Jabatan Mineral dan Geosains Malaysia and Polis Diraja Malaysia. In addition, he is a Deputy President of Green Purchasing Network Malaysia.

He has over 45 years of experience in the quarrying and civil engineering industries. In 1984, he founded K.S. Chin Construction Sdn Bhd (now known as K.S. Chin Minerals Sdn Bhd) and was involved in quarrying and civil engineering works (i.e. drilling and blasting works). In 1989, he incorporated Minetech Construction Sdn Bhd to provide specialised drilling and blasting, loading and haulage services, focusing on rock excavation and infrastructure development projects. He had also established several other subsidiaries focusing on industrial machinery, sales and marketing of aggregates and asphalt premix.

Other than Minetech, he is not a director of any other public companies nor listed issuer. He sits on the boards of several private limited companies.

He has no conflict of interest with the Minetech Group.

Directors' Profile (Cont'd)

CHIN LEONG CHOY

Position:
Executive Director of Business Development and Operations

Gender:
Male

Age:
40

Chin Leong Choy, was appointed as Executive Director on 21 January 2010 and was re-designated as Group Executive Director on 6 March 2013. He was then re-designated as Executive Director on 12 June 2020. He is also a member of Executive Committee.

He received his Masters in Business Administration (General Management) from Stichting Euregio University College, Belgium and Masters in Business Administration (Property Management) from Tbilisi Teaching University Gorgasali, Georgia.

Chin Leong Choy has over 20 years of experience in sales and marketing, quarrying and civil engineering. He was also involved in multiple strategic business development ventures. He joined Minetech Construction Sdn Bhd in 2003 where he was responsible for control blasting and infrastructure works. He was then transferred to Minetech Quarries Sdn Bhd in 2005 and subsequently to K.S. Chin Minerals Sdn Bhd in the following year, responsible for planning and management of the overall group's quarry business. During his tenure as Group Executive Director, he contributed to the growth and success of all Minetech's business units, including premix and manufacturing divisions and had also played a key role in steering Minetech to diversify its business into new profitable sectors.

Other than Minetech, he is not a director of any other public companies nor listed issuer. He sits on the boards of several private limited companies.

He has no conflict of interest with the Minetech Group.

AZLAN SHAH BIN ZAINAL ARIF

Position:
Executive Director of Business Development, Operations and Finance

Gender:
Male

Age:
41

Azlan Shah, was appointed as Independent Non-Executive Director of Minetech on 3 April 2020. He was re-designated as a Non-Independent Non-Executive Director on 21 April 2020 and subsequently re-designated as Executive Director on 12 June 2020. He is also a member of Executive Committee.

Azlan Shah obtained his Bachelor's Degree in Mechanical Engineering (Honours) from the University of Malaya in 2006 and now has over 18 years of experience in maintenance, fabrication, and construction work in the oil and gas industry. In addition, Azlan Shah is also a certified Mechanical Engineer of Manufacturing and Industrial Technology, an accreditation issued by MBOT or the Malaysian Board of Technologists.

Azlan Shah began his career in 2006 with Tanjong Offshore Group, where he sharpened his skills in the oil and gas engineering sector, particularly in maintenance, repair and operations for approximately 7 years. During his tenure with Tanjong Offshore Group, he aided the company in serving several large Fortune 500 and Fortune 100 oil and gas companies such as Petronas and Shell.

In 2013, Azlan Shah decided that it was high time to embark on a new venture and established Empada Sdn Bhd ("**Empada**") to provide maintenance, fabrication and construction services for the Nation's oil and gas industry.

His decision proves fruitful and Empada has since secured more than RM200 million worth of contracts and currently employs over 100 employees. Besides being the founder of Empada, Azlan Shah is also currently the company's largest shareholder to date.

In 2018, Azlan Shah abetted Highpoint Engineering Sdn Bhd to set-up the latter's business strategies framework, as well as provided business advisory services for G Two Tech Engineering Sdn Bhd, both of which are currently involved in the maintenance, fabrication, construction, as well as electrical and instruments respectively.

A year later, Azlan Shah was invited to join ADAP Capital Sdn Bhd, an investment holding and private equity company as its Managing Director for Special Projects and Business Development where he is mainly involved in corporate development exercises.

Other than Minetech, Azlan Shah is not a director of any other public companies nor any listed issuer. He however sits on the board of several private limited companies, and has no conflict of interest with the Minetech Group.

Directors' Profile (Cont'd)

LOKE KIM MENG

Position:
Non-Independent
Non-Executive Director

Gender:
Male

Age:
42

Loke Kim Meng was appointed as Non-Independent Non-Executive Director of Minetech on 28 January 2022.

He graduated with a Bachelor in Engineering (Mechanical Engineering) from University of Bradford, United Kingdom.

Loke Kim Meng has more than 16 years of banking and investment management experience in Malaysia and Singapore, specifically managing and investing in multiple asset classes.

He began his career in Mizuho Corporate Bank Singapore, in the Global Structured Finance Division, and subsequently joined DBS Bank Institutional Banking Group as the Relationship Manager. He then joined a private asset management firm based in Singapore, where he was instrumental in deal generation and execution of investment strategies for the firm's portfolio.

Loke Kim Meng is currently the Chief Executive Officer of Widuri Capital Management Sdn. Bhd., a Private Equity Management Corporation (PEMC) registered with Securities Commission Malaysia, where he leads all aspect of deal origination, execution, fund raising and portfolio monitoring.

Prior to his current role, he was with RHB Investment Bank Berhad and Malayan Banking Berhad private wealth management division, where he managed and advised high net worth (HNW) client's portfolio. In 2017, he acted as the Chief Operating Officer of a Singapore public listed company, where he was responsible for the firm's strategic operations in Malaysia.

Other than Minetech, he is not a director of any other public companies nor listed issuer and has no conflict of interest with the Minetech Group.

AHMAD RUSLAN ZAHARI BIN ZAKARIA

Position:
Independent Non-Executive
Director

Gender:
Male

Age:
62

Ahmad Ruslan was appointed as Independent Non-Executive Director of the Company on 21 February 2014. He is also Chairman of the Audit and Risk Management Committee and member of the Nomination and Remuneration Committee of the Company.

Ahmad Ruslan graduated from the University of Newcastle-upon-Tyne, United Kingdom in 1984 with a Bachelor's of Arts in Economic Studies (Accounting & Financial Analysis). After graduating, he trained as a Chartered Accountant at a firm in London.

In 1986, he joined Merchants Business Growth Consulting, a pan-European marketing consultancy in London as Group Financial Controller. He left Europe in 1993 and joined now known as CIMB Investment Bank Berhad in the Corporate Finance Department. In 1997, he assisted in the formation of Commerce Asset Ventures, the venture capital arm of CIMB Group. In 2000, he joined Clear Channel Communications, Inc., a leading global media organisation listed on the New York Stock Exchange as ASEAN Regional Development Director/ Managing Director of the Malaysian operations. In 2005, he was appointed as the Chief Executive Officer of Terengganu Incorporated, a strategic investment holding company for the state Terengganu where he led and restructured all corporate companies owned by the State. From 2008-2018, he was the Chief Executive Officer of Armstrong Marine & Offshore Sdn. Bhd. From 2010 to 2018, he was also the Chief Executive Officer of Sungai Temau Mining (M) Sdn. Bhd., an iron ore mining company. He is presently the founder and principal of Connoisseur Consult Sdn. Bhd.

Other than Minetech, Ahmad Ruslan sits on the Board of CSH Alliance Berhad as the Independent Non-Executive Chairman. He sits on the board of several private limited companies.

He has no conflict of interest with the Minetech Group.

Directors' Profile (Cont'd)

DATIN FERIDAH BINTI BUJANG ISMAIL

Position:
Independent Non-Executive Director

Gender:
Female

Age:
48

Datin Feridah was appointed as Independent Non-Executive Director, member of the Audit and Risk Management Committee and member of the Nomination and Remuneration Committee of the Company on 12 June 2020.

Datin Feridah graduated with a Bachelor's Degree in Accountancy (Hons) from Universiti Technology MARA and she has over 20 years of experience in accounting and corporate finance. She began her career as Assistant Accountant at a small firm prior to joining Ernst & Young. Subsequently, she joined Malaysia Airlines Systems Berhad ("**MAS**"), where she was posted overseas as the Regional Accounting Manager for Australia and New Zealand. Following more than 10 years with MAS, she joined Sapura Aero Sdn. Bhd. in 2016 as General Manager of Finance and Procurement. She currently runs her own accounting firm, Feridah Bujang Ismail & Co.

Datin Feridah is also a member of the Certified Public Accountant Australia. She was trained as a Chartered Accountant at various practicing firms in Malaysia and is also a member of the Malaysian Institute of Accountants.

Other than Minetech, she is not a director of any other public companies nor listed issuer. She sits on the boards of several private limited companies.

She has no conflict of interest with the Minetech Group.

SITI AISHAH BINTI OTHMAN

Position:
Independent Non-Executive Director

Gender:
Female

Age:
63

Siti Aishah was appointed as Independent Non-Executive Director on 12 June 2020. She is also the Chairperson of the Nomination and Remuneration Committee and member of the Audit and Risk Management Committee of the Company.

She graduated from University of Malaya with a Degree in LLB (Hons) in Law.

Siti Aishah, started her career in Legal Advisory Division of Attorney General's Chambers of Malaysia. Subsequently, she became the Senior Manager of the legal division at Bintulu Development Authority ("**BDA**"), a government agency in Sarawak. She has accumulated over 20 years of experience organising various activities and events while serving as a committee member and advisor for events held by BDA. She was also involved in the drafting and assessing of examination papers titled "Penilaian Tahap Kecekapan" for the Sarawak State Legislation. For her services, loyalty, efforts and contributions towards BDA, she was awarded with the Pingat Perkhidmatan Setia 2010 award by the Chief Minister of Sarawak, the highest state award given to the State's Civil Servant. In addition, she was also awarded with Pingat Perkhidmatan Bakti (PBB) Negeri Sarawak in 2011 by Tuan Yang Terutama Negeri Sarawak.

Her last position in BDA prior to her retirement was the Assistant General Manager in charge of local Authority matters.

Other than Minetech, she is not a director of any other public companies nor listed issuer. She sits on the boards of several private limited companies.

She has no conflict of interest with the Minetech Group.

Directors' Profile (Cont'd)

CHIN SHEONG CHOY

Position:
Alternate Director to Choy Sen @ Chin Kim Sang

Gender:
Male

Age:
44

Chin Sheong Choy was appointed as Alternate Director to Choy Sen @ Chin Kim Sang on 14 October 2022. He graduated with a Bachelor's Degree in Civil Engineering from University of Nottingham Trent, United Kingdom.

Chin Sheong Choy is the Executive Director of Minetech Construction Sdn Bhd ("**MCSB**"), a wholly-owned subsidiary of the Company that oversees civil, infrastructure, mining, and building construction. He began his career in February 2004 as a Project Engineer in MCSB and was transferred to K.S. Chin Minerals Sdn Bhd as Quarry Engineer in the same year. In May 2005, he moved to Head Office as Senior Executive and seconded to Purchasing Department. Subsequently, he was promoted to Assistant Manager and in charge of the daily operation in the same department.

In March 2006, he was transferred to Corporate Office as Assistant Manager, assisting the Deputy Group Managing Director in exploring businesses in China. He was then promoted to Business Development Manager in January 2007 and based in China to oversee business development projects.

In November 2009, he resigned from MCSB and joined Glamour Heights Sdn Bhd, a property development company as Project Manager to diversify and acquire experience and knowledge in property sector. In April 2012, he re-joined MCSB as Project Manager and he was promoted to Senior Project Manager in 2013. Subsequently, he was promoted to Executive Director of MCSB in March 2014, a role that he holds presently.

Other than Minetech, he is not a director of any other public companies nor any listed issuer. He however sits on the board of several private limited companies, and has no conflict of interest with the Minetech Group.

SENIOR/KEY OFFICER'S PROFILE

MOHD DZULFADHLY BIN ROZELAN

Position:
Chief Financial Officer

Gender:
Male

Age:
36

Dzulfadhly joined Minetech on 8 February 2021 as Chief Financial Officer. He brings with him over 15 years of working experience in several sectors with extensive knowledge of financial audit, strategy development and value creation.

He holds a Bachelor of Commerce Degree in Accounting from Auckland University, New Zealand. He is a member of CA ANZ (Chartered Accountants Australia & New Zealand) and MICPA (The Malaysian Institute of Certified Public Accountants).

He started his career in 2009 as an external auditor with PricewaterhouseCoopers in Kuala Lumpur. He was involved in the financial audit of multiple public listed entities spanning various industries such as manufacturing, plantation, automotive and aviation. He then moved on to join PricewaterhouseCoopers Advisory division where his main focus was on advisory works relating to impact assessment, financial performance review and strategy development.

In 2015, he joined Ekuiti Nasional Berhad ("**EKUINAS**"), a Government-linked private equity firm with assets of approximately RM4 billion under its management. During his tenure in EKUINAS, he executed various value creation initiatives, focusing on operational transformation, business development and strategy execution across a number of EKUINAS portfolio companies in multiple industries.

Prior to joining Minetech, he was the Head of the Corporate Strategy division of Education Malaysia Global Services ("**EMGS**"), an entity under the Ministry of Higher Education tasked with the promotion of Malaysia to international students. He was responsible for the overall strategic development plans, driving the strategic planning processes as well as monitoring the implementation of the strategic objectives.

He is not a director of any public companies and listed issuer and has no conflict of interest with the Minetech Group.

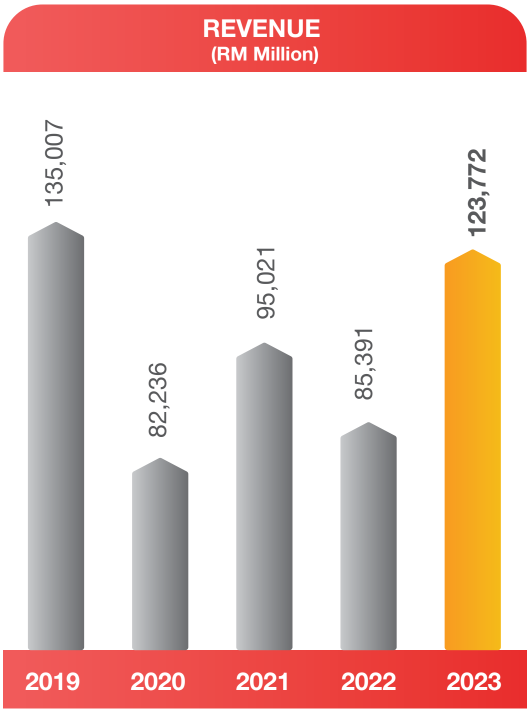
NOTES :

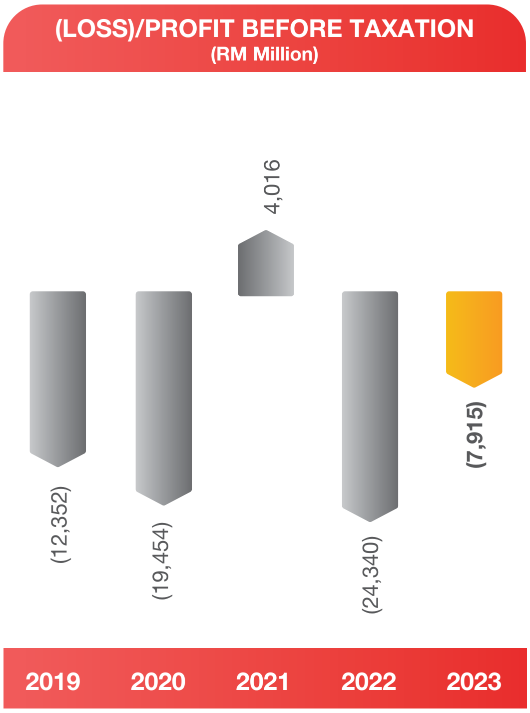
1. All the Directors and senior/key officer of Minetech are Malaysian.
2. Save as otherwise disclosed, none of the Directors and senior/key officer of Minetech have any convictions for offences within the past 5 years other than traffic offences, if any.
3. None of the Directors and senior/key officer of Minetech have any family relationships with any other directors and/or major shareholders except the following :
    a. Mr Chin Sheong Choy and Mr Chin Leong Choy are the sons of Mr Choy Sen @ Chin Kim Sang, the Executive Director of Advisory and major shareholder of Minetech.
4. The details of Directors' attendance of Board Meetings during the financial year ended 31 March 2023 are disclosed in page 49 of this Annual Report.

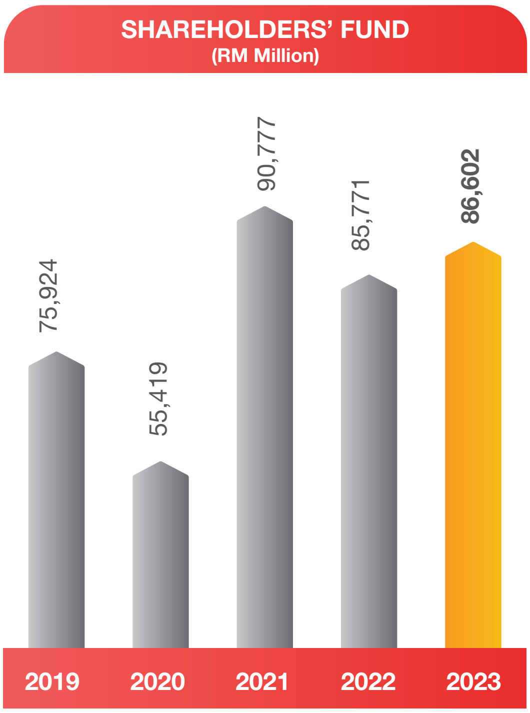
FIVE-YEAR FINANCIAL HIGHLIGHTS

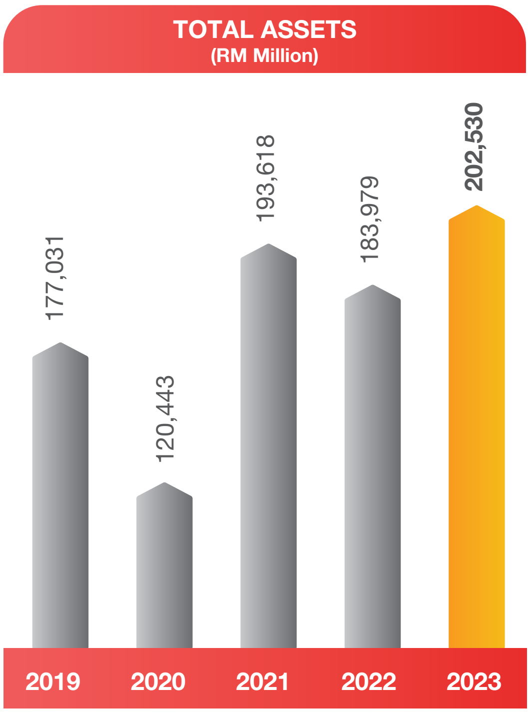
		2023 (RM'000)	2022 (RM'000)	2021 (RM'000)	2020 (RM'000)	2019 (RM'000)
Financial performance						
Revenue		123,772	85,391	95,021	82,236	135,007
(Loss)/Profit before taxation		(7,915)	(24,340)	4,016	(19,454)	(12,352)
(Loss)/Profit after taxation		(10,311)	(25,192)	715	(20,994)	(14,295)
(Loss)/Profit attributable to shareholders		(10,593)	(22,158)	924	(20,434)	(15,073)
(Loss)/earnings per share	sen	(0.69)	(1.90)	0.08	(2.22)	(1.71)
Return on equity	%	-12	-26	1	-35	-15
Return on assets	%	-5	-12	0	-17	-7
Return on revenue	%	-9	-26	1	-25	-9
Gearing						
Borrowings		40,557	38,392	22,078	12,031	30,118
Gearing	times	0.49	0.46	0.24	0.21	0.36
Other financial statistics						
Net assets per share	RM	0.05	0.07	0.08	0.06	0.09
Share price – high	RM	0.090	0.235	0.355	0.130	0.120
Share price – low	RM	0.030	0.065	0.125	0.050	0.045
Paid up share capital		105,518	94,050	166,813	132,527	132,527
Shareholders' fund		86,602	85,771	90,777	55,419	75,924
Total Equity		82,661	83,103	92,341	57,570	84,808
Total Assets		202,530	183,979	193,618	120,443	177,031

Five-Year Financial Highlights (Cont'd)









CHAIRMAN'S STATEMENT

DELIVER BALANCED AND REVITALISED GROWTH

"Dear Valued Shareholders,

Since the year 2020, the Group has had to navigate through lockdowns on end with no apparent visibility at the material time. Yet, thanks to the resilience, cost moderation and optimisation measures implemented by the management, we have successfully put that behind us. Amidst this backdrop, it was a breath of fresh air to start the year with the worst of the pandemic behind us and with broad expectations of an economic rebound in the air."

The pandemic has caused disruptions to the worldwide supply chain, resulting in shortages of raw materials and rising costs, including gas, fuel, cement, steel, and other materials. Additionally, the acute shortage of labour further impacted the operating environment. However, the situation improved in the later part of 2022, especially with the easing of restrictions for recruiting foreign workers.

The Russian-Ukraine war and the global headwinds which followed brought with it a set of new challenges. Nevertheless, our business has risen to the challenges faced and all things considered, have responded well to external volatility in the past year, from inflationary pressures to regional conflict. We emerge from the ashes with a sense of renewed but cautious optimism as the country regained normalcy and the economy showed positive signs of growth.

Chairman's Statement (Cont'd)

Despite the headwinds, the Group continued to adapt and persevered through proactive measures taken to mitigate the impacts of the pandemic and other external factors. It is my pleasure to announce that in the financial year 2023, the Group has secured a total of RM56.5 million worth of projects, namely (i) appointment as an engineering, procurement, construction and commissioning turnkey contractor for the development of a mini-hydro project of 3.0MW at Sungai Pelagat, Besut, Terengganu; (ii) provision of storage tank and pressure vessel maintenance services for Labuan Oil Terminal; and (iii) execution and completion of external infrastructural and associated works for the proposed Emerald 9 Cheras Development. With the progressive approach of the unity Government, we are confident that we will be able to play a role in the delivery of projects of national importance, such as the MRT Circle Line.

Broadening Income Streams and Cost Rationalisation Measures

As part of our long-term plan to return the Group to profitability, we have undertaken a comprehensive review of our business operations. This includes tighter controls on overhead spending, initiatives to reduce debts and cost rationalisation measures that are integral to the Group's strategic thrust towards profitability.

Simultaneously, we have focused our initiatives on widening our recurring income streams with the commissioning of our Manjung Solar Plant. Moving forward, we anticipate that the Manjung Solar Plant will contribute positively to the Group's revenue and profits. Aided with our capable, professional and skilled cadre of leaders, we are committed to driving future projects whilst upholding the reputation of the Group.

In the financial year ended 2023, Minetech Resources Berhad delivered commendable performance given the challenging operating environment. We stayed the course in our efforts of broadening the revenue streams for the Group. In the past year, we witnessed an improvement in demand for our bituminous products, coupled with a significant increase in production at our Selinsing Gold Mine Project. To strengthen the Group's resilience for the future, we have made strategic investments in capital expenditure and acquired additional machineries to cope with the growing demand.

FYE2023 was a remarkable period as both the Group's revenue and bottom-line figures have improved tremendously. The Group remains on the path to profitability as revenue for the year increased by a massive RM38.4 million or 45% while losses from operations narrowed by more than half by RM14.88 million or 59%. The gross margin too has shown a massive improvement of 10.85%, compared with 2.78% in the previous year, further solidifying the Group's position on a stronger foundation. With this, we are cautiously optimistic that FYE2024 is poised to see the Group's financial performance to improve and continue to ***DELIVER BALANCED AND REVITALISED GROWTH***.

Surging Ahead with Economics, Social and Governance (ESG)

We strive to be a force of good for society in general, as encapsulated in the ideology supporting our sustainability policies and practices. We remain committed to giving back and empowering the local community around us. To entrench sustainability across the Group and integrate it into our DNA, we are investing into the cultivation of a sustainability culture. Our ESG impact has consistently been a key focal point of discussion during Board meetings, serving as an important driving force throughout the Group.

Towards this end, we are pleased to support the noble aims of the Government in transitioning to more sustainable energy sources. With the commencement of operations at the Manjung Solar Plant, we will eliminate approximately 9,000 tons of CO2 per annum, thereby contributing to our national sustainable development goals. As climate change is now ever more so tangible and real in our lives, we believe that this will go a long way to improving the lives of all Malaysians and citizens of the world at large.

This year, in line with our aspirations, we have taken the opportunity to embed sustainability reporting more extensively into our Annual Report. We trust that this will provide a more holistic view of our business performance to all our stakeholders.

Moving forward, we will continue to elevate our reporting standards while staying abreast of ever evolving reporting requirements.

Retention of Human Capital

In the midst of all the hustle and bustle, we have not forgotten our most valuable resource – our human capital. We strive to be an employer of choice by rewarding our staff with increment and bonuses benchmarked against the market, employee share option schemes, regular engagement sessions, frequent company events and dinners and annual company trip.

Chairman's Statement (Cont'd)

Strengthening Resiliency for a Brighter Future

Looking to the year ahead, the global economy is still plagued with uncertainties. Global growth is anticipated to moderate in 2023 as elevated inflation and tighter monetary policy in the past year have weighed down consumption and investment activities. On the positive side, China's decision to reopen its economy in January 2023 is expected to ease supply chain disruptions, improve global trade and boost tourism activities.

The Malaysian economy is projected to expand albeit at a slower pace of 4.0% to 5.0% in 2023. Domestic demand remains the anchor of growth for the economy while external trade is expected to moderate in line with slower global growth. Recovery in inbound tourism will provide further upside to Malaysia's economic growth.

Bank Negara Malaysia ("**BNM**") projected headline inflation to moderate but remain elevated over the course of 2023. This would see headline inflation average between 2.8% and 3.8% in 2023. According to BNM, monetary policy in 2023 would be focused on managing inflation risks while supporting sustainable economic growth. Further, BNM expects that 2023 will be a challenging year for the Malaysian economy with a more moderate economic growth projected and inflation expected to remain elevated. Meanwhile, the Asian Development Bank projects the Malaysian economy to register growth of 4.9% in 2024.

Against this backdrop, we continue to remain optimistic given that the Group is now less dependent on its civil engineering division with the Manjung Solar Plant onstream. The Group also seeks to capitalise and monetise opportunities appearing in the renewable energy space and fintech emerging trends. Aided with our highly trained workforce and years of experience, we aim to stand out from our competitors anchored by our established business model.

Acknowledgment

I would like to express my sincere appreciation to all our stakeholders – our Board of Directors, business partners, suppliers, shareholders, regulators, and governing bodies – for their unwavering support throughout the year that has enabled us to lay the foundations to ***DELIVER BALANCED AND REVITALISED GROWTH!***

The Board of Directors and I would like to extend our heartfelt gratitude to Dato' (Dr). Ts. Awang Daud Bin Awang Putera, who has resigned as Chairman and Encik Awgku Mohd Reza Farzak Bin Awg Daud, who has resigned as Executive Director for their invaluable service and contribution to our Group over the years. Under Dato' (Dr). Ts. Awang Daud Bin Awang Putera's visionary leadership, the Group successfully diversified its revenue streams, ultimately placing the Group on firmer footing. We wish them all the best in their future endeavours.

I would also like to convey our appreciation to my fellow Board members, Minetech's senior management team and all employees for your passion, commitment, and dedication in pursuing our shared aspirations together. I look forward to another progressive year with all of you. May FYE2024 bring untold health, happiness, and prosperity to each and every one of us!

Ahmad Rahizal Bin Dato' Ahmad Rasidi
Non-Independent Non-Executive Chairman

MANAGEMENT DISCUSSION & ANALYSIS

The Economy at A Glance

The Asian Development Bank ("**ADB**") has forecasted Malaysia's economy to grow at the rate of 4.7% in 2023 and 4.9% in 2024. According to the ADB, Malaysia's growth exceeded expectations in 2022 (three quarters of which make up our FYE2023), buoyed by strong domestic consumption and a rebound in services, as borders reopened and economic activities normalised. It further expects growth to moderate and inflation to decelerate in 2023 and 2024 which mainly tracks the changes in the global environment.

However, on the local front, certain segments of the economy continue to experience supply chain disruptions which, combined with geopolitical uncertainties and the lingering effects from the Covid-19 pandemic, are driving up the costs of energy, food and other basic necessities, leading to widespread inflation. In taking countermeasures against inflation, many central banks have tightened their financial policies, including Bank Negara Malaysia ("**BNM**") which has since increased interest rates by 125 basis points in 2022 and continues to undertake interest rate normalisation in 2023, bringing the Overnight Policy Rate close to pre-pandemic levels at 3%. This may potentially result in the moderation of economic growth as the positive effects of lower funding costs dissipates.

Challenges Faced

Post Covid-19 and the Russian-Ukraine war, global supply chains have been adversely impacted and are still reeling from the effects. As a countermeasure, we have constituted the Risk Management Steering Committee ("**Risk Committee**") chaired by our Chief Financial Officer ("**CFO**"), with senior management and working level employees within our group as members. The principal role of the Risk Committee is to identify and communicate identified critical risks (whether present or potential) to the Audit and Risk Management Committee, review risk profiles, present management's action plans, monitor anti-corruption compliance and performance of business units, and regularly review and update the risk management process of business units. The Risk Committee's meeting convenes twice a year.

Despite these challenges, the Group managed to secure a total of RM56.5 million worth of projects, namely (i) appointment as an engineering, procurement, construction and commissioning turnkey contractor for the development of a mini-hydro project of 3.0MW at Sungai Pelagat, Besut, Terengganu; (ii) provision of storage tank and pressure vessel maintenance services for Labuan Oil Terminal; and (iii) execution and completion of external infrastructural and associated works for the proposed Emerald 9 Cheras Development.

Civil Engineering

The Malaysian construction industry has experienced two consecutive years of contraction, primarily attributed to the prolonged halting of project activities caused by the Covid-19 pandemic on the back of numerous Movement Control Orders ("**MCOs**") declared in the interest of public health. Added to that, the sector has also been facing decreasing infrastructure job flows due to reduced public sector spending, influenced by fiscal constraints faced by the Malaysian Government as well as reduced capital spending by the private sector that was still reeling from the aftereffects of the pandemic. While construction activities resumed during FYE2023, the sector encountered significant challenges, including acute labour shortages and escalating material costs, which saw earnings and profit margins further compressed.

<u>Sectoral Landscape</u>

The domestic construction sector is expected to grow by 6.1% this year, supported by improved performance across all subsectors. When analysing the performance of the Construction sector by state, more than one-third of the work value completed in the first quarter of 2023 was concentrated in Selangor (RM8.1 billion or 25.1%) and Wilayah Persekutuan (RM4.1 billion or 12.7%). Sarawak and Johor ranked next, with both recording the value of work done at RM3.4 billion (10.6%).

According to the Department of Statistics Malaysia, the civil engineering sub-sector was the major contributor to the Construction industry, accounting for RM8.6 billion (69.4%) out of the RM12.4 billion of public works recorded in Q4 2022.

Further, activities in the residential building subsector are projected to grow steadily, supported by an increase in the supply of affordable houses in line with the 12th Malaysia Plan strategy. This bodes well as the Group seeks to replenish its order book.

Management Discussion & Analysis (Cont'd)

Civil Engineering (Cont'd)

Roadblocks

Despite the lifting of pandemic restrictions in May 2022, the aftereffects of the virus continued to linger and affect the operations of the construction sector. To a great extent, the extended supply chain disruptions emanating from virus containment measures coupled with geopolitical tensions further delayed workflows and caused prices for building materials such as cement, steel bars, copper, and others to remain elevated.

Labour shortage issues that plagued the industry since the start of the pandemic, persisted throughout most of the previous year. These issues resulted in work progress delays and consequently, higher operational costs for Minetech Construction Sdn. Bhd. as they had to adapt to work site challenges with fewer resources. Fortunately, the labour shortage issue has gradually dissipated towards the end of 2022.

Additionally, the delays in the rollout of the nation's mega infrastructure projects also impacted the overall construction sector.

Segmental Financial Performance

For FYE2023, the Civil Engineering division reported revenue of RM75.29 million and profit before tax of RM6.45 million. This marks a 35.62% increase in revenue and a 195% increase in profit before tax compared to FYE 2022 when revenue was RM55.5 million and profit before tax was RM2.2 million. The division's improved financial performance in the current year was primarily due to new projects secured, progress improvement for the Brezza Hill Project, higher production ramp up at our Selinsing Gold Mine which contributed RM48.25 million to the revenue of the Civil Engineering division and improved profit margins.

Achievements in FYE2023

Minetech Construction Sdn. Bhd. has remained unfaltering in its business sustainability efforts amid the challenging environment with efficient project execution and delivery as its anchor and bedrock, while remaining agile and diligently growing its core business.

In the past year, we successfully secured total jobs worth RM7.1 million, for the execution and completion of external link bridge, covered walkway and associated works for the proposed Emerald 9 Cheras Development, which are currently ongoing.

Way Forward

Moving forward, we anticipate a return to normalcy in the construction sector, reaching levels similar to the pre-pandemic period. This is anchored by the aspirations of the unity Government as outlined in its Budget 2023, which emphasises the recovery of the Malaysian economy. Updates on Economic & Fiscal Outlook and Revenue Estimates 2023 report noted that the implementation of new projects, such as the upgrade of the Klang Valley Double Track ("**KDVT**") Phase 2 and acceleration of ongoing projects, such as the East Coast Rail Link and the 5G network rollout, would drive the growth of the civil engineering subsector.

In this vein, the Government has outlined several mega infrastructure projects such as the MRT Circle Line and infrastructure projects in Penang, Johor, Sabah and Sarawak. The Government has allocated RM95 billion in development expenditure, marking a significant increase compared to the budget for 2022.

Given our unique value proposition and years of experience, the Group continues to actively tender for projects that will enhance shareholders' value.

Management Discussion & Analysis (Cont'd)

Bituminous Product

The global bitumen market is projected to grow from USD 51.69 billion in 2021 to USD 67.14 billion in 2028, reflecting a CAGR of 3.8% during the 2021-2028 period. With the easing of Covid-19 and as governments increasingly shift their focus towards development, there is an expected resurgence in demand and growth, returning to pre-pandemic levels. This growth is anchored by the Construction sector, which is experiencing rapid demand expansion.

Sectoral Landscape

According to the International Monetary Fund ("**IMF**"), countries belonging to the Association of Southeast Asian Nations (ASEAN) are expected to rise in economic prominence. As ASEAN nations continue to develop and grow, it is all but certain that the demand for bituminous products will surge, presenting an opportunity of which Minetech Asphalt Man International Sdn. Bhd. ("**MAMI**") is well positioned to capitalise on.

On the local front, supported by the growth in the Malaysian construction industry and the recovery of the global economy, the Group remains confident that FYE2024 would see improved topline performance on the back of high single digit / double digit year-on-year growth driven by increasing demand for bituminous products.

Segmental Financial Performance

For FYE2023, the Bituminous Product division reported revenue of RM31.73 million and profit before tax of RM1.64 million. This marks a 109.3% increase in revenue and a 407% increase in profit before tax compared to FYE2022 when revenue was RM15.2 million and profit before tax was RM0.3 million. The division's improved financial performance in the current year was primarily due to MAMI's sales for Coating Enamels having tripled.

Achievements in FYE2023

MAMI has expanded its bitumen storage tank with a heating system with total capacity of 1,000 MT to capitalise on and optimise profit margins of the Group during periods when commodity prices of bitumen trend downward.

Way Forward

MAMI's proactive approach to actively explore new customers, especially those from the Coating Enamels and Blown Grade Bitumen categories, both domestically and internationally, is yielding positive results. With numerous upcoming development projects in our vicinity and in neighbouring countries, spanning from mega projects such as Indonesia's new capital in Nusantara, East Kalimantan, electric and high-speed railways, and a multitude of developments being undertaken in Indonesia, Vietnam and Thailand, we are firmly placed to actively participate in these opportunities.

Renewable Energy

The discernible impact brought about by climate change has placed on individuals, corporate bodies and states the pressing need to expedite and reduce carbon footprints annually. At Minetech Resources Berhad, we have long been cognisant of this. In fact, this has served as one of the main driving forces behind our transition to clean renewable energy.

Sectoral Landscape

The 12th Malaysia Plan (2021-2025) sets forth two main agendas for this five-year period, which are the introduction of a more comprehensive National Energy Policy and the promotion of Renewable Energy ("**RE**"). The Ministry of Energy and Natural Resources of Malaysia has set a target to achieve 31% share of RE in the national installed capacity mix by 2025. As of March 2023, the Dewan Rakyat has been informed that the RE supply in Malaysia has reached 25%.

Achievements in FYE2023

Minetech's power unit, Coral Power Sdn. Bhd. operates, owns and manages a 9.99 MWac capacity solar plant located in PT 18535, Persiaran Segari, Mukim Pengkalan Baharu, Daerah Manjung, Perak which has achieved Commercial Operations Date ("**COD**") in June 2023. This solar plant is expected to generate approximately 22GWh of clean and renewable energy while at the same time eliminating approximately 9,000 tons of CO2 per year.

Management Discussion & Analysis (Cont'd)

Renewable Energy (Cont'd)

Way Forward

In the longer term, we are investing in renewable energy, which has the potential to not only contribute a baseline of recurring income for the Group but also enable us to fulfil our sustainability commitments as corporate citizens. We seek to play an integral role in Malaysia's transition to a low-carbon economy. These significant green investments, when they materialise, reflect our plans to deeply invest in renewable energy in the coming years as we embark on ambitious plans to actively participate in the global energy transition for a better future.

Financial Technology

In comparison to other countries in Southeast Asia, Malaysia is emerging as one of the most developed fintech landscapes. According to Fintech Malaysia, online payments and transactions contributed to the national GDP by 20% in 2020, which has significantly boosted the country's economic outlook. The public sector has capitalised on such development via government initiatives that aim to generate more jobs in the fintech sector, thus alleviating growing unemployment rates.

Sectoral Landscape

2022 has so far been an exciting year for the Malaysian fintech industry, building on booming customer adoption, favourable new regulations, and a five-year national digitalisation plan. BNM released the Financial Sector Blueprint 2022-2026 in January 2022, outlining the central bank's development priorities for the financial sector in the coming years. This blueprint encompasses ambitious goals, including the establishment of an open data ecosystem, a national digital identity scheme, and the integration of real-time payment linkages.

The Past Year

In the past year, Uniqa (M) Sdn. Bhd. has submitted its application for a full remittance licence. We are still waiting for the regulator to issue us with the remittance licence to be better placed to assist our clients in accessing safe, economical and dependable money services businesses, especially in facilitating the increased usage of the formal money business in Malaysia. At the same time, in parallel, we are working on building relationships and establishing partnerships with overseas banks in Indonesia, China, the Philippines, the Middle East and Europe.

Way Forward

Aided by a new thrust towards digitalisation, this expansion into areas with significant growth opportunities lends credence to the management's decision making. Crucially, in returning the Group to profitability, the revenue from the Financial Technology division will help balance the current over reliance on the Civil Engineering division as the main engine of growth. Minetech aspires to become a comprehensive financial technology solutions provider in Malaysia, offering a wide variety of financial products including simplifying product purchasing processes digitally.

FINANCIAL REVIEW

FINANCIAL VALUES CREATED

Segmental performance:

Segmental revenue	2023 (RM'000)	2022 (RM'000)	2021 (RM'000)	2020 (RM'000) (restated)	2019 (RM'000)
Quarry products	431	3,202	3,768	23,207	69,242
Civil engineering	75,286	55,511	55,460	47,067	54,040
Asphalt premix products	-	-	-	40	395
Bituminous products	31,732	15,161	11,400	15,199	14,699
Property development	-	-	-	-	2,152
Services	5,389	7,515	24,332	-	-
Food and beverages	6,144	-	-	-	-
Others	6,610	8,965	2,349	554	864
Sub-total	125,592	90,354	97,309	86,067	141,392
(-) Interco-company elimination	(1,389)	(2,178)	(1,764)	(3,831)	(6,385)
(-) Discontinued operation	(431)	(2,785)	-	-	-
Total revenue	123,772	85,391	95,545	82,236	135,007

Thereafter detailed analysis of the following in turn:

(1) Financial highlights for the Group for the past five financial years are as follows:

	2023 (RM'000)	2022 (RM'000)	2021 (RM'000)	2020 (RM'000) (restated)	2019 (RM'000)
Revenue	123,772	85,391	95,021	82,236	135,007
(Loss)/Profit before taxation	(7,915)	(24,340)	4,016	(19,454)	(12,352)
(Loss)/Profit after taxation	(10,311)	(25,192)	715	(20,994)	(14,295)
(Loss)/Profit attributable to shareholders	(10,593)	(22,158)	924	(20,434)	(15,073)
Net assets ("NA")	82,661	83,103	92,341	57,570	84,808
Total assets	202,530	183,979	193,618	120,443	177,031
Total liabilities	119,869	100,876	101,277	62,873	92,223
Borrowings	40,557	38,392	22,078	12,031	30,118
Net Gearing (times)	0.49	0.46	0.24	0.21	0.36
(Loss)/earnings per share (sen)	-0.69	-1.90	0.08	-2.22	-1.71
NA per share	0.05	0.07	0.08	0.06	0.09
Dividend per share (sen)	-	-	-	-	-

Management Discussion & Analysis (Cont'd)

FINANCIAL REVIEW (CONT'D)

FINANCIAL VALUES CREATED (CONT'D)

(2) Operating results for FYE2023

The Group recorded revenue of RM123.8 million and loss before tax of RM7.92 million in FYE2023 from continuing operations, compared to a revenue of RM85.39 million and loss before tax of RM24.34 million in FYE2022.

Revenue was 45% higher in the year under review due to increased contributions from Civil Engineering and Bituminous Products divisions, which contributed to the Group's significantly improved performance. As a result, loss before tax in FYE2023 narrowed by more than half by RM16.43 million or 67.4% to a loss of RM7.92 million compared to a loss before tax of RM24.34 million in FYE2022. Contributions from other divisions recorded a decline of 14%.

Loss before tax recorded during the year included one-off impairment of goodwill and other receivables totalling to RM7.45 million.

(3) Key balance sheet data

	2023 (RM'000)	2022 (RM'000)	2021 (RM'000)	2020 (RM'000) (restated)	2019 (RM'000)
Current Assets					
Inventories	4,067	2,496	2,019	8,389	17,246
Trade receivables	56,287	35,203	18,287	28,980	35,340
Others receivables	16,192	16,121	3,433	7,133	12,909
Amount due from associate	-	-	9,791	-	22
Other investments	427	2,510	466	155	839
Cash and bank deposits	14,452	16,427	22,547	17,780	16,101
Contract assets	17,146	18,176	36,222	3,327	8,905
	108,571	90,933	92,765	65,764	91,362
Current Liabilities					
Trade payables	(53,682)	(42,731)	(32,464)	(26,352)	(29,719)
Other payables	(15,736)	(6,225)	(6,036)	(11,514)	(24,372)
Loan and borrowings	(33,285)	(34,026)	(20,187)	(11,699)	(18,598)
	(102,703)	(82,982)	(58,687)	(49,565)	(72,689)
Net Current Assets	**5,868**	**7,951**	**34,079**	**16,199**	**18,673**

The Group demonstrated our financial resilience during the pandemic year with the continued sound management of our balance sheet. As of 31 March 2023, the Group recorded Total Assets increased by RM18.55 million, or 10.08%, to RM202.53 million in FYE2023. Conversely, Total Liabilities increased by RM18.99 million, or 18.83%, to RM119.87 million. The increase in Total Asset is mainly due to the construction of solar plant, increase in trade debtors associated with the increase in production for Selinsing Gold Mine ("**SGM**") and requirement to extend the credit limits for the major bituminous products customers. Total liabilities increase due to new hire purchase to acquire additional machineries for SGM and interest cost due on the short-term loan used to finance the solar plant.

The Group's Net Current Assets reduced by 26.2% to RM5.86 million as of 31 March 2023 from RM7.95 million as of 31 March 2022 which recorded a significant drop.

Meanwhile, total lease and borrowings of the Group decreased marginally by RM0.3 million, or 0.59%, to RM48.13 million.

Nevertheless, the Group recorded a positive current ratio and quick ratio of 1.06 times and 1.02 times, respectively.

Management Discussion & Analysis (Cont'd)

FINANCIAL REVIEW (CONT'D)

CASH FLOW

	2023 (RM'000)	2022 (RM'000)	2021 (RM'000)	2020 (RM'000) (restated)	2019 (RM'000)
Cash flows from operating activities					
(Loss)/Profit before tax	(7,915)	(24,340)	4,016	(19,454)	(12,352)
Operating profit/(loss) before working capital changes	1,188	(12,997)	5,322	1,697	5,550
Net cash used in operating activities	67	(2,086)	(7,041)	(3,734)	5,104
Cash flows from investing activities					
Purchase of property, plant and equipment	(17,467)	(29,715)	(20,933)	(982)	(1,008)
Acquisition of associate companies	-	-	-	-	-
Net cash inflows from acquisition of subsidiary companies	-	-	-	-	1,336
Proceeds from disposal of subsidiary companies	-	5,100	-	6,649	-
Movement in amount due to associates	-	-	(9,791)	(98)	126
Proceeds from disposal of property, plant and equipment	60	1,433	414	8,286	2,080
Proceed/(acquisition) of other investment	(516)	(2,095)	(311)	-	688
Drawdown of other investments	2,600	1,094	750	684	-
Net cash (used in)/generated from investing activities	(15,323)	(24,183)	(29,871)	14,539	3,222
Cash flows from financing activities					
Movement in fixed deposits pledged	-	-	(114)	3,807	(7,133)
Drawdown of term loans	150	14,000	15,700	-	-
Drawdown of short term borrowings	10,076	5,937	-	-	585
Repayment of term loans	(4,122)	(4,006)	(402)	(961)	(8,969)
Drawdown of bank overdraft	1,466	(1,667)	(1,922)	-	-
Repayment of lease liabilities and hire purchase	(1,263)	(1,209)	(2,564)	(4,368)	(4,129)
Addition from hire-purchase	-	-	-	-	-
Repayment of short-term borrowings	(5,464)	(5,066)	(1,497)	(770)	-
Proceeds from issuance shares	11,930	17,479	34,286	-	5,200
Net cash generated from financing activities	12,773	25,468	43,487	(2,292)	(14,446)
Net (decrease)/increase in cash and cash equivalents	(2,483)	(801)	6,575	8,513	(6,120)
Effects of exchange translation differences on cash and cash equivalents	30	-	-	(60)	(77)
Cash and cash equivalents at the end of financial year	7,575	10,028	10,829	4,254	(4,199)
Cash and cash equivalents at the end of financial year comprises:					
Cash and bank balances	7,575	10,028	10,829	4,254	(4,199)

Management Discussion & Analysis (Cont'd)

FINANCIAL REVIEW (CONT'D)

CASH FLOW (CONT'D)

The Group is committed to upholding its financial discipline by maintaining effective working capital management to achieve optimal operational efficiency and a robust balance sheet position. Notwithstanding that, amidst a challenging business environment, the total cash and cash equivalents of the Group as of 31 March 2023 stood at RM7.58 million, which is 24.5% lower than the previous financial year's RM10.03 million.

1. **Operating Activities**

   In the current financial year, the Group recorded net cash used in Operating Activities of RM3.6 million.

2. **Investing Activities**

   In the current financial year, the Group recorded net cash utilised in investing activities of RM15.3 million, lower than RM24.2 million recorded in the preceding financial year. Additions in property, plant and equipment came in at a respectable RM17.5 million.

3. **Financing Activities**

   In the current financial year, the Group has generated net cash from financing activities of RM9.29 million through debt funding and proceeds from issuance of shares.

CAPITAL AND RESOURCES REVIEW

Capital Structure and Capital Resources

The Group completed its Private Placement exercise during the year in 3 tranches:

Date	Subscription price per share (RM)	Number of Ordinary shares issued	Total Proceeds (RM)
29 April 2022	0.063	22,800,000	1,436,400
14 October 2022	0.028	80,000,000	2,240,000
15 November 2022	0.032	246,798,600	7,897,555
			11,573,955

Known Trends and Events

Except for the general market trends, there are no known trends or events, including balance sheet conditions, income or cash flow items that may affect the Group's operations in the coming financial year.

Dividend Policy

The Group has not established any dividend policy. Accordingly, the Group has not declared any dividend since the previous financial year.

RISK MITIGATION STRATEGIES

The Group is committed to upholding its financial discipline by maintaining effective working capital management. The Group's Audit and Risk Management Committee has identified the top 5 risk areas and has devised mitigation strategies to ensure the Group's long-term profitability and sustainability.

1. **Business Risks (Insufficient Order Book)**: For the civil engineering segments, maintaining a healthy order book is challenging but essential to ensure consistent revenue and income for the Group due to the industry's highly competitive market.

   Risk Mitigation Strategies: The Group is looking to expand its core competencies beyond rock blasting, excavation, earthworks, roads and drainage, water reticulation and sewage to construction engineering, structural engineering, environmental engineering and geotechnical engineering. This enables the segment to become more competitive and qualified to tender for larger projects such as MRT3 as the main contractor or preferred subcontractor of the leading construction players in the future.

2. **Competition Risks:** Stiff competition in the civil engineering market, shrinking demand and overcapacity have induced a price-cutting and unfair bidding business environment.

   Risk Mitigation Strategies: The Group expands its market coverage, grows its existing customer base and establishes close working relationships with current and potential clients to continuously receive invitations to tender for projects.

3. **Regulatory Risks**: Change of state government or local authority and policies, mainly applicable to the financial technology segment.

   Risk Mitigation Strategies: The Group keeps abreast of the latest fintech regulatory changes and quickly adapts to them.

4. **Cash Flow and Liquidity Risks**: Though in recovery mode, on the whole, the current downturn in the construction industry has slowed the cash collection cycle, and the overnight policy rate hikes coupled with tight requirements for funding by banks have increased this risk.

   Risk Mitigation Strategies: The Group focuses on cost control measures and cash conservation. The Group also practices extra vigilance on capital expenditure and spending to ensure healthy cash flow and liquidity.

5. **Credit and Interest Risks**: The provision of credit for customers, which is the norm in our business, has its inherent risk in the collection phase.

   Risk Mitigation Strategies: The Group conducts customer due diligence before engaging in business transactions. The Group also places stringent credit control procedures and policies on all existing and new customers to mitigate credit and interest risks.

Outlook for the Financial Year 2024

As we enter the new financial year, the operating landscape is expected to be challenging due to rising interest rates, inflationary pressures and supply chain disruptions amplified by the ongoing Russia – Ukraine conflict and the possibility of an impending global recession in the 'post-pandemic' era.

In our home market of Malaysia, BNM forecasts that Malaysia will avoid a recession by estimating growth for the year to be between 4% to 5%. In 2024, Asian Development Bank has projected the Malaysian economy to expand by 4.9%. As this period forms the basis of our FYE2024, we take comfort in the optimistic enablers for growth, yet at the same time remain vigilant against the uncertain macroeconomic outlook with heightened inflationary pressures and labour shortage in the country.

Be that as it may, we remain cautiously optimistic for FYE2024, but given our strategic plays, we are confident that Minetech is well-placed to navigate the challenges ahead.

SUSTAINABILITY STATEMENT

Sustainability Statement (Cont'd)

ABOUT THIS STATEMENT

Minetech Resources Berhad ("**Minetech**" or "**the Company**") is proud to present its Sustainability Statement ("**Statement**") for the financial year ended 31 March 2023 ("**FYE2023**").

This Statement presents our continued commitment towards sustainability and the impact on economics, environment, social and governance. It presents information and developments related to our practices and performances concerning sustainability matters during the financial year under review.

In this report, we will highlight and discuss Economics, Environmental, Social and Governance ("**EESG**") related matters and our approach and efforts in issues concerning sustainability, particularly, improving and integrating sustainability into our day-to-day operations and business planning.

As a result, this Statement provides a clear and concise account of what sustainability means to us, and how Minetech will strive to deliver long-term value to our shareholders and stakeholders, especially our customers, suppliers, contractors, regulatory authorities, employees, and communities around us.

SUSTAINABILITY APPROACH

We stress the importance of embedding sustainability into our business and approach towards all our shareholders and stakeholders, such as our customers, suppliers, contractors, regulatory authorities, employees, and communities around us.

The sustainability approach of Minetech is based on the pillars of EESG which form the main pillars of sustainability. The emphasis is equal to incorporate economic, environmental, social and governance factors into our day-to-day operations and decision-making in our business planning.

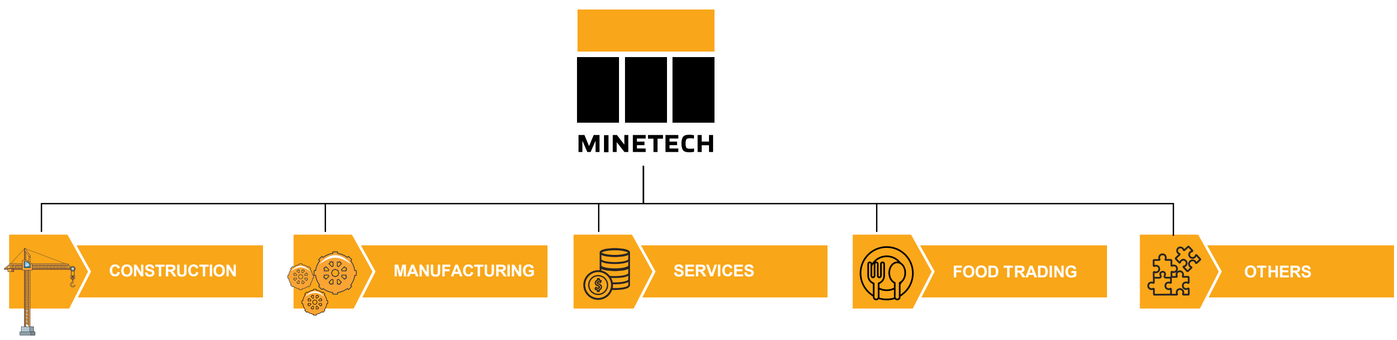
We strictly adhere to the best practice sustainability framework, standards, and guidelines, such as the Sustainability Reporting Guidelines issued by Bursa Malaysia Securities Berhad and the United Nation's Sustainable Development Goals ("**UNSDG**"). Compliance with all relevant regulations and legislation and being sustainable is a core part of our business decision-making process, especially in our risk management planning.

The negative impact from the Covid-19 pandemic over the last 3 years reminded Minetech and its subsidiaries ("**Group**") of the importance of being sustainable in ensuring our survival during a crisis, enhancing our risk management outlook and the importance of our stakeholders especially in taking care of our employees and communities around us, which will provide us the platform to plan ahead on a sustainable basis.

We ensure all our internal stakeholders are aware of their commitment to sustainability, in terms of the approaches and initiatives. Hence, we continue to encourage our directors and employees especially our head of divisions and departments to attend seminars, workshops and talks related to sustainability or EESG matters that are relevant to our business planning, risk management and business operations.

REPORTING SCOPE

This Statement covers the sustainability performance of Minetech and all its active ongoing business within Malaysia during FYE2023, unless stated otherwise. The core business segments of Minetech are as follows:



The functional currency for Minetech is in Ringgit Malaysia (RM). The group structures as shown in page 2 of this Annual Report.

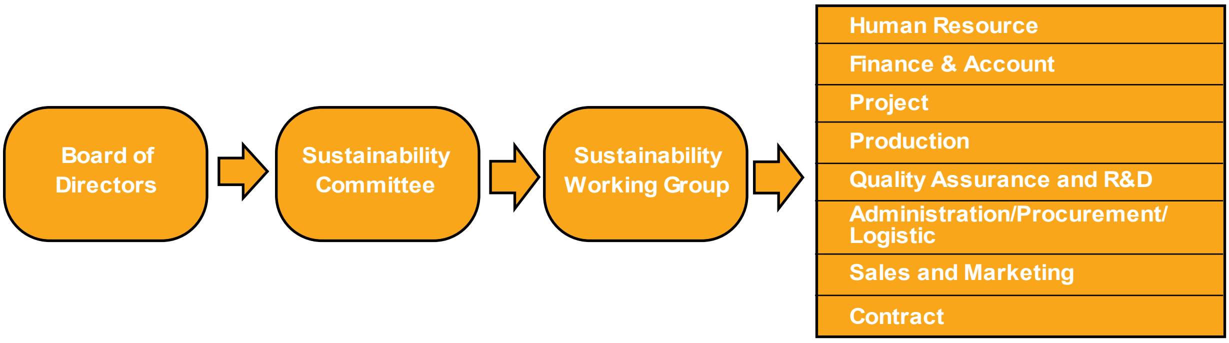
Sustainability Statement (Cont'd)

SUSTAINABILITY GOVERNANCE STRUCTURE

We believe in the importance of having a proper and functional governance structure. Most importantly, Minetech recognises and conducts our business in a sustainable manner and in accordance with the applicable laws and principles of good governance and highest standards of integrity. We must ensure that the governance structure has transparency and accountability in executing its approach and strategies in sustainability, with clearly defined roles and responsibilities for effective decision-making and implementation.

Currently the Board of Directors ("**Board**") is assisted by the senior management and divisional management in the oversight of Sustainability practices.

Minetech plans to establish a sustainability governance structure for the management of Minetech for decision making processes, oversees sustainability performance and the implementation of actions and strategies across Minetech. Our Board plans to establish a Sustainability Committee ("**SC**") and a Sustainability Working Group ("**SWG**").



Board of Directors

The Board provides oversight to the sustainability practices across Minetech, which is supported by the SC.

Sustainability Committee

The SC comprising members of the Board, will develop and maps out sustainability material matters and issues relevant to Minetech and incorporates sustainability practices into the business model, which encompasses risks and opportunities.

Sustainability Working Group

The SWG comprising representatives of divisions and departments and will be tasked to execute policies and practices in respect of sustainability and ESG related matters. SWG also ensures the implementation and execution of sustainability strategies that align to business operations.

STAKEHOLDER ENGAGEMENT

Minetech believes in engaging with various groups of stakeholders regularly to provide updates to them on our latest sustainability initiatives and address areas of concern, as well as ensuring our Group conducts sustainable practices and create long term value for our stakeholders. Most importantly, we want to achieve a win-win situation for our Group and stakeholders.

Our stakeholders are our business partners and play a key role in providing solutions to our day-to-day business operations and growth amid the challenges in the local and global economy. As such, it is important for us to ensure that all legitimate concerns and expectations from our stakeholders are taken into consideration through established measures and processes.

Apart from that, an open and transparent communication is always our key priority to maintaining our stakeholders' trust.

We operate our business especially in risk management, forcing us to be innovative in the way we conduct our business operations, particularly in ensuring the safety of our employees.

STAKEHOLDER ENGAGEMENT (Cont'd)

Stakeholder Group	Engagement Channels	Area of Concern
Employees/ Management/ Directors	- Workshop discussions - Induction training - Learning and development programmes - Employee performance appraisal - Corporate memos, letters, and emails - Employee meetings - Employee engagement surveys - Computer screensaver - Monthly operation meeting - Weekly coordinating meeting - Ongoing meetings and interactions - Board and Board Committee meetings - Site visits - Job training	- Safe and conducive working environment - Employee satisfaction - Rewards and recognition for performance - Career development
Customers	- Customer satisfaction form - Meeting, discussions, and business communication on a day-to-day basis - Monthly progress meeting and progress report	- Products and services quality - Products safety
Vendors/suppliers/ Contractors	- Interviews - Feedback survey - Ongoing meetings and interactions - Suppliers/subcontractors' performance evaluation	- Enhancing ethical and fair procurement system - Pricing of services
Investors and shareholders	- Ongoing meetings and interactions - Audited Financial Statements	- Current and projected growth opportunities and threats - Funding needs - Risk management - Corporate governance - ESG-compliant and initiatives - Board representation and diversity - Succession plan
Community	- Corporate volunteering programmes - Contributions and donations - Public community events	- Corporate social responsibility - Impact on community
Authorities	- Audit and verification - Inspections by local authorities and regulators - Training programmes for employees - Meetings with employees - Meetings with management team responsible for compliance - Approvals and permits - Occupational safety and health - Environmental management and compliance	- Regulatory compliance - Approvals and permits - Occupational safety and health - Environmental management and compliance - Tax transparency - Anti-Bribery & Anti-Corruption
Media	- Press releases - Press conferences - Media center official website	- Company's reputation - Business continuity - Transparency of the business

Sustainability Statement (Cont'd)

SUSTAINABILITY THEMES

In our efforts to achieve a sustainable growth, we constantly monitor and deliberate on the industry trends, challenges faced in our business operations and stakeholder expectations, to produce sustainable long-term value to shareholders and stakeholders, especially the community around us.

We segmentised sustainability management into three themes:

<table>
<tr><th colspan="3">ECONOMICS</th><th colspan="2">ENVIRONMENTAL</th><th colspan="4">SOCIAL AND GOVERNANCE</th></tr>
<tr><th>Customers</th><th>Vendors/ suppliers/ Contractors</th><th>Investors/ shareholders</th><th>Waste</th><th>Energy</th><th>Employees/ Management/ Directors</th><th>Community</th><th>Authorities</th><th>Media</th></tr>
<tr><td colspan="3">• Creating economic value for our stakeholders
• Prioritising safety and productivity
• Offering innovative solutions to our customers</td><td colspan="2">• Respecting the environment
• Consistently striving to lower our energy consumption and carbon emissions
• Efficiently managing our wastage</td><td colspan="4">• Prioritising the safety and well-being of our people
• Conducting business ethically and with transparency
• Engaging with and supporting our communities
• Compliance of all requirements from local councils and authorities</td></tr>
</table>

MATERIALITY ASSESSMENT

Minetech performed a materiality assessment during FYE2023. The materiality assessment is to ensure that material matters are relevant and will remain relevant until the next materiality assessment. This will help in our approach to managing the sustainability risks and opportunities posed to our businesses and help us in ensuring that we prioritise the issues that have the greatest impact on our sustainability strategies and operation.

The result from the materiality assessment is presented in this Sustainability Statement.

As part of our effort to continuously improve our sustainability practices, we conducted a comprehensive materiality assessment during FYE2023 and identified 15 material matters that are most relevant to our current business. These matters were further categorised into sustainability themes, providing us with a focused approach to achieving our sustainability objectives.

MATERIALITY ASSESSMENT (Cont'd)

Our top 15 material matters are as follows:

Our business performance
- Supply chain management
- Business conduct, ethics & compliance
- Financial performance
- Product & service quality
- Customer satisfaction & relationship
- Technology, innovation & development

Our environmental management
- Climate change & environmental issue
- Material management
- Energy management
- Waste management

Our people
- Attracting, developing, rewarding & retaining employees
- Labour practices & rights
- Employee well-being, health and safety
- Diversity & inclusion

Our outreach
- Local community & social impact

We strongly support the UNSDG's 2030 Global Goals where the 17 identified Goals are to lead communities, corporations, and governments into creating a better world for all of us.

During FYE2023, we internally selected the relevance of our chose United Nation's SDG by taking into consideration our material matters, business strategies, principal risks, stakeholder influence and effects on our community.

Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT (Cont'd)

The 4 SDGs that were identified as the most relevant are as follows:

MINETECH'S TOP FOUR SDGs

Sustainable Development Goals	Definition	Key Stakeholders Impacted
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote wellbeing for all at all ages	• Employees/ Management/ Directors • Community
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustainable economic growth, full and productive employment, and decent work for all	• Customers • Investors and shareholders • Employees/ Management/ Directors • Community
11 SUSTAINABLE CITIES AND COMMUNITIES	Ensure sustainable developments, occupancy, and dwellings	• Customers • Community
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	• Customers • Community • Vendors/suppliers/ Contractors

Materiality Matrix

Minetech views materiality as a critical part of our corporate sustainability strategy especially when we are in an environment that is volatile and unpredictable. We need to ensure that we can provide our stakeholders with the sustainability information most relevant to them and applicable to our business operations.

During FYE2023, we conducted a systematic materiality assessment process, which was guided principally by the Bursa Malaysia Sustainability Reporting Guide and their toolkits, EESG indicators.

Our SWG identified all relevant sustainability aspects for our business, in conjunction with our operating context that was discussed earlier. We considered the following:

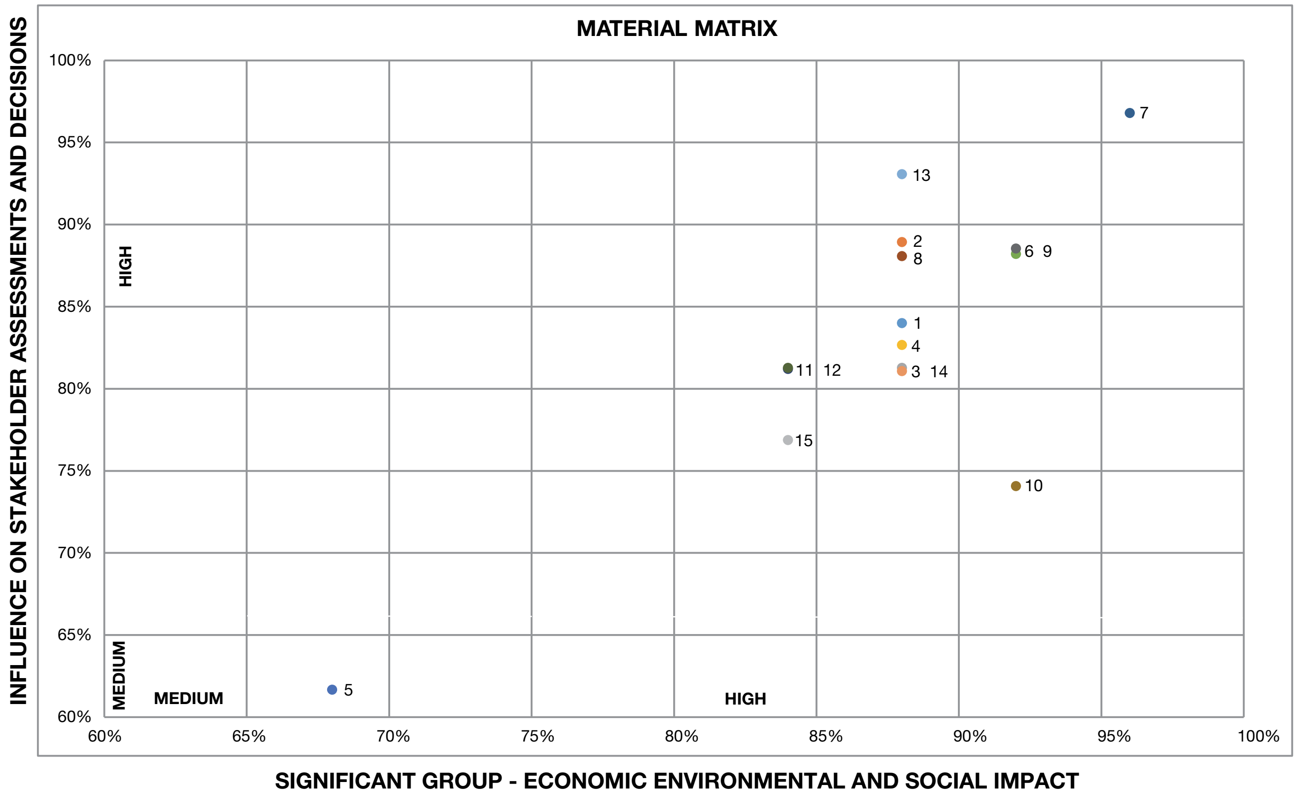
i. issues that matter to Minetech's business performance;
ii. issues that matter to Minetech's stakeholders; and
iii. issues that presently have or could potentially have an impact on Minetech.

This initial analysis was then refined to identify 'material' sustainability aspects, based on:

i. The significance of their impact on economic, environmental, and social matters; or
ii. The extent of their influence on the assessments and decisions of our stakeholders.

MATERIALITY ASSESSMENT (Cont'd)

Our materiality matrix for FYE2023 is shown below:



1 CLIMATE CHANGE & ENVIRONMENTAL ISSUE
2 MATERIAL MANAGEMENT
3 ENERGY MANAGEMENT
4 WASTE MANAGEMENT
5 SUPPLY CHAIN MANAGEMENT
6 BUSINESS CONDUCT, ETHICS & COMPLIANCE
7 FINANCIAL PERFORMANCE
8 PRODUCT & SERVICE QUALITY
9 CUSTOMER SATISFACTION & RELATIONSHIP
10 TECHNOLOGY, INNOVATION & DEVELOPMENT
11 ATTRACTING, DEVELOPING, REWARDING & RETAINING EMPLOYEES
12 LABOUR PRACTICES & RIGHTS
13 EMPLOYEE WELL-BEING, HEALTH AND SAFETY
14 LOCAL COMMUNITY & SOCIAL IMPACT
15 DIVERSITY & INCLUSION

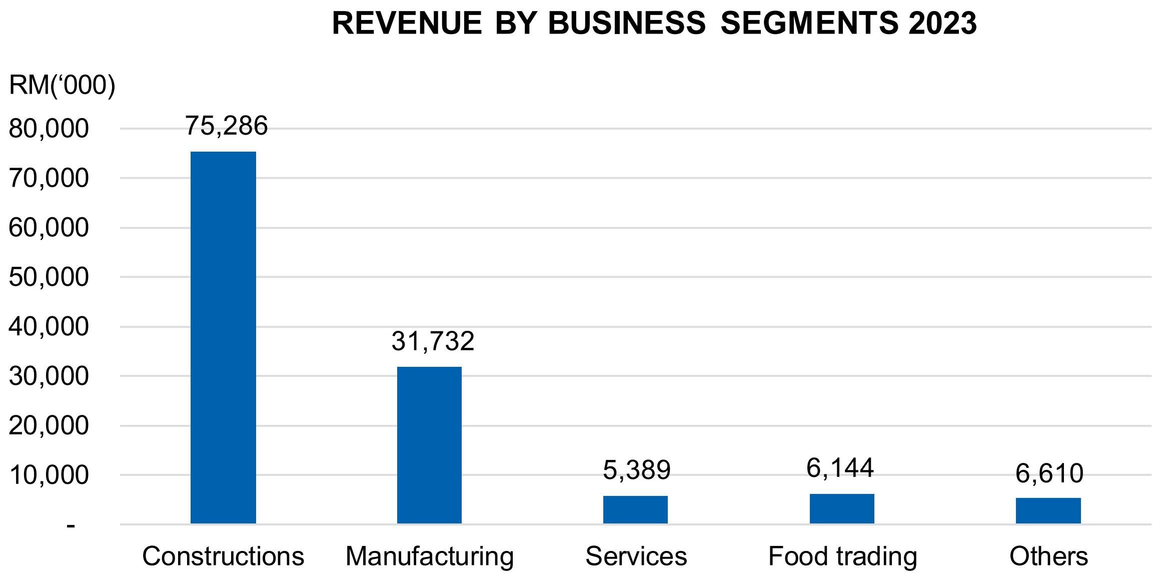
OUR BUSINESS PERFORMANCE

Financial Performance

	2023 RM'000	2022 RM'000	2021 RM'000
Revenue	123,772	85,391	95,021
(Loss)/Profit Before Tax	(7,915)	(24,340)	4,016
(Loss)/Profit After Tax	(10,311)	(25,192)	715
Shareholders' Fund	86,602	85,771	90,777
Total assets	202,530	183,979	193,618

Sustainability Statement (Cont'd)

OUR BUSINESS PERFORMANCE (Cont'd)



Economic Performance

Minetech involves various business segments, including civil engineering, bituminous products, renewable energy, oil and gas, food trading and financial technology. The economic aspect provides insight into our interactions with the business community and how our business activities impacted our stakeholders.

During the financial year under review, Malaysia experienced a recovery from the negative effects from the Covid-19 pandemic. The opening of international borders and the lifting of the Movement Control Order resumed economic activities in the country.

As a result, Minetech has witnessed an improvement in domestic demand as economic activity returns to normal. This positive trend can be attributed to improvements in consumer consumption, the labor market, the reopening of borders, and the introduction and implementation of various economic policies aimed at assisting businesses in regaining their strength.

The latest available economic indicator shows that growth is on a stronger footing, supported by strengthening domestic demand and sustained export growth. The Government's direction on transition to endemicity on 1 April 2022 further supported economic activity, matched with further easing of restrictions as well as the reopening of international borders.

Product and Service Quality

The Group demonstrates its commitment to delivering high-quality and safe products and services in accordance with the standards upheld by certification bodies. Our products reinforce Minetech's presence and branding, encourage customer loyalty and promote business viability. Our customers are the core of our operations, and we work hard to ensure that our products and services remain highly relevant to their requirements and affordable.

<u>Construction</u>

Minetech Construction Sdn. Bhd. ("**MCSB**") provides civil engineering and construction services such as infrastructure works including excavation works, underground excavation, building construction works, drilling works and controlled rock blasting works.

Our Construction and Manufacturing Quality Management System carries the ISO 9001:2015 certification from the British Assessment Bureau and General Society of Surveillance ("**SGS**"). This is a testament to our focus on ensuring our civil engineering and construction services meet the regulatory requirements.

OUR BUSINESS PERFORMANCE (Cont'd)

Product and Service Quality (Cont'd)

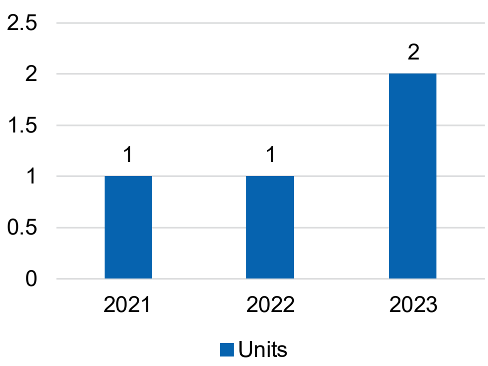
Construction (Cont'd)

Our major customers in MCSB are Selinsing Gold Mine ("**SGM**") and GuocoLand, which represent FYE2023: 66.13% and 21.70% of our total construction revenue, respectively.

To sustain our construction segment, we have invested in a total of additional 5 units of machinery between year 2021 and 2023. The investment in these machineries will increase the productivity of SGM leading to an increase in the revenue derived from SGM in the future.

Being aware that increasing units of machines help to increase the productivity of business, it also directly increases the carbon emission into the environment. Therefore, we are taking steps to improve the efficiencies of our machineries to overcome the impact of increase in carbon emissions.

Numbers of Machine Units Upgraded: -



Lastly, we have conducted and continued to monitor our products' quality and performance by providing training to management and site team during FYE2023. We are planning to continue conducting training for staff to ensure our product quality and performance are maintained. Building information modelling ("**BIM**") training was provided in 2022 to improve and reduce the construction wastage incurred for our projects.

Manufacturing

Minetech Asphalt Man International Sdn. Bhd. ("**MAMI**") manufactures and exports high quality Asphalt and Bituminous products for road surfacing and general industrial use such as construction, pipe coating, sealants, and waterproofing. We are carrying IKRAM Product Certificate of Conformity for Coating Enamel, Bituminous Primer, and Synthetic Primer.

MAMI focuses in maximizing production of all 3 major products:

Products	Product Descriptions	Action taken
Coating Enamel ("**CE**")	Oxidized bitumen and inert non-fibrous fillers are uniformly mixed to produce this product for the coating of oil, gas, and water pipes. It is a very versatile material that adheres well to metal surfaces. It is impact resistant, does not impart any odour to water pipes.	MAMI currently secured supply projects with oil and gas pipes manufacturers and expanded supply share in the water pipes manufacturing industry. Contract value secured as at FYE2023: RM6.88 million with local customer.
Blown Asphalt ("**BA**")	A material that is durable, water-resistant, flexible, and chemically stable. It is widely used as an anti-slip compound in the piling industry, for sound-dampening felts and for electrical cable protection. It is also used in the manufacture of bituminous mastic for oil and gas pipeline joints. It comes in various grades.	MAMI is investing in online marketing platforms such as Alibaba e-commerce platform to actively explore for more export sales of BA products.

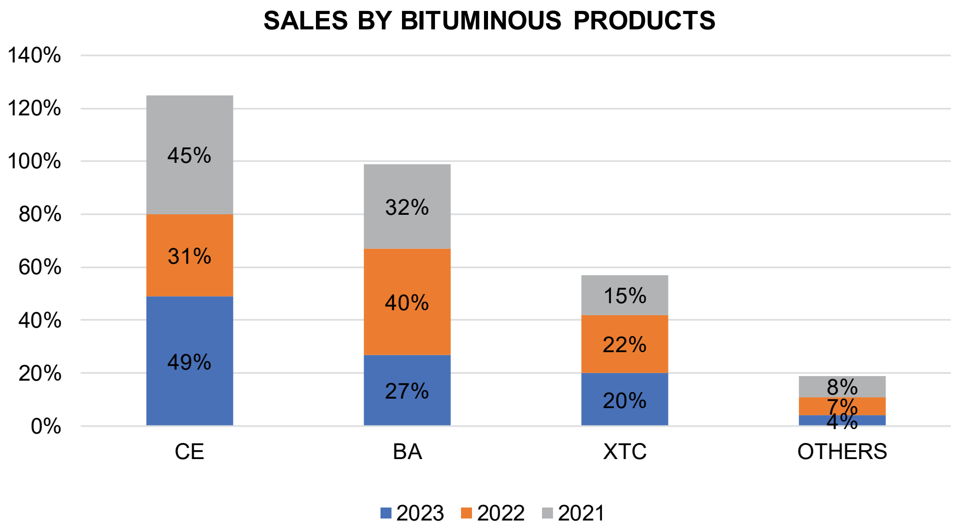
Sustainability Statement (Cont'd)

OUR BUSINESS PERFORMANCE (Cont'd)

Product and Service Quality (Cont'd)

Manufacturing (Cont'd)

Products	Product Descriptions	Action Taken
Emulsion ("**XTC**")	Liquid asphalt in which water has been suspended. When the water evaporates, the asphalt hardens. They are primarily used for tack coats for use in between hot mix asphalt layers and prime coats for thin hot mix surfacing layers or a chip seal pavements.	MAMI successfully secured a 12-month supply contract with our distributor for the supply of XTC. Contract value secured at RM10.24 million with the distributor.



As revenue from MAMI increased, especially in this financial year, more headcounts are being added for the quality control and operation department to ensure quality and smooth operation flow.

Services

Minetech is aiming to be a full stack fintech solutions provider in Malaysia, through our indirect 60%-owned subsidiary, Uniqa (M) Sdn. Bhd. ("**Uniqa**").

Uniqa focuses on providing reliable and quality cross-border remittance payment services. This fintech solution improved the speed and efficiency of cross-border remittance and reduces the paperwork involved in the processing of remittance. As a result, these improvements cater to the demand for cross-border remittance payment on a more sustainable basis.

In Malaysia it has secured the engagement of 2 Malaysian banks using its remittance payment services. It is also establishing partnerships with several overseas banks in Indonesia, China, the Philippines, the Middle East, and Europe.

Uniqa is currently applying for a remittance licence with Bank Negara Malaysia ("**BNM**"). This move will allow Uniqa to launch its own remittance mobile application. The licence application is still pending approval from BNM.

Under services, Minetech also involve in the supply of manpower, scaffolding services, and storage tank maintenance services, to oil and gas - related industry.

OUR BUSINESS PERFORMANCE (Cont'd)

Product and Service Quality (Cont'd)

Food Trading

The teaming agreement between Minetech Commerce Sdn. Bhd. ("**MCMSB**") and Vitamin 2U Sdn. Bhd. to import and trade processed food in Malaysia from South Korean food manufacturer Samyang Food Co Ltd had crystallised the effect to MCMSB.

Revenue rose from RM2.4 million to RM6.1 million or an increase of 153% in comparing FYE2022 and FYE2023. The Group will continuously identify opportunities to increase revenue through expanding its product line and new customer acquisition.

Technology, Innovation and Development

Manufacturing

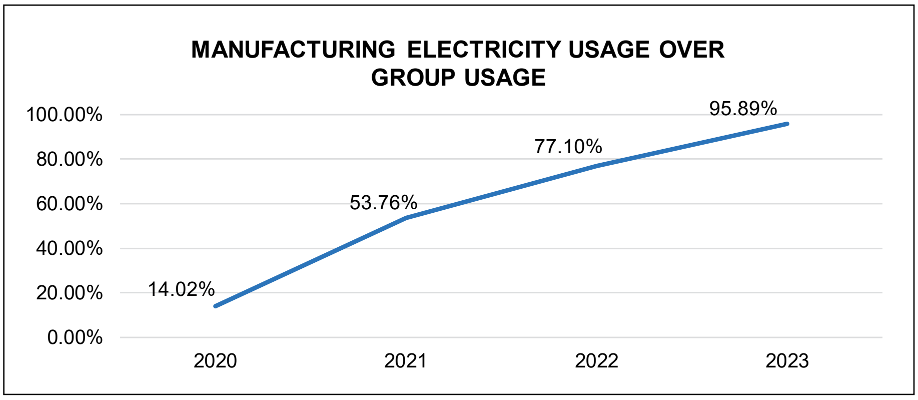
- Scrubber System

A scrubber system has been installed ever since the establishment of the MAMI factory. This system functions as a control device to remove fumes and gases from industrial exhaust streams.

MAMI as a responsible manufacturer, we are responsible for ensuring fumes and gases emitted from the production process are being purified before releasing back into the atmosphere. We are glad to inform you that this system is well-maintained by our manufacturing site personnel and is periodically inspected by the relevant authorities to ensure the system is operating according to specifications and requirements.

- Rooftop Solar Panel

Since the slowdown in quarry business segment in Minetech, manufacturing segment had become the highest in electricity usage, positioning at 77.10% and 95.89% of the electricity usage within the Group in FYE2022 and FYE2023, respectively.



As part of our green initiatives, Minetech is gradually replacing the utilization of fossil fuel electricity with solar electricity in our manufacturing operations. Initiated solar electricity will be one of the most significant impacts on emissions in the transition from fossil fuel power sources. Minetech had invested RM275,100 into the installation of rooftop solar panels for the manufacturing operations. The installation of the solar panel was completed in May 2023 and expecting an annual yield of 95,637 kWh.




Sustainability Statement (Cont'd)

OUR BUSINESS PERFORMANCE (Cont'd)

Technology, Innovation and Development (Cont'd)

Fintech

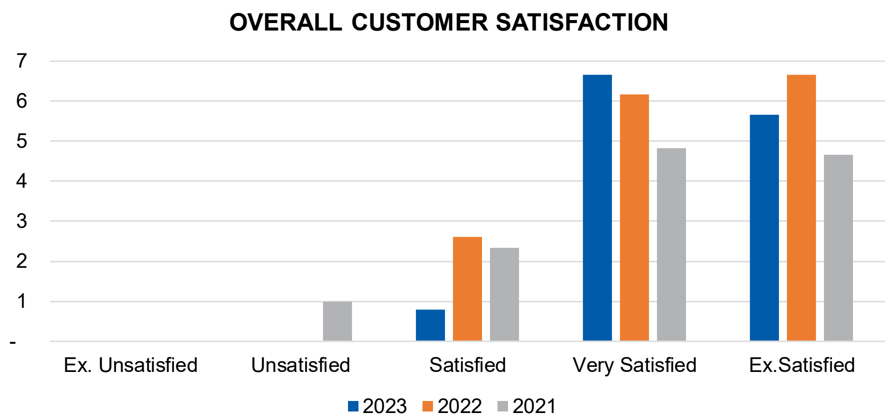
Uniqa is an approved remittance system provider under Section 40 of BNM Money Service Business Act 2011 and approval has been granted to the licensee to use Uniqa System.

The Uniqa system is designed to handle large volume transactions and to offer real time cross border payment with multiple modes of payments. The system is robust; able to cater for any enhancement which is required due to changes in regulatory and efficient detection of suspected financing of terrorism, by running through each transaction against an Anti-Money Laundering ("**AML**") database in real time.

Some of the regulatory and compliance activities undertake by Uniqa are as follow:

- AML checks Know Your Customer ("**KYC**") on all customers;
- AML/Combating the Financing of Terrorism ("**CFT**") monitoring and controls;
- remittance rules and compliance;
- transaction and fraud monitoring; and
- undertake to comply with the requirement of the Personal Data Protection Act for the access to the data/ customer's information and transfer the data/customer's information.

Customer Satisfaction



Minetech acknowledges our customers' value, and we pay high attention to our customers' experiences and feedback. Therefore, customer satisfaction is our high priority.

In ensuring our valued customers' satisfaction, we listen to the feedback from them by conducting annual customer satisfaction surveys and feedback. Apart from that, discussion was being held with customers on a weekly or even daily basis if needed or required by customers.

During FYE2023, we managed to achieve a higher "Very Satisfied" rate compared to the preceding year and there were no unsatisfied clients reported.

We understand the importance of these engagements where we strengthen areas in which we receive praise while we strive to rectify areas receiving negative feedback and work on constructive suggestions. The annual customer satisfaction surveys allowed us to measure our performance in various aspects, for instance, product quality, delivery lead time, communication response, enquiry response, complaint response and courtesy from our staff. In the current year, we manage to keep our customers even more satisfied compared to previous years.

Over the year, we have strictly followed our customer satisfaction procedures. We are glad to show our efforts in maintaining and improving our customers' relationship with Minetech. Customers are more satisfied with Minetech products and services compared to the past few years.

OUR BUSINESS PERFORMANCE (Cont'd)

Supply Chain Management

Minetech views its suppliers as critical partners in our business success, and any disruption to our supply chain is a key risk for our business. As a result, we always stress the importance of managing a sustainable and responsible supply chain. We trust that these sustainable practices will enable us to secure a stable sourcing of raw materials and services, enjoy cost competitiveness, and efficient and effective delivery of quality products and services.

We adopt the ISO9001:2015 Quality Management Systems, in our procurement procedures. This is our commitment to ensure delivery of quality for our products or services.

Minetech is guided by the following procedures:

- Quality Assurance and Production
- Supplier Evaluation Form
- Approval Suppliers List
- Limit of Purchase Approval

We constantly review and improve our supply chain management for all business segments, to ensure that we are cost efficient and effective, and sustainable in our operations.

OUR ENVIRONMENTAL MANAGEMENT

Minetech is involved in businesses that rely on natural resources, manufacturing, and construction which bring significant impact to the environment. As a result, Minetech is mindful of our responsibility to the environment and undertakes the appropriate measures and management in the utilization of natural capital and resources.

We continue to explore initiatives to mitigate the negative environmental impacts generated by our business nature. Schedule waste management, water consumption, electricity consumptions and usage of petrol and diesel are given emphasis, as well as ensuring the compliance with the Department of Environment's ("**DOE**") regulatory requirements and standards.

Energy Management

The energy consumption of Minetech primarily derives from diesel and electricity due to heavy machinery usage, transportation and the utilization of generator sets in manufacturing and our construction sites. Other sources of energy include purchased electricity, diesel, and petrol.

The establishment of our roadmap towards reducing our carbon footprint will include utilization of renewable energy and energy efficient machinery.

Our calculated carbon emission based on the consumption of diesel and electricity was 1,171 t CO_2e (2022: 891 t CO_2e) for FYE2023.

Type	Construction	Manufacturing	Total
Diesel volume (litres)	218,400	26,584	179,464
Electricity consumption (kWh)	14,518	688,387	717,870
Carbon emission (t CO_2e)	**590**	**581**	**1,171**

	2023	2022	2021
Revenue ('000)	107,018	70,672	66,336
Carbon emission (t CO_2e)	1,171	891*	826*
Carbon emission per revenue ("CO_2er") ('000)	**0.011**	**0.013**	**0.012**

* Adjusted figure

Sustainability Statement (Cont'd)

OUR ENVIRONMENTAL MANAGEMENT (Cont'd)

Energy Management (Cont'd)

Based on the calculation above, our total carbon emission (t CO2e) has been steadily increasing since FYE2021, due to the increase in manufacturing and construction activities over the period.

Even though we are committing higher amount of carbon emission into the atmosphere, we are improving our carbon emission efficiency (CO2er). We improved on our carbon emission efficiency by achieving a total of 0.011 CO2er in the FYE2023 compared to 0.013 CO2er from the previous financial year. This is largely due to our continued efforts in enhancing the efficiency and effectiveness of our consumption of diesel and electricity per ton of product produced.

Apart from the above, we are continuing to put more efforts to reduce carbon emission by initiating more solar panel installation in our manufacturing plants going forward.

Schedule Waste Management

Electronic Scheduled Waste Information System ("**eSWIS**") is one of the environmental mainstreaming tools maintained by the Ministry of Natural Resources, Environment and Climate Change Malaysia. eSWIS is an online portal which allows users to file any scheduled waste consignment and inventory details, review of submitted consignment notes for transfer and receiving, in an efficient and secure environment.

Waste generators and waste contractors shall be properly recorded, tracked, and monitored their waste movement, consignment in compliance to Environmental Quality (Scheduled Waste) Regulation 2005 and Environmental Quality (Prescribed Premises) (Scheduled Waste Treatment and Disposal Facilities) Regulation 1989).

All the new schedule waste generated shall be fully recorded into eSWIS, the details including production information, waste code, waste name, waste component, waste type, and packaging type. While for recurring schedule waste shall be updated the waste code, waste name and quantity.

As per schedule waste policy of Minetech, whenever our company's schedule waste either accumulated up to 20 metric tons or stored for maximum of 6 months whichever achieved, we are required to arrange for our licensed waste contractors to clean out the scheduled waste from our premise.

Currently we are controlling the waste generation at 0.5 to 1 MT per month. The waste contractor required us to fill up the Consignment Note ("**CN**") in eSWIS after the collection of the schedule waste from our premises.

We are working hard to minimize the waste generated from our productions and construction. We also constantly send our Quality Assurance and Quality Control ("**QAQC**") staff for training on Certified Environmental Professional In Scheduled Waste Management ("**CePSWaM**"). This is to ensure that our QAQC team is always aware of the latest on the schedule waste management.

OUR PEOPLE

Minetech strongly believes that our employees are an asset to our Group. We continuously invest in our employees as we believe that they will propel us towards achieving sustainable growth in the long term. We constantly engage with our employees to ensure that they understand our mission, culture, best practices and most importantly, our commitment to sustainability and EESG matters.

We strive to ensure that our employees derive work satisfaction while providing them with a structured career development path with opportunities to gain experience with our group of companies.

In developing our business strategy, we emphasise human rights and will never tolerate any forms of discrimination and practices. We operate our business ethically, responsibly and take initiatives to prevent incidents of sexual harassment, child labour and forced labour.

OUR PEOPLE (Cont'd)

Attracting Developing, Rewarding and Retaining Employees

Our employees are our most important asset. In recognition of our employees' contributions to the Group's continued success, we implement and adhere to the best practices of employment engagement, which include attractive remuneration, competitive compensation and benefits programme, robust training, and development programmes, assurance for employees' wellness, and talent retention.

Please find below some of our benefits for our employees: -

- Awards and gift for long service award, wedding gift, baby gift, bereavement contribution
- Allowances for attendance, hardship, car, handphone, transport, professional association subscription, club membership
- Benefit-in-kind for company car
- Personal accident, group hospitalization and surgical insurance
- Dental benefits
- Leaves, annual leaves, medical leaves, matrimonial leave, maternity leave, paternity leave, calamity leave, prolong illness leave
- Periodical medical examination

Other than the above-mentioned benefits, we also organize company trips and celebrate various festivals such as Chinese New Year dinner, Majlis Buka Puasa and Hari Raya Dinner to strengthen bonding relationship between employees and create a healthy working environment.

Sustainability Statement (Cont'd)

OUR PEOPLE (Cont'd)

Labour Practices and Rights

Minetech fosters an inclusive and diverse work environment as we emphasize upholding the labour rights of our staff force. Our Code of Conduct and other labour policies protect labour rights and is based on local employment regulations, such as the Malaysian Employment Act 1955, and relevant industry standards, such as the Responsible Business Alliance ("**RBA**").

The labour rights we uphold include:

i. No child labour
ii. No forced labour
iii. No unreasonable working hours
iv. Fair wages
v. Safe workplace
vi. Human treatment
vii. No discrimination

We have sent our staff to attend webinars on the Employment (amendment) Act 2022 held by the Malaysian Employers Federation Academy ("**MEF**") during FYE2023. Minetech understands the importance of labour rights and therefore we continue update ourselves on any update on the Employment Act.

Grievances Mechanism

Employees need to have an avenue to vent their dissatisfaction or grievances so that issues can surface and be addressed accordingly before they are able to spread and affect morale.

At Minetech, we have put in place a grievance mechanism for this purpose. We are encouraging our staff to open and speak to our Human Resource ("**HR**") representatives if there are any grievances.

Minetech always encourageits staff to share their challenges, and based on past experiences and events, we found that our staff is willing and assured to share and speak with our HR if they have any doubt or grievances. HR then will discuss with their immediate superior or head of divisions, and try to get a solution for the matter.

We do not receive any grievances during FYE2023.

Ethics and Compliance

Minetech is committed to ensuring the highest standards of corporate governance throughout the Group so that the affairs of the Group are conducted with integrity and professionalism with the objective of safeguarding shareholders' investment and enhancing shareholders' value.

We require all our employees to maintain the highest standards of conduct and integrity when conducting business with customers, suppliers, and other stakeholders. In addition, we do not tolerate any breach of the Group's Code of Ethics and Conduct ("**Code**") and encourage our employees to highlight any instances of malpractice and non-compliance.

Our corporate governance practices include risk management and internal controls, external audits, our Code, Anti-Bribery Management System Policy, and Whistleblower Policy.

Good Corporate Governance

Minetech believes that good Corporate Governance is a pre-requisite for the Group to build sustainable long-term value for its shareholders. We are therefore guided by legislative and regulatory requirements, including corporate governance best practices published by the relevant authorities.

Our Corporate Governance Overview Statement forms part of our Annual Report.

OUR PEOPLE (Cont'd)

Standards of Code of Ethics and Employees' Discipline & Conduct

Our Corporate Code comprises policies on Standards of Conduct, Business Ethics and Conflicts of Interest. The Code encompasses the following policies:

i. Declaration of Interests
ii. Human Rights
iii. Health and Safety
iv. Environment
v. Gifts and Business Courtesies
vi. Company Records and Internal Controls
vii. Company Assets
viii. Exclusive Service
ix. Integrity and Professionalism
x. Confidential Information
xi. Compliance Obligations
xii. Anti-Bribery and Anti-Corruption
xiii. Insider Trading
xiv. Anti-Money Laundering
xv. Abuse of Power

All employees of Minetech are expected to comply with the Code which is adopted at all levels within the Group. It covers the principles by which behaviours are assessed and guides an employee's direct and indirect roles and responsibilities inside and outside the Group. These principles are shared with all employees and emphasised during training sessions. Upon employment in Minetech, employees pledge their agreement to the Code when signing their letter of offer.

Anti-Bribery Management System Policy

Minetech is fully committed to ensuring the highest business conduct, upholding integrity, and good corporate governance. Minetech has zero-tolerance towards corruption and bribery.

Our Anti-Bribery Management System Policy was established in the year 2020.

The Anti-Corruption Amendments requires Public Listed Companies ("**PLCs**") on Bursa Malaysia to establish and implement policies and procedures on anti-corruption and whistleblowing to prevent corrupt practices, which will enable PLCs to have a measure of defence against corporate liability for corruption under Section 17A of the MACC Act. In addition, the Anti-Corruption Amendments require PLCs and their board of directors to review the policies and procedures periodically or at least once every three years to assess their effectiveness. The Anti-Corruption Amendments also require PLCs to ensure that corruption risks are included in the annual risk assessment of PLCs and their group of companies.

We are glad to announce that there are no reported incidents of corruption and bribery during the financial year under review.

Whistleblowing Policy

The Whistle Blower Protection Act 2010 provides the guide in formulating the Whistleblowing Policy ("**WBP**") of Minetech. This WBP provides the assurance and confidence to our employees and external parties that we have an effective channel to report on any activity that breaches our Code and/or any breach of ethics or omission by an employee of Minetech.

Our WBP can be accessed from our website at www.minetech.com.my. Whistle blowers can write to ruslan@mrb.com.my and the report will go directly to Chairman of Audit and Risk Management Committee.

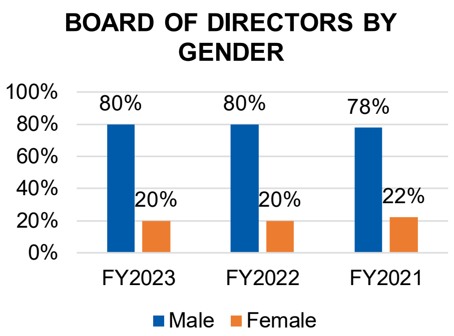
Minetech confirms that there was no complaint received during the period of reporting.

Sustainability Statement (Cont'd)

OUR PEOPLE (Cont'd)

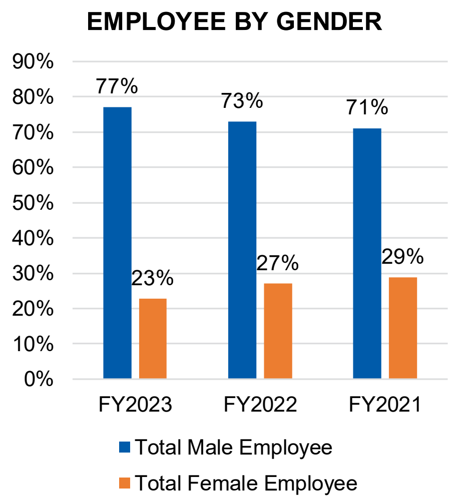
Diversity and Inclusion

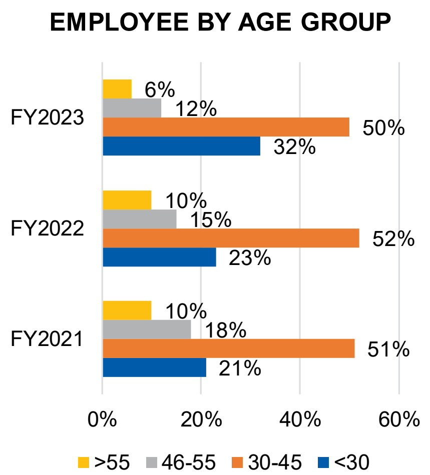
In the release of the Budget of 2022, it was stated that women only hold 25% of board positions on the top 100 public listed companies in Malaysia, and 27% or 252 companies listed on Bursa Malaysia still do not have any female directors. In recognizing the role of women in the decision-making process and to strengthen the governance and effectiveness of the boards, Bursa Malaysia makes it a mandatory to have at least 1 woman director sitting in the board for all public listed companies by 1 June 2023.



The Board of Minetech has maintained at least one-fifth (1/5) of its composition comprising a female representative. They are experienced and accomplished female board members who function as our Independent Non-Executive Directors ("**NED**"). Datin Feridah Binti Bujang Ismail and Siti Aishah Binti Othman have been our board members since the year 2020.

In Minetech, we do not set any gender target, however, we strive to achieve a balance of genders at the departmental and Group level. As at financial year 2023, we have a total of 105 employees and the breakdown of our employees by age and gender are as follow:



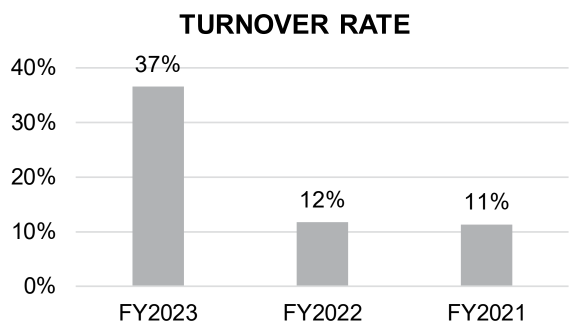


Female talent remains a challenge across all our business segments, especially in the construction and renewable energy industry. This is largely due to the nature of the industry and limitation of the availability of female talent in the segments. However, Minetech remains committed to ensuring that the talent acquisitions are made based on their capability and qualification of the candidates without any bias.

Turnover Rate

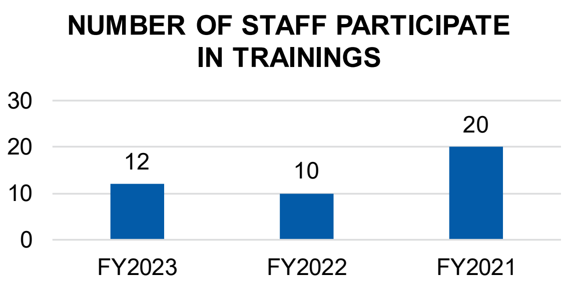
There was a huge increase in turnover rate to 37% in FYE2023 from 12% in the previous financial year. The jump is largely due to high voluntary turnover rate and contract-ended turnover rate arising from employee-voluntary resignation and employees taken over by the new owner of our quarry business segment respectively.

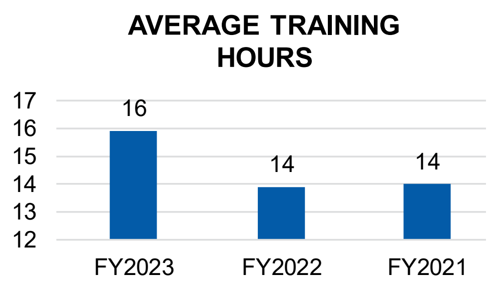
Minetech does not cut back its staff without any proper reason. If there is any over-staffing issue, switching department would be prioritized.



OUR PEOPLE (Cont'd)

Employee Learning and Developments





There is a significant reduction of staff participating in training from FYE2021 to FYE2023 due to the impact arising from the Covid-19 pandemic and Movement Control Order ("**MCO**") imposed by the Federal Government. We intend to increase the number of staff participation in our various training courses to ensure our staff remain updated with the latest in their career and personal development.

On the positive side, the average training hours recorded per staff improved to 16 hours in FYE2023 as compared to 14 hours in FYE2022.

Our staff training programmes are identified based on business strategies and operational needs, meeting regulatory requirements, and ensuring the development of our people's technical, interpersonal, business and management skills. The training programmes that we have arranged for our management and staffs during the FYE2023 are as follows: -

TRAINING TITLE	ENTITY	POSITION
Handling Human Resource Tasks	Minetech	Human Resource Assistant
Handling Set of Accounts	Minetech	Senior Account Executive
Assist in Managing Corporate Matters	Minetech	Corporate Service Executive
Update and Overview 2022 – Selected MFRS Standards	Minetech	Chief Financial Officer
A Comprehensive Review of Latest Development in MFRS	Minetech	Chief Financial Officer and Assistant Account Manager
Webinar On Employment (Amendment) Act 2022	Minetech	Senior Human Resource and Administration Manager
Understanding Incoterm 2020, Documentation, Negotiation & Custom Procedure for International and Domestic Trade	MAMI	Operation Executive
Professional Purchasing Skills	MAMI	Operation Executive
Course for Certified Environment Professional in Scheduled Waste Management ("**CePSWaM**")	MAMI	QAQC cum R&D Executive
Pengurusan Inventori dan Stor Yang Berkesan	MAMI	Administrative Assistant
A Comprehensive Review of Latest Development in MFRS	TRSB	Senior Account Executive

Minetech *– Minetech Resource Berhad*
MAMI *– Minetech Asphalt Man International Sdn. Bhd.*
TRSB *– Techmile Resources Sdn. Bhd.*

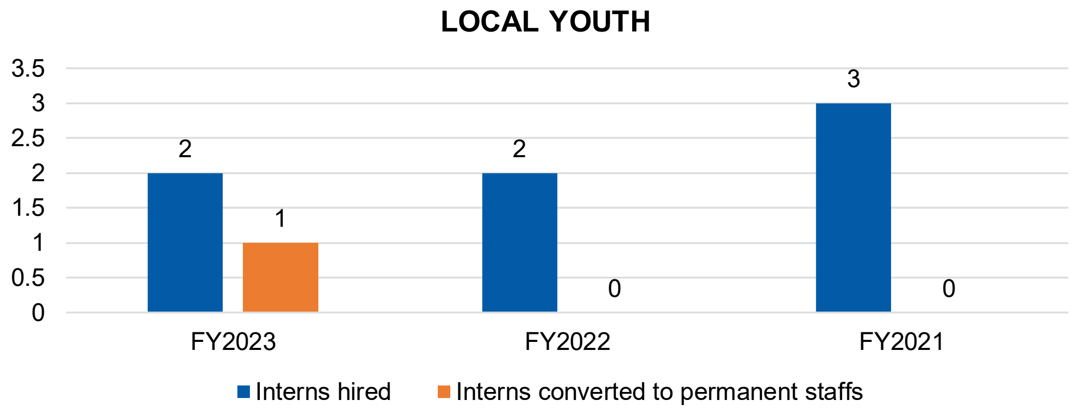
Sustainability Statement (Cont'd)

COMMUNITY

Minetech believes in giving back to society, in this case, the communities in which we are located, while investing in the future of our next generations. The communities around us form a significant pillar in our growth, especially when many of our employees come from these same communities. As we perform our social responsibilities, we encourage our employees to volunteer for the causes we believe in as they develop their compassion and empathy towards society.

Promoting Employment of Local Youth

We believe in contributing to the development of the next generation of graduates and business leaders through our sought-after internship programme. We do not have an internship policy in place, however, we try to hire as many interns as we can. There was a drop in FYE2023 because some educational institutions temporarily froze their internship requirements due to the pandemic, but we managed to convert one intern to become our permanent staff.



Supporting government, public and private organization

During FYE2023, we supported various government, public, and private organizations through monetary contributions as a way to give back to our community.

We provided donations and sponsorships to the local enforcement bureau, clubs, the welfare club known as Majlis Kebajikan dan Sukan Anggota-Anggota Kerajaan Wilayah Persekutuan ("**MAKSWIP**"), and the vendor's annual dinner.

Additionally, we sponsored the Majlis Berbuka Puasa Bulan Ramadhan under the Development and Security Committee of Kampung Poh, Bidor, Perak. This sponsorship aimed to strengthen our relationship with the local community.

Finally, we sponsored the KL Tower International Jump 2023, which made its return after a 3-years hiatus due to the pandemic. This event attracted over 140 international jumpers as well as Malaysians.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

MEMBERS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

Presently, the Audit and Risk Management Committee ("**ARMC**") comprises three (3) members, all of whom are independent non-executive directors.

COMPOSITION

The ARMC members are:-

ARMC members	Designation
Encik Ahmad Ruslan Zahari Bin Zakaria *Independent Non-Executive Director*	Chairman
Datin Feridah Binti Bujang Ismail *Independent Non-Executive Director*	Member
Puan Siti Aishah Binti Othman *Independent Non-Executive Director*	Member

Encik Ahmad Ruslan Zahari Bin Zakaria and Datin Feridah Binti Bujang Ismail have fulfilled the requirements of Paragraph 15.09(1)(c) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). No alternate director is appointed as ARMC member.

The duties and responsibilities of the ARMC are spelt out in the Terms of Reference of the ARMC, a copy of which is available in the Company's website www.minetech.com.my.

ATTENDANCE OF MEETINGS

A total of five (5) ARMC meetings were held during the financial year ended 31 March 2023. The details of attendance of each ARMC member during the tenure of office of the members are as follows:-

Name	Attendance
Encik Ahmad Ruslan Zahari Bin Zakaria *Independent Non-Executive Director*	5/5 (100%)
Datin Feridah Binti Bujang Ismail *Independent Non-Executive Director*	5/5 (100%)
Puan Siti Aishah Binti Othman *Independent Non-Executive Director*	5/5 (100%)

SUMMARY OF ACTIVITIES

The activities undertaken by the ARMC during the financial year ended 31 March 2023 in discharging of its duties and responsibilities include:-

Audit and Risk Management Committee Report (Cont'd)

Financial Reporting

(a) Reviewed the unaudited quarterly financial results and annual audited financial statements including the announcements pertaining thereto before recommending to the Board of Directors for approval for release to Bursa Securities. The review focused primarily on:

- major judgemental areas, significant and unusual events;
- significant adjustments resulting from audit;
- the going concern assumptions;
- compliance with the Malaysian Financial Reporting Standards and other applicable approved accounting standards in Malaysia; and
- compliance with Paragraph 9.22 and Appendix 9B of the MMLR of Bursa Securities and other regulatory requirements.

External Audit

(a) Reviewed the external auditor's reports in relation to audit and accounting issues arising from the audit and the management's response.
(b) Reviewed and discussed with external auditors regarding the audit planning memorandum, audit status report and issues arising from the statutory audit of the Group.
(c) Met with the external auditors, Messrs. Al Jafree Salihin Kuzaimi PLT on 19 May 2022 and 29 June 2022 without the presence of Executive Directors and Management of the Group to ensure there were no restrictions on the scope of their audit and to discuss any items that the external auditors did not wish to raise in the presence of Management.
(d) Evaluated the technical competency and audit independence, objectivity and professional skepticism of the external auditors before recommending to the Board their re-appointment and remuneration.

Related Party Transactions

(a) Reviewed and monitored compliance of related party transactions with the MMLR of Bursa Securities and conflict of interest situation that may arise within the Group.
(b) Reviewed the Circular to Shareholders in relation to Proposed Renewal of Shareholders' Mandate for existing Recurrent Related Party Transactions ("**RRPTs**") of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for RRPTs of a Revenue or Trading Nature prior to the recommendation to the Board of Directors for approval.

Risk Management and Internal Control

(a) Assessed the overall effectiveness of the risk management and internal control system of the Group on an ongoing basis.
(b) Reviewed the Statement on Risk Management and Internal Control prior to the recommendation to the Board of Directors for approval for inclusion in the 2022 Annual Report.

Audit and Risk Management Committee Report (Cont'd)

Internal Audit

(a) Reviewed and approved the annual internal audit plan to ensure adequate scope and comprehensive coverage of the Group's activities.

(b) Reviewed and discussed with the internal auditors regarding the internal audit process, internal audit findings and issues arising from the internal audit report of the following:

   (i) Konsep Khas Sdn Bhd – Internal Control Review on Key Operations;
   (ii) Uniqa (M) Sdn Bhd – Follow-Up Review on Revenue and Product Management;
   (iii) Minetech Resources Berhad – Internal Control Review on Human Resources and Anti-Bribery and Corruption; and
   (iv) Konsep Khas Sdn Bhd – Follow-Up Review on Key Operations.

(c) Monitored the implementation of mitigating actions by Management on outstanding issues to ensure all key risks and control weaknesses are properly addressed.

(d) Met with the Internal Auditors on 19 May 2022 and 17 November 2022 without the presence of Executive Directors and Management of the Group for discussions on internal audit related matters.

(e) Reviewed and evaluated the adequacy of the scope, functions, competency and resources of the internal audit functions.

Others

(a) Reviewed the revised Terms of Reference of ARMC, Terms of Reference of Risk Management Steering Committee and External Auditors Assessment Policy prior to the recommendation to the Board of Directors for adoption.

(b) Reviewed the Corporate Governance Report, Corporate Governance Overview Statement, Management Discussion and Analysis and ARMC Report prior to the recommendation to the Board of Directors for approval for inclusion in the 2022 Annual Report.

(c) Reviewed the Statement to Shareholders on the Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares prior to the recommendation to the Board of Directors for approval.

INTERNAL AUDIT FUNCTION

Details on the internal audit function are set out in the Statement on Risk Management and Internal Control of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**the Board**”) of Minetech Resources Berhad (“**the Company**”) is pleased to present its statement on corporate governance (“**CG**”) practices of the Company during the financial year ended 31 March 2023. The Board in leading the Company in its CG practices is guided by the principles as set out in the Malaysian Code on Corporate Governance 2021 (“**MCCG**”).

This statement is prepared in compliance with Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MMLR**”) and guided by Practice Note 9 of the MMLR and the CG Guide (3rd edition) issued by Bursa Malaysia Berhad. This CG Overview Statement should also be read together with the CG Report 2023 of the Company (“**CG Report**”) which is available on the Company’s website: www.minetech.com.my as well as via an announcement on the website of Bursa Securities and in conjunction with the other statements in the Annual Report (e.g. Statement on Risk Management and Internal Control, Audit and Risk Management Committee Report, and Sustainability Statement) as the application of certain governance enumerations may be more evidently expressed in the context of the respective statements.

The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG during the financial year ended 31 March 2023.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

i. Board Responsibilities

The Group is headed by an experienced and effective Board. The Board assumes overall responsibility in leading the strategic direction, future expansion, CG, risk management, human resource planning and development, investments made by the Company and overseeing the proper conduct of business of the Group. Dato’ (Dr). Ts. Awang Daud Bin Awang Putera, the Executive Chairman is responsible in overseeing the Board in the effective discharge of its supervisory role emphasising on governance and compliance. The positions of the Chairman and Chief Executive Officer are held by different individuals. The Board Charter has clear division of responsibilities to ensure there is a balance of power and authority in the Company. The segregation of roles also facilitates a healthy open, exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company. Effective from 9 October 2020, the role of a Chief Executive Officer have been assumed by two (2) Executive Directors of the Company who hold joint responsibilities and accountabilities for the Company.

In discharging its duties, the Board delegates certain of its responsibilities to the following Board Committees which operate within its clearly defined Terms of Reference respectively:-

- Audit and Risk Management Committee (“**ARMC**”)
- Nomination and Remuneration Committee (“**NRC**”)
- Investment Committee (“**IC**”)

The Chairman of the respective Board Committees report to the Board on key matters deliberated at the respective Board Committee meetings and makes recommendations to the Board for final decision, where necessary.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

ii. Board and Board Committees Meetings

The breakdown of the Directors' attendance at the Board and Board Committees meetings during the financial year ended 31 March 2023 is set out below:-

Name	Board	NRC	ARMC	IC
Dato' (Dr). Ts. Awang Daud Bin Awang Putera *Executive Chairman*	3/5	-	-	2/2
Choy Sen @ Chin Kim Sang *Executive Director* *[1*] (Alternate Director: Chin Sheong Choy)*	5/5	-	-	-
Chin Leong Choy *Executive Director*	5/5	-	-	2/2
Awgku Mohd Reza Farzak Bin Awg Daud *Executive Director*	5/5	-	-	2/2
Azlan Shah Bin Zainal Arif *Executive Director*	5/5	-	-	2/2
[2*] Ahmad Rahizal Bin Dato' Ahmad Rasidi *Non-Independent Non-Executive Director*	5/5	-	-	2/2
Loke Kim Meng *Non-Independent Non-Executive Director*	5/5	-	-	-
Ahmad Ruslan Zahari Bin Zakaria *Independent Non-Executive Director*	5/5	1/1	5/5	-
Datin Feridah Binti Bujang Ismail *Independent Non-Executive Director*	5/5	1/1	5/5	-
Siti Aishah Binti Othman *Independent Non-Executive Director*	5/5	1/1	5/5	-

Remark:-

[1*] Appointed as Alternate Director on 14 October 2022.

[2*] Re-designated as Non-Independent Non-Executive Director on 1 April 2022.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

ii. Board and Board Committees Meetings (cont'd)

Board Charter

The Board Charter delineates the powers, duties and responsibilities of the Board, Board Committees and individual Directors, including the following matters that are solely reserved for the Board's decision:-

- Conflict of interest issues relating to a substantial shareholder or a Director including approving related party transactions;
- Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- Strategic investments, mergers and acquisitions and corporate exercises;
- Limits of authority;
- Treasury policies including the Company's budget;
- Risk management policies;
- Key human resource issues;
- Appointment of auditors and review of financial statements including quarterly reports;
- Financing and borrowing activities;
- Ensuring regulatory compliance;
- Reviewing the policies, adequacy and integrity of internal controls; and
- Sustainability framework including policies and practices.

The Board Charter further defines the respective roles of the Chairman of the Board, the Chief Executive Officer and Independent Director. It serves as a primary induction literature that guides newly appointed and existing Board members on their duties and functions of the Board and its Committees.

A copy of the Board Charter can be found in the Company's website at www.minetech.com.my and is annually reviewed to ensure it complies with legislations, regulations and practices, and remain effective and relevant to the Board's objectives and responsibilities. The Board Charter, Terms of Reference of the Board Committees, Anti-Bribery Management System Policy, Code of Ethics and Conduct, Conflict of Interest Policy, Diversity Policy, Succession Planning Policy, Directors' Fit and Proper Policy, Directors and Senior Management's Remuneration Policy and Whistleblower Policy were reviewed annually by the Board to be in line with the CG practices set out in the MCCG.

The Board is supported by qualified and competent Company Secretaries. The Company Secretaries are the member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and has the requisite experience to provide unhindered advice to the Board to ensure its effective functioning and compliance with regulatory requirements. The Board has unrestricted access to the advice and services of the Company Secretaries on the conduct of Board's affairs and business. The roles and responsibilities of the Company Secretaries including the following:-

- Advising the Board matters in relation to CG and the MMLR to meet the Board's needs and stakeholders' expectations;
- Ensure the Board procedures and applicable rules are observed;
- Maintaining records of the Board and ensuring effective management of the Company's statutory records;
- Preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded;
- Assisting the communications between the Board and Management;
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time;
- Serve as focal points for stakeholders' communication and engagement on CG issues;
- Preparing agendas and coordinating the preparation of the Board papers; and
- Facilitate the orientation of new directors and assist in director training and development.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

ii. Board and Board Committees Meetings (cont'd)

Board Charter (cont'd)

The Board recognises that decision-making process is highly dependent on the quality of information furnished. In furtherance to this, every Director has:-

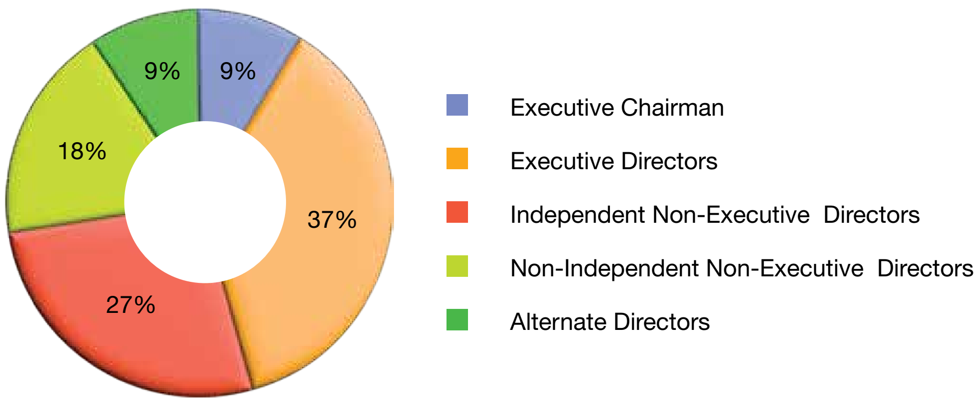
- Complete, adequate and timely information prior to Board meetings and on an ongoing basis;
- Resources required to perform his/her duties;
- Full and unrestricted access to timely, accurate and complete information within the Company;
- Authority to have all meeting materials are prepared and issued to the Board of Directors and Board Committee members within reasonable period before respective meetings to enable them to contribute constructively;
- Authority to delegate any of its responsibilities to any person or committee(s) that is deemed fit;
- Direct communication channels with employees, Senior Management personnel and relevant external parties; and
- Authority to obtain independent professional or other advice at the Company's expense, subject to the approval of the Chief Executive Officer or in the Chief Executive Officer's absence, as prescribed in the Limits of Authority.

Board Composition

The Board is well balanced, comprising experienced businessmen and qualified professionals of diverse age and ethnicity. The Directors collectively bring with them diverse knowledge, skill, extensive experience and expertise in areas such as leadership, strategic planning, corporate governance, risk management and internal controls, government and policy, business management, and entrepreneurial which enables them to discharge their duties and responsibilities effectively, objectively and independently.

As at 31 March 2023, the Board has eleven (11) members, comprising one (1) Executive Chairman, four (4) Executive Directors, two (2) Non-Independent Non-Executive Director, three (3) Independent Non-Executive Directors and one (1) Alternate Director (to Executive Director). The profile of each Director can be found on pages 4 to 8 of this Annual Report.

BOARD COMPOSITION

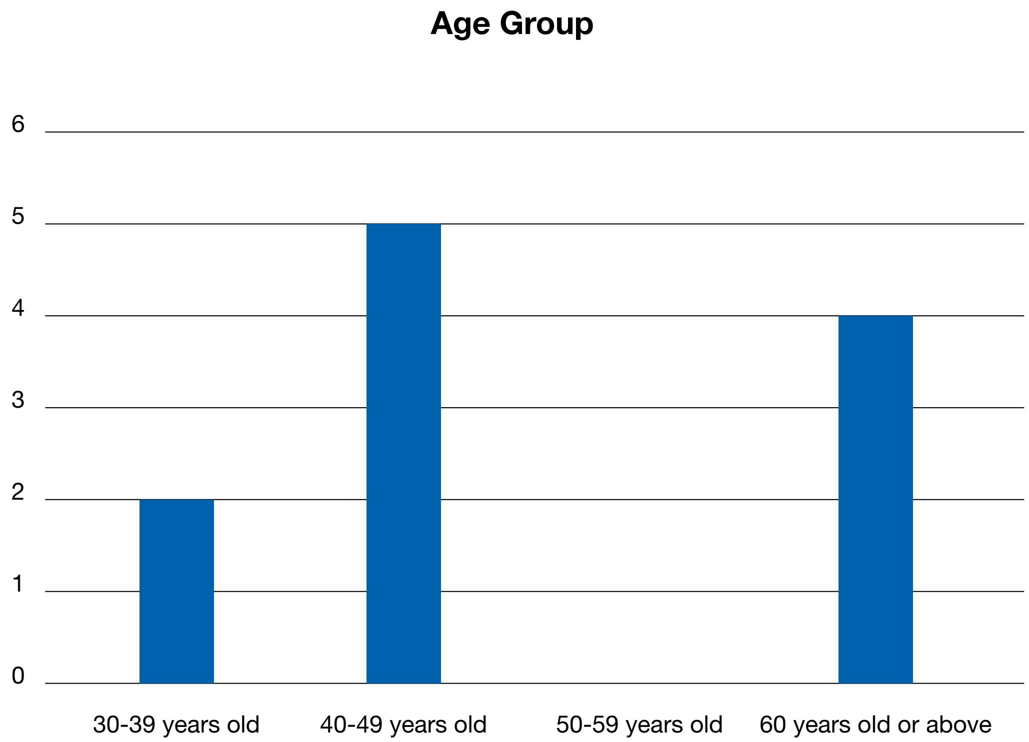


Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

ii. Board and Board Committees Meetings (cont'd)

Board Composition (cont'd)



The present Board composition complies with Paragraph 15.02 of the MMLR which requires at least two (2) or one-third (1/3) of the Board of the Company, whichever is higher, are Independent Directors. The Board is satisfied with the current composition of Directors where all Independent Directors of the Company are always within reach of the shareholders and issues are discussed openly at meetings, thus shareholders may approach any of the Independent Directors of the Company. In view thereof, the Board did not nominate a Senior Independent Non-Executive Director at this juncture. As at 31 March 2023, one (1) Independent Non-Executive Director, namely Encik Ahmad Ruslan Zahari Bin Zakaria ("**Encik Ruslan**") has attained cumulative nine (9) years of service. The NRC and the Board, have upon their assessment for the financial year under review, concluded that Encik Ruslan had complied with the criteria of "independence" as set out in MMLR of Bursa Securities and are able to remain objective and independent in expressing his views and fair participation in deliberations and decision-making of the Board and the Board Committees. The Board intends to retain Encik Ruslan as Independent Director pursuant to the MMLR of Bursa Securities. The Company will be seeking shareholders' approval for his continuation in office as Independent Non-Executive Directors to the Board in the forthcoming Annual General Meeting.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

iii. NRC

During the financial year under review, the NRC comprised exclusively of Non-Executive Directors, the composition is as follows:-

Name	Designation
Puan Siti Aishah Binti Othman *Independent Non-Executive Director*	Chairperson
Datin Feridah Binti Bujang Ismail *Independent Non-Executive Director*	Member
Encik Ahmad Ruslan Zahari Bin Zakaria *Independent Non-Executive Director*	Member

During the financial year under review, the activities undertaken by the NRC include:

(a) Assessed and was satisfied with the effectiveness of the Board as a whole and the Board committees and the contribution of each Director.

(b) Reviewed and was satisfied with the mix of skills, knowledge, expertise and experience, composition and size of the Board in terms of gender, ethnicity and age.

(c) Assessed the independence of Independent Directors and concluded that the Independent Directors are independent and have complied with the criteria of independence as set out in MMLR.

(d) Assessed and was satisfied with the character, experience, integrity, competence and time commitment of Directors.

(e) Reviewed the term of office and performance of the ARMC and each ARMC member.

(f) Discussed on the training programmes for the Directors to enhance their skills and knowledge.

(g) Evaluated the performance of the following Directors and recommended their re-election at the Twentieth Annual General Meeting ("**AGM**") of the Company to the Board:-

- Choy Sen @ Chin Kim Sang *(Clause 97 of the Constitution)*
- Azlan Shah Bin Zainal Arif *(Clause 97 of the Constitution)*
- Siti Aishah Binti Othman *(Clause 97 of the Constitution)*
- Loke Kim Meng *(Clause 105 of the Constitution)*

(h) Reviewed and recommended the following for Board's approval:-

- revised Terms of Reference of the NRC
- Succession Planning Policy
- Directors and Senior Management's Remuneration Policy
- Directors' Fit and Proper Policy

(i) Recommended the re-designation of Encik Ahmad Rahizal Bin Dato' Ahmad Rasidi to Non-Independent Non-Executive Director for Board's approval.

(j) Reviewed and recommended the remuneration package of the Executive Chairman/ Directors for Board's approval.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

iii. NRC (CONT'D)

During the financial year under review, the activities undertaken by the NRC include: (cont'd)

(k) Reviewed and recommended the appointment of Mr Chin Sheong Choy as the Alternate Director to Mr Choy Sen @ Chin Kim Sang, an Executive Director of the Company for Board's approval.

(l) Reviewed and recommended Directors' fees and benefits payable from AGM in 2022 until the next AGM in 2023 and remuneration package of Executive Directors and Senior Management for Board's approval.

(m) Discussed and reviewed the respective roles, job descriptions and key performance indicators of Executive Directors for Board's approval.

The NRC will identify and recommend candidates to the Board if there is any vacancy arising from resignation, retirement or any other reasons or if there is a need to appoint additional Director with the required criteria based on recommendation from existing Directors, Senior Management or major shareholders. The NRC is authorised by the Board to use independent search firms in identifying suitable candidates for appointment of directors when the need arises. Talent management and succession planning have been enhanced to attract, retain and develop required talent to ensure that the Group has a ready supply of talent to meet its current and future needs. Where appropriate, the NRC will consider engaging the independent consultancy services to conduct searches for potential candidates.

The Company also endeavours to have a balanced representation by taking into consideration a range of different skills, age, gender, ethnicity, backgrounds and experiences represented amongst its Directors, officers and staff as the Board is aware that it is important in ensuring robust decision-making processes with diversified viewpoints and effective governance of the Company. The Diversity Policy of the Company outlines its approaches to achieving and maintaining diversity (including gender diversity) in its Board and Senior Management positions. A copy of the Diversity Policy can be found in the Company's website at www.minetech.com.my.

Based on the following summary of the employment gender diversity, the NRC is of the view that there is balanced gender diversity at Executive and Managerial levels of employees in the Company for the financial year ended 31 March 2023:-

CATEGORY OF EMPLOYEES	FEMALE	MALE	TOTAL
Non-executive	6	51	57
Manager/Executive	16	19	35
Senior Management	2	11	13
Total No. of Employees	24	81	105

The NRC will review the suitability of candidates based on skills, knowledge, character, integrity, expertise and experience, competency, commitment (including time commitment) and where appropriate, the independence of candidates for appointment as Independent Directors. The assessment of the Independent Directors is in accordance with the criteria as set out in the Board Charter and MMLR.

The Board and Board Committees evaluation process are led by the NRC Chairperson who is an Independent Director and supported by the Company Secretaries. The evaluation process is conducted via questionnaires to review the effectiveness of the Board and its Committees and based on self-review and peer assessment. The NRC reviews the outcome of the assessment and report to the Board, in particular, areas for improvement and also used as the basis of recommending relevant Directors for re-election at the AGM.

The Board, via NRC continues to identify for the Directors to attend appropriate briefings, seminars, conferences and courses to keep abreast with the changes in legislations and regulations affecting the Group.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

iv. IC

The establishment of IC is to assist the Board in assessment of business opportunities and strategic investments. During the financial year under review, the composition of the IC is as follows:-

Name	Designation
Dato' (Dr). Ts. Awang Daud Bin Awang Putera *Executive Chairman*	Chairman
Mr Chin Leong Choy *Executive Director*	Member
Encik Awgku Mohd Reza Farzak Bin Awg Daud *Executive Director*	Member
Encik Azlan Shah Bin Zainal Arif *Executive Director*	Member
Encik Ahmad Rahizal Bin Dato' Ahmad Rasidi *Non-Independent Non-Executive Director*	Member

During the financial year under review, the activities undertaken by the IC include:-

(a) Reviewed and approved disposal of 3 parcels of vacant industrial land in Batang Padang.

(b) Reviewed and recommended the Terms of Reference of IC for Board's approval.

v. Directors' Trainings

All Directors have completed the Mandatory Accreditation Programme. The Directors are mindful that they need to continue to enhance their skill and knowledge to keep abreast of relevant changes in regulations and development in the industry and maximise their effectiveness as Directors during their tenure. Throughout the period in office, the Directors are continually updated on the Group's business and regulatory requirements. The Company Secretaries also briefed and highlighted the relevant guidelines or developments on statutory and regulatory requirements from time to time to the Board. The External Auditors also briefed the Board on any current and future changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements.

The Directors have attended the following professional development programmes and seminars for the financial year ended 31 March 2023:-

Director	Programme
Dato' (Dr). Ts. Awang Daud Bin Awang Putera	1. Related Party Transactions & Conflict of Interest, including the arm's-length definition – Impact to the Board, Audit Committee, Management & Auditors
Choy Sen @ Chin Kim Sang	1. PLC Transformation (PLCT) Programme – Guidebook 3 Highlights 2. Related Party Transactions & Conflict of Interest, including the arm's-length definition – Impact to the Board, Audit Committee, Management & Auditors

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

v. Directors' Trainings (cont'd)

The Directors have attended the following professional development programmes and seminars for the financial year ended 31 March 2023:- (cont'd)

Director	Programme
Chin Leong Choy	1. Wild Digital Southeast Asia 2022 Conference 2. Related Party Transactions & Conflict of Interest, including the arm's-length definition – Impact to the Board, Audit Committee, Management & Auditors
Awgku Mohd Reza Farzak Bin Awg Daud	1. Related Party Transactions & Conflict of Interest, including the arm's-length definition – Impact to the Board, Audit Committee, Management & Auditors
Azlan Shah Bin Zainal Arif	1. Related Party Transactions & Conflict of Interest, including the arm's-length definition – Impact to the Board, Audit Committee, Management & Auditors
Ahmad Rahizal Bin Dato' Ahmad Rasidi	1. Related Party Transactions & Conflict of Interest, including the arm's-length definition – Impact to the Board, Audit Committee, Management & Auditors
Loke Kim Meng	1. Related Party Transactions & Conflict of Interest, including the arm's-length definition – Impact to the Board, Audit Committee, Management & Auditors
Ahmad Ruslan Zahari Bin Zakaria	1. Related Party Transactions & Conflict of Interest, including the arm's-length definition – Impact to the Board, Audit Committee, Management & Auditors
Datin Feridah Binti Bujang Ismail	1. Corporate Governance & Remuneration Practices for The ESG World 2. Related Party Transactions & Conflict of Interest, including the arm's-length definition – Impact to the Board, Audit Committee, Management & Auditors
Siti Aishah Binti Othman	1. Related Party Transactions & Conflict of Interest, including the arm's-length definition – Impact to the Board, Audit Committee, Management & Auditors
Chin Sheong Choy *(Alternate Director to Choy Sen @ Chin Kim Sang)*	1. Related Party Transactions & Conflict of Interest, including the arm's-length definition – Impact to the Board, Audit Committee, Management & Auditors

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

vi. Re-election of Directors

In accordance with the Company's Constitution, an election of Directors shall take place each year at an AGM and one-third (1/3) of the Directors are subject to retirement by rotation, in any event, each Director shall retire from office once in every three (3) years. The Directors to retire in each year are the Directors who have been longest in office since their last appointment or re-election. The Directors appointed by the Board during the financial year are subject to retirement at the next AGM held following their appointments in accordance with the Company's Constitution. All retiring Directors are eligible for re-election. The re-election of each Director is voted on separate resolution during the AGM of the Company.

The Company has on 30 June 2022 adopted Directors' Fit and Proper Policy to assess the fitness and propriety of a candidate before being appointed and seeking re-election as a director of the Company and its subsidiaries. This serves to ensure that any person to be appointed or re-elected as a director within the Group possess the character, experience, integrity, competence and time to effectively discharge his/her role as a director. The Directors' Fit and Proper Policy is available on the Company's website at www.minetech.com.my.

vii. Code of Ethics and Conduct, Whistleblower Policy, Conflict of Interest Policy and Anti-Bribery Management System Policy

The Board has put in place Code of Ethics and Conduct, Whistleblower Policy, Conflict of Interest Policy and Anti-Bribery Management System Policy to promote an environment of integrity and ethical behaviour within the Group.

The basic principles of Code of Ethics and Conduct have been observed and carried out by having appropriate regards to the interests of the Company's customers, shareholders, people, business partners and broader community in which the Company operates.

The Whistleblower Policy serves as a guide to employees on how to raise genuine concerns related to possible improprieties on matters relating to financial reporting, compliance and other malpractices at the earliest opportunity and in an appropriate manner. The Board has adopted the policy with the aim that any employee or stakeholder can report and disclose through established channels any improper or unethical activities relating to the Company and its Group.

The Conflict of Interest Policy ensures that actual, potential and perceived conflicts of interest are identified and managed effectively. It is intended to provide guidance on how to deal with conflict of interest situations as they arise. Proper identification and management of conflicts of interest ensures that business decisions are made in the best interests of the Company and the Company is protected from any consequent damage to its activities and reputation.

The Anti-Bribery Management System Policy serves as a mechanism to ensure a sustainable anti-bribery and anti-corruption programme be implemented in the Company whereby adequate resources would be in place for the implementation of the same.

The Code of Ethics and Conduct, Whistleblower Policy, Conflict of Interest Policy and the Anti-Bribery Management System Policy can be found on the Company's website at www.minetech.com.my.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

viii. Remuneration

The NRC established sets of policy, framework and reviews the remuneration of the directors and senior management which is linked to strategy and/or performance or long-term objectives of the Company to ensure that the Company is able to attract and retain capable directors and senior management to run the Group successfully. The Executive Directors' remuneration is structured to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken.

In determining the remuneration of the directors and senior management, the Company's objective is to provide fair and competitive remuneration to its Board and/or senior management in order for the Company to benefit by attracting and retaining a high-quality team. The NRC is authorised by the Board to seek appropriate professional advice within and outside the Group as and when it considers necessary.

The annual salaries, incentive arrangements, service arrangements and other employment conditions for the Executive Directors and/or senior management are reviewed by the NRC and recommended to the Board for approval and where necessary, subject to shareholders' approval. Senior management who reports directly to the Executive Directors are evaluated annually premised on annual measurements and targets set. Thereafter, the Executive Directors approve the remuneration of senior management based on their performance. The Directors and Senior Management's Remuneration Policy is available for reference on the Company's website at www.minetech.com.my.

The determination of the remuneration for Non-Executive Directors is a matter for the Board as a whole. The Executive Directors are not present when matters affecting their own remuneration arrangements are considered.

Details of the remuneration of Directors (both the Company and the Group) who served during the financial year ended 31 March 2023 are as follows:

The Group

Name	Fees (RM'000)	Meeting Allowance (RM'000)	Salaries (RM'000)	Bonus (RM'000)	Other emoluments (RM'000)
Dato' (Dr). Ts. Awang Daud Bin Awang Putera	-	12.25	624.0	-	96.0
Choy Sen @ Chin Kim Sang	-	8.5	468.0	-	97.2
Chin Leong Choy	-	8.5	378.0	-	113.4
Awgku Mohd Reza Farzak Bin Awg Daud	-	8.5	270.0	-	81.0
Azlan Shah Bin Zainal Arif	-	8.5	378.0	-	113.4
[1]* Ahmad Rahizal Bin Dato' Ahmad Rasidi	40.5	8.5	-	-	-
Loke Kim Meng	40.5	8.5	-	-	-
Ahmad Ruslan Zahari Bin Zakaria	67.5	23.9	-	-	-
Datin Feridah Binti Bujang Ismail	40.5	15.7	-	-	-
Siti Aishah Binti Othman	40.5	16.35	-	-	-
[2]* Chin Sheong Choy *(Alternate Director to Choy Sen @ Chin Kim Sang)*	-	-	258.0	-	-

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

viii. Remuneration (cont'd)

The Company

Name	Fees (RM'000)	Meeting Allowance (RM'000)	Salaries (RM'000)	Bonus (RM'000)	Other emoluments (RM'000)
Dato' (Dr). Ts. Awang Daud Bin Awang Putera	-	12.25	624.0	-	96.0
Choy Sen @ Chin Kim Sang	-	8.5	468.0	-	97.2
Chin Leong Choy	-	8.5	378.0	-	113.4
Awgku Mohd Reza Farzak Bin Awg Daud	-	8.5	270.0	-	81.0
Azlan Shah Bin Zainal Arif	-	8.5	378.0	-	113.4
[1*] Ahmad Rahizal Bin Dato' Ahmad Rasidi	40.5	8.5	-	-	-
Loke Kim Meng	40.5	8.5	-	-	-
Ahmad Ruslan Zahari Bin Zakaria	67.5	23.9	-	-	-
Datin Feridah Binti Bujang Ismail	40.5	15.7	-	-	-
Siti Aishah Binti Othman	40.5	16.35	-	-	-
[2*] Chin Sheong Choy *(Alternate Director to Choy Sen @ Chin Kim Sang)*	-	-	-	-	-

Remark:-
[1*] *redesignated as Non-Independent Non-Executive Director on 1 April 2022.*
[2*] *appointed as Alternate Director on 14 October 2022.*

In determining the remuneration packages of the Group's senior management, factors that were taken into consideration included individual responsibilities, skills, expertise and contributions to the Group's performance and whether the remuneration package is competitive and sufficient to ensure that the Group is able to attract and retain executive talents. The Board is of the opinion that the disclosure of senior management's remuneration would not be in the best interest of the Group as it would affect the Group's efforts in talent retention and management within the competitive industry as well as for confidentiality reason.

Corporate Governance Overview Statement (Cont'd)

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

i. ARMC

During the financial year under review, the ARMC comprises exclusively the Independent Non-Executive Directors of the Company. The composition of the ARMC complies with the MMLR. The Chairman of the ARMC is not the Chairman of the Board can ensure the objectivity of the Board's review of the ARMC findings and recommendations remain intact. The ARMC assesses the performance (including independence) and recommends to the Board annually the appointment or re-appointment of the external auditors guided by the factors as prescribed under Paragraph 15.21 of the MMLR.

The members of ARMC are equipped with vast experience from various industries and are capable of providing sound advice to the Board not only in terms of financial reporting but also on internal audit of the Group's risk management and internal control environment.

The ARMC's Term of Reference sets out its goals, objectives, duties, responsibilities and criteria on the composition of ARMC which includes a former key audit partner of the Group to observe cooling-off period of at least 3 years before being able to be appointed as member of ARMC.

The NRC reviews the composition of the ARMC annually and recommends to the Board for approval ensuring that only Non-Executive Directors, majority of whom shall be Independent Directors, who are financially literate and are able to understand matters under the purview of the ARMC including financial reporting process are considered for membership in ARMC. All members of the ARMC undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

The external auditors would meet the ARMC without the presence of the executive Board members and Management at least once in a year on matters relating to the Group and its audit activities. During such meetings, the external auditors highlight and discuss the nature and scope of the audit, audit programme, internal controls and any other issues that may require the attention of the ARMC or the Board.

The ARMC ensures the external audit function is independent and reviews the contracts for the provision of non-audit services by the external auditors in order to ensure that no occurrence of conflict of interest situation. The external auditors have provided their written assurance to the Group in respect of their independence for the financial year ended 31 March 2023. The external auditors are invited to attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

For the financial year ended 31 March 2023, fees paid to the external auditors, Messrs. Al Jafree Salihin Kuzaimi PLT and its affiliated firms by the Company and the Group are stated in the table below:-

Nature of Services	Company (RM)	Group (RM)
Audit	55,000	193,000
Non-Audit	5,000	5,000
Total	60,000	198,000

Further details on the activities of the ARMC during the financial year ended 31 March 2023 are disclosed in the ARMC Report on page 45 to 47 of this Annual Report.

Corporate Governance Overview Statement (Cont'd)

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

ii. Risk Management and Internal Control Framework

The Board acknowledges the significance of a sound system of risk management and internal control to manage the overall risk exposure of the Group. The Board has established a governance structure to ensure effective oversight of risks and controls in the Group. The effectiveness of risk management and internal controls is continuously reviewed to ensure that they are working adequately and effectively.

The Group has outsourced its internal audit function to BDO Governance Advisory Sdn Bhd, who reports directly to the ARMC. The resources and scope of work covered by the internal audit function during the financial year under review, including its observation and recommendations, is provided in the ARMC Report of this Annual Report. A team of 7 staffs who provide audit service to the Group is currently headed by Mr Karthigayan Supramaniam who is a member of the Malaysian Institute of Accountants.

The ARMC has also received assurance from the outsourced Internal Auditors that the internal audit services are free from any relationships or conflicts of interest which could impair their objectivity and independence. The outsourced Internal Auditors was also given the opportunity to meet with the ARMC without the presence of the Executive Directors and Management.

The ARMC also reviewed the identified risk, recommendations of internal auditors and Management responses which then discussed on mitigation initiatives and report to the Board accordingly. Details of the internal audit function together with the scope of the Group's internal control functions are set out in the Statement on Risk Management and Internal Control and ARMC Report of this Annual Report.

The Board affirms its overall responsibility with established and clear functional responsibilities and accountabilities which are carried out and monitored by the ARMC. The adequacy and effectiveness of the internal controls and risk management framework were reviewed by the ARMC.

Further information may be found in the Statement of Risk Management and Internal Control on page 63 to 65 page of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

i. Communication with Stakeholders

Ongoing engagement and communication with stakeholders are vital in fostering a healthy relationship between the Company and its stakeholders. In recognising this, the Board has formalised a corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Group to the regulators, shareholders and stakeholders; not only to comply with the disclosure requirements as stipulated in the MMLR, but also setting out the persons authorised and responsible to approve and disclose material information to shareholders and stakeholders in compliance with the MMLR.

The Board has established a dedicated section for corporate information on the Company's website at www.minetech.com.my where information on the Company's announcements, financial information, share prices and the Company's annual report may be accessed. It also contains all announcements made to Bursa Securities as well as the contact details of designated person to address any queries.

It has always been the Group's practice to maintain good relationship with its shareholders. Major corporate developments and happenings in the Group have always been duly and promptly announced to all shareholders, which aligned with Bursa Securities' objectives of ensuring transparency and good CG practices.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. Further update of the Group's activities and operations are also disseminated to shareholders and interested investors.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

ii. Conduct of General Meetings

The Board is aware that the AGM is the primary platform for two-way communication between the shareholders and Management of the Group. Hence, shareholders are encouraged to participate in the meeting and are given opportunity to enquire and comment on the Group's performance and operations and the Board to clarify issues pertaining to the Group's business activities, performance and other related matters. All the Directors attended the Twentieth AGM of the Company held on 30 August 2022.

The notice of Twentieth AGM was circulated at least thirty-one (31) days before the date of the meeting which is in line with the recommendation of MCCG to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. In addition to being sending emails and/ or despatched individually to shareholders, the notice of AGM is also circulated in a nationally circulated newspaper alongside an announcement on the website of Bursa Securities. This allows shareholders to have immediate access on the notice of AGM and make the necessary preparations to attend the AGM or to participate, through corporate representatives, proxies or attorneys. All queries raised during the AGM were duly responded by the Board.

Where there is special business or where special resolutions are proposed, the explanation of the effects of such special business or special resolutions are provided in the notice of AGM. All the resolutions set out in the Notice of the AGM were put to vote by poll voting and duly passed.

In accordance with the Constitution of the Company, the shareholders who are eligible to vote at general meetings but are unable to attend the same in person, may appoint proxies to vote on their behalf. The outcome of the AGM was announced to Bursa Securities on the same meeting day. The Company had appointed Quantegic Services Sdn Bhd as independent scrutineer to verify the poll results.

The minutes of the AGM were published on the Company's website as soon as practicable after being reviewed and approved by the Board.

FOCUS AREA ON CORPORATE GOVERNANCE

Corporate governance was clearly imperative for the Group in the year 2022 against the backdrop of regulatory changes in the domestic corporate governance realm and a relatively challenging economic environment that is characterised by volatile market conditions and commodity prices. Against the aforementioned setting, during the year under review, the Board directed its focus on the core duties of the Board which is grounded on the creation of long-term value for stakeholders.

The Board will continue to enhance the corporate disclosure requirements in the best interest of the Company's shareholders and stakeholders in the upcoming years. The areas to be prioritised by the Board will be those principles which have not been adopted by the Company as disclosed in the CG Report.

This CG Overview Statement was approved by the Board of Directors of the Company on 5 July 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (the "**Board**") is pleased to present the Statement on Risk Management and Internal Control ("**SORMIC**") for Minetech Resources Berhad ("**MRB**") and its subsidiaries ("**Group**") for the financial year ended 31 March 2023. This SORMIC is made in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), taking into consideration the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers".

BOARD RESPONSIBILITY

The Board acknowledges the importance of a sound system of risk management and internal control and its overall responsibility for maintaining the Group's system of internal control and risk management (the "**System**"), as well as consistently reviewing the adequacy and integrity of the System. In view of the limitations that are inherent in any system of internal control, the System is designed to enable the Group to meet and manage its business objectives rather than eliminate risk of failure while protecting its assets and safeguarding the shareholders' investment. Accordingly, it can only provide reasonable, but not absolute, assurance against the risk of material misstatement by the Management on financial information and records, financial losses or fraud.

The Board also recognises that risk management is an integral part of the business operation and, as such, the Board exercises due care to identify, evaluate and manage significant risks encountered by the Group. Accordingly, the Board has established an ongoing process for identifying, evaluating and managing the significant risks. This process has been in place up to the date of approval of this statement for the inclusion in the annual report and has been reviewed by the Board.

RISK MANAGEMENT

The Board has delegated the responsibility of reviewing the effectiveness of risk management to the Audit and Risk Management Committee ("**ARMC**"). ARMC is assisted by the Risk Management Steering Committee, comprising members of key management team and is established at subsidiary or business unit level; while Risk Management Unit Heads and Risk Officer are appointed to lead and manage each operating company's risks within the Group. The Risk Management Steering Committee will address the risks on the ground and are responsible for identifying, measuring, controlling and monitoring risks within their area of operations.

The Group has established structure of "three lines of defence" for risk management: risk taking units (Business Units), risk control unit (Risk Management Steering Committee), and internal audit. The risk-taking units are responsible for the day-to-day management of risks inherent in their business activities, while the risk control unit is responsible for setting the risk management framework and developing related tools and methodologies. Complementing this is internal audit, which provides independent assurance of the effectiveness of the risk management approach.

The six (6) Risk Management Units, namely (1) manufacturing, (2) quarry operation, (3) civil engineering, (4) financial technology, (5) human resources, information technology and administration, and (6) finance, which perform risk oversight and review the business units' risk profiles. Practical action plans are recommended and carried out to address any identified potential weaknesses and to ensure that the internal control systems continue to operate satisfactorily and effectively. The risk management reports will record the changes in the risk profiles and the corresponding action plans. Risk management report is extended to ARMC for review or evaluation, then to the Board for final approval. The risk management reports are reviewed and discussed at the Board Meetings on half yearly basis.

Statement on Risk Management and Internal Control (Cont'd)

INTERNAL CONTROL

The Board has established an internal control framework that encapsulates the following key features of the Group's internal control system:

1. The Group has a well-defined organisational structure with formally defined lines of responsibilities, delegation of authorities and a process of hierarchical reporting system to ensure proper identification of accountabilities and segregation of duties;
2. There are operational approval limits imposed on the Management in respect of day-today operations and authorised signatories for major operating functions and transactions;
3. The Group maintains formalised policies and procedures which highlight the standard operating procedures for key processes, terms and conditions of employment, benefits and compensation, disciplinary rules and regulations which are relevant across the Group's operations;
4. Key functions, such as finance, tax, treasury, corporate and legal matters, are controlled centrally;
5. Training and development programmes are conducted to enhance staff competencies and to maintain a risk conscious culture;
6. An annual budgeting and business planning process is formalised to establish plans and targets for each operating unit. The performance of each operating unit is monitored through the monthly division performance review. Actual performance will be compared with budget and reviewed quarterly by the ARMC and Board with analysis and information provided by the Management on any major variances noted;
7. Head of Department Meetings are carried out regularly to review the monthly performance, monitor the business development, discuss and resolve key operational and management issues. The financial performance of each subsidiary is reviewed periodically and significant variances or fluctuations against the business plan and budget, if any, are discussed and explained comprehensively. The Management also regularly highlights to the Board on any significant issues, changes in the business environment, major policy matters and external environment factors affecting the Group;
8. The Board and ARMC review risk management and internal control issues identified by the internal auditors and the external auditors; and
9. The ARMC reviews the quarterly financial results and yearly financial statements prior to approval by the Board for the release of the said financial statements to Bursa Securities. The Board will also review the minutes of the ARMC meetings.

The Board has received assurance from the ARMC that the Group's risk management and internal control system is operating adequately and effectively in all material aspects.

INTERNAL AUDIT FUNCTION

The internal audit function is in place to assist the ARMC to discharge its functions effectively. It is considered an integral part of the assurance framework to ensure the adequacy and effectiveness of the System within the Group. For the financial year under review, the ARMC outsourced the Group's internal audit function to an independent professional firm to independently assess the adequacy and effectiveness of the corporate governance and internal control system. The outsourced internal auditor provides an independent and objective feedback and report on its observations towards the corporate governance and internal control system directly to the ARMC. In the report, the outsourced internal auditor highlights its findings together with their recommendations to address the findings, the Management's comments on the findings and action plans to mitigate the weaknesses. These reports were tabled at ARMC meetings and thereafter forwarded to the Board for further deliberation. The outsourced internal auditors also regularly followed up with the Management and reported the status to the ARMC on the implementation of the agreed recommendations from the previous internal audit.

For the financial year ended 31 March 2023, the total costs incurred for the internal audit function amounted to approximately RM91,545.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Securities MMLR, the external auditors have reviewed this SORMIC. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("**AAPG**") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's risk management and internal control system.

CONCLUSION

The Board has reviewed the System of the Group and is of the view that during the financial year up to the date of issuance of this Statement, there were no material losses, contingencies or uncertainties arising as a result of weaknesses in the internal control system which would require separate disclosures in this Annual Report. Cognisant of the need to maintain a robust risk management and internal control system in meeting the needs of the Group, the Board will maintain an ongoing measure and employ suitable measures to enhance the Group's control environment from time to time.

This Statement is made in accordance with a resolution of the Board dated 5 July 2023.

ADDITIONAL COMPLIANCE INFORMATION

Utilisation of Proceeds

The Company also had issued and allotted a total of 361,207,800 new Ordinary Shares pursuant to Private Placement exercise and Share Issuance Scheme.

Details of the allotment during the financial year ended 31 March 2023 are as follows:-

Date	Number of shares allotted	Issued Price	Proceeds Raised
29 April 2022	22,800,000	RM0.0630	RM1,436,400.00
14 October 2022	80,000,000	RM0.0280	RM2,240,000.00
15 November 2022	246,798,600	RM0.0320	RM7,897,555.20
22 November 2022	3,780,000	RM0.0307	RM116,046.00
16 December 2022	3,577,200	RM0.0307	RM109,820.04
31 January 2023	4,252,000	RM0.0307	RM130,536.40
Total	**361,207,800**	**-**	**RM11,930,357.64**

The proceeds would be utilised as working capital and defraying of expenses incidental to the Private Placement and Share Issuance Scheme.

Recurrent Related Party Transaction of a Revenue or Trading Nature

At the Annual General Meeting of the Company held on 30 August 2022, the Company obtained shareholders' approval for renewal and new general mandate for the Group to enter into existing and new recurrent related party transaction of a revenue or trading nature.

The disclosure of the recurrent related party transactions conducted during the financial year ended 31 March 2023 are set out in Note 37 of the Financial Statements.

The Company is also seeking new shareholders' mandate for renewal of general mandate for the Group to enter into existing recurrent related party transaction of a revenue or trading nature at the forthcoming Annual General Meeting of the Company which to be held on 28 August 2023. Details of which has been set out in the Circular to Shareholders dated 28 July 2023.

Material Contracts involving Interest of the Directors, Chief Executive and Major Shareholders

Minetech has not entered into any material contracts involving Interest of the Directors, Chief Executive and major shareholders (not being contracts entered into in the ordinary course of business) for the financial year ended 31 March 2023.

Share Issuance Scheme

The Company had at the Extraordinary General Meeting held on 28 June 2021 obtained its shareholders' approval to establish a Share Issuance Scheme ("**Scheme**") of up to 15% of the total number of issued shares of the Company (excluding treasury shares) at any one time during the duration of the Scheme for the eligible Directors and employees of the Group. The Company had on 18 November 2021 implemented the Scheme.

The details of the Scheme are set out as follows:-

		Directors
Total number of options granted	178,219,320	107,293,000
Total number of options exercised	11,609,200	-
Total options outstanding	**166,610,120**	**107,293,000**

Granted to Directors and Senior Management	During the financial year ended 31 March 2023	Since the commencement of the Scheme
Aggregate maximum allocation	124,753,524 (70.0%)	124,753,524 (70.0%)
Actual granted	107,293,000 (60.2%)	107,293,000 (60.2%)

Breakdown of the options offered to and exercised by Non-Executive Directors pursuant to the Scheme during the financial year ended 31 March 2023:-

Name of Non-Executive Directors	Number of options granted	Number of options exercised
Ahmad Rahizal Bin Dato' Ahmad Rasidi	375,000	-
Loke Kim Meng	375,000	-
Ahmad Ruslan Zahari Bin Zakaria	749,000	-
Datin Feridah Binti Bujang Ismail	375,000	-
Siti Aishah Binti Othman	375,000	-
Total	**2,249,000**	-

REPORT AND FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding and provision of managerial services. The principal activities of its subsidiary companies are disclosed in Note 16 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial year	(11,864,745)	(16,932,588)
Loss attributable to:		
Owners of the parent	(10,592,766)	(16,932,588)
Non-controlling interests	(1,271,979)	-
	(11,864,745)	(16,932,588)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors do not recommend any dividend in respect of the current financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

(a) issued 22,800,000 new ordinary shares on 6 May 2022 at an issue price of RM0.063 each for a total consideration of RM1,436,400 via private placement for working capital purposes;

(b) issued 80,000,000 new ordinary shares on 18 October 2022 at an issue price of RM0.028 each for a total consideration of RM2,240,000 via private placement for working capital purposes;

(c) issued 246,798,600 new ordinary shares on 16 November 2022 at an issue price of RM0.032 each for a total consideration of RM7,897,555 via private placement for working capital purposes;

(d) issued 3,780,000 new ordinary shares on 22 November 2022 at an issue price of RM0.0307 each for a total consideration of RM116,046 via employee share option scheme for working capital purposes;

(e) issued 3,577,200 new ordinary shares on 20 December 2022 at an issue price of RM0.0307 each for a total consideration of RM109,820 via employee share option scheme for working capital purposes;

(f) issued 4,252,000 new ordinary shares on 2 February 2023 at an issue price of RM0.0307 each for a total consideration of RM130,536 via employee share option scheme for working capital purposes.

Directors' Report (Cont'd)

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 28 June 2021, shareholders approved on the establishment of a Share Issuance Scheme of up to 15% of the total number of issued shares of the Company (Excluding any Treasury Shares) to all eligible employees and Directors of the Group excluding its dormant subsidiaries.

The effective date of the ESOS was on 18 November 2021. These options are for 5 years and shall expire on 17 November 2026. The options are exercisable provided the employee has not served a notice of resignation or receive a notice of termination from the date of grant and certain conditions as detailed in Note 27 to the financial statements are met.

The salient features and other terms of the ESOS are disclosed in Note 28 to the financial statements.

Details of the options exercised of ordinary shares of the Company pursuant to the ESOS as at 31 March 2023 are as follows:

	Exercise Price RM	No. of Option
Expiry date		
17 November 2026	0.055	178,219,320

Details of share options granted to the directors are disclosed in the section on Directors' Interests in this report.

DIRECTORS

The Directors in office since the beginning of the current financial year until the date of this report are:

Choy Sen @ Chin Kim Sang*	
Chin Leong Choy*	
Azlan Shah Bin Zainal Arif*	
Ahmad Rahizal Bin Dato' Ahmad Rasidi*	
Ahmad Ruslan Zahari Bin Zakaria	
Datin Feridah Binti Bujang Ismail	
Siti Aishah Binti Othman	
Loke Kim Meng	
Chin Sheong Choy*	(Appointed on 14 October 2022)
Dato' (Dr). Ts. Awang Daud Bin Awang Putera*	(Resigned on 31 May 2023)
Awgku Mohd Reza Farzak Bin Awg Daud*	(Resigned on 31 May 2023)

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) since the beginning of the current financial year until the date of this report are:

Chin Jet Choy	
Jot Seng Keong	
Lee Inn Chean	
Rohani Binti Abdul Raffar	
Datuk IR. Zaimi Md Ali	(Appointed on 27 September 2022)
Nadia Binti Jamil	(Appointed on 27 September 2022)
Dato' Jeremy Kho Boon Seng	(Resigned on 21 September 2022)

* Director of the Company and of its subsidiary companies

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

DIRECTORS' INTERESTS

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses and children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 01.04.2022	**Bought**	**Sold**	**At 31.03.2023**
Interests in the Holding Company				
Direct interests				
Choy Sen @ Chin Kim Sang	128,448,420	25,000,000	-	153,448,420
Chin Leong Choy	47,456,100	34,000,000	-	81,456,100
Azlan Shah Bin Zainal Arif	4,170,000	12,500,000	-	16,670,000
Indirect Interests				
Choy Sen @ Chin Kim Sang*	48,056,100	34,000,000	-	82,056,100

* Deemed interest by virtue of the shares held by spouse and/or child.

	Number of Irredeemable convertible Preference shares			
	At 01.04.2022	**Bought**	**Sold**	**At 31.03.2023**
Interests in the Holding Company				
Direct interests				
Chin Leong Choy	18,986,650	-	-	18,986,650
Choy Sen @ Chin Kim Sang	83,548,510	-	-	83,548,510
Indirect interests				
Choy Sen @ Chin Kim Sang	18,986,650	-	-	18,986,650

By virtue of their interests in the shares of the Company, Choy Sen @ Chin Kim Sang and Chin Leong Choy are also deemed interested in the shares of all subsidiary companies during the financial year to the extent that the Company has an interest under Section 8(4) of the Companies Act 2016.

None of the other Directors in office at the end of the financial year had any interest in the shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Other than disclosed in Note 37(c) to the financial statements, there were no arrangements during and at the end of the financial year, which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium amount of indemnity for Directors and Officers of the Group were RM10,000,000 and RM14,800 respectively. No indemnity was given to or insurance effected for the auditors of the Company.

Directors' Report (Cont'd)

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that action had been taken in relation to the write off of bad debts and the making of allowance for expected credit losses and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for expected credit losses; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and the Company have been written down to an amount which the current assets might have expected to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the allowance for expected credit losses in the financial statements of the Group and the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or

(iii) not otherwise dealt with in this report or the financial statements of the Group and the Company which would render any amount stated in the financial statements misleading; or

(iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

(i) no material contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and the Company to meet their obligations as and when they fall due;

(ii) the results of the operations of the Group and the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

AUDITOR AND AUDITORS' REMUNERATION

The auditors, Al Jafree Salihin Kuzaimi PLT, have expressed their willingness to continue in office.

The details of auditors' remuneration are disclosed in Note 7 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 5 July 2023.

AZLAN SHAH BIN ZAINAL ARIF Director	**CHIN LEONG CHOY** Director

Kuala Lumpur

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251 (2) OF THE COMPANIES ACT 2016

We, **AZLAN SHAH BIN ZAINAL ARIF** and **CHIN LEONG CHOY**, being two of the Directors of **MINETECH RESOURCES BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 5 July 2023.

AZLAN SHAH BIN ZAINAL ARIF
Director

CHIN LEONG CHOY
Director

Kuala Lumpur

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **MOHD DZULFADHLY BIN ROZELAN**, being the officer primarily responsible for the financial management of **MINETECH RESOURCES BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed **MOHD DZULFADHLY**)
BIN ROZELAN at Kuala Lumpur in the)
Federal Territory on 5 July 2023.)

MOHD DZULFADHLY BIN ROZELAN

Before me,

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MINETECH RESOURCES BERHAD

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Minetech Resources Berhad, which comprise the statements of financial position as at 31 March 2023 of the Group and of the Company, and the statements of profit or loss and other·comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on the accompanied pages.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("**IESBA Code**"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit is addressed is provided in that context.

We have fulfilled the responsibilities described in Auditors' Responsibilities for the Audit of the Financial Statements section of our report, including in relation of these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The result of our audit procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

Independent Auditors' Report (Cont'd)

Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the key audit matters
1. Revenue and costs recognition **(a) sales of goods**	
The Group recognised revenue from sales of goods amounting to RM43.3 million, which represent 35% of total revenue of the Group for the financial year ended 31 March 2023. Given its magnitude and significant volume of transactions involved, revenue recognition is identified as a key audit matter in our audit. There is a risk that revenue could be subject to misstatement, particularly in respect of the timing and amount of revenue recognised. Refer to the Note 3(u)(i) on of significant accounting policies and Note 4 to the financial statements.	Our procedures included, amongst others: • We obtained understanding of the Group's relevant internal controls and testing the controls over timing and amount of revenue recognised; • We evaluated the transaction price by agreeing the invoices issued with the agreed purchase order from customers; • We evaluated whether the allocation of transactions price to the respective performance obligations; • We evaluated the appropriateness of the timing of revenue recognition based on the related goods to the customer; and • We testing the recording of sales transactions close to the year end to establish whether the transactions were recorded in the correct accounting period.
(b) sales of services The Group recognised revenue from sales of services amounting to RM 52 million, which represent 42% of total revenue of the Group for the financial year ended 31 March 2023. Given its magnitude and significant volume of transactions involved, revenue recognition from sales of services recognize at a point in time is identified as a key audit matter in our audit. There is a risk that revenue could be subject to misstatement, particularly in respect of the timing and amount of revenue recognised. Reword to: Refer to the Note 3(u)(i) on of significant accounting policies and Note 4 to the financial statements.	Our procedures included, amongst others: • We obtained understanding of the Group's relevant internal controls and testing the controls over timing and amount of revenue recognised; • We evaluated whether the allocation of transactions price to the respective performance obligations; • We evaluated the appropriateness of the timing of revenue recognition based on the performance obligation satisfied; and • We testing the recording of sales transactions close to the year end to establish whether the transactions were recorded in the correct accounting period.

Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the key audit matters
1. Revenue and costs recognition (cont'd) **(c) construction contracts** The Group recognised revenue from construction contracts amounting to RM28.4 million, which represent 23% of total revenue of the Group for the financial year ended 31 March 2023. Revenue recognition of a construction contract is inherently complex and we focused on this area because there are significant management estimates and judgements involved in determining the: • Stage of completion; • Extent of the construction costs incurred to date; • Estimated total construction costs; and • Need to estimate liquidated ascertained damages ("**LAD**") on the project where the estimated completion date is beyond the contractual completion date. Refer to Note 2(c) on significant accounting judgements, estimates and assumptions, Notes 3(m) and 3(u)(i) on summary of significant accounting policies and Note 4 and Note 20 to the financial statements.	Our procedures included, amongst others: • We tested the operating effectiveness of the key controls in respect of the review and approval of the project budgets to assess the reliability of these budgets. • We identified and assessed the significant estimates and judgements made by the Directors in the recognition of the revenue and costs arising from construction contracts. This was performed by corroborating the stages of completion and extent of costs incurred to date on major projects by agreeing to internal or external quantity surveyors' latest valuations. • We have also agreed, on a sample basis, costs incurred to the supporting documentations such as subcontractor claim certificates and invoices from vendors. • We assessed the reasonableness of the estimated total construction costs of major projects by agreeing to supporting documentation such as approved budgets, quotations, correspondences, contracts, letter of awards, agreements and variation orders with sub-contractors; and • We have assessed the potential cause of delay by inspecting correspondences with project owners and corroborated key judgment applied by the management in assessing any requirement for consideration of liquidated ascertained damages ("LAD") to determine the adequacy of provision for LAD, if any.

Independent Auditors' Report (Cont'd)

Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the key audit matters
2. Recoverability of trade receivables As at 31 March 2023, the net carrying amount of trade receivables of the Group amounted to RM56.5 million as discussed in Note 19 to the financial statements. The Group performed an impairment assessment in respect of the trade receivables' expected credit loss using the simplified approach as the trade receivables arised from transactions that do not contain a significant financing components. The management applied assumptions in assessing the level of allowance for impairment losses on trade receivables based on the following: • specific known facts or circumstances on customers' ability to pay; and/or • by reference to past default experiences The Group assessed at each reporting date whether there is any objective evidence that trade receivables are impaired based on validity of contractual terms, analysis of customer creditworthiness, past historical trends and expected repayments. This is an area of audit focus as the determination of the quantum of the impairment loss is a subjective area due to the significant level of judgement and assumptions applied by the management.	Our procedures included, amongst others: We obtained an understanding of the Group's: • Control over the receivables approval and collection process - we assessed the validity of material long outstanding receivable by obtaining external confirmation. We also consider amounts (settlement) received subsequent to the year up to until the date of the financial statements, past payment histories and unusual pattern to identify potential impairment balances to be impaired at reporting date. • Process to identify and assess the impairment of receivables - we assessed the appropriateness of the allowances for the trade receivables using simplified approach which includes: - Discussion with management to ascertain the appropriateness of using simplified approach and to understand the underlying assumptions used in the simplified approach impairment model under MFRS 9 when determining the expected credit loss. - reviewing management's basis of estimation to determine the default rate including review of past histrocial trends, creditworthiness assessment and expected payments based on settlement agreement with customers. • Process to identify and assess the impairment of trade receivables - we assessed the appropriateness of the allowances of the allowances for the trade receivables' expected credit losses using simplified approach which includes: - challenging management's view on credit risk of trade receivables and take into consideration the subsequent collection as well as historical patterns for outstanding trade receivables and holding discussions with those charged with governance and management. • We tested the accuracy of the ageing against supporting documents on a sampling basis. • We have ensured the disclosures in the notes to the financial statements are in accordance with MFRS 9.

Independent Auditors' Report (Cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Annual Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report 2023, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and the Company, the Directors are responsible for assessing the Group's and of the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosure in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

AL JAFREE SALIHIN KUZAIMI PLT
201506002872 (LLP0006652-LCA) & AF1522
CHARTERED ACCOUNTANTS

AIZUL IZUAN BIN ABDUL HAMID
NO. 03509/07/2024 J
CHARTERED ACCOUNTANT

Dated: 5 July 2023

Selangor, Malaysia

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Continuing operations					
Revenue	4	123,771,613	85,390,950	1,390,250	2,178,000
Cost of sales		(110,347,590)	(83,016,458)	-	-
Gross profit		13,424,023	2,374,492	1,390,250	2,178,000
Other income	5	2,913,065	2,538,125	967,245	1,990,339
Administrative expenses		(22,568,548)	(27,746,257)	(19,257,835)	(14,855,719)
Selling and marketing expenses		(421,334)	(475,837)	-	-
Finance costs	6	(1,262,533)	(1,150,285)	(32,248)	(68,339)
Share of results of associate companies		-	119,875	-	-
Loss before tax	7	(7,915,327)	(24,339,887)	(16,932,588)	(10,755,719)
Taxation	8	(2,395,897)	(852,198)	-	-
Loss from continuing operations		(10,311,224)	(25,192,085)	(16,932,588)	(10,755,719)
Discontinued operation					
Loss from discontinued operation, net of tax		(1,553,521)	(7)	-	-
Net loss for the year		(11,864,745)	(25,192,092)	(16,932,588)	(10,755,719)
Other comprehensive (loss)/income					
Items that are or may be reclassified subsequently to profit or loss					
- Exchange translation differences for foreign operation		(44,553)	4,620	-	-
Total comprehensive loss for the year		(11,909,298)	(25,187,472)	(16,932,588)	(10,755,719)

The accompanying notes form an integral part of the financial statements.

Statements Of Profit Or Loss And Other Comprehensive Income
For The Financial Year Ended 31 March 2023
(Cont'd)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Loss for the year attributable to:					
Equity holders of the Company		(10,592,766)	(22,158,535)	(16,932,588)	(10,755,719)
Non-controlling interests		(1,271,979)	(3,033,557)	-	-
		(11,864,745)	(25,192,092)	(16,932,588)	(10,755,719)
Total comprehensive loss attributable to:					
Equity holders of the Company		(10,637,319)	(22,153,915)	(16,932,588)	(10,755,719)
Non-controlling interests		(1,271,979)	(3,033,557)	-	-
		(11,909,298)	(25,187,472)	(16,932,588)	(10,755,719)
Loss per share					
Basic (sen)	9				
- continuing operations		(0.69)	(1.90)		
- discontinuing operation		(0.80)	(0.01)		
		(1.49)	(1.91)		
Diluted (sen)	9				
- continuing operations		(0.50)	(1.27)		
- discontinuing operation		(0.58)	(0.01)		
		(1.08)	(1.28)		

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Assets					
Non-current Assets					
Property, plant and equipment	11	81,731,619	65,475,542	623,164	691,184
Right-of-use assets	12	4,291,144	3,958,608	301,966	-
Investment properties	13	1,559,175	1,579,767	-	-
Inventories	14	6,000,000	6,000,000	6,000,000	6,000,000
Quarry development expenditure	15	-	75,580	-	-
Investment in subsidiary companies	16	-	-	29,842,710	30,929,461
Investment in associates	17	-	-	-	-
Intangible assets	18	-	3,454,814	-	-
Trade receivables	19	174,990	206,990	-	-
Other receivables	20	-	201,998	-	-
		93,756,928	80,953,299	36,767,840	37,620,645
Current Assets					
Inventories	14	4,067,473	2,495,586	-	-
Contract assets	21	17,145,736	18,175,763	-	-
Trade receivables	19	56,286,625	35,203,049	-	-
Other receivables	20	16,191,829	16,120,015	3,686,577	5,662,853
Amount due from subsidiary companies	22	-	-	37,167,708	36,294,792
Tax recoverable		202,218	93,341	2,815	2,815
Other investments	23	426,683	2,510,355	3,387	2,094,754
Fixed deposits with licensed banks	24	6,877,147	6,398,940	-	-
Cash and bank balances	25	7,575,266	10,028,337	706,640	1,823,451
		108,772,977	91,025,386	41,567,127	45,878,665
Assets classified as held for sale	26	-	12,000,125	-	-
Total Assets		202,529,905	183,978,810	78,334,967	83,499,310
Equity					
Share capital	27	105,518,093	94,050,105	105,518,093	94,050,105
Reserves	29	(18,868,276)	(8,230,957)	(30,711,776)	(13,779,188)
Treasury shares	30	(47,990)	(47,990)	(47,990)	(47,990)
Equity attributable to equity holders of the Company		86,601,827	85,771,158	74,758,327	80,222,927
Non-controlling interests		3,940,605	(2,668,626)	-	-
Total Equity		82,661,222	83,102,532	74,758,327	80,222,927

Statements Of Financial Position

As At 31 March 2023

(Cont'd)

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Liabilities					
Non-current Liabilities					
Loans and borrowings	31	14,847,304	14,394,245	172,163	69,095
Deferred tax liabilities	32	2,110,547	2,804,128	-	-
		16,957,851	17,198,373	172,163	69,095
Current Liabilities					
Trade payables	33	53,681,693	42,730,877	-	-
Other payables	34	15,736,049	6,225,040	1,675,856	1,023,876
Amount due to subsidiary companies	22	-	-	1,556,532	2,150,452
Loans and borrowings	31	33,285,268	34,026,015	172,089	32,960
Tax payable		207,822	695,973	-	-
		102,910,832	83,677,905	3,404,477	3,207,288
Total Liabilities		119,868,683	100,876,278	3,576,640	3,276,383
Total Equity and Liabilities		202,529,905	183,978,810	78,334,967	83,499,310

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

		Attributable to Equity holders of the Company						
		Non-distributable						
	Note	Share capital RM	Treasury shares RM	Foreign currency translation reserve RM	Accumulated losses RM	Total RM	Non-controlling interest RM	Total equity RM
Group								
At 1 April 2022		94,050,105	(47,990)	44,553	(8,275,510)	85,771,158	(2,668,626)	83,102,532
Loss for the financial year		-	-	-	(10,592,766)	(10,592,766)	(1,271,979)	(11,864,745)
Other comprehensive loss for the financial year		-	-	(44,553)	-	(44,553)	-	(44,553)
Total comprehensive loss for the financial year		-	-	(44,553)	(10,592,766)	(10,637,319)	(1,271,979)	(11,909,298)
Transactions with equity holders:								
Issuance of ordinary shares	27	11,573,955	-	-	-	11,573,955	-	11,573,955
Exercise of employee option scheme	28	356,403	-	-	-	356,403	-	356,403
Share issue expenses		(462,370)	-	-	-	(462,370)	-	(462,370)
		11,467,988	-	-	-	11,467,988	-	11,467,988
At 31 March 2023		105,518,093	(47,990)	-	(18,868,276)	86,601,827	(3,940,605)	82,661,222

The accompanying notes form an integral part of the financial statements.

Statements Of Changes In Equity
For The Financial Year Ended 31 March 2023
(Cont'd)

	Note	Share capital RM	Treasury shares RM	Foreign currency translation reserve RM	Accumulated losses RM	Total RM	Non-controlling interest RM	Total equity RM
		← Attributable to Equity holders of the Company →						
		← Non-distributable →						
Group								
At 1 April 2021		166,812,692	(47,990)	39,933	(76,027,147)	90,777,488	1,563,327	92,340,815
Loss for the financial year		-	-	-	(22,158,535)	(22,158,535)	(3,033,557)	(25,192,092)
Other comprehensive income for the financial year		-	-	4,620	-	4,620	-	4,620
Total comprehensive income for the financial year		-	-	4,620	(22,158,535)	(22,153,915)	(3,033,557)	(25,187,472)
Transactions with equity holders:								
Issuance of irredeemable convertible of preference shares	27	17,479,932	-	-	-	17,479,932	-	17,479,932
Share issue expenses		(242,519)	-	-	-	(242,519)	-	(242,519)
Share capital reduction		(90,000,000)	-	-	90,000,000	-	-	-
Disposal of a subsidiary		-	-	-	-	-	(1,422,220)	(1,422,220)
Dilution of interest in a subsidiary		-	-	-	(114,191)	(114,191)	114,191	-
Acquisition of a subsidiary		-	-	-	24,363	24,363	109,633	133,996
		(72,762,587)	-	-	89,910,172	17,147,585	(1,198,396)	15,949,189
At 31 March 2022		94,050,105	(47,990)	44,553	(8,275,510)	85,771,158	(2,668,626)	83,102,532

The accompanying notes form an integral part of the financial statements.

Statements Of Changes In Equity
For The Financial Year Ended 31 March 2023
(Cont'd)

	Note	← Non-distributable → Share capital RM	Treasury shares RM	Accumulated losses RM	Total RM
Company					
At 1 April 2022		94,050,105	(47,990)	(13,779,188)	80,222,927
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(16,932,588)	(16,932,588)
Transactions with equity holders:					
Issuance of ordinary shares	27	11,573,955	-	-	11,573,955
Exercise of employee option scheme	28	356,403	-	-	356,403
Share issue expenses		(462,370)	-	-	(462,370)
		11,467,988	-	-	11,467,988
At 31 March 2023		105,518,093	(47,990)	(30,711,776)	74,758,327
At 1 April 2021		166,812,692	(47,990)	(93,023,469)	73,741,233
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(10,755,719)	(10,755,719)
Transactions with equity holders:					
Issuance of irredeemable convertible of preference shares	27	17,479,932	-	-	17,479,932
Share issue expenses		(242,519)	-	-	(242,519)
Share capital reduction		(90,000,000)	-	90,000,000	-
		(72,762,587)	-	90,000,000	17,237,413
At 31 March 2022		94,050,105	(47,990)	(13,779,188)	80,222,927

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Cash flows from operating activities					
Loss before tax		(7,915,327)	(24,339,887)	(16,932,588)	(10,755,719)
Adjustments for:					
Amortisation of:					
- right-of-use assets		514,253	547,032	131,148	246,056
- quarry development expenditure		-	18,895	-	-
Depreciation of:					
- investment properties		20,592	20,592	-	-
- property, plant and equipment		1,925,891	1,706,172	117,333	140,648
Impairment losses on:					
- other receivables		-	1,083,642	-	-
- trade receivables		4,035,622	4,609,143	-	-
- amount due from subsidiary companies		-	-	9,128,183	224,132
- investment in subsidiary companies		-	-	3,086,749	3,687,793
- intangible assets		3,454,814	552,266	-	-
- asset held for sales		-	4,244,391	-	-
Reversal of impairment losses on:					
- other receivables		(847,000)	(355,448)	-	-
- trade receivables		(415,197)	(236,642)	-	-
- amount due from subsidiary companies		-	-	(1,422,995)	(1,782,107)
- investment in subsidiary companies		(123,400)	-	(1,000,000)	(6,600,000)
Finance costs		1,262,533	1,150,285	32,248	68,339
Interest income		(380,311)	(153,763)	(8,633)	(43,882)
Gain on disposal of:					
- subsidiary companies		(132,164)	(1,102,049)	(132,164)	(1,102,049)
- property, plant and equipment		(57,223)	(622,043)	(57,223)	-
- asset held for sale		(124,875)	-	-	-
Unrealised gain on foreign exchange		(30,335)	-	-	-
Share of result in associated company		-	(119,875)	-	-
Operating profit/(loss) before working capital changes		1,187,873	(12,997,289)	(7,057,942)	(15,916,789)

The accompanying notes form an integral part of the financial statements.

Statements Of Cash Flows
For The Financial Year Ended 31 March 2023
(Cont'd)

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Cash flows from operating activities (Cont'd)					
Operating profit/(loss) before working capital changes brought forward		1,187,873	(12,997,289)	(7,057,942)	(15,916,789)
Changes in working capital:					
Quarry development expenditure		75,580	11,279	-	-
Inventories		(1,571,887)	(476,373)	-	-
Trade receivables		(21,051,576)	12,548,096	-	-
Other receivables		3,570,035	(5,699,353)	(6,632,041)	(5,328,636)
Contract assets/contract liabilities		1,030,027	18,046,144	-	-
Trade payables		10,950,816	(10,267,166)	-	-
Other payables		9,511,009	(189,230)	(2,699,732)	192,899
Subsidiary companies		-	-	1,466,836	6,326,228
Cash generated from/(used in) operations		3,701,877	976,108	(14,922,879)	(14,726,298)
Interest received		380,311	153,763	8,633	43,882
Financing cost		(1,262,533)	(1,150,285)	(32,248)	(68,339)
Tax paid		(2,752,877)	(2,065,684)	-	-
Net cash generated from/(used in) operating activities		66,778	(2,086,098)	(14,946,494)	(14,750,755)
Cash flows from investing activities					
Purchase of property, plant and equipment		(17,466,583)	(29,714,592)	(53,230)	(83,179)
Proceeds from disposal of:					
- motor vehicle		59,800	-	59,800	-
- subsidiary companies		-	5,100,000	-	-
- property, plant and equipment		-	1,432,500	-	-
Placement of other investment		(516,328)	(2,094,754)	(516,328)	(2,094,754)
Proceeds from withdrawal of other investments		2,600,000	1,093,901	2,600,000	-
Net cash (used in)/generated from investing activities		(15,323,111)	(24,182,945)	2,090,242	(2,177,933)

Statements Of Cash Flows

For The Financial Year Ended 31 March 2023

(Cont'd)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from financing activities					
Drawdown of:					
- term loans		150,000	14,000,000	-	-
- short term borrowings		10,076,063	5,937,502	-	-
- overdraft		1,465,848	-	-	-
Repayment of:					
- term loans		(4,121,690)	(4,006,490)	-	-
- short term borrowings		(5,464,229)	(5,066,447)	-	-
- overdraft facilities		-	(1,667,386)	-	-
- lease liabilities and hire purchase		(1,263,423)	(1,208,909)	(190,916)	(327,624)
Proceeds from issuance of shares		11,930,358	17,479,932	11,930,358	17,479,932
Net cash generated from financing activities		12,772,927	25,468,202	11,739,441	17,152,308
Net (decrease)/increase in cash and cash equivalents		(2,483,406)	(800,841)	(1,116,811)	223,620
Effects of exchange translation differences on cash and cash equivalents		30,335	-	-	-
Cash and cash equivalents at the beginning of financial year		10,028,337	10,829,178	1,823,451	1,599,831
Cash and cash equivalents at the end of financial year		7,575,266	10,028,337	706,640	1,823,451
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances		7,575,266	10,028,337	706,640	1,823,451

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
– 31 MARCH 2023

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal place of business of the Company is located at D-G-5, Block D, Parklane Commercial Hub, No. 21, Jalan SS7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are those of investment holding and provision of managerial services. The principal activities of its subsidiary companies are disclosed in Note 16. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("**MFRSs**"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following amended MFRSs that are mandatory for annual financial periods beginning on or after 1 January 2022:

Description		**Effective for annual period beginning on or after**
Amendments to MFRS 1, MFRS 9 MFRS 16, MFRS 141	Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3	Business Combinations - Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of fulfilling a Contract	1 January 2022

The initial application of the abovementioned new and amendments to published standards and IC interpretation, where applicable, are not expected to have any material financial impact to the financial statements of the Group and of the Company.

Notes To The Financial Statements
31 March 2023
(Cont'd)

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

Standards issued but not yet effective

The following amendments that have been issued by the Malaysian Accounting Standards Board will become effective in future financial reporting periods and have not been adopted by the Group or the Company in these financial statements:

Description		**Effective dates for financial periods beginning on or after**
Amendments to MFRS 101	Presentation of Financial Statements - Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 (Comparative Information)	1 January 2023
Amendments to MFRS 112	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendment to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendment to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10	Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendment to MFRS 128	Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group and the Company are expected to apply the above-mentioned amendments beginning from the respective dates the amendments become effective. The initial application of the abovementioned amendments are not expected to have any material impacts to the financial statements of the Group and the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("**RM**"), which is the Group's and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Satisfaction of performance obligations in relation to contracts with customers

The Group and the Company are required to assess each contract with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations:

The Group and the Company recognise revenue over time in the following circumstances:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's and by the Company's performance as the Group and the Company performs;

(b) the Group and the Company do not create an asset with an alternative use to the Group or the Company and have an enforceable right to payment for performance completed to date; and

(c) the Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group and the Company assess each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Determining the lease term of contracts with renewal and termination options - Group and the Company as lessee

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group and the Company include the renewal period as part of the lease term for leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available.

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (cont'd)

Judgements (cont'd)

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements: (cont'd)

Determining the lease term of contracts with renewal and termination options - Group and the Company as lessee (cont'd)

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives/depreciation of property, plant and equipment (Note 11) and right-of-use ("ROU") asset (Note 12)

The Group and the Company regularly review the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The carrying amount of the property, plant and equipment and right-of-use assets is disclosed in Notes 11 and 12 to the financial statements respectively.

Key sources of estimation uncertainty

Impairment of investment in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investments in subsidiary companies is disclosed in Note 16 to the financial statements.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group and the Company estimate the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's and on the Company's products, the Group and the Company might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 14 to the financial statements.

Determination of transactions prices

The Group and the Company are required to determine the transaction price in respect of each of its contracts with customers by making such judgement the Group and the Company assessed the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods and services are based on invoiced values. Discounts are not considered as they are only given in rare circumstances.

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty (cont'd)

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value in use is disclosed in Note 18 to the financial statements.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 32 to the financial statements.

Revenue from construction contracts

The Group recognises contract revenue based on input method. The stage of completion is measured by reference to the contract costs incurred up to reporting date as a percentage of total estimated costs for each contract. Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract costs, the profitability of the contracts, including the foreseeable losses, potential claims (variation orders) to owners of the projects and counter claims from subcontractors and liquidated ascertained damages ("**LAD**") based on expected completion dates of the contracts. In making this judgement, the Directors took into consideration the current circumstances and relied on input from the Group's project managers, external consultants, where appropriate, and past experience. In addition, in determining the provision for LAD to be recorded, the Directors also assessed the ability of the Group to recover from the subcontractors, the potential LAD imposed on the Group by the project owners for delays in projects caused directly by the subcontractors.

The contract assets and contract liabilities of the Group arising from construction contracts are disclosed in Note 21 to the financial statements.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. Details of taxation are disclosed in Notes 8 and 32 to the financial statements.

Notes To The Financial Statements
31 March 2023
(Cont'd)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty (cont'd)

Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Group for matters in the ordinary course of business. Details of contingent liabilities are disclosed in Note 35 to the financial statements.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 40(c) regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of its receivables, which include trade and other receivables, contract assets, amounts due from subsidiary companies and related companies at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions at the end of each reporting period.

The Group and the Company use a provision matrix to calculate expected credit loss for trade and other receivables. The provision rates are based on number of days past due. The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate.

Information about the expected credit losses and the carrying amounts at the reporting date for receivables are disclosed in Notes 19, 20, 21 and 22 to the financial statements.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group and the Company use the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group and the Company would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group and the Company estimate the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed off in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(p)(i) on impairment of non-financial assets.

Notes To The Financial Statements
31 March 2023
(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(ii) Changes in ownership interests in subsidiary companies without change in control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(p)(i) on impairment of non-financial assets.

(b) Investment in associates

An associate is an entity over which the Group and the Company have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not controlled or joint controlled over those policies.

On acquisition of an investment in an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's profit or loss for the period in which the investment is acquired.

An associate is accounted for either at cost or equity method as described in MFRS 128 from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associates after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associates, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Investment in associates (cont'd)

Profits or losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the group.

The requirements of MFRS 136 *Impairment* of Assets are applied to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investment in associates are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The policy of recognition and measurement of impairment losses is in accordance with Note 3(p)(i) on impairment of non-financial assets.

(c) Foreign currency translation

(i) Foreign currency translations and balances

Transactions in foreign currency are recorded in the functional currency of the respective group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

Notes To The Financial Statements
31 March 2023
(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Foreign currency translation (cont'd)

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("**FCTR**") in equity. However, if the operation is a non-wholly owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operations reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(p)(i) on impairment on non-financial assets.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(d) Property, plant and equipment (cont'd)

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings and improvements	50 - 99 years
Plant and machinery	4 - 10 years
Motor vehicles	5 years
Furniture, fittings and office equipment	5 - 10 years
Renovation	10 years
Work in progress	Not depreciated until available for use

Spare parts which are held for use in the production or supply of goods are expected to be used during more than one period, and thus are classified under property, plant and equipment. The cost will be charged out to profit or loss when utilised.

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(e) Leases

(i) As lessee

The Group and the Company recognise a ROU ("right-of-use") asset and a lease liability at the lease's commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(p)(i) to the financial statements.

Notes To The Financial Statements
31 March 2023
(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases (cont'd)

(i) As lessee (cont'd)

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful lives of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets determined on the same basis as those of property, plant and equipment are as follows:

Office	Over the remaining lease period
Office equipment	Over the remaining lease period
Leasehold building	Over the remaining lease period

The ROU assets are subject to impairment. Policies on impairment of right-of-use assets are as disclosed in Note 3(p)(i).

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group and the Company change their assessment of whether they will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option.

(ii) As lessor

When the Group and the Company act as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group and the Company do not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

The Group and the Company recognise lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The Leasehold buildings are depreciation over the remaining period of the lease.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. The policy of recognition and measurement of impairment loses is in accordance with Note 3 (p)(i) to the financial statement.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Upon disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group and the Company account for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(g) Quarry development expenditure

Quarry development expenditure comprises direct cost of development, cost of site infrastructure and other related expenses. Quarry development expenditure is amortised upon commencement of rock extraction activities. Amortisation is calculated by equal annual amounts over their estimated useful lives which is based on estimated probable mineral reserves. The quarry development expenditure is written off immediately to profit or loss to the extent that the unamortised balance is no longer probable of being recovered.

(h) Financial assets

Recognition and initial measurement

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group or the Company measure a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Notes To The Financial Statements
31 March 2023
(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial assets (cont'd)

Financial instrument categories and subsequent measurement

The Group and the Company determine the classification of financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group's and the Company's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For purposes of subsequent measurement, financial assets are classified into the following categories:

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain and loss on derecognition are recognised in profit or loss.

The Group's and the Company's financial assets at amortised cost include trade and other receivables, amount due from subsidiary companies and associates, fixed deposits with licensed banks and cash and bank balances.

(ii) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income are recognised in the profit or loss.

(iii) Financial assets at fair value through other comprehensive income

The Group and the Company have not designated any financial assets at FVTOCI.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment assessment as disclosed in Note 3(p)(ii).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial assets (cont'd)

Regular way purchase or sale of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases or sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to receive cash flows from the financial asset expire is transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial assets and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

(i) Financial liabilities

Recognition and initial measurement

Financial liabilities are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group or the Company measures a financial liability at its fair value and, in the case of at amortised cost, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, amount due to subsidiary companies and loans and borrowings.

Financial instrument categories and subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

The Group and the Company's financial liabilities designated as amortised cost comprise trade and other payables, amount due to subsidiary companies and loans and borrowings.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

The Group and the Company have not designated any financial liabilities at FVTPL.

Derecognition

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Notes To The Financial Statements
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(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of:

(i) the best estimate of the expenditure required to settle the present obligation at the reporting date; and

(ii) the amount initially recognised less cumulative amortisation.

Liabilities arising from financial guarantees are presented together with other provisions.

(k) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value.

(i) Land held for property development

Land held for property development consists of purchase price of land, professional fees, stamp duties, commissions, conversion fees, other relevant levies and direct development cost incurred in preparing the land for development.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale. If net realisable value cannot be determined reliably, these inventories will be stated at the lower of cost or fair value less costs of to sell. Fair value is the amount the inventory can be sold in an arm's length transaction.

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Inventories (cont'd)

(ii) Property development costs

Cost is determined based on specific identification basis. Property development costs comprise costs of land, professional fees, direct materials, direct labour, other direct costs, attributable overhead, payments to subcontractors and borrowing costs capitalised for qualifying assets that incurred during the development period. The asset is subsequently recognised as an expense in profit or loss when and as the control of the asset is transferred to the customer.

Property development costs attributable to unsold properties, upon completion, are transferred to completed properties held for sale.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

(iii) Other inventories

Cost is determined on a first-in-first-out basis. Cost of raw materials and packaging materials consists of purchase plus the cost of bringing the inventories to their present location and condition. The cost of bituminous products includes cost of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity).

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(m) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

The Group presents as an asset the gross amount due from customers for contract work-in-progress for which costs incurred plus recognised profits (less recognised losses) exceed contract liabilities. Contract liabilities not yet paid by customers and retention monies are included within receivables and contract assets. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which contract liabilities exceed cost incurred plus recognised profits (less recognised losses).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Intangible assets

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

The policy on impairment of non-financial assets for intangible assets is in accordance with Note 3(p)(i) to the financial statement.

(o) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, bank overdrafts and deposits with banks and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(p) Impairment of financial assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss.

An impairment loss is recognised if the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash generating unit (group of cash-generating units) on a pro rata basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Impairment of financial assets (cont'd)

(i) Non-financial assets (cont'd)

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("**a 12-month ECL**''). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("**a lifetime ECL**").

For trade receivables, other receivables and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience and the economic environment.

<u>Financial assets carried at amortised cost</u>

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised in profit or loss, the impairment loss is reversed, to the extent that the carrying amount of the asset does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of reversal is recognised in profit or loss.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Share capital

(i) Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(ii) Treasury shares

When issued share of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares in the statements of changes in equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is applied as a reduction of the share premium account or the distributable retained earnings or both.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(r) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(s) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("**EPF**"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and of the Company have no further payment obligations.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for theirs intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowing spending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(u) Revenue

(i) Revenue from contracts with customers

Revenue is recognised when the Group and the Company satisfied a performance obligation (“**PO**”) by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service.

A PO may be satisfied at a point in time unless one of the following overtime criteria is met:

- the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
- the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group and the Company recognise revenue from the following major sources:

Sales of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Notes To The Financial Statements
31 March 2023
(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Revenue (cont'd)

(i) Revenue from contracts with customers (cont'd)

Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

The Group recognises revenue over time using the input method, which is based on the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from the contract costs in determining the stage of completion. Such costs are presented as contract assets.

Revenue from services

Revenue from services represent mining, waste removal, delivery service charges and supply of manpower which are recognised at a point in time when services are performed for a customer that satisfy a performance obligation.

Revenue from management fee

Revenue from management fee is recognised on the accrual basis when services are rendered, unless collectability is in doubt.

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(v) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Income taxes (cont'd)

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(w) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(x) Assets Classified as Held For Sale and discontinued operations

(i) Assets Classified as Held For Sale

Non-current assets (or disposal group) classified as held for sale are measure at the lower of carrying amount and fair value less cost to sell.

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This is the case, when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and the sale is considered to be highly probable.

A sale is considered to be highly probable if the appropriate level of management is committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan has been initiated. Further, the asset (or disposal group) has been actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale is expected to qualify for recognition as a completed sale within one (1) year from the date that it is classified as held for sale.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(x) Assets Classified as Held For Sale and discontinued operations (cont'd)

(ii) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which;

- represents a separate major line of business of geographical area of operations;
- is part of a single co-ordinated plan to dispose a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

4. REVENUE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from contracts with customers				
Sale of goods	43,269,148	20,796,488	-	-
Sale of services	52,027,001	40,378,884	-	-
Construction contracts	28,443,860	22,647,300	-	-
Management fees	-	-	1,387,500	2,178,000
	123,740,009	83,822,672	1,387,500	2,178,000
Revenue from other sources				
Rental income	-	70,770	-	-
Other services	31,604	1,497,508	2,750	-
	31,604	1,568,278	2,750	-
	123,771,613	85,390,950	1,390,250	2,178,000
Timing of revenue recognition				
At a point in time	47,077,633	28,311,421	1,387,500	2,178,000
Over time	76,662,376	55,511,251	-	-
Total revenue from contracts with customers	123,740,009	83,822,672	1,387,500	2,178,000
Total revenue from other sources	31,604	1,568,278	2,750	-
	123,771,613	85,390,950	1,390,250	2,178,000

4. REVENUE (CONT'D)

Disaggregation of the Group's revenue from contracts with customers:

	Civil engineering RM	Bituminous products RM	Food and beverages RM	Services RM	Total RM
2023					
Major services					
Sale of goods	-	31,732,094	6,143,920	5,393,134	43,269,148
Sale of services	48,218,516	-	-	3,808,485	52,027,001
Construction contracts	27,038,162	-	-	1,405,698	28,443,860
	75,256,678	31,732,094	6,143,920	10,607,317	123,740,009
Geographical market					
Indonesia	-	3,388,068	-	-	3,388,068
Malaysia	75,256,678	24,053,812	6,143,920	10,607,317	116,061,727
Taiwan	-	1,953,248	-	-	1,953,248
Others	-	2,336,966	-	-	2,336,966
	75,256,678	31,732,094	6,143,920	10,607,317	123,740,009
Timing of revenue recognition					
At a point in time	-	31,732,094	6,143,920	9,201,619	47,077,633
Over time	75,256,678	-	-	1,405,698	76,662,376
Total revenue from contracts with customers	75,256,678	31,732,094	6,143,920	10,607,317	123,740,009
Total revenue from other sources	28,853	-	-	2,751	31,604
Total revenue	75,285,531	31,732,094	6,143,920	10,610,068	123,771,613

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4. REVENUE (CONT'D)

Disaggregation of the Group's revenue from contracts with customers:

	Quarry product RM	Civil engineering RM	Bituminous products RM	Food and beverages RM	Services RM	Total RM
2022						
Major services						
Sale of goods	3,202,391	-	15,161,147	-	2,432,950	20,796,488
Sale of services	-	32,863,951	-	-	7,514,933	40,378,884
Construction contracts	-	22,647,300	-	-	-	22,647,300
	3,202,391	55,511,251	15,161,147	-	9,947,883	83,822,672
Geographical market						
Indonesia	-	-	2,046,814	-	-	2,046,814
Malaysia	3,202,391	55,511,251	5,806,507	-	9,947,883	74,468,032
Taiwan	-	-	2,105,241	-	-	2,105,241
Others	-	-	5,202,585	-	-	5,202,585
	3,202,391	55,511,251	15,161,147	-	9,947,883	83,822,672
Timing of revenue recognition						
At a point in time	3,202,391	-	15,161,147	-	9,947,883	28,311,421
Over time	-	55,511,251	-	-	-	55,511,251
Total revenue from contracts with customers	3,202,391	55,511,251	15,161,147	-	9,947,883	83,822,672
Total revenue from other sources	-	-	-	-	1,568,278	1,568,278
Total revenue	3,202,391	55,511,251	15,161,147	-	11,516,161	85,390,950

5. OTHER INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest income	380,311	153,763	8,633	43,882
Rental income	23,700	115,230	9,000	42,000
Gain on disposal of:				
- property, plant and equipment	57,223	622,043	57,223	-
- subsidiary company	132,164	1,102,049	132,164	1,102,049
- asset held for sales	124,875	-	-	-
Reversal of impairment losses on:				
- trade receivables	415,197	236,642	-	-
- other receivables	847,000	136,030	-	-
Unrealised gain in foreign currency exchange	30,335	-	-	-
Admin fees	174,378	172,368	-	-
Others	727,882	-	760,225	802,408
	2,913,065	2,538,125	967,245	1,990,339

6. FINANCE COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expenses on:				
Bank overdrafts	229,258	188,744	-	-
Bankers' acceptance/trust receipts	97,638	75,088	-	-
Hire purchase	170,324	71,603	1,220	1,815
Lease liabilities	268,923	174,889	18,251	6,833
Term loans	483,613	545,112	-	-
Others	12,777	94,849	12,777	59,691
	1,262,533	1,150,285	32,248	68,339

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7. LOSS BEFORE TAX

Loss before tax is determined after charging/(crediting) amongst others, the following items:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remunerations				
- statutory audit	193,000	185,000	55,000	50,000
- non-statutory	5,000	10,000	5,000	5,000
Amortisation on:				
- right-of-use assets	514,253	547,032	131,148	246,056
- quarry development expenditure	-	18,895	-	-
Depreciation of:				
- investment properties	20,592	20,592	-	-
- property, plant and equipment	1,925,891	1,706,172	117,333	140,648
Foreign exchange loss/(gain):				
- realised	15,042	14	-	14
- unrealised	(30,335)	-	-	-
Impairment losses on:				
- trade receivables	4,035,622	4,609,143	-	-
- other receivables	-	1,083,642	-	-
- amount due from subsidiary companies	-	-	9,128,183	224,132
- assets held for sale	-	4,244,391	-	-
- investment in subsidiary companies	-	-	3,086,749	3,687,793
- intangible assets	3,454,814	552,266	-	-
Gain on disposal of				
- property, plant and equipment	(57,223)	(622,043)	(57,233)	-
- subsidiary companies	(132,164)	(1,102,049)	-	-
- asset held for sale	(124,875)	-	-	-
Non-executive Directors' remunerations				
- fees	229,500	200,150	229,500	200,150
- other emoluments	63,750	122,500	63,750	122,500
Rental expenses:				
- motor vehicles and plant and machinery	49,117	54,543	-	-
- office equipment	17,083	16,286	-	7,786
- premises	13,800	13,800	-	-
- store	120,000	88,600	60,000	60,000
- others	-	59,300	-	-
Quit rent	129,311	23,815	6,858	6,552
Interest income	(380,311)	(153,763)	(8,633)	(43,882)
Rental income:				
- investment properties	(102,000)	(85,200)	-	-
- premises	(20,100)	-	-	-
- motor vehicles	(49,117)	(91,117)	-	(42,000)
- land	(3,000)	-	-	-
Reversal of impairment losses on:				
- trade receivables	(415,197)	(236,642)	-	-
- other receivables	(847,000)	(355,448)	-	-
- amount due from subsidiary companies	-	-	(1,422,995)	(1,782,107)
- investment in associates	(123,400)	-	(1,000,000)	(6,600,000)

8. TAXATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Tax expenses recognised in profit or loss				
Malaysian income tax				
- Current tax provision	1,114,328	681,590	-	-
- Under/(over) provision in prior years	100,211	(243,857)	-	-
	1,214,539	437,733	-	-
Deferred taxation (Note 32)				
- Relating to origination and reversal of temporary differences	287,778	108,879	-	-
- (Over)/underprovision in prior years	(166,590)	305,586	-	-
	121,188	414,465	-	-
Real property gain tax	1,060,170	-	-	-
	2,395,897	852,198	-	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profits for the financial year.

A reconciliation of income tax expenses applicable to (loss)/profit before tax at the statutory tax rate to

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Loss before tax	(7,915,327)	(24,339,887)	(16,932,588)	(10,755,719)
At Malaysian statutory tax rate of 24% (2022: 24%)	(1,899,678)	(5,841,573)	(4,063,821)	(2,581,373)
Expenses not deductible for tax purposes	3,569,046	2,200,087	3,238,470	1,330,474
Income not subject to tax	(204,744)	(2,015,816)	-	(2,011,706)
Tax exempt income	(63,494)	-	-	-
Deferred tax assets not recognised	1,057,835	6,508,164	825,351	3,262,605
Utilisation of previously unrecognised deferred tax assets	3,311	(60,393)	-	-
Under/(over) provision of income tax in prior years	100,211	(243,857)	-	-
(Over)/under provision of deferred tax in prior years	(166,590)	305,586	-	-
Tax expenses for the financial year	2,395,897	852,198	-	-

The Group and the Company have unutilised capital allowances, unutilised tax losses and unutilised reinvestment allowances available for carry forward to set-off against future taxable profits. The said amounts are subject to approval by the tax authorities.

Notes To The Financial Statements
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9. LOSS PER SHARE

Basic loss per share

The basic loss per share are calculated based on the consolidated loss for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Note	Group 2023 RM	Group 2022 RM
Continuing operation:			
Loss attributable to owners of the parent		(10,592,766)	(22,158,535)
Discontinued operation			
Loss attributable to owners of the parent	(a)	(1,553,521)	(7)
Weighted average number of ordinary shares:			
Ordinary shares in issue at 1 April		1,165,613,800	1,165,613,800
Effect of ordinary shares issued during the financial year		361,207,800	-
Weighted average number of ordinary shares at 31 March		1,526,821,600	1,165,613,800
Weighted average number of irredeemable convertible preference shares:			
Irredeemable convertible preference shares in issue at 1 April		582,664,397	-
Effect of issuance of irredeemable convertible preference shares		-	582,664,397
Weighted average number of ordinary shares at 31 March		582,664,397	582,664,397
Total shares issued as at 31 March		2,109,485,997	1,748,278,197
Basic loss per ordinary share (sen)			
- continuing operations		(0.69)	(1.90)
- discontinuing operation		(0.80)	(0.01)
Diluted loss per ordinary share (sen)			
- continuing operations		(0.50)	(1.27)
- discontinuing operation		(0.58)	(0.01)

9. LOSS PER SHARE (CONT'D)

(a) Analysis of the results of the discontinued operations are as follows:

			Group	
			2023	2022
	MBQSB RM	MILL RM	RM	BCSB RM
Statement of profit or loss and other comprehensive income				
Revenue	430,920	-	430,920	-
Cost of sales	(733,151)	-	(733,151)	-
Gross loss	(302,231)	-	(302,231)	-
Other income	72,986	-	72,986	-
Administrative expenses	(385,224)	(919,931)	(1,305,155)	(7)
Selling and marketing expenses	(26,929)	-	(26,929)	-
Finance costs	(295)	-	(295)	-
Loss before tax	(641,693)	(919,931)	(1,561,624)	(7)
Taxation	8,103	-	8,103	-
Loss from discontinued operation, net of tax	(633,590)	(919,931)	(1,553,521)	(7)

10. STAFF COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Fees	229,500	200,150	229,500	200,150
Salaries, wages and other emoluments	9,945,978	12,675,431	4,463,175	7,307,318
Defined contribution plans	902,013	1,431,916	418,560	886,233
Social security contributions	71,107	66,847	15,354	17,990
Others benefits	1,051,285	886,730	414,498	228,447
	12,199,883	15,261,074	5,541,086	8,640,138

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31 March 2023
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10. STAFF COSTS (CONT'D)

Included in staff costs is aggregate amount of remuneration received and receivables by the Executive Directors of the Company and of its subsidiary companies during the financial year as below:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Executive Directors of the Company				
Salaries, wages and other emoluments	2,619,000	5,770,952	2,619,000	5,770,952
Defined contribution plans	261,222	649,325	261,222	649,325
Other benefits	-	-	-	-
	2,880,222	6,420,277	2,880,222	6,420,277
Executive Directors of the subsidiary companies				
Salaries, wages and other emoluments	258,000	438,519	-	-
Defined contribution plans	32,021	48,874	-	-
Other benefits	19,288	8,300	-	-
	309,309	495,693	-	-
Total remuneration of Executive Directors				
Company's Directors	2,880,222	6,420,277	2,880,222	6,420,277
Subsidiary company's Directors	309,309	495,693	-	-
	3,189,531	6,915,970	2,880,222	6,420,277

11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings and improvements RM	Plant and machinery RM	Motor vehicles RM	Furniture, fitting and office equipment and renovation RM	Work in progress* RM	Total RM
2023							
Cost							
At 1 April 2022	1,793,698	11,316,679	14,988,163	1,969,055	5,078,020	46,769,153	81,914,768
Additions	-	-	5,186,407	575,832	137,071	13,178,373	19,077,683
Disposals	-	-	(2,323,103)	(215,160)	(37,246)	-	(2,575,509)
At 31 March 2023	1,793,698	11,316,679	17,851,467	2,329,727	5,177,845	59,947,526	98,416,942
Accumulated depreciation							
At 1 April 2022	-	1,404,145	10,425,762	1,662,026	2,976,223	-	16,468,156
Charge for the financial year	-	138,727	984,749	206,855	595,560	-	1,925,891
Disposals	-	-	(1,486,620)	(212,583)	(17,198)	-	(1,716,401)
At 31 March 2023	-	1,542,872	9,923,891	1,656,298	3,554,585	-	16,677,646
Accumulated impairment							
At 1 April/31 March	-	-	7,677	-	-	-	7,677
Carrying amount							
At 31 March 2023	1,793,698	9,773,807	7,919,899	673,429	1,623,260	59,947,526	81,731,619

**Included in work in progress is interest capitalised during the year amounting to RM2,389,500.*

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11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land RM	Buildings and improvements RM	Plant and machinery RM	Motor vehicles RM	Furniture, fitting and office equipment and renovation RM	Work in progress RM	Total RM
2022							
Cost							
At 1 April 2021	1,793,698	11,316,679	16,681,258	1,836,754	3,633,073	18,889,662	54,151,124
Additions	-	-	2,889,406	132,301	1,578,782	27,879,491	32,479,980
Disposals	-	-	(4,582,501)	-	(133,835)	-	(4,716,336)
At 31 March 2022	1,793,698	11,316,679	14,988,163	1,969,055	5,078,020	46,769,153	81,914,768
Accumulated depreciation							
At 1 April 2021	-	1,265,417	12,088,741	1,509,239	2,308,076	-	17,171,473
Charge for the financial year	-	138,728	704,855	152,787	709,802	-	1,706,172
Disposals	-	-	(2,357,388)	-	(95,747)	-	(2,453,135)
At 31 March 2022	-	1,404,145	10,436,208	1,662,026	2,922,131	-	16,424,510
Accumulated impairment							
At 1 April 2021	-	-	461,230	-	17,045	-	478,275
Disposal	-	-	(446,514)	-	(17,045)	-	(463,559)
At 31 March 2022	-	-	14,716	-	-	-	14,716
Carrying amount							
At 31 March 2022	1,793,698	9,912,534	4,537,239	307,029	2,155,889	46,769,153	65,475,542

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company

	Motor vehicles RM	Furniture, fittings and office equipment RM	Total RM
2023			
Cost			
At 1 April 2022	200,000	1,827,697	2,027,697
Additions	-	53,230	53,230
Disposals	(200,000)	(4,519)	(204,519)
At 31 March 2023	-	1,876,408	1,876,408
Accumulated depreciation			
At 1 April 2022	200,000	1,136,513	1,336,513
Charge for the financial year	-	117,333	117,333
Disposals	(200,000)	(602)	(200,602)
At 31 March 2023	-	1,253,244	1,253,244
Carrying amount			
At 31 March 2023	-	623,164	623,164
2022			
Cost			
At 1 April 2021	200,000	1,673,130	1,873,130
Additions	-	154,567	154,567
At 31 March 2022	200,000	1,827,697	2,027,697
Accumulated depreciation			
At 1 April 2021	166,667	1,029,198	1,195,865
Charge for the financial year	33,333	107,315	140,648
At 31 March 2022	200,000	1,136,513	1,336,513
Carrying amount			
At 31 March 2022	-	691,184	691,184

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11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) The carrying amount of property, plant and equipment of the Group and the Company held under hire purchase arrangement are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Motor vehicles	656,631	277,767	-	-
Plant and machinery	3,595,951	3,626,708	-	-
Office equipment	108,269	156,972	38,366	59,221
	4,360,851	4,061,447	38,366	59,221

Leased assets are pledged as security for the related finance lease liabilities as disclosed in Note 31(b).

(b) The carrying amount of property, plant and equipment of the Group pledged as securities to licensed banks for credit facilities granted as disclosed in Note 31(a)(i) are as follows:

	Group	
	2023 RM	2022 RM
Freehold land	1,793,698	1,793,698
Buildings and improvements	8,812,788	8,938,432
	10,606,486	10,732,130

(c) The aggregate additional cost for the property, plant and equipment of the Group and the Company during the financial year acquired under finance lease financing and cash payments are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Aggregate costs	19,077,683	32,479,980	53,230	154,567
Less: Finance lease financing	(1,875,832)	(2,765,388)	-	(71,388)
Cash payments	17,466,583	29,714,592	53,230	83,179

12. RIGHT-OF-USE ASSETS

Group	Office RM	Office equipment RM	Leasehold building RM	Total RM
2023				
Cost				
At 1 April 2022	337,871	90,243	4,324,724	4,752,838
Additions	655,235	88,156	-	743,391
Transfer to assets held for sale (Note 26)	-	-	41,264	41,264
At 31 March 2023	993,106	178,399	4,365,988	5,537,493
Accumulated depreciation				
At 1 April 2022	225,980	90,243	415,873	732,096
Charge for the financial year	290,190	16,162	207,901	514,253
At 31 March 2023	516,170	106,405	623,774	1,246,349
Carrying amount				
At 31 March 2023	476,936	71,994	3,742,214	4,291,144
2022				
Cost				
At 1 April 2021	200,011	90,243	11,834,724	12,124,978
Additions	137,860	-	-	137,860
Transfer to assets held for sale (Note 26)	-	-	(7,510,000)	(7,510,000)
At 31 March 2022	337,871	90,243	4,324,724	4,752,838
Accumulated depreciation				
At 1 April 2021	91,510	72,195	457,625	621,330
Charge for the financial year	134,470	18,048	394,514	547,032
Transfer to assets held for sale (Note 26)	-	-	(374,132)	(374,132)
At 31 March 2022	225,980	90,243	478,007	794,230
Carrying amount				
At 31 March 2022	111,891	-	3,846,717	3,958,608

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31 March 2023
(Cont'd)

12. RIGHT-OF-USE ASSETS (CONT'D)

Company	Office RM	Office equipment RM	Total RM
2023			
Cost			
At 1 April 2022	653,947	90,243	744,190
Additions	344,957	88,157	433,114
At 31 March 2023	998,904	178,400	1,177,304
Accumulated amortisation			
At 1 April 2022	653,947	90,243	744,190
Charge for the financial year	114,986	16,162	131,148
At 31 March 2023	768,933	106,405	875,338
Carrying amount			
At 31 March 2023	229,971	71,995	301,966
2022			
Cost			
At 1 April 2021/31 March 2022	653,947	90,243	744,190
Accumulated amortisation			
At 1 April 2021	425,939	72,195	498,134
Charge for the financial year	228,008	18,048	246,056
At 31 March 2022	653,947	90,243	744,190
Carrying amount			
At 31 March 2022	-	-	-

13. INVESTMENT PROPERTIES

	Group 2023 RM	Group 2022 RM
At 1 April	1,711,329	11,141,329
Transfer to asset held for sale (Note 26)	-	(9,430,000)
At 31 March	1,711,329	1,711,329
Accumulated depreciation		
At 1 April	131,562	325,288
Charge for the financial year	20,592	20,592
Transfer to asset held for sale (Note 26)	-	(214,318)
At 31 March	152,154	131,562
Carrying amount		
At 31 March	1,559,175	1,579,767
Fair value		
At 31 March	2,875,192	2,594,132

(a) Investment properties under leases

Investment properties comprise leasehold commercial offices that are leased to third parties. The remaining lease period for the said properties range from 71 to 77 years (2022: 72 to 78 years).

(b) Fair value basis of investment properties

Fair value of investment properties was estimated by the Directors based on internal appraisal of market values of comparable properties. The fair values are within Level 3 of the fair value hierarchy.

There were no transfers between levels during current and previous financial year.

(c) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group 2023 RM	Group 2022 RM
Rental income	102,000	85,200
Direct operating expenses		
- Income generating investment properties	65,176	24,499

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31 March 2023
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14. INVENTORIES

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Non-current					
Land held for development		6,000,000	6,000,000	6,000,000	6,000,000
Current					
Other inventories	(a)	4,067,473	2,495,586	-	-
		4,067,473	2,495,586	-	-
		10,067,473	8,495,586	6,000,000	6,000,000

(a) Other inventories

	Group 2023 RM	Group 2022 RM
Raw materials and packaging materials	3,075,934	1,251,817
Spare parts and consumables	-	144,451
Quarry and bituminous products	991,539	1,099,318
	4,067,473	2,495,586
Recognised in profit or loss:		
Inventories recognised in cost of sales	24,631,868	11,665,583

15. QUARRY DEVELOPMENT EXPENDITURE

	Group 2023 RM	Group 2022 RM
Cost		
At 1 April	94,475	86,859
Additions	-	7,616
Disposal	(94,475)	-
At 31 March	-	94,475
Accumulated amortisation		
At 1 April	18,895	-
Charge for the financial year	-	18,895
Disposal	(18,895)	-
At 31 March	-	18,895
Carrying amount		
At 31 March	-	75,580

16. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2023 RM	Company 2022 RM
Unquoted shares, at cost		
At 1 April	69,516,871	69,516,871
Additions	1,999,998	-
Disposal	(1,000,000)	-
At 31 March	70,516,869	69,516,871
Accumulated impairment		
At 1 April	38,587,410	41,499,617
Charge for the financial year	3,086,749	3,687,793
Reversal	(1,000,000)	(6,600,000)
At 31 March	40,674,159	38,587,410
Carrying amount		
At 31 March	29,842,710	30,929,461

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%) 2023	Effective interest (%) 2022	Principal activities
Direct holding:				
K. S. Chin Minerals Sdn. Bhd. ("**KSCM**")	Malaysia	100	100	Inactive
Minetech Construction Sdn. Bhd. ("**MCSB**")	Malaysia	100	100	Provision of specialised civil engineering services and rental of machinery
Minetech Parking Sdn. Bhd. ("**MPSB**")	Malaysia	100	100	Inactive
Minetech Industries Sdn. Bhd. ("**MISB**")	Malaysia	100	100	Whole of other machinery for use in industry, trade and navigation and other services .E.C
Minetech Commerce Sdn. Bhd. ("**MCMSB**")	Malaysia	95	95	Trading and distribution of goods and services
Minetech Realty Sdn. Bhd. ("**MRSB**")	Malaysia	100	100	Property investment
Minetech International (L) Ltd. ("**MILL**")	Malaysia	100	100	Strike off
Minetech Asphalt Man International Sdn. Bhd. ("**MAMI**")	Malaysia	85	85	Manufacturing and trading of bituminous products
Harapan Iringan Sdn. Bhd. ("**HISB**")	Malaysia	100	100	Inactive

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16. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest (%) 2023	Effective interest (%) 2022	Principal activities
Direct holding: (Cont'd)				
Coral Energy Sdn. Bhd. Sdn. Bhd. ("**CESB**")	Malaysia	100	100	Inactive
Medium Visa Sdn. Bhd. ("**MVSB**")	Malaysia	100	100	Inactive
Coral Power Sdn. Bhd. ("**CPSB**")	Malaysia	70	70	Solar Farm Operator
MRB Property Sdn. Bhd. ("**MRBPSB**")	Malaysia	100	100	Inactive
Techmile Resources Sdn. Bhd. ("**TRSB**")	Malaysia	100	100	Investment holding, provision of specialised civil engineering services
Subsidiary companies of TRSB:				
Uniqa (M) Sdn. Bhd. ("**UMSB**")	Malaysia	60	60	Business of information technology and software development
Konsep Khas Sdn. Bhd ("**KKSB**")	Malaysia	55	55	Wholesale of a variety of goods without any particular specialization
Subsidiary companies of KSCM:				
Advance Solar Sdn. Bhd. ("**ASSB**")	Malaysia	100	100	Inactive
Subsidiary companies of ASSB:				
Optimis Dinamik Sdn. Bhd. ("**ODSB**")	Malaysia	100	100	Inactive
Minetech Bidor Quarry Sdn. Bhd. ("**MBQSB**")	Malaysia	100	100	Inactive
Subsidiary companies of MCSB:				
Coral Evergreen Sdn. Bhd. ("**CEGSB**")	Malaysia	100	100	Civil engineering construction
MRB Maju Construct Sdn. Bhd. ("**MMSB**")	Malaysia	80	80	Inactive
Minetech Forward Base JV Sdn. Bhd. ("**MFB**")	Malaysia	50	-	Inactive

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows: (Cont'd)

(a) Material partly-owned subsidiary companies

Set out below are the Group's subsidiary companies that have material non-controlling interests:

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2023 %	2022 %	2023 RM	2022 RM	2023 RM	2022 RM
MAMI	15	15	195,845	29,009	1,158,921	963,076
KKSB	45	45	(787,799)	(2,445,717)	(3,053,515)	(2,265,716)
UMSB	40	40	(189,273)	(1,336,759)	(1,326,031)	(1,136,758)
					(3,220,625)	(2,439,398)
Individually immaterial subsidiary companies with non-controlling interests					(719,979)	(229,228)
					(3,940,604)	(2,668,626)

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

(i) Summarised of Statements of Financial Position

	MAMI RM	UMSB RM	KKSB RM
2023			
Non-current assets	7,667,704	722,494	34,465
Current assets	11,894,974	301,910	866,240
Non-current liabilities	(436,317)	-	-
Current liabilities	(11,350,926)	(4,178,973)	(7,685,806)
Net assets	7,775,435	(3,154,569)	(6,785,101)
2022			
Non-current assets	4,725,546	1,103,098	111,808
Current assets	6,782,485	137,054	3,964,237
Non-current liabilities	(364,500)	(2,046,949)	-
Current liabilities	(4,723,025)	(1,992,396)	(9,110,970)
Net assets	6,420,506	(2,799,193)	(5,034,925)

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16. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(a) Material partly-owned subsidiary companies (Cont'd)

(ii) Summarised of Statements of Profit or Loss and Other Comprehensive Income

	MAMI RM	UMSB RM	KKSB RM
2023			
Revenue	31,732,094	325,458	378,905
Total comprehensive income/(loss) for the financial year	1,305,629	(473,183)	(1,750,276)
2022			
Revenue	15,161,147	7,310,234	1,281,508
Total comprehensive income/(loss) for the financial year	193,396	(1,022,554)	(5,278,554)

(iii) Summarised of Statements of Cash Flows

	MAMI RM	UMSB RM	KKSB RM
2023			
Net cash from operating activities	1,522,085	16,134	66,516
Net cash used in investing activities	(3,384,261)	-	8,150
Net cash generated from/(used in) financing activities	587,937	(186,085)	(72,000)
Net (decrease)/increase in cash and cash equivalents	(1,274,239)	(169,951)	2,666
2022			
Net cash from operating activities	(342,416)	2,001,388	-
Net cash used in investing activities	(45,810)	(1,281,030)	-
Net cash generated from/(used in) financing activities	871,055	(677,298)	-
Net increase in cash and cash equivalents	482,829	43,060	-

(b) There are no significant restrictions on the ability of the subsidiary companies to transfer funds to the Group in the form of cash dividends or repayment of loans and advances. Generally, for all subsidiary companies which are not wholly-owned by the Company, non-controlling shareholders hold protective rights restricting the Company's ability to use the assets of the subsidiary companies and settle the liabilities of the Group, unless approval is obtained from the non-controlling shareholders.

(c) Strike off of subsidiary

During the financial year, the Company had deemed completed the strike off of Minetech (L) International Ltd. ("**MILL**") which was a wholly owned subsidiary of Minetech Resources Berhad. The strike off date of MILL is on 7th April 2023.

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(d) Changes in ownership interests in subsidiaries without change of control

In previous financial year, MCMSB has entered into a Teaming Agreement dated 7 January 2022 with Vitamin 2U Sdn. Bhd., to undertake a project of importing and trading of processed food in Malaysia from Samyang Food Co Ltd, a South Korean manufacturer. Subsequently, MRB has disposed four units of its shares in MCMSB to Lee Byoung Jin, a director in Vitamin 2U Sdn. Bhd.

(e) Step acquisition of subsidiary company - Konsep Khas Sdn. Bhd.

During the previous year, Minetech Resources Berhad had entered into a share sales agreement with Dato' Jeremy Kho Boon Seng to acquire additional ordinary share of Konsep Khas Sdn Bhd ("**KKSB**"), representing 55% equity in KKSB, for a total cash consideration of RM220,000. This arrangement constitutes a step acquisition where KKSB has now become the subsidiary of the Company.

A step acquisition occurs when a shareholder obtains control over an entity by acquiring an additional interest in that entity. The acquirer's previously held equity interest shall need to be remeasured to fair value at the date the controlling interest is acquired. The remeasurement of the previously-held equity interest is recognized in the income statement.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Group	**2022 RM**
Fair value of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	10,762
Investment in an associate	125
Trade receivable	4,161,200
Other receivables	5,743,091
Amount due to an associate company	(9,790,537)
Other payables	(8,492)
Cash and cash equivalents	127,480
Non-controlling interest	(109,633)
Total identifiable net assets	133,996
Total fair value of consideration transferred	
Cash consideration	220,000
Total consideration recognised as payable, as at 31 March	220,000
Net cash inflows arising from acquisition of subsidiary company	
Purchase consideration, recognised as payable	220,000
Less: Cash and bank balances acquired	(127,480)
Net cash inflows	92,520

Goodwill arising from business combination

Goodwill was recognised as a result of the acquisition as follows:

Fair value of consideration transferred	220,000
Fair value of identifiable net assets	(133,996)
Goodwill on consolidation (Note 18)	86,004

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31 March 2023
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17. INVESTMENT IN ASSOCIATES

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
In Malaysia				
Unquoted shares, at cost	-	-	-	-

Details of the associates are as follows:

Name of company	Place of business/ country of incorporation	Effective interest (%) 2023	Effective interest (%) 2022	Principal activity
Associate company of MRB:				
Konsep Khas Sdn. Bhd. ("**KKSB**")	Malaysia	-	-	Wholesale of variety of goods

(a) Acquisition of associates

In the previous financial year, the Company's wholly-owned subsidiary company Konsep Khas Sdn. Bhd. ("**KKSB**") had increase their share capital to RM400,000 equivalent of 55% of shares. Consequently, KKSB became a subsidiary company of the Company.

(b) The unrecognised share of losses of the associates are as follows:

	Group 2023 RM	Group 2022 RM
At 1 April	-	71,546
Transfer to investment in subsidiary	-	(71,546)
At 31 March	-	-

18. INTANGIBLE ASSETS

	Goodwill on consolidation	
	2023	2022
	RM	RM
Cost		
At 1 April	4,007,080	3,979,246
Addition	-	86,004
Overprovision of goodwill in prior year	-	(58,170)
At 31 March	4,007,080	4,007,080
Accumulated impairment losses		
At 1 April	552,266	-
Charge for the financial year	3,454,814	552,266
At 31 March	4,007,080	552,266
Carrying amount		
At 31 March	-	3,454,814

(a) Goodwill on consolidation

<u>Goodwill - KKSB</u>

In the previous financial year, the Company acquired additional ordinary share of Konsep Khas Sdn Bhd ("**KKSB**") and RM86,004 is recognised as goodwill, in accordance with MFRS 3, Business Combination.

In the current financial year, the recoverable amount of the cash generating unit was determined based on a value in use by discounting future cash flow to be generated by the unit. The carrying amount of the unit was determined to be higher than its recoverable amount and an impairment loss of RM3,454,814 (2022: RM552,266) was recognised. The impairment loss was recorded within administrative expenses in the statements of profit or loss and other comprehensive income.

<u>Impairment of goodwill</u>

For the purpose of impairment testing, the recoverable amount of goodwill as at the end of this financial year was determined based on a value in use calculation by discounting the future cash flows generated from the continuing use of the cash generating unit ("**CGU**") and was based on the following assumptions:

(i) Pre-tax cash flows projections based on the most recent financial budgets covering a seven (7) years period.

(ii) The anticipated annual revenue growth rate used in the financial budgets and plans of the CGU is 80% for the second and third financial year, and 25% for the subsequent sixth financial years.

(iii) Pre-tax discount rate of 7.4% per annum has been applied in determining the recoverable amount of the CGU. The discount rate was estimated based on the Group's weighted average cost of capital.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

The management believes that no reasonably possible change in any of the above key assumptions would cause carrying values of the units to materially exceed their recoverable amounts.

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19. TRADE RECEIVABLES

	Group 2023 RM	2022 RM
Non-current		
Trade receivables	174,990	206,990
Current		
Trade receivables	64,622,162	39,918,161
Less: Accumulated for impairment losses	(8,335,537)	(4,715,112)
	56,286,625	35,203,049

The Group's normal trade credit terms range from 30 to 90 days (2022: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables of the Group are retention sum amounting to RM15,549,106 (2022: RM14,829,950).

Movements in the allowance for impairment losses of trade receivables are as follows:

	Lifetime allowance RM	Credit impaired RM	Loss allowance RM
Group			
At 1 April 2022	241,272	4,473,840	4,715,112
Impairment losses recognised	683,872	3,351,750	4,035,622
Reversal of impairment losses	(37,937)	(377,260)	(415,197)
At 31 March 2023	887,207	7,448,330	8,335,537
At 1 April 2021	18,454	324,157	342,611
Impairment losses recognised	222,818	4,386,325	4,609,143
Reversal of impairment losses	-	(236,642)	(236,642)
At 31 March 2022	241,272	4,473,840	4,715,112

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the trade receivable directly.

19. TRADE RECEIVABLES (CONT'D)

The aged analysis of trade receivables as at the end of the reporting period are as follows:

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
2023			
Neither past due	17,694,622	-	17,694,622
Past due			
Less than 30 days	9,731,928	-	9,731,928
31 to 60 days	5,186,882	-	5,186,882
61 to 90 days	6,619,250	-	6,619,250
More than 90 days	18,116,140	(887,207)	17,228,933
	39,654,200	(887,207)	38,766,993
Credit impaired			
Individually impaired	7,448,330	(7,448,330)	-
	64,797,152	(8,335,537)	56,461,615
2022			
Neither past due	10,797,651	-	10,797,651
Past due			
Less than 30 days	4,594,998	-	4,594,998
31 to 60 days	1,583,621	-	1,583,621
61 to 90 days	663,914	-	663,914
More than 90 days	18,011,127	(241,272)	17,769,855
	24,853,660	(241,272)	24,612,388
Credit impaired			
Individually impaired	4,473,840	(4,473,840)	-
	40,125,151	(4,715,112)	35,410,039

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 31 March 2023, the Group has trade receivables amounting to RM38,766,993 (2022: RM24,612,388) which were past due but not impaired. These relate to a number of independent customers with slower repayment records.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM7,448,331 (2022: RM4,473,840), relate to customers that are in financial difficulties, and have defaulted on payment. These balances are expected to be recovered through the debts recovery process.

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20. OTHER RECEIVABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current				
Other receivables	-	201,998	-	-
Current				
Other receivables	13,385,583	9,400,381	3,536,786	5,100,000
Less:				
Written off	(845,000)	-	-	-
Accumulated impairment losses	(1,149,722)	(1,996,722)	-	-
	11,390,861	7,403,659	3,536,786	5,100,000
Deposits	2,794,156	5,908,759	78,902	80,942
Prepayments	2,006,812	2,807,597	70,889	481,911
	16,191,829	16,120,015	3,686,577	5,662,853

Movements in the allowance for impairment losses of other receivables are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 April	1,996,722	1,268,528	-	-
Impairment losses recognised	-	1,083,642	-	-
Reversal of impairment loss	(847,000)	(355,448)	-	-
At 31 March	1,149,722	1,996,722	-	-

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments.

21. CONTRACT ASSETS

The Group's contract assets and contract liabilities relating to construction contracts and property development activities at the end of the reporting period are as follows:

		Group	
	Note	2023 RM	2022 RM
Contract assets			
Construction contracts	(a)	17,145,736	18,175,763

21. CONTRACT ASSETS (CONT'D)

(a) Construction contracts

	Group 2023 RM	Group 2022 RM
Contracts costs incurred to-date	154,655,656	95,240,367
Attributable profits recognised to-date	22,337,515	7,150,482
	176,993,171	102,390,849
Less: Progress billings	(159,847,435)	(84,215,086)
	17,145,736	18,175,763
Presented as:		
Contract assets	17,145,736	18,175,763

The contract assets represent the unbilled amount for work completed as at the reporting date. This amount will be transferred to trade receivables when the right to bill becomes unconditional.

(b) Transaction price allocated to the remaining performance obligations

The following table shows revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date. The disclosure is only providing information for contracts that have a duration of more than one year.

	Under 1 year RM	1-2 years RM	2-5 years RM	Total RM
Group				
Construction contract	10,062,458	22,040,991	17,518,046	49,621,495

22. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

(a) Amount due from subsidiary companies

	Company 2023 RM	Company 2022 RM
Amount due from subsidiary companies	82,750,104	74,172,000
Less: Accumulated impairment losses	(45,582,396)	(37,877,208)
	37,167,708	36,294,792

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22. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES (CONT'D)

(a) Amount due from subsidiary companies (Cont'd)

Movements in the allowance for impairment losses on amount due from subsidiary companies are as follows:

	Company	
	2023 RM	2022 RM
At 1 April	37,877,208	39,435,183
Impairment losses recognised	9,128,183	224,132
Reversal of impairment losses	(1,422,995)	(1,782,107)
At 31 March	45,582,396	37,877,208

Amount due from subsidiary companies are unsecured, non-interest bearing advances and repayable on demand.

(b) Amount due to subsidiary companies

Amount due to subsidiary companies are unsecured, non-interest bearing advances and repayable on demand.

23. OTHER INVESTMENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current				
Financial assets at FVTPL:				
Unit trust, quoted in Malaysia	426,683	2,510,355	3,387	2,094,754

The fair value of the quoted investment in units were determined by reference to the quoted price in the financial market.

24. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group amounting to RM6,877,147 (2022: RM6,398,940) are pledged to licensed banks as securities for credit facilities granted to a subsidiary company as disclosed in Note 31.

The interest rates of fixed deposits at the end of the reporting period are ranging from 2% to 3% (2022: 1.30% to 3.10%) per annum and the maturities of deposits are ranging from 30 to 365 days (2022: 30 to 365 days).

25. CASH AND BANK BALANCES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and cash equivalent	7,575,266	10,028,337	706,640	1,823,451

26. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

(a) During the previous financial year, the management committed to a plan to dispose and sell leasehold land under Medium Visa Sdn Bhd ("**MVSB**") and Harapan Iringan Sdn Bhd ("**HISB**")(a wholly-owned subsidiary). Subsequent to that, on 10 May 2022, MVSB and HISB had entered into a sale and purchase agreement with Alliance EV Sdn Bhd ("**AESB**") in relation to the disposal of the leasehold land, for a total sale consideration of RM12,000,000. The disposal was completed on 27 December 2022.

	Group	
Assets classified as held for sale	**2023 RM**	**2022 RM**
At 1 April	12,000,000	-
Transfer from right-of-use asset	-	7,135,868
Transfer from investment properties	-	9,108,523
Impairment loss	-	(2,408,523)
Fair value loss on leasehold land classified as held for sale	-	(1,835,868)
Disposal	(12,000,000)	-
At 31 March	-	12,000,000
Asset classified as held for sale		
Investment property	-	6,700,000
Right of use asset	-	5,300,000
	-	12,000,000

(b) During the previous financial year, the management has an intention to dispose the entire 125,000 ordinary share representing 50% equity interest held in Hibiscus Media Sdn. Bhd.

Following to the above, on 22 April 2022, the Company had issued an offer letter and has been acknowledged by Mitcom Sdn Bhd to sell the shares with a total consideration of RM125,000. The disposal was completed on 22 June 2022.

	Group	
Assets classified as held for sale	**2023 RM**	**2022 RM**
Investment in an associate	-	125

(c) Disposal of Investment of a subsidiary

In 2021, the management committed to a plan to sell part of the quarry division - Bertam Capital Sdn. Bhd ("**BCSB**"). Accordingly, BCSB is presented as a disposal group held for sale. The Company has entered into a Shares Sale Agreement with Bertam Roadbase Sdn Bhd for the purpose of disposing of the entire investment of 1,200,000 ordinary shares in BCSB, representing 60% equity interest in BCSB for a total consideration of RM10,200,000. The disposal was completed on 18 May 2021.

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27. SHARE CAPITAL

	Group/Company			
	Number of shares		Amount	
	2023 Units	2022 Units	2023 RM	2022 RM
Issued and fully paid ordinary shares				
At 1 April	1,165,613,800	1,165,613,800	76,812,692	166,812,692
Shares issued during financial year	361,207,800	-	11,930,358	-
Share issuance expenses	-	-	(462,370)	-
Shares capital reduction	-	-	-	(90,000,000)
	1,526,821,600	1,165,613,800	88,280,680	76,812,692
Irredeemable convertible preference shares				
At beginning of financial year	582,664,397	-	17,237,413	-
Issued during the financial year	-	582,664,397	-	17,479,932
Share issuance expenses	-	-	-	(242,519)
At end of financial year	582,664,397	582,664,397	17,237,413	17,237,413
At 31 March	2,109,485,997	1,748,278,197	105,518,093	94,050,105

During the financial year, financial year, the Company:

(a) issued 22,800,000 new ordinary shares on 6 May 2022, at an issue price of RM0.063 each for a total consideration of RM1,436,400 via private placement for working capital purposes;

(b) issued 80,000,000 new ordinary shares on 18 October 2022, at an issue price of RM0.028 each for a total consideration of RM2,240,000 via private placement for working capital purposes;

(c) issued 246,798,600 new ordinary shares on 16 November 2022 at an issue price of RM0.032 each for a total consideration of RM7,897,555 via private placement for working capital purposes;

(d) issued 3,780,000 new ordinary shares on 22 November 2022 at an issue price of RM0.0307 each for a total consideration of RM116,046 via employee share option scheme for working capital purposes;

(e) issued 3,577,200 new ordinary shares on 20 December 2022, at an issue price of RM0.0307 each for a total consideration of RM109,820 via employee share option scheme for working capital purposes;

(f) issued 4,252,000 new ordinary shares on 2 February 2023, at an issue price of RM0.0307 each for a total consideration of RM130,536 via employee share option scheme for working capital purposes;

In the previous financial year, the Company

(a) issued 582,664,397 new irredeemable convertible preference shares ("**ICPS**") at an issue price of RM0.03 each for every two existing ordinary shares for a total consideration of RM17,479,932;

(b) reduced of the issued share capital by RM90,000,000 pursuant to Section 116 of the Companies Act 2016 ("**Share Capital Reduction**").

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

28. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company ESOS is governed by the by-laws which was approved by the shareholders at the Extraordinary General Meeting held on 28 June 2021, shareholders approved on the establishment of Share Issuance Scheme of up to 15% of the total number of issued shares of the Company (Excluding any Treasure Shares) to all eligible employees and Director of the Group.

The main features of the ESOS are as follows:

(a) eligible to employees of the Group including Directors of the Group (excluding the subsidiary companies which are dormant) who meet the criteria of eligibility for participation of the Proposed ESOS ("**Eligible Persons**") as set out in the By-Laws, a draft of which is set out in Appendix II of the Circular ("By-Laws");

(b) the number of shares to be allotted and issued under this ESOS shall not exceed 15% of the total number of shares issued by the Company (excluding any treasury shares) during tenure of the ESOS;

(c) the shares issued upon exercise of the ESOS shall rank equally in all respects with the existing shares of the Company except it will not be entitled to any dividends, rights, allotments or any other distributions, which is prior to the date of allotment of ESOS;

(b) the ESOS shall be in force for a period of five years from the effective date of ESOS and maximum of ten years, if the Board of the Directors deems fit.

29. RESERVES

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Non distributable					
Foreign currency translation reserve	(a)	-	44,553	-	-
Accumulated losses		(18,868,276)	(8,275,510)	(30,711,776)	(13,779,188)
		(18,868,276)	(8,230,957)	(30,711,776)	(13,779,188)

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

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30. TREASURY SHARES

	Group/Company			
	Number of shares		Amount	
	2023 Units	2022 Units	2023 RM	2022 RM
At 1 April/31 March	285,000	285,000	47,990	47,990

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or re-issuance.

The Company does not repurchase any of its issued shares from the open market during the financial year.

The Directors of the Company are committed in enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

31. LOANS AND BORROWINGS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Secured				
Term loans (Note a)	33,083,555	37,055,245	-	-
Bank overdrafts (Note a)	4,023,897	2,558,049	-	-
Bankers' acceptance (Note a)	2,286,448	1,698,511	-	-
Hire purchase (Note b)	3,856,900	2,942,765	35,077	102,055
Lease liabilities (Note c)	4,881,772	4,165,690	309,175	-
	48,132,572	48,420,260	344,252	102,055
Non-current				
Term loans	7,726,509	12,128,981	-	-
Hire purchase	2,937,803	2,265,264	-	69,095
Lease liabilities	4,182,992	-	172,163	-
	14,847,304	14,394,245	172,163	69,095
Current				
Term loans	25,357,046	24,926,264	-	-
Bank overdrafts	4,023,897	2,558,049	-	-
Bankers' acceptance	2,286,448	1,698,511	-	-
Hire purchase	919,097	677,501	35,077	32,960
Lease liabilities	698,780	4,165,690	137,012	-
	33,285,268	34,026,015	172,089	32,960
	48,132,572	48,420,260	344,252	102,055

31. LOANS AND BORROWINGS (CONT'D)

(a) Bank borrowings

The term loans, bankers' acceptance, bills payables, trust receipts and bank overdrafts are secured by the following:

(i) first legal charge over freehold land and buildings and improvements of a subsidiary company as disclosed in Note 11(b);
(ii) fixed and floating charge over certain property, plant and equipment of a subsidiary company;
(iii) pledge of fixed deposits of the Group as disclosed in Note 24;
(iv) debenture over all the fixed and floating assets of a subsidiary company; and
(v) corporate guarantee provided by the Company.

Maturity of bank borrowings (excluding lease liabilities and hire purchase) are as follows:

	Group	
	2023 RM	**2022 RM**
Within one year	31,527,915	29,182,824
Between one to two years	641,097	1,011,633
Between two to five years	2,151,656	4,756,376
After five years	5,073,232	6,360,972
	39,393,900	41,311,805

The ranges of effective interest rates per annum at the reporting date are as follows:

	Group	
	2023 RM %	**2022 RM %**
Term loans	3.5 - 12.00	3.27 - 12.00
Bank overdrafts	7.25 - 7.81	7.25 - 7.31
Bankers' acceptance	3.03 - 4.63	3.03

(b) Hire purchase

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
At 1 April	2,942,765	611,604	102,055	27,096
Additions	1,711,000	2,836,776	-	142,777
Interest expenses	170,323	71,603	1,220	1,815
Payments	(967,188)	(577,218)	(68,198)	(69,633)
At 31 March	3,856,900	2,942,765	35,077	102,055
Presented as:				
Current	919,097	677,501	35,077	32,960
Non-current	2,937,803	2,265,264	-	69,095
	3,856,900	2,942,765	35,077	102,055

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31. LOANS AND BORROWINGS (CONT'D)

(b) Hire purchase (cont'd)

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Minimum lease payments				
Within one year	1,127,970	824,544	35,694	35,695
Later than one year and not later than two years	1,070,070	762,503	-	71,388
Later than two years and not later than five years	2,161,820	1,734,260	-	-
	4,359,860	3,321,307	35,694	107,083
Less: Future finance charges	(502,960)	(378,542)	(617)	(5,028)
Present value of minimum lease payments	3,856,900	2,942,765	35,077	102,055
Present value of minimum lease payments				
Within one year	919,097	677,501	35,077	32,960
Later than one year and not later than two years	919,396	652,727	-	69,095
Later than two years and not later than five years	2,018,407	1,612,537	-	-
	3,856,900	2,942,765	35,077	102,055
Analysed as:				
Repayable within twelve months	919,097	677,501	35,077	32,960
Repayable after twelve months	2,937,803	2,265,264	-	69,095
	3,856,900	2,942,765	35,077	102,055

The effective interest rates of hire purchase are ranging from 2.00% to 4.05% (2022: 2.16% to 6.59%) per annum.

The Group and the Company lease motor vehicles and plant and machinery under hire purchase Note 11(a). There are no restrictive covenants imposed by the lease agreement and no arrangements have been entered into for contingent rental payments.

31. LOANS AND BORROWINGS (CONT'D)

(c) Lease liabilities

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 April	4,165,690	4,405,910	-	259,807
Additions	743,393	137,859	433,114	-
Interest expenses	268,924	253,612	18,251	6,833
Payments	(296,235)	(631,691)	(142,190)	(266,640)
At 31 March	4,881,772	4,165,690	309,175	-
Presented as:				
Current	698,780	4,165,690	137,012	-
Non-current	4,182,992	-	172,163	-
	4,881,772	4,165,690	309,175	-

The maturity analysis of lease liabilities of the Group and the Company at the end of the reporting period:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Within one year	882,480	10,120	143,880	-
Later than one year not later than five years	6,480,130	6,843,523	186,130	-
	7,362,610	6,853,643	330,010	-
Less: Future finance charges	(2,480,838)	(2,687,963)	(20,835)	-
Present value of lease liabilities	4,881,772	4,165,680	309,175	-

32. DEFERRED TAX LIABILITIES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 April	2,804,128	2,389,663	-	-
Recognised in profit or loss (Note 8)	287,778	110,116	-	-
(Over)/under provision in prior year	(981,359)	304,349	-	-
At 31 March	2,110,547	2,804,128	-	-

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deferred tax liabilities	2,110,547	2,804,128	-	-

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32. DEFERRED TAX LIABILITIES (CONT'D)

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows: (Cont'd)

	Accelerated capital allowances RM
Deferred tax liabilities	
At 1 April 2022	2,804,128
Recognised in profit or loss	287,778
Under provision in prior years	(981,359)
At 31 March 2023	2,110,547
At 1 April 2021	2,389,663
Recognised in profit or loss	110,116
Under provision in prior years	304,349
At 31 March 2022	2,804,128

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unutilised capital allowances	10,827,870	10,895,383	1,099,042	1,269,308
Unutilised tax losses	67,120,910	62,642,925	29,720,800	26,111,573
Unutilised reinvestment allowances	38,093	38,093	-	-
Others	(2,828)	-	-	-
	77,984,045	73,576,401	30,819,842	27,380,881

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

The amounts of unutilized tax losses for which no deferred tax asset is recognised in the statements of financial position are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unutilised tax losses				
- expiring not more than six years	35,306,794	49,948,083	9,448,937	16,997,936
- expiring not more than seven years	31,814,116	12,694,842	20,271,863	9,113,637
	67,120,910	62,642,925	29,720,800	26,111,573

Deferred tax assets have not been recognised on the unutilised tax losses as the realisation of the tax benefits accruing to these tax losses is uncertain.

(a) With effect from year of assessment 2019, unutilised tax losses are allowed to be carried forward up to a maximum of seven consecutive years of assessment under the current tax legislation. The other temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future profits will be available against which the Group and the Company can utilise the benefits therefrom.

33. TRADE PAYABLES

The Group's normal trade credit terms range from 30 to 60 days (2022: 30 to 150 days), depending on the terms of contracts.

34. OTHER PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other payables	4,623,836	4,342,267	666,523	294,499
Deposits	250,800	255,800	192,500	192,500
Accruals	10,861,413	1,626,973	816,833	536,877
	15,736,049	6,225,040	1,675,856	1,023,876

35. CONTINGENCIES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Secured				
Bank guarantee issued in favour of third parties by certain subsidiary companies	6,687,000	5,992,600	-	-
Unsecured				
Corporate guarantee given to financial institution for credit facilities granted to subsidiary companies	44,654,446	14,947,983	44,654,446	14,947,983
Corporate guarantee given to suppliers of subsidiary companies for credit terms granted to subsidiary companies	14,005,973	1,333,182	14,005,973	1,333,182
	65,347,419	22,273,765	58,660,419	16,281,165

36. CAPITAL COMMITMENT

	Group	
	2023 RM	2022 RM
Approved and contracted for	-	8,230,847

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37. RELATED PARTIES DISCLOSURES

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed in elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Note	2023 RM	2022 RM
Group			
Transaction with Directors			
Revenue	(d)	2,961,689	204,700
Rental expenses		120,000	88,000
Company			
Transactions with subsidiary companies			
Management fees received		1,387,500	2,178,000
Interest expenses		12,779	59,691
Repayment of loan		-	431,879
Rental expenses		123,600	245,880
Rental income		9,000	42,000

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Fees	229,500	200,150	229,500	200,150
Salaries, wages and other emoluments	4,492,860	8,157,858	3,574,560	6,751,063
Defined contribution plans	494,180	942,253	379,944	770,302
Others benefits	35,088	24,100	4,000	4,000
	5,251,628	9,324,361	4,188,004	7,725,515

(d) Directors' and shareholders' interest

During the financial year, Techmile Resources Sdn Bhd ("**TRSB**") a wholly-owned subsidiary of the Company has accepted a Letter of Award ("**LOA**") from Empada Sdn Bhd ("**Empada**") to undertake subcontracting works for provision of storage tank and pressure vessel maintenance services for Labuan Oil Terminal ("**Maintenance Contract**").

The Director of TRSB and the Company, Azlan Shah Bin Zainal Arif whom owned 16,670,000 units of ordinary share equivalent to 1% interest the Company also owned 49% interest in Empada. None of the other Directors or persons connected to them has any direct or indirect interest related to the acceptance of the Maintenance Contract.

The Board of Directors, after consideration, is in the opinion that the acceptance of the LOA is in the best interest of the Group.

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

Group	Note	At 1 April RM	Financing cash flows (i) RM	Non-cash changes Addition RM	At 31 March RM
2023					
Hire purchase	31	2,942,765	(967,188)	1,881,323	3,856,900
Lease liabilities	31	4,165,690	(296,235)	1,012,317	4,881,772
Term loans	31	37,055,245	(4,121,690)	150,000	33,083,555
Short-term borrowings	31	1,698,511	(5,464,229)	10,076,063	6,310,345
		45,862,211	(10,849,342)	13,119,703	45,011,743
2022					
Hire purchase	31	611,604	(577,218)	2,908,379	2,942,765
Lease liabilities	31	4,405,910	(631,691)	391,471	4,165,690
Term loans	31	27,061,735	(4,006,490)	14,000,000	37,055,245
Short-term borrowings	31	827,456	(5,066,447)	5,937,502	1,698,511
		32,906,705	(10,281,846)	23,237,352	45,862,211
Company					
2023					
Hire purchase	31	102,055	(66,978)	-	35,077
Lease liabilities	31	-	(123,939)	433,114	309,175
		102,055	(190,917)	433,114	344,252
2022					
Hire purchase	31	27,096	(67,817)	142,776	102,055
Lease liabilities	31	259,807	(259,807)	-	-
		286,903	(327,624)	142,776	102,055

(i) The cash flows from hire purchase, lease liabilities and bank borrowings make up the net amount of proceeds from or repayments of hire purchase, lease liabilities and bank borrowings in the statements of cash flows.

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39. SEGMENT INFORMATION

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

Quarry products	:	Provision of turnkey and specialised quarry services and sales and marketing of quarry products
Civil engineering	:	Specialised civil engineering works
Bituminous products	:	Manufacturing and trading bituminous products
Food and beverages	:	Trading and distribution of goods and services
Others	:	Investment holding, provision of managerial services, rental of machinery and trading of industrial machinery spare parts

Performance is measured based on the segment revenue and profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Chief Executive Officer. Segment profit is used to measure performance as management believes that such information is 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 assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Chief Executive Officer. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment, as include in the internal management reports that are reviewed by the Chief Executive Officer.

Segment capital expenditure

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

Allocation basis and inter-segment pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial years.

39. SEGMENT INFORMATION (CONT'D)

Allocation basis and inter-segment pricing (cont'd)

Group

	Civil engineering RM	Bituminous products RM	Services RM	Others RM	Consolidation adjustment RM	Total RM	Discontinued operations RM	Consolidation RM
2023								
Revenue								
External customers	75,285,531	31,732,094	5,388,714	10,935,714	(1,360)	123,340,693	430,920	123,771,613
Inter-segment	-	-	-	1,387,500	(1,387,500)	-	-	-
Total revenue	75,285,531	31,732,094	5,388,714	12,323,214	(1,388,860)	123,340,693	430,920	123,771,613
Results								
Segment results	7,097,837	1,796,352	(879,974)	(20,769,823)	7,356,818	(5,398,790)	(1,634,315)	(7,033,105)
Interest income	167,297	768	68,236	71,024	-	307,325	72,986	380,311
Finance costs						(1,262,238)	(295)	(1,262,533)
Loss before tax						(6,353,703)	(1,561,624)	(7,915,327)
Taxation						(2,404,000)	8,103	(2,395,897)
Loss for the financial year						(8,757,703)	(1,553,521)	(10,311,224)
Assets								
Segment assets	77,131,514	19,562,678	23,051,703	168,997,336	(86,419,009)	202,324,222	205,684	202,529,906
Liabilities								
Segment liabilities	46,276,970	11,787,243	23,387,419	134,611,874	(98,972,672)	117,090,834	2,777,849	119,868,683

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39. SEGMENT INFORMATION (CONT'D)

Allocation basis and inter-segment pricing (cont'd)

Group

	Civil engineering RM	Bituminous products RM	Services RM	Others RM	Consolidation adjustment RM	Total RM	Discontinued operations RM	Consolidation RM
2023								
Other non-cash items								
Amortisation of								
- right-of-use assets	8,493	-	55,820	589,900	(139,960)	514,253	-	514,253
Depreciation of property, plant and equipment	966,874	410,676	1,908	542,208	-	1,921,666	4,225	1,925,891
Impairment losses on:								
- trade receivable	339,323	114,800	2,422,094	902,014	-	3,778,231	257,391	4,035,622
- amount due from subsidiary companies	-	-	-	9,128,183	(9,128,183)	-	-	-
Reversal of impairment losses:								
- trade receivables	(415,197)	-	-	-	-	(415,197)	-	(415,197)
- other receivables	-	-	-	(845,000)	(2,000)	(847,000)	-	(847,000)
- amount owing by subsidiary companies	-	-	-	(1,422,995)	1,422,995	-	-	-
- investment in associates	-	-	-	(123,400)	-	(123,400)	-	(123,400)

39. SEGMENT INFORMATION (CONT'D)

Allocation basis and inter-segment pricing (cont'd)

Group

	Quarry products RM	Civil engineering RM	Bituminous products RM	Services RM	Others RM	Consolidation adjustment RM	Total RM	Quarry products (discontinued) operations RM	Consolidation RM
2022									
Revenue									
External customers	3,202,391	55,511,250	15,161,147	7,514,934	4,001,228	-	85,390,950	0	85,390,950
Inter-segment	-	-	-	-	2,178,000	(2,178,000)	-	-	-
Total revenue	3,202,391	55,511,250	15,161,147	7,514,934	6,179,228	(2,178,000)	85,390,950	-	85,390,950
Results									
Segment results	(1,466,836)	2,812,842	450,953	(6,317,177)	(19,763,471)	940,331	(23,343,358)	(7)	(23,343,365)
Interest income	-	116,176	33	81	37,553	-	153,763	-	153,763
Finance costs							(1,150,285)	-	(1150,285)
Loss before tax							(24,346,656)	(7)	(24,339,887)
Taxation							(852,198)	-	(852,198)
Loss for the financial year							(25,192,078)	(7)	(25,192,085)
Assets									
Segment assets	4,883,853	58,924,161	10,918,302	23,596,728	160,516,842	(74,861,076)	183,978,810	-	183,978,810
Liabilities									
Segment liabilities	31,520,495	33,482,196	4,497,795	26,028,617	87,647,443	(82,300,268)	100,876,278	-	100,876,278

39. SEGMENT INFORMATION (CONT'D)

Allocation basis and inter-segment pricing (cont'd)

Group

	Quarry products RM	Civil engineering RM	Bituminous products RM	Services RM	Others RM	Consolidation adjustment RM	Total RM	Quarry products (discontinued) operations RM	Consolidation RM
2022									
Other non-cash items									
Amortisation of right-of-use assets	-	129,605	-	-	571,638	(154,211)	547,032	-	547,032
Amortisation of quarry development expenditure	18,895	-	-	-	-	-	18,895	-	18,895
Depreciation of property, plant and equipment	30,058	563,295	294,872	206,100	655,493	(43,646)	1,706,172	-	1,706,172
Impairment losses on:									
- other receivables	1,083,642	-	-	-	-	-	1,083,642	-	1,083,642
- amount due from subsidiary companies	33,460	-	-	-	-	-	33,460	-	33,460
Reversal of:									
- Amount owing by subsidiary companies	-	-	-	-	6,600,000	-	6,600,000	-	6,600,000

39. SEGMENT INFORMATION (CONT'D)

Adjustment and eliminations
Interest income and finance costs are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Inter-segment revenues and balances are eliminated on consolidation.

Geographic information
No disclosure on geographical segment information as the Group operates predominantly in Malaysia.

Major customer
No disclosure on major customer information as no customer represents equal or more than ten percent of the Group's revenue.

40. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of the financial instruments are measured, and how income and expenses including fair values gain or loss, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis:

Group	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities measured at amortised cost RM	Total RM
2023				
Financial Assets				
Contract asset	-	17,145,736	-	17,145,736
Trade receivables	-	56,286,625	-	56,286,625
Other receivables	-	14,185,017	-	14,185,017
Other investments	426,683	-	-	426,683
Fixed deposits with licensed banks	-	6,877,147	-	6,877,147
Cash and bank balances	-	7,575,266	-	7,575,266
	426,683	84,924,055	-	85,350,738
Financial Liabilities				
Trade payables	-	-	53,681,693	53,681,693
Other payables	-	-	15,736,049	15,736,049
Loans and borrowings	-	-	48,132,572	48,132,572
	-	-	117,550,314	117,550,314

40. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis: (cont'd)

Group	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities measured at amortised cost RM	Total RM
2022				
Financial Assets				
Contract asset	-	18,175,763	-	18,175,763
Trade receivables	-	35,203,049	-	35,203,049
Other receivables	-	13,312,418	-	13,312,418
Other investments	2,510,355	-	-	2,510,355
Fixed deposits with licensed banks	-	6,398,940	-	6,398,940
Cash and bank balances	-	10,028,337	-	10,028,337
	2,510,355	64,942,744	-	67,453,099
Financial Liabilities				
Trade payables	-	-	42,730,877	42,730,877
Other payables	-	-	6,225,040	6,225,040
Loans and borrowings	-	-	48,420,260	48,420,260
	-	-	97,376,177	97,376,177
Company				
2023				
Financial Assets				
Other receivables	-	3,615,688	-	3,615,688
Amount due from subsidiary companies	-	37,167,708	-	37,167,708
Other investments	3,387	-	-	3,387
Cash and bank balances	-	706,640	-	706,640
	3,387	41,490,036	-	41,493,423
Financial Liabilities				
Other payables	-	-	1,675,856	1,675,856
Amount due to subsidiary companies	-	-	1,556,532	1,556,532
Loans and borrowings	-	-	344,252	344,252
	-	-	3,576,640	3,576,640

40. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis: (cont'd)

Group	**Financial assets at FVTPL RM**	**Financial assets at amortised cost RM**	**Financial liabilities measured at amortised cost RM**	**Total RM**
2022				
Financial Assets				
Other receivables	-	5,180,942	-	5,180,942
Amount due from subsidiary companies	-	36,294,792	-	36,294,792
Other investments	2,094,754	-	-	2,094,754
Cash and bank balances	-	1,823,451	-	1,823,451
	2,094,754	43,299,185	-	45,393,939
Financial Liabilities				
Other payables	-	-	1,023,876	1,023,876
Amount due to subsidiary companies	-	-	2,150,452	2,150,452
Loans and borrowings	-	-	102,055	102,055
	-	-	3,276,383	3,276,383

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks:

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, amount due from associates and deposits with banks. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies. There are no significant changes as compared to prior periods.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

40. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

The Company provides unsecured loans and advances to subsidiary companies. It also provides unsecured financial guarantees to banks for banking facilities granted to supplier of certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any of the receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represent the Group's and the Company's maximum exposure to credit risk except for corporate guarantees provided to banks and suppliers for banking facilities and credit terms granted to certain subsidiary companies. There was no indication that any subsidiary companies would default on repayment as at the end of the reporting period.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credit risks except for loans and advances to its subsidiary companies where risks of default have been assessed to be low.

There are no significant changes as compared to previous financial year.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

40. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk (cont'd)

The following table analyses the remaining contractual maturity for non derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

Group	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2023						
Non-derivative financial liabilities						
Trade payables	53,681,693	-	-	-	53,681,693	53,681,693
Other payables	15,736,049	-	-	-	15,736,049	15,736,049
Hire purchase	1,127,970	1,070,070	2,161,820	-	4,359,860	3,856,900
Lease liabilities	882,480	677,880	5,802,250	-	7,362,610	4,881,772
Bank borrowings	31,527,915	641,097	2,151,656	5,073,232	39,393,900	39,393,900
	102,956,107	2,389,047	10,115,726	5,073,232	120,534,112	117,550,314
2022						
Non-derivative financial liabilities						
Trade payables	42,730,877	-	-	-	42,730,877	42,730,877
Other payables	6,225,040	-	-	-	6,225,040	6,225,040
Hire purchase	824,544	762,503	1,734,260	-	3,321,307	2,942,765
Lease liabilities	10,120	6,843,523	-	-	6,853,643	4,165,690
Bank borrowings	29,182,824	1,011,633	4,756,376	6,360,972	41,311,805	41,311,805
	78,973,405	8,617,659	6,490,636	6,360,972	100,442,672	97,376,177

Company	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2023						
Non-derivative financial liabilities						
Other payables	1,675,856	-	-	-	1,675,856	1,675,856
Amount due to subsidiary companies	1,556,532	-	-	-	1,556,532	1,556,533
Hire purchase	35,077	-	-	-	35,077	35,077
Lease liabilities	143,880	143,880	42,250	-	330,010	309,175
Corporate guarantee*	65,347,419	-	-	-	65,347,419	-
	68,758,764	143,880	42,250	-	68,944,894	3,576,641

* The corporate guarantee are financial guarantees given to banks and supplier for banking facilities and credit terms granted to certain subsidiary companies.

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(Cont'd)

40. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk (cont'd)

Company	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2022						
Non-derivative financial liabilities						
Other payables	1,023,876	-	-	-	1,023,876	1,023,876
Amount due to subsidiary companies	2,150,452	-	-	-	2,150,452	2,150,452
Hire purchase	66,978	35,077	-	-	102,055	102,055
Lease liabilities	-	-	-	-	-	-
Corporate guarantee*	22,273,765	-	-	-	22,273,765	-
	25,515,071	35,077	-	-	25,550,148	3,276,383

* The corporate guarantee are financial guarantees given to banks and suppliers for banking facilities and credit terms granted to certain subsidiary companies.

(iii) Market risks

(a) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in foreign currencies other than the respective functional currencies of group entities. The currencies giving rise to this risk are primarily United States Dollar (USD).

The Group and the Company have not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. Where possible, the Group and the Company will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's and of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

Denominated in USD	Group 2023 RM	Group 2022 RM
Trade receivables	486,063	298,902
Cash and bank balances	35,541	66,981
Other payables	-	(102,052)
	521,604	263,831

	Company 2023 RM	Company 2022 RM
Amount due to a subsidiary company	-	(887,842)

<u>Foreign currency sensitivity analysis</u>

Foreign currency risk arises from group entities which have a RM functional currency. The exposure to currency risk of group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

40. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risks (cont'd)

(a) Foreign currency risk (cont'd)

Foreign currency sensitivity analysis (cont'd)

The following table demonstrates the sensitivity of the Group's and of the Company's loss before tax to a reasonably possible change in the USD exchange rates against RM, with all other variables held constant.

	Changes in currency rate RM	2023 Effect on loss before tax RM	Changes in currency rate RM	2022 Effect on loss before tax RM
Group				
USD	Strengthened 10%	(52,160)	Strengthened 10%	(26,383)
	Weakened 10%	52,160	Weakened 10%	26,383

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manage the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group and the Company manage their interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor their interest rate risk by reviewing their debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2023 RM	2022 RM
Group		
Fixed rate instruments		
Financial asset		
Fixed deposits with licensed banks	6,877,147	6,398,940
Financial liabilities		
Hire purchase	3,856,900	2,942,765
Lease liabilities	4,881,772	4,165,690
	15,615,819	13,507,395

40. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risks (cont'd)

(b) Interest rate risk (cont'd)

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was: (cont'd)

	2023 RM	2022 RM
Floating rate instruments		
Financial liabilities		
Term loans	33,083,555	37,055,245
Bank overdrafts	4,023,897	2,558,049
Bankers' acceptance	2,286,448	1,698,511
	39,393,900	41,311,805
Company		
Fixed rate instruments		
Financial liabilities		
Hire purchase	35,077	102,055
Lease liabilities	309,175	-

Interest rate risk sensitivity analysis

<u>Fair value sensitivity analysis for fixed rate instruments</u>

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

<u>Cash flow sensitivity analysis for floating rate instruments</u>

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's loss before tax by RM393,939 (2022: RM413,118) arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

40. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term loans and borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and/or insignificant impact of discounting.

The carrying amount of long-term floating rate loans and borrowings approximately their fair value as the loans and borrowings will be re-paid to market interest rate on or near reporting date.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments not carried at fair value			Carrying
	Level 1	Level 2	Level 3	amount
	RM	RM	RM	RM
Group				
2023				
Financial liability				
Finance lease payables	-	4,775,997	-	4,775,997
2022				
Financial liability				
Finance lease payables	-	2,942,765	-	2,942,765
Company				
2023				
Financial liability				
Finance lease payables	-	35,077	-	35,077
2022				
Financial liability				
Finance lease payables	-	32,960	-	32,960

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Notes To The Financial Statements
31 March 2023
(Cont'd)

40. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instruments (cont'd)

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.

41. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to safeguard the Group's and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitor capital using a gearing ratio. The Group's and Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Total loans and borrowings	48,132,572	48,420,260	344,252	102,055
Less: Cash and cash equivalents (excluded bank overdrafts)	(7,575,266)	(10,028,337)	(706,640)	(1,823,451)
Net debts	40,557,306	38,391,923	(362,388)	(1,721,396)
Total equity	82,661,223	83,102,532	74,758,327	80,222,927
Gearing ratio (times)	0.49	0.46	-	-

There were no changes in the Group's approach to capital management during the financial year.

42. LITIGATION AND CLAIMS MATTERS

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

(a) Shah Alam High Court Suit Case No. BA-22NCvC-483-11/2022

On 22 July 2022, Konsep Khas Sdn. Bhd. ("**KKSB**"), a 55%-owned subsidiary of of the Company had filed a suit against a resigned Director of KKSB, Jeremy Kho Boon Seng ("**Defendant**") seeking claims on the full payment to Defendant amounting by RM2,050,015.76 as Special Damages at High Court in Shah Alam ("**the Court**"). This amount was referring to Sub-Contract Agreement, known as the Sub-Contract Works For The Provision of Construction Services For The Supply, Delivery And Installation of Pan Borneo Highway In Sarawak – Phase 1 ("**the Project**"). The project was first represented as a genuine but after a full payment been made, KKSB found out that the project does not exist.

The Court has scheduled for a case mention/management on 22nd June 2023, a judgement in default of appearance has been obtained as the Defendant has failed to make appearance during the case management. Therefore, the Court has ordered the Defendant to pay Plaintiffs the sum of RM2,050,015.76 as a special damages including 5% interest rate per annum along with the costs of action of RM4,329.12.

(b) Kuala Lumpur Industrial Court Case No. 7/4-2217/21

On 6 October 2021, the Company's solicitor has received Abdul Farid bin Abdul Kadir's (Claimant) Statement of Case together with Bundle of Document, seeking reinstatement to his position as the Company's Executive Director of Finance. The Claimant was initially employed as the non-independent and non executive director of the Company on 24 April 2020. On 12 June 2020, the Claimant was re-designated as the Executive Director of Finance of the Company and later was terminated from that position on 16 November 2020. Claimant was contended that there were events leading to his dismissal related with Directors of the Company in respect of a Share Sale Agreement and being prevented to carry out his function effectively in a contract involving a trade receivable of the Group.

The Company's solicitors has filed a Statement of Reply and a Bundle of Documents on 27 October 2021, followed by Additional Bundle of Document on 28 October 2021. Claimant's solicitor then, filed a Rejoinder and an Additonal Bundle of Documents to tha Company's Solicitor on 10 November 2021. Both parties's witness statements were filed on 31 May 2022.

The current status of the claim is as per follows:

i. The Court has scheduled trial of the case on 12 December 2023, 13 December 2023 and 14 December 2023.

(c) Shah Alam High Court Civil Appeal Case No. BA-12ANCVC-1-01/2023

Advance Solar Sdn Bhd ("**ASSB**"), a wholly-owned subsidiary of the Company has filed an appealed from the decision of Session Court Suit No. BA-A52NCvC-234-07/2022, which was awarded the sum of RM216,000 to ASSB. ASSB claim against Andeli Solar Sdn Bhd (1st Appellant) and Kong Yeng Kin (2nd Appellant) on the outstanding amount owing to ASSB arising from Purchased Order ("**PO**") dated 27 May 2021. Through the PO, Appellant 1 has engaged the services of ASSB for Installation of PV Module Complete With Flouter Assembling Including Necessary Accessories Fixing with the value of RM216,000 with the term of payment stated as C.O.D.

ASSB claimed that the PO has been completed whereby Appellant 1 has acknowledged the delivery order and tax invoice in the sum of RM216,000 issued by ASSB. On 14 December 2022, a summary judgement has been obtained from Shah Alam Session Court. Dissatisfied with the summary judgement, Appeallants has filed a notice af appeal to the Shah Alam High Court on 27 December 2022. Both, ASSB and Appellants has filed their respective written submission and respective written submission in reply on 10 March 2023 and 17 April 2023.

The appeal has been made on 26 June 2023, the High Court had allowed the appeal in favour of the Appellant with costs of RM5,000. Accordingly, the summary judgment obtained by the Respondent in the Sessions Court of Shah Alam is dismissed and the High Court has directed that the case to be tried in another Sessions Court.

The current status of the claim is as per follows:

i. The case management for the trial has not been determined.

Notes To The Financial Statements
31 March 2023
(Cont'd)

42. LITIGATION AND CLAIMS MATTERS (CONT'D)

The Group is not engaged in any material litigation cases as at the date of this report other than the following: (cont'd)

(d) Kuala Lumpur High Court Winding-Up Petition Case WA-28NCC-375-04/2023

On 27 April 2023, Advance Solar Sdn Bhd ("**ASSB**"), a wholly-owned subsidiary of the Company has filed winding up petition together with its affidavit verifying petition against Andeli Solar Sdn Bhd ("**Respondent**") based on the summary judgment in the sum of RM216,000 obtained against the Respondent in the Session Court Suit No: BA-A52NCvC-234-07/2022. The outstanding judgement sum which the respondent failed to settle to ASSB as at 17 March 2023 is RM284,220 ("**Judgement Sum**").

On 20 March 2023, ASSB has served the statutory demand dated 17 March 2023 to Respondent which required the Respondent to settle the Judgement Sum within twenty-one twenty one days from the date of receipt of the statutory demand. As the Judgement Sum remains unpaid by the Respondent, a presumption of inability to pay debt has arisen. Therefore, ASSB has filed for the winding-up petition to wound-up the Respondent.

In view that the summary judgment obtained against the Respondent in the Sessions Court forms the basis of the winding-up petition dated 27 April 2023 against the Respondent, ASSB will withdraw the winding-up petition upon the issuance of the sealed Court Order from the appeal pursuant to case in Note 42(c).

The current status of the petition is as per follows:
i. The court has fixed the next case management on 20 July 2023.

(e) Shah Alam High Court Civil Suit No BA-22NCC-92-07/22

On 18 July 2022, Minetech Construction Sdn Bhd ("**MCSB**"), a wholly-owned subsidiary of the Company has initiated a suit against Andeli Solar Sdn Bhd ("**Defendant 1**") and Kong Yeng Kin ("**Defendant 2**") for a claim against both Defendants amounted to RM5,900,000 and RM850,000 against Defendant 1. The claim on RM5,900,000 was based on the Letter of Appointment ("**LOA**") for which Defendant 1 has engaged with MCSB to undertake the 'Interconnection Facilities Works from SPP to PPU Pantai Remis'. Defendant 2 has provided a personal guarantee to MCSB whereby he shall settle the amount of RM5,900,000 if Defendant 1 fails to pay. MCSB pleaded that the works under the LOA has been completed whereby Defendant 1 has issued its payment certificate work done to certify the payment to MCSB. Further, MCSB contended that additional work requested by Defendant 1 has been completed, whereby Defendant 1 has issued a as certified work done to certify the additional sum of RM850,000.

On 1 September 2022, both the Defendants has filed their statements of defence. A reply to defence has been filed by MCSB on 15 September 2022. On 13 March 2023, the court has directed the parties to file the pre-trial case management. The court fixed a further case management on 27 April 2023 before the High Court Judge in view that the parties are unable to finalize the common bundle of documents for the trial. In relation to this, the Court has directed the Defendants to file Affidavits of Authenticity on or before 30 May 2023.

On 28 June 2023, the Court has directed the Plaintiff and the Defendants to file the common bundle of documents, which includes Part C documents, on or before 26 July 2023.

The current status of the petition is as per follows:
i. The Court has set the next case management date on 27 July 2023.

42. LITIGATION AND CLAIMS MATTERS (CONT'D)

The Group is not engaged in any material litigation cases as at the date of this report other than the following: (cont'd)

(f) 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 Summon dated 1 April 2013 until full payment and costs of RM80,000.

As regards to SMGQ's Counterclaim, the High Court only allowed SMGQ's counterclaim for the outstanding tribute payment of RM256,300 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 10th July 2023.

On 15 May 2018, SMGQ filed their appeal to the court of Appeal against the High Court Judge's decision suit 288. ODSB had duly filed a Notice of Direction to the High Court for the assessment of damages. On 5 July 2018, the Judge, by consent of the parties, orders that the assessment of damages proceedings be stayed pending the disposal of SMGQ's appeal. On 31 March 2021, both SMGQ and ODSB appeals' came up for hearing before the Court of Appeal and the court has dismissed both Appeals with no order to cost.

SMGQ has filed a Notice of Motion to the Federal Court to seek leave of the Federal Court for SMGQ to appeal against the decision of the court of Appeal, The Notice of Motion was heard and dismissed by the Federal Court on 15 September 2021 with cost of RM15,000 to ODSB.

The current status of the petition is as per follows:

i. The assessment of the quantum of damages to be paid by SMGQ to ODSB ("**the Assessment Proceedings**") has been fixed for Case Management on 10 July 2023.

ii. 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.

Notes To The Financial Statements
31 March 2023
(Cont'd)

43. SIGNIFICANT EVENTS

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

(i) Minetech Asphalt Man International Sdn Bhd ("**MAMI**"), 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 30 May 2023, the Board of Directors announced that there has been no further material development since the previous announcement.

(ii) Techmile Resources Sdn Bhd ("**TRSB**"), a wholly-owned subsidiary of Minetech had on 9 December 2022 entered into a Memorandum of Understanding ("**MOU**") with Tesdec Hydropower Sdn Bhd ("**TESDEC**") to establish a joint collaboration to undertake engineering, procurement, construction and commissioning ("**EPCC**") works for the development of a total of 30MW Mini-Hydro Project in Terengganu ("**Development**") ("**Joint Collaboration**"). On 11 January 2023, TRSB has accepted a Letter of Award ("**LOA**") from TESDEC on the appointment as a Turnkey Contractor of Engineering, Procurement, Construction & Commissioning for Development of Mini-Hydro Project of 3.0MW at Sungai Pelagat, Besut, Terengganu ("**Contract**"). The estimated value of the Contract is approximately RM36.71 million. The Contract shall commence in January 2023 and is expected to be completed by May 2027. The LOA shall now supersede the MOU entered between TRSB and TESDEC on 9 December 2022 which the MOU would no longer subsist.

44. SUBSEQUENT EVENTS

(i) During the financial year, Minetech Construction Sdn Bhd ("**MCSB**"), a wholly-owned subsidiary of the Company, has an on-going contract with Able Return Sdn Bhd and its subsidiary, Damar Consolidated Exploration Sdn Bhd for the open pit mining, waste removal, ore deliveries and associated works located at Selinsing Gold Mine, Bukit Selingsing near Kg Sungai Koyan, Pahang.

The contract duration is for thirty six (36) months, started from 1st July 2020 and is expected to end on 30th June 2023. At the date of 15 November 2022, the Management of the Company has received a Letter of Intend ("**LOI**"), confirming mutual willingness to extend the existing contract from 1 January 2023 to 30 June 2026. The Company has been carried out these contracts since in the past 11 years on the same property.

(ii) On 15 June 2023, the Company had entered into a Share Sale Agreement ("**SSA**") with Ms Shia Fui Kin ("**Vendor**") for the purpose of acquisition of 720,000 ordinary shares in Minetech Asphalt Man International Sdn Bhd ("**MAMI**"), a 85%-owned subsidiary of the Company, representing 15% of the issued and paid-up share capital of MAMI for a total consideration of RM3.55 million. Upon completion, MAMI shall become a wholly-owned subsidiary of the Company.

(iii) On 22 June 2023, Minetech Construction Sdn Bhd ("**MCSB**"), a wholly-owned subsidiary of the Company, had accepted a Letter of Award ("**LOA**") from VED Engineering Sdn Bhd appointing MCSB to undertake the proposed construction and completion of road and drainage system including other related ancillaries for Banting Industrial Park (Part of Phase 1) on Lot 74463, Mukim Tanjung Duabelas, Daerah Kuala Langat, Selangor at a contract value of approximately RM6.75 million. The Contract shall commence on 19 June 2023 and is expected to be completed within five months from the commencement date.

45. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 5 July 2023.

LIST OF PROPERTIES
AS AT 31 MARCH 2023

No	Name of Registered Owner/ Postal Address/Title Identification	Approximate Age of Building/ Tenure/ Date of Expiry of Lease	Description and Existing Use/Date of Acquisition	Approximate Land Area/ Built Up Area (square metres)	Net Book Value @ 31 March 2023 (RM)
		Minetech Resources Berhad			
1	Lot 345761 (formerly known as PT 183213) held under Master Title No. PN 349139 **Mukim of Hulu Kinta** **District of Kinta** **Perak Darul Ridzuan**	99 years leasehold/ Expiring on 16 June 2101	Vacant residential development land 30 November 2016	7,924	6,000,000
		Minetech Construction Sdn Bhd			
1	Unit A6-02 and A6-04 Plaza Dwitasik No. 21 Jalan 5/106 Bandar Seri Permaisuri 56000 Kuala Lumpur **Phase 1, Level 6** **Unit No. 13.2 and 14.2** **Storey Level 6** **Block A Plaza Dwitasik** **PN 27024 Lot 51975** **Mukim Kuala Lumpur** **Daerah Kuala Lumpur**	21 years/99 years leasehold/Expiring on 11 January 2095	2 units commercial office 18 January 1996	- 169	249,744
2	Unit 123-523, Unit 223A-523A FAS Business Avenue Jalan Perbandaran 47301 Petaling Jaya Selangor Darul Ehsan **Unit 12A-12I HS (D) 85220** **PT 14532 Mukim Damansara** **Daerah Petaling***	25 years/99 years leasehold/Expiring on 6 December 2092	9 units 5 storeys commercial shop lots 22 November 1994	- 720	102,019
3	D-G-5 – D-5-5 & M-5, Ground Ground Floor to Fifth Floor Block D, Parklane Commercial Hub Kelana Jaya Selangor Darul Ehsan **HS(D) 259689, P.T. No. 14532** **Mukim Damansara** **Daerah Petaling** **Negeri Selangor Darul Ehsan***	10 years/99 years leasehold/Expiring on 6 December 2092	6 ½ units commercial shop office 2 February 2016	- 1,180	6,857,968
		Minetech Realty Sdn Bhd			
1	SA-SM23, SA-SG23, SA-SG25, SA-SG26, SA-SG29 Ukay Perdana **HS(M) 12614 PT 643 and** **HS(M) 12615 PT 644** **both in Bandar Ulu Kelang** **Tempat Batu 7 Ulu Kelang** **(Ukay Perdana)** **Daerah Gombak** **Negeri Selangor Darul Ehsan***	12 years/99 years leasehold/Expiring on 4 October 2100	5 units commercial shoplots currently rented to third parties 4 units were acquired on 30 April 2004 SA-SG26 was acquired on 10 May 2004	- 455	1,309,430

LIST OF PROPERTIES
AS AT 31 MARCH 2023 (Cont'd)

No	Name of Registered Owner/ Postal Address/Title Identification	Approximate Age of Building/ Tenure/ Date of Expiry of Lease	Description and Existing Use/Date of Acquisition	Approximate Land Area/ Built Up Area (square metres)	Net Book Value @ 31 March 2023 (RM)
	Minetech Asphalt Man International Sdn Bhd				
1	Lot 1414 Mukim Ulu Yam District of Hulu Selangor Selangor Darul Ehsan Title: GM 5739	Freehold land and factory building	Freehold land / factory building 27 February 2007	14,416.9	3,748,520
	Grand Total				**18,267,681**

Note:-

* The land title particulars disclosed are the particulars of the master titles registered under the names of the respective developers. The respective strata titles of properties in Ukay Perdana, FAS Business Avenue and Parklane to the individual commercial shop lots/offices have yet to be issued.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2023

Issued Shares	:	1,526,821,600 ordinary shares (including shares held as treasury shares)
Treasury Shares	:	285,000 Ordinary Shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share

ANALYSIS OF SHAREHOLDINGS
Distribution of shareholdings according to size:

Size of Holdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
1 - 99	8	0.127	101	0.000
100 - 1,000	653	10.334	350,914	0.023
1,001 - 10,000	1,845	29.198	12,601,265	0.825
10,001 - 100,000	2,858	45.229	116,140,000	7.608
100,001 to less than 5% of issued shares	953	15.081	1,105,714,420	72.433
5% and above of issued shares	2	0.031	291,729,900	19.111
Total	**6,319**	**100.000**	**1,526,536,600**	**100.000**

SUBSTANTIAL SHAREHOLDERS
(As per Register of Substantial Shareholders)

	Direct		Indirect	
Name of Shareholder	No. of Shares held	% of Issued Capital#	No. of Shares held	% of Issued Capital#
Dato' (Dr). Ts. Awang Daud Bin Awang Putera	294,782,800	19.311	642,000[(1)]	0.042
Choy Sen @ Chin Kim Sang	153,448,420	10.052	82,056,100[(2)]	5.375
Chin Leong Choy	81,456,100	5.336	-	-

Notes:
[(1)] *Deemed interested by virtue of the shares held by children.*
[(2)] *Deemed interested by virtue of the shares held by spouse and child.*
[#] *Excluding a total of 285,000 shares bought-back by the Company and retained as treasury shares.*

SHAREHOLDINGS OF DIRECTORS
(As per Register of Directors' Shareholdings)

	Direct		Indirect	
Name of Directors	No. of Shares held	% of Issued Capital#	No. of Shares held	% of Issued Capital#
Ahmad Rahizal Bin Dato' Ahmad Rasidi	-	-	-	-
Choy Sen @ Chin Kim Sang	153,448,420	10.052	82,056,100[(1)]	5.375
Chin Leong Choy	81,456,100	5.336	-	-
Azlan Shah Bin Zainal Arif	16,670,000	1.092	-	-
Ahmad Ruslan Zahari Bin Zakaria	-	-	-	-
Datin Feridah Binti Bujang Ismail	150,000	0.010	-	-
Siti Aishah Binti Othman	-	-	-	-
Loke Kim Meng	-	-	31,000,000[(2)]	2.031
Chin Sheong Choy	-	-	-	-

Notes:
[(1)] *Deemed interested by virtue of the shares held by spouse and child.*
[(2)] *Deemed interested by virtue of his interest in WC Dynamic Sdn Bhd via his interest in Widuri Capital Management Sdn Bhd pursuant to Section 8 of the Companies Act 2016.*
[#] *Excluding a total of 285,000 shares bought-back by the Company and retained as treasury shares.*

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2023 (Cont'd)

LIST OF TOP 30 SHAREHOLDERS
(without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name of Shareholders	No. of Shares Held	% of Issued Capital
1.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR AWANG DAUD BIN AWANG PUTERA (M05)	187,729,900	12.298
2.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOY SEN @ CHIN KIM SANG	104,000,000	6.813
3.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AWANG DAUD BIN AWANG PUTERA (7006114)	65,811,700	4.311
4.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI CHEE HOE (E-SS2)	62,500,000	4.094
5.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD NOR JIHAD BIN JA'FAR	61,500,000	4.029
6.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD YUSOFF BIN ABDULLAH	61,000,000	3.996
7.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN LEONG CHOY	45,973,200	3.012
8.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN LEONG CHOY	34,000,000	2.227
9.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR AHAM ASSET MANAGEMENT BERHAD (TSTAC/CLNTT)	31,000,000	2.031
10.	AWANG DAUD BIN AWANG PUTERA	30,000,000	1.965
11.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR CHOY SEN @ CHIN KIM SANG (SMART)	29,448,420	1.929
12.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG WAI SUN	21,534,100	1.411
13.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOY SEN @ CHIN KIM SANG (THIRD PARTY)	20,000,000	1.310
14.	LAU MENG HONG	20,000,000	1.310
15.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW SIOW GEOK	18,116,600	1.187
16.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TEW BOON TEIK (PB)	17,709,400	1.160
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AZLAN SHAH BIN ZAINAL ARIF	16,670,000	1.092
18.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOONG KOK SOON	15,625,000	1.024
19.	LIM BONG KHAI @ LIM BOON KHAI	13,252,600	0.868
20.	HONG FOH NYOK	12,232,000	0.801
21.	YEK NAI HWAT	11,300,000	0.740
22.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AWANG DAUD BIN AWANG PUTERA	10,441,200	0.684
23.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR CHEW SIOW GEOK (SMART)	9,500,000	0.622
24.	CHEW SIOW GEOK	8,000,000	0.524
25.	CHOONG KOK SOON	7,673,600	0.503
26.	TOH AH WAH	7,200,000	0.472
27.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW TEK KUAN (E-TSA/MSI)	7,195,900	0.471
28.	TEW BOON TEIK	6,877,300	0.451
29.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN JIN THAI (SS2 PJ-CL)	6,600,000	0.432
30.	EMMA YAZMEEN YIP BINTI MOHD JEFFREY YIP	6,000,000	0.393
	Total	**948,890,920**	**62.160**

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARE ("ICPS") HOLDINGS

AS AT 30 JUNE 2023

No. of ICPS issued	:	582,664,397
Class of Shares	:	Preference shares
Maturity date	:	12 October 2026
Voting rights	:	The holders of ICPS are not entitled to any voting rights except in circumstances set out in the Company's Constitution

ANALYSIS OF ICPS HOLDINGS
Distribution of ICPS holdings according to size:

Size of ICPS Holdings	No. of ICPS holders/ Depositors	% of ICPS holders/ Depositors	No. of ICPS Held	% of ICPS
1 - 99	11	1.032	517	0.000
100 - 1,000	38	3.565	25,100	0.004
1,001 - 10,000	291	27.298	1,922,750	0.330
10,001 - 100,000	477	44.747	20,001,720	3.433
100,001 to less than 5% of issued ICPS	247	23.171	447,814,660	76.856
5% and above of issued ICPS	2	0.187	112,899,650	19.377
Total	1,066	100.000	582,664,397	100.000

SUBSTANTIAL ICPS HOLDERS
(As per Register of Substantial ICPS Holders)

	Direct		Indirect	
Name of Substantial ICPS Holders	No. of ICPS held	% of ICPS	No. of ICPS held	% of ICPS
Dato' (Dr). Ts. Awang Daud Bin Awang Putera	96,420,250	16.548	-	-
Choy Sen @ Chin Kim Sang	83,548,510	14.339	18,986,650[1]	3.259

Notes:
[1] *Deemed interested by virtue of the shares held by child.*

DIRECTORS' ICPS HOLDINGS
(As per Register of Directors' ICPS Holdings)

	Direct		Indirect	
Name of Directors	No. of ICPS held	% of ICPS	No. of ICPS held	% of ICPS
Ahmad Rahizal Bin Dato' Ahmad Rasidi	-	-	-	-
Choy Sen @ Chin Kim Sang	83,548,510	14.339	18,986,650[1]	3.259
Chin Leong Choy	18,986,650	3.259	-	-
Azlan Shah Bin Zainal Arif	-	-	-	-
Ahmad Ruslan Zahari Bin Zakaria	-	-	-	-
Datin Feridah Binti Bujang Ismail	-	-	-	-
Siti Aishah Binti Othman	-	-	-	-
Loke Kim Meng	-	-	-	-
Chin Sheong Choy	-	-	-	-

Notes:
[1] *Deemed interested by virtue of the shares held by child.*

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARE ("ICPS") HOLDINGS

AS AT 30 JUNE 2023 (Cont'd)

LIST OF TOP 30 ICPS HOLDERS
(without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name of ICPS Holders	No. of ICPS Held	% of ICPS
1.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR AWANG DAUD BIN AWANG PUTERA (M05)	68,299,650	11.722
2.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOY SEN @ CHIN KIM SANG	44,600,000	7.654
3.	CHIN YAT YIN	29,000,000	4.977
4.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHOY SEN @ CHIN KIM SANG (SMART)	28,948,510	4.968
5.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AWANG DAUD BIN AWANG PUTERA	28,120,600	4.826
6.	OH GAIK IM	24,616,000	4.225
7.	LIM POH FONG	22,810,800	3.915
8.	TAN CHIN HOE	20,500,000	3.518
9.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN LEONG CHOY	18,986,600	3.259
10.	SUA TIEN FONG	17,439,900	2.993
11.	CGS-CIMB NOMINEES (ASING) SDN BHD PIONEER UNITED LIMITED (JS 803)	12,000,000	2.060
12.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHEE BING	12,000,000	2.060
13.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOY SEN @ CHIN KIM SANG (THIRD PARTY)	10,000,000	1.716
14.	TAN ENG KEAT	10,000,000	1.716
15.	TEO AH SENG	9,933,600	1.705
16.	GV ASIA FUND LIMITED	9,660,200	1.658
17.	ONG KENG SENG	9,408,300	1.615
18.	KU LIAN SIN	8,500,000	1.459
19.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	7,500,000	1.287
20.	VOON JYE WAH	6,000,000	1.030
21.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM FONG YEE	5,500,000	0.944
22.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN YONG SIANG	5,000,000	0.858
23.	TYE LIM HUAT	5,000,000	0.858
24.	YONG CHUN MENG	5,000,000	0.858
25.	MAYBANK NOMINEES (TEMPATAN) SDN BHD TAN SUN PING	4,366,900	0.749
26.	LEE KWAN MING	4,310,500	0.740
27.	FOO YUK MENG	4,000,000	0.687
28.	CHAN POH YEE	3,750,900	0.644
29.	NG WOOI YING	3,650,000	0.626
30.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JAMES LEE (E-TWU)	3,421,000	0.587
	Total	**442,323,460**	**75.914**

NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING

MINETECH RESOURCES BERHAD

Registration No. 200201007880 (575543-X)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the Twenty-First ("**21st**") Annual General Meeting of **MINETECH RESOURCES BERHAD** (the "**Company**" or "**Minetech**") will be conducted as a fully virtual meeting through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities via the online meeting platform of TIIH Online website at https://tiih.online or https://tiih.com.my (Domain registration no. with MYNIC: D1A282781) on Monday, 28 August 2023 at 10.00 a.m. for the following purposes:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 March 2023 together with the Reports of the Directors and Auditors thereon. (Please refer to Note 1 of the Explanatory Notes)

2. To approve the payment of Directors' Fees and Benefits Payable to the Directors up to an aggregate amount of RM700,000.00 from this Annual General Meeting ("**AGM**") until the next AGM in 2024. **Ordinary Resolution 1** (Please refer to Note 2 of the Explanatory Notes)

3. To re-elect the following Directors of the Company who are retiring pursuant to Clause 97 of the Constitution of the Company:-

   (a) Mr Chin Leong Choy **Ordinary Resolution 2**
   (b) Encik Ahmad Ruslan Zahari Bin Zakaria **Ordinary Resolution 3**
   (c) Datin Feridah Binti Bujang Ismail **Ordinary Resolution 4**
   (Please refer to Note 3 of the Explanatory Notes)

4. To re-appoint Messrs. Al Jafree Salihin Kuzaimi PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business

To consider and, if thought fit, to pass the following resolutions:

5. **Proposed continuation in office of Encik Ahmad Ruslan Zahari Bin Zakaria as Independent Non-Executive Director** **Ordinary Resolution 6** (Please refer to Note 4 of the Explanatory Notes)

   "THAT approval be and is hereby given to Encik Ahmad Ruslan Zahari Bin Zakaria who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM in accordance with the Malaysian Code on Corporate Governance."

6. **Authority under Section 76 of the Companies Act 2016 ("the Act") for the Directors to allot and issue shares** **Ordinary Resolution 7** (Please refer to Note 5 of the Explanatory Notes)

   "THAT pursuant to Section 76 of the Act, the Directors be and are hereby authorised and empowered to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issuance.

Notice Of The Twenty-First Annual General Meeting (Cont'd)

THAT in connection with the above, pursuant to Section 85 of the Act and Clause 58 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of new shares above by the Company.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

7. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a revenue or trading nature ("Proposed RRPT Mandate")**

Ordinary Resolution 8
(Please refer to Note 6 of the Explanatory Notes)

"THAT approval be and is hereby given to the Company and its subsidiaries ("**Minetech Group**") to enter into RRPT of a revenue or trading nature as set out in Section 2.4 of the Circular to Shareholders dated 28 July 2023 ("**Circular**") which are necessary for the Minetech Group's day-to-day operations subject to the following:-

a) the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

b) the disclosure will be made in the Annual Report of the breakdown of the aggregate value of the RRPT conducted pursuant to the Proposed RRPT Mandate during the financial year on the type of RRPT made, the names of the related parties involved in each type of RRPT and their relationships with the Company.

THAT the authority conferred shall continue to be in force until:-

i) the conclusion of the next AGM of the Company following the forthcoming AGM at which the Proposed RRPT Mandate is approved, at which time it will lapse, unless by a resolution passed at the AGM, the mandate is again renewed;

ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed RRPT Mandate."

8. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143) (SSM PC No.: 202008001023)
TAN AI NING (MAICSA 7015852) (SSM PC No.: 202008000067)
Company Secretaries

Selangor Darul Ehsan
Date: 28 July 2023

Notice Of The Twenty-First Annual General Meeting (Cont'd)

NOTES:

1. The 21st AGM will be conducted on a fully virtual basis via TIIH Online website at https://tiih.online. Please refer to the Administrative Guide of the 21st AGM for the procedures to register, participate and vote remotely through the RPV facilities.

   The Adminstrative Guide on the conduct of the fully virtual 21st AGM of the Company is available at the Company's website at https://minetech.com.my/reports/.

2. The conduct of the fully virtual 21st AGM is in compliance with Section 327 of the Act and the provisions of the Constitution of the Company. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Act provided that the online platform is located in Malaysia and all meeting participants including Chairman of the meeting, board members, senior management and shareholders are to participate in the meeting online.

3. A member of the Company entitled to attend, participate and vote remotely at the meeting is entitled to appoint a proxy or proxies to attend, participate and vote for his/her behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

4. A member may appoint up to two (2) proxies to attend and vote at the meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

7. The appointment of proxy may be made in a hardcopy form or by electronic means, not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof, as follows:-

   (i) In Hardcopy Form

   The instrument appointing a proxy or proxies and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited with Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

   (ii) By Electronic Means

   The instrument appointing a proxy or proxies can be submitted electronically, via TIIH Online website at https://tiih.online. Please refer to the Administrative Guide of the 21st AGM for further information on electronic submission of proxy form via TIIH Online.

   The appointment of the proxy(ies) will be **INVALID** if the Proxy Form/ e-Proxy Form is not completed correctly in accordance with the instructions stated in the form.

8. The members, proxies or corporate representatives may submit questions in relation to the resolutions to be tabled at the 21st AGM at https://tiih.online prior to the 21st AGM or to use the query box to transmit questions by typed texts via RPV facilities during live streaming of the 21st AGM of the Company.

9. Pursuant to Paragraph 8.29(A) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions at the 21st AGM of the Company shall be put to vote by way of poll.

10. In respect of deposited securities, only members whose names appear on the Record of Depositors on 21 August 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Notice Of The Twenty-First Annual General Meeting (Cont'd)

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS

1. **To receive the Audited Financial Statements**

   The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Act for discussion only under Agenda 1. They do not require shareholders' approval and hence, will **not be put for voting**.

2. **Ordinary Resolution 1 on Directors' Fees and Benefit Payable**

   The Directors' fees payable includes fees payable to Non-Executive Directors as members of Board and Board Committees from this AGM until the conclusion of the next AGM of the Company in 2024 pursuant to the Act which shareholders' approval will be sought at this 21st AGM in accordance with Section 230 of the Act.

   The Directors' benefits (excluding Directors' Fees) payable to Directors comprises meeting allowance from this AGM until the conclusion of the next AGM of the Company pursuant to the Act which shareholders' approval will be sought at this 21st AGM in accordance with Section 230 of the Act.

3. **Ordinary Resolution 2, 3 and 4 on Re-election of Directors**

   Pursuant to Malaysian Code on Corporate Governance, the profiles of the Directors who are standing for re-election as per Agenda items are as follow:

Description	Ordinary Resolution 2
Name	Chin Leong Choy *(Executive Director)*
Age	40
Gender	Male
Present Directorship(s)	(1) Minetech Resources Berhad
Family relationship with any Director and/or major shareholder of the Company	Mr Chin Leong Choy is the son of Mr Choy Sen @ Chin Kim Sang, the Executive Director of the Company and the brother of Mr Chin Sheong Choy, the Alternate Director to Mr Choy Sen @ Chin Kim Sang.
Working experience	Mr Chin Leong Choy involved in multiple strategic business development ventures and he has over 20 years of experience in sales and marketing, quarrying and civil engineering. He contributed to the growth and success of all Minetech's business units, including premix and manufacturing divisions and had also played a key role in steering Minetech to diversify its business into new profitable sectors. He also accumulated extensive knowledge and experience in control blasting and infrastructure works as well as planning and management of the overall group's quarry business when he worked in the subsidiaries of Minetech.

Based on the recommendation of Nomination and Remuneration Committee, the Board is satisfied with the performance and contribution of Mr Chin Leong Choy and support the re-election of Mr Chin Leong Choy as Executive Director of the Company based on the following justifications:-

a. His extensive industry knowledge and experience in various industries provide optimum planning for the Company.

b. He has exercised his due care and carried out his professional duties proficiently during his tenure as Executive Director of the Company.

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS (CONT'D)

3. **Ordinary Resolution 2, 3 and 4 on Re-election of Directors (Cont'd)**

Description	Ordinary Resolution 3
Name	Ahmad Ruslan Zahari Bin Zakaria *(Independent Non-Executive Director)*
Age	62
Gender	Male
Present Directorship(s)	(1) Minetech Resources Berhad (2) CSH Alliance Berhad
Family relationship with any Director and/or major shareholder of the Company	Nil
Working experience	Encik Ahmad Ruslan Zahari Bin Zakaria is the Chairman of Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee. He has accumulated over 30 years of relevant skills, knowledge and valuable experience in respect of accounting, audit and corporate finance. He started off his career as a Chartered Accountant at a firm in London. He moved on to a pan-European marketing consultancy in London as Group Financial Controller and he left to join CIMB Investment Bank Berhad in the Corporate Finance Department where he assisted in the formation of Commerce Asset Ventures, the venture capital arm of CIMB Group. He then joined Clear Channel Communications, Inc., a leading global media organisation listed on the New York Stock Exchange as ASEAN Regional Development Director/Managing Director of Malaysian operations before he was appointed as the Chief Executive Officer for Terengganu Incorporated, a strategic investment holding company for the state Terengganu where he led and restructured all corporate companies owned by the State. He is presently the founder and principal of Connoisseur Consult Sdn. Bhd.

Based on the recommendation of Nomination and Remuneration Committee, the Board is satisfied with the performance and contribution of Encik Ahmad Ruslan Zahari Bin Zakaria and support the re-election of Encik Ahmad Ruslan Zahari Bin Zakaria as Independent Non-Executive Director of the Company based on the following justifications:-

a. Encik Ahmad Ruslan Zahari Bin Zakaria fulfils the requirements of independence set out in Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). He remains objective and independent in expressing his view and participating in Board's deliberations and decision-making process.

b. His extensive experience and knowledge in accounting, audit and corporate finance enable him to discharge his duty efficiently as the Chairman of Audit and Risk Management Committee and to provide concrete advices and comments or asking probing questions for all financial related matters of the Company.

c. He has exercised his due care and carried out his professional duties proficiently and independently during his tenure as Independent Non-Executive Director of the Company.

Notice Of The Twenty-First Annual General Meeting (Cont'd)

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS (CONT'D)

3. **Ordinary Resolution 2, 3 and 4 on Re-election of Directors (Cont'd)**

Description	Ordinary Resolution 4
Name	Datin Feridah Binti Bujang Ismail *(Independent Non-Executive Director)*
Age	48
Gender	Female
Present Directorship(s)	(1) Minetech Resources Berhad
Family relationship with any Director and/or major shareholder of the Company	Nil
Working experience	Datin Feridah Binti Bujang Ismail presently assumes the position of Independent Non-Executive Director. She is the member of the Nomination and Remuneration Committee and the Audit and Risk Management Committee. She has a Bachelor's Degree in Accountancy (Hons) and she is also a member of the Certified Public Accountant Australia and the Malaysian Institute of Accountants. She has over 20 years of experience in accounting, audit and finance. She began her career as Assistant Accountant at a small firm prior to joining Ernst & Young. Subsequently, she was attached to Malaysia Airlines Systems Berhad for more than 10 years where she was posted overseas as the Regional Accounting Manager for Australia and New Zealand. She then joined Sapura Aero Sdn. Bhd. as General Manager of Finance and Procurement. She currently runs her own accounting firm, Feridah Bujang Ismail & Co.

Based on the recommendation of Nomination and Remuneration Committee, the Board is satisfied with the performance and contribution of Datin Feridah Binti Bujang Ismail and support the re-election of Datin Feridah Binti Bujang Ismail as Independent Non-Executive Director of the Company based on the following justifications:-

a. Datin Feridah Binti Bujang Ismail fulfils the requirements of independence set out in MMLR of Bursa Securities. She remains objective and independent in expressing her view and participating in Board's deliberations and decision making process.

b. Her extensive experience and knowledge in accounting, audit and finance enable her to discharge her duty efficiently as the member of Audit and Risk Management Committee for asking probing questions for all financial related matters of the Company.

c. She has exercised her due care and carried out her professional duties proficiently and independently during her tenure as Independent Non-Executive Director of the Company.

4. **Ordinary Resolution 6 on the Proposed continuation in office of Encik Ahmad Ruslan Zahari Bin Zakaria as Independent Non-Executive Director**

Encik Ahmad Ruslan Zahari Bin Zakaria was appointed as an Independent Non-Executive Director on 21 February 2014. His term as an independent director exceeded nine (9) years after 21 February 2023. Pursuant to the Malaysian Code on Corporate Governance, the Board through the Nomination and Remuneration Committee has carried out the necessary assessment and is satisfied that Encik Ahmad Ruslan Zahari Bin Zakaria is able to exercise independent judgement and act in the best interest of the Company. He has effectively applied his experience and knowledge to discharge his duties and responsibilities as a Director of the Company. He is also in compliance with the relevant criteria and provisions in the MMLR of Bursa Securities on independent directors. Encik Ahmad Ruslan Zahari Bin Zakaria has abstained from all deliberations at the Board meeting in relation to the recommendation of Ordinary Resolution 6.

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS (CONT'D)

4. **Ordinary Resolution 6 on the Proposed continuation in office of Encik Ahmad Ruslan Zahari Bin Zakaria as Independent Non-Executive Director (Cont'd)**

   The Board received performance evaluation of him and he was found to be effective in his role as an independent director as well as Chairman of the Audit and Risk Management Committee. It was also found that he has fulfilled time commitment to attend the Company's Board and Committee meetings and he has a satisfactory performance in discharging his duties. Therefore, the Board has recommended that the approval of the shareholders be sought at the forthcoming AGM for the continuing of office of Encik Ahmad Ruslan Zahari Bin Zakaria as Independent Non-Executive Director of the Company.

5. **Ordinary Resolution 7 on the Authority under Section 76 of the Act for the Directors to allot and issue shares**

   The Ordinary Resolution 7 proposed under item 6 of the Agenda seeks the shareholders' approval of a general mandate for issuance of shares by the Company under Section 76 of the Act not exceeding ten per centum (10%) of the total number of issued shares of the Company. The mandate, if passed, serves as a measure to meet the Company's immediate working capital needs in the short term without relying on conventional debt financing (which will result in higher finance costs to be incurred) for the purpose of funding investment project(s), working capital and/ or acquisition(s). This would also eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

   The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 58 of the Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

   As at the date of this Notice, there were no new shares issued pursuant to the mandate granted to the Directors of the Company at the 20th AGM held on 30 August 2022 of which the mandate will lapse at the conclusion of the 21st AGM. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

6. **Ordinary Resolution 8 on Proposed RRPT Mandate**

   The Ordinary Resolution 8, if passed, will allow the Company and its subsidiaries to enter into RRPT in accordance with Paragraph 10.09 of the MMLR of Bursa Securities without the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT occur. This would reduce substantial administrative time, inconvenience and resources associated with the convening of such meetings without compromising the corporate objectives of Minetech Group or affecting the business opportunities available to Minetech Group. The shareholders' mandate is subject to renewal on an annual basis.

   For further information on Ordinary Resolution 8, please refer to the Circular to Shareholders dated 28 July 2023 accompanying the Annual Report of the Company for the financial year ended 31 March 2023.

Personal data privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

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MINETECH RESOURCES BERHAD

Registration No. 200201007880 (575543-X) (Incorporated in Malaysia)

PROXY FORM

CDS account no.	No. of ordinary shares held

I/ We ______________________________ NRIC/Passport/Company No: ______________
[Full name in block]

Tel: ______________ of ____

____ (full address) with

email address ______________________ being member(s) of **MINETECH RESOURCES BERHAD [Registration No. 200201007880 (575543-X)]** hereby appoint * THE CHAIRMAN OF THE MEETING or failing him/her

Full Name (in Block)	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Telephone no./ Email address			

And (if more than one (1) proxy)

Full Name (in Block)	NRIC No./Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Telephone no./ Email address			

as my/our proxy(ies) to vote for me/us on my/our behalf at the Twenty-First Annual General Meeting of the Company which will be conducted as a fully virtual meeting through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities via the online meeting platform of TIIH Online website at https://tiih.online or https://tiih.com.my (Domain registration number with MYNIC D1A282781) on Monday, 28 August 2023 at 10.00 a.m. or at any adjournment thereof.

** if you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "the Chairman of the Meeting or failing him/her" and insert the name(s) of the person(s) desired.*

My/our proxy/proxies is/are to vote as indicated below.

	RESOLUTIONS		FOR	AGAINST
1.	To approve the payment of Directors' Fees and Benefits Payable to the Directors up to an aggregate amount of RM700,000.00 from this Annual General Meeting until the next Annual General Meeting in 2024.	Ordinary Resolution 1		
2.	To re-elect Mr Chin Leong Choy who is retiring pursuant to Clause 97 of the Constitution of the Company.	Ordinary Resolution 2		
3.	To re-elect Encik Ahmad Ruslan Zahari Bin Zakaria who is retiring pursuant to Clause 97 of the Constitution of the Company.	Ordinary Resolution 3		
4.	To re-elect Datin Feridah Binti Bujang Ismail who is retiring pursuant to Clause 97 of the Constitution of the Company.	Ordinary Resolution 4		
5.	To re-appoint Messrs. Al Jafree Salihin Kuzaimi PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 5		
6.	Proposed continuation in office of Encik Ahmad Ruslan Zahari Bin Zakaria as Independent Non-Executive Director.	Ordinary Resolution 6		
7.	Authority under Section 76 of the Companies Act 2016 for the Directors to allot and issue shares.	Ordinary Resolution 7		
8.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature.	Ordinary Resolution 8		

(Please indicate with an "X" in the appropriate box against the resolutions on how you wish your proxy to vote. The proxy is to vote on the resolutions set out in the Notice of Meeting as you have indicated. If no specific instruction as to voting is given, this form will be taken to authorise the proxy to vote at his/her discretion)

______________________________ ______________________________

Signature/Common Seal of Shareholder Date

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Notes:

1. The 21st AGM will be conducted on a fully virtual basis via TIIH Online website at https://tiih.online. Please refer to the Administrative Guide of the 21st AGM for the procedures to register, participate and vote remotely through the RPV facilities.

   The Adminstrative Guide on the conduct of the fully virtual 21st AGM of the Company is available at the Company's website at https://minetech.com.my/reports/.
2. The conduct of the fully virtual 21st AGM is in compliance with Section 327 of the Companies Act 2016 and the provisions of the Constitution of the Company. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is located in Malaysia and all meeting participants including Chairman of the meeting, board members, senior management and shareholders are to participate in the meeting online.
3. A member of the Company entitled to attend, participate and vote remotely at the meeting is entitled to appoint a proxy or proxies to attend, participate and vote for his/her behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
4. A member may appoint up to two (2) proxies to attend and vote at the meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
7. The appointment of proxy may be made in a hardcopy form or by electronic means, not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof, as follows:-

   (i) In Hardcopy Form

   The instrument appointing a proxy or proxies and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited with Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

   (ii) By Electronic Means

   The instrument appointing a proxy or proxies can be submitted electronically, via TIIH Online website at https://tiih.online. Please refer to the Administrative Guide of the 21st AGM for further information on electronic submission of proxy form via TIIH Online.

   The appointment of the proxy(ies) will be **INVALID** if the Proxy Form/ e-Proxy Form is not completed correctly in accordance with the instructions stated in the form.
8. The members, proxies or corporate representatives may submit questions in relation to the resolutions to be tabled at the 21st AGM at https://tiih.online prior to the 21st AGM or to use the query box to transmit questions by typed texts via RPV facilities during live streaming of the 21st AGM of the Company.
9. Pursuant to Paragraph 8.29(A) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions at the 21st AGM of the Company shall be put to vote by way of poll.
10. In respect of deposited securities, only members whose names appear on the Record of Depositors on 21 August 2023 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Twenty-First Annual General Meeting dated 28 July 2023.

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AFFIX
STAMP

MINETECH RESOURCES BERHAD
Registration No.: 200201007880 (575543-X)

C/O Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

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MINETECH RESOURCES BERHAD
(Registration No. 200201007880 (575543-X)

D-G-5, Block D, Parklane Commercial Hub
No. 21, Jalan SS7/26
Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Tel : (603) 7886 7848
Fax : (603) 7886 3370

www.minetech.com.my