ANNUAL REPORT **2018**

MRB (575543-X)

MINETECH RESOURCES BERHAD

MISSION & VISION

WE ARE COMMITTED:-

- To implement the best corporate practice culture in the organisation;
- To retain, grow and develop competent Human Capital and provide growth opportunities;
- To meet customers' expectation and provide service excellence.

To be the
BEST
in whatever
we do



CONTENTS

CORPORATE STRUCTURE
As At 29 June 2018

MRB (575543-X) MINETECH RESOURCES BERHAD

- **QUARRY**
  - K.S. CHIN MINERALS SDN BHD 100%
    - MINETECH QUARRIES SDN BHD 100%
      - MINETECH PAVEMENT TECHNOLOGIES SDN BHD 100%
        - MINETECH PQ SDN BHD 51%
      - OPTIMIS DINAMIK SDN BHD 100%
      - MINETECH BIDOR QUARRY SDN BHD 100%
    - GEBENG QUARRY SDN BHD 51%
    - HEBAT ASET SDN BHD 49%
  - BERTAM CAPITAL SDN BHD 60%
- **CONSTRUCTION**
  - MINETECH CONSTRUCTION SDN BHD 100%
    - MINETECH BUILDERS SDN BHD 49%
- **PROPERTY DEVELOPMENT**
  - MRB LAND SDN BHD 100%
    - INTEGRAL HOUSING DEVELOPMENT SDN BHD 100%
    - MRB PROPERTY SDN BHD (FKA BALANCE PROPERTY SDN BHD) 100%
    - KONSEP KHAS SDN BHD 100%
  - HARAPAN IRINGAN SDN BHD 100%
  - MEDIUM VISA SDN BHD 100%
  - MINETECH REALTY SDN BHD 100%
  - MRB FTZ DEVELOPMENT SDN BHD 100%
- **MANUFACTURING**
  - MINETECH PREMIX SDN BHD 100%
    - MINETECH QUARRIES SABAH SDN BHD 100%
  - MINETECH ASPHALT MAN INTERNATIONAL SDN BHD 85%
- **OTHERS**
  - MINETECH INDUSTRIES SDN BHD 100%
  - DIMAN KS CHIN SDN BHD 100%
  - CORAL POWER SDN. BHD. 70%
  - MINETECH HEAVY MACHINERIES SDN BHD 100%
  - MINETECH QUARRIES SINGAPORE PTE. LTD. 100%

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. **Choy Sen @ Chin Kim Sang**
   Non-Independent Non-Executive Chairman
2. **Chin Kong Yaw**
   Chief Executive Officer
3. **Chin Leong Choy**
   Group Executive Director
4. **Dato' Sri Chai Chow Sang**
   Non-Independent Non-Executive Director
5. **Chan Toong San**
   Non-Independent Non-Executive Director
6. **Chong Jun Heng**
   Non-Independent Non-Executive Director
7. **Ahmad Ruslan Zahari Bin Zakaria**
   Independent Non-Executive Director
8. **Ahmad Rahizal Bin Dato' Ahmad Rasidi**
   Independent Non-Executive Director
9. **Ling Chee Wei**
   Independent Non-Executive Director
   (Appointed on 13 November 2017)
10. **Chai War Ren**
    Alternate Director to Dato' Sri Chai Chow Sang

AUDIT COMMITTEE

1. **Ahmad Ruslan Zahari Bin Zakaria** *Chairman*
2. **Chan Toong San**
3. **Ling Chee Wei**
   (Appointed on 15 November 2017)

NOMINATION COMMITTEE

1. **Ahmad Rahizal Bin Dato' Ahmad Rasidi** *Chairman*
   (Appointed on 15 November 2017)
2. **Ahmad Ruslan Zahari Bin Zakaria**
3. **Chong Jun Heng**

REMUNERATION COMMITTEE

1. **Ahmad Ruslan Zahari Bin Zakaria** *Chairman*
2. **Choy Sen @ Chin Kim Sang**
3. **Ling Chee Wei**
   (Appointed on 15 November 2017)

RISK MANAGEMENT COMMITTEE

1. **Ahmad Rahizal Bin Dato' Ahmad Rasidi** *Chairman*
2. **Ahmad Ruslan Zahari Bin Zakaria**
3. **Chong Jun Heng**

COMPANY SECRETARIES

Tai Yit Chan *(MAICSA 7009143)*
Tan Ai Ning *(MAICSA 7015852)*

REGISTERED OFFICE

Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel No. : 603-7720 1188
Fax No. : 603-7720 1111

SHARE REGISTRAR

Boardroom Corporate Services (KL) Sdn Bhd
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel No. : 603-7720 1188
Fax No. : 603-7720 1111

PRINCIPAL BANKERS

Malayan Banking Berhad
(Company No. 3813-K)

AUDITORS

Messrs UHY
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel No. : 603-2279 3088
Fax No. : 603-2279 3099

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad
Stock Short Name: MINETEC / MINETEC-WA
Stock Code: 7219 / 7219WA

DIRECTORS' PROFILE

CHOY SEN @ CHIN KIM SANG
Non-Independent Non-Executive Chairman, Aged 65, Male

Choy Sen @ Chin Kim Sang is the founder and Non-Independent Non-Executive Chairman. He was appointed as the Executive Chairman of the Company on 28 January 2005 and subsequently, was re-designated as Executive Vice-Chairman on 15 December 2010 and Executive Vice-Chairman cum Group Managing Director on 16 April 2013. On 28 January 2014, he was re-designated as Executive Chairman cum Group Managing Director.

On 28 October 2016, he was re-designated to his present position of Non-Independent Non-Executive Chairman. He is also a member of the Remuneration Committee of the Company.

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 the Jabatan Mineral dan Geosains Malaysia and Polis Diraja Malaysia. He is a Deputy President of Green Purchasing Network Malaysia.

He has over 40 years of experience in the provision of quarrying services and specialised services for the quarrying and civil engineering industries.

After getting the requisite experiences in drilling and blasting works, in 1984, he incorporated K.S. Chin Construction Sdn Bhd (now known as K.S. Chin Minerals Sdn Bhd) to take over the business operations of Chin Construction. In 1989, he expanded his business to incorporate Minetech Construction Sdn Bhd, to provide specialised drilling and blasting, loading and haulage services focusing on rock excavation and infrastructure development projects.

Subsequently, he established few subsidiaries focusing the following business activities:
(a) Trading of heavy machineries and industrial machinery spare parts;
(b) Sales and marketing of aggregates; and
(c) Providing asphalt premix to the road construction and maintenance industry.

As the founder, he has been the main driving force behind the development, growth and expansion of the MRB Group. Some of his main contributions include the Group's strategic diversification into long-term quarry operations in 1991. The Group flourished under his leadership and was listed on the Second Board of the Bursa Malaysia Securities Berhad ("Bursa Securities") on 22 July 2005. Subsequently, on 3 August 2008, the counter was elevated to Bursa Securities' Main Board. Presently, he leads the Board on overseeing the management and ensures the smooth functioning of the Board.

Other than MRB, he is not a director of any other public company and listed issuer. He is a director in several private limited companies.

He is a major shareholder of MRB. He has no conflict of interest with the MRB Group other than that which has been disclosed in the Audited Financial Statements contained in this Annual Report.

Directors' Profile (cont'd)

CHIN KONG YAW
Chief Executive Officer, Aged 58, Male

Chin Kong Yaw was appointed as an Independent Non-Executive Director of the Company on 13 August 2014. On 1 August 2016, he was re-designated as an Executive Director and then as Chief Executive Officer on 24 November 2016.

He holds a Bachelor of Economics degree with a major in Accounting from Monash University, Melbourne, Australia and he is a member of CPA Australia.

He started his career with several accounting firms in Kuala Lumpur and was involved with audits (1984-1987), Finance Manager of Kimara Securities Sdn Bhd (Stock and Share Brokers), Seremban and was in charge of the operations of the Accounting and Finance Department (1987-1988), Financial Controller of Setegap Berhad (1989-1997), Executive Director of Setegap Berhad (1997-2006), Chief Operating Officer of KYM Holdings Bhd (2006-2014) and Executive Director of H2Advance Builders Sdn Bhd, a subsidiary company of Ho Hup Construction Company Berhad (2015-2016).

Other than MRB, he is not a director of any other public company and listed issuer. He sits on the boards of several private limited companies.

He has no conflict of interest with the MRB Group.

CHIN LEONG CHOY
Group Executive Director, Aged 35, Male

Chin Leong Choy was appointed to the Board of Directors of MRB as Executive Director on 21 January 2010. He was re-designated as Group Executive Director on 6 March 2013.

He received his Master in Business Administration (General Management) from Stichting Euregio University College, Belgium and Master in Business Administration (Property Management) from Tbilisi Teaching University Gorgasali, Georgia. He is a registered Shot-Firer with the Jabatan Mineral and Geosains Malaysia.

In 2003, he joined Minetech Construction Sdn Bhd in-charge of control blasting and infrastructure work. He then transferred to Minetech Quarries Sdn Bhd as Sales Executive in 2005 and Planning & Development Executive of K.S. Chin Minerals Sdn Bhd in 2006. During his tenure between 2007 to 2009, he was the Personal Assistant to Executive Chairman of MRB.

As Group Executive Director, his main responsibilities include the overall performance and management of various companies in MRB Group, business expansion and ensuring that all business goals are achieved.

Other than MRB, he is not a director of any other public company and listed issuer. He sits on the boards of several private limited companies.

He has no conflict of interest with the MRB Group.

Directors' Profile (cont'd)

DATO' SRI CHAI CHOW SANG
Non-Independent Non-Executive Director, Aged 55, Male

Dato' Sri Chai Chow Sang was appointed as Non-Independent Non-Executive Director of the Company on 23 March 2017. Dato' Sri Chai has built his name in several successful timber related business including sawmilling, logging and timber trading. In addition, he has also ventured into other businesses such as quarrying and property development.

After completing his higher school education, Dato' Sri Chai ventured into the automobile related industry with his first business venture being a tyre dealership. Following that he branched out into timber-related and other businesses.

Dato' Sri Chai was awarded the Darjah Kebesaran Sultan Ahmad Shah Pahang Yang Amat Di Mulia – Peringkat Pertama by the Sultan of Pahang in 2012. He serves various associations and has been appointed to senior positions including Chairman of the Chinese Chamber of Commerce Raub, Deputy Chairman of the Associated Chinese Chambers of Commerce and Industry Pahang, Central Committee Member of the Associated Chinese Chambers of Commerce and Industry of Malaysia, President of Persatuan Chiyang Pahang and Deputy President of Persekutuan Persatuan Chiyang Malaysia.

Other than MRB, he is not a director of any other public company and listed issuer. He also sits on the board of several private companies.

He has no conflict of interest with the MRB Group.

CHAN TOONG SAN
Non-Independent Non-Executive Director, Aged 65, Male

Chan Toong San was appointed as Non-Independent Non-Executive Director of the Company on 29 June 2016. He is also a member of the Audit Committee of the Company.

He received his Masters in Business Administration from Heriot-Watt University and Diploma in Banking from the Chartered Institute of Bankers in United Kingdom.

He built a successful career in the banking and finance industry spanning over 20 years. He was the General Manager of Operations for a leading finance institution and managed more than 80 branches in East and West Malaysia.

He ventured into the quarrying business in 2001 and has been instrumental for the growth and expansion of a medium sized quarry covering the local and overseas market.

He holds 49% of deemed interest via Pantai Quarry Sdn Bhd in Minetech PQ Sdn Bhd, a subsidiary company of MRB.

Other than MRB, he is not a director of any other public company and listed issuer. He sits on the boards of several private limited companies.

He has no conflict of interest with the MRB Group.

Directors' Profile (cont'd)

CHONG JUN HENG
Non-Independent Non-Executive Director, Aged 55, Male

Chong Jun Heng was appointed as Non-Independent Non-Executive Director on 29 June 2016. He is also a member of the Nomination Committee and Risk Management Committee of the Company.

He received his Masters in Business Administration from the University of Strathclyde and Management Diploma from the Malaysian Institute of Management.

He began his career with Shell Malaysia working there from 1982 to 1991 involved in sales, communications, branding, network management, network development and other marketing activities.

Subsequently, he joined a conglomerate involved in property, food and gaming where he stayed until 2003. He then joined Tebrau Teguh Bhd (now known as Iskandar Waterfront City Berhad), a company listed on Bursa Malaysia as General Manager.

In 2008, he co-founded Cabaran Roadbase Sdn Bhd, a company producing asphaltic concrete mixes for road construction where he has since served as Executive Director.

Other than MRB, he is not a director of any other public company and listed issuer. He sits on the boards of several private limited companies.

He has no conflict of interest with the MRB Group.

AHMAD RUSLAN ZAHARI BIN ZAKARIA
Independent Non-Executive Director, Aged 57, Male

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

He graduated from the University of Newcastle-upon-Tyne, England in 1984 with a Bachelor of Arts in Economic Studies (Accounting & Financial Analysis). After graduation, he trained as a Chartered Accountant at a firm in London and in 1986, he joined Merchants Business Growth Consulting, a pan European marketing consulting company, as its Group Financial Controller.

In 1993, he left Europe and joined what is now 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., the leading global media organisation listed on the New York Stock Exchange as ASEAN Regional Director/Managing Director of Malaysian operations.

In 2005, he was appointed as the Chief Executive Officer of Terengganu Incorporated, the strategic investment holding company for the Terengganu state. In 2008, he joined, as CEO, Armstrong Marine & Offshore Sdn. Bhd., the official representative of Armstrong Corporation Holdings in Asia and the Pacific Rim, a company involved in offshore and shipping investments, oil trading, finance and project development. Since 2010, he is the Chief Executive Officer of Sungai Temau Mining (M) Sdn. Bhd., an iron ore mining company.

He is also an Independent Non-Executive Chairman of Spring Gallery Berhad which is listed on Bursa Securities. Additionally, he is a director of several private limited companies.

He has no conflict of interest with the MRB Group.

Directors' Profile (cont'd)

AHMAD RAHIZAL BIN DATO' AHMAD RASIDI
Independent Non-Executive Director, Aged 35, Male

Ahmad Rahizal was appointed as Independent Non-Executive Director on 28 October 2016. He is also the Chairman of the Nomination and Risk Management Committee of the Company.

He graduated from Sunway College in 2006 with a Degree in Business Information Technology.

He began his career as a Director in Noble Signet Sdn Bhd in 2008, an IT developer catering for the banking industry. From 2009 – 2012, he was appointed as Chairman of UQ Holiday Sdn Bhd which chartered flights for pilgrims to perform the Umrah. In 2012, he joined AutoMasterCop Sdn Bhd as Chief Executive Officer, a position which he holds until today. AutomasterCop provides electronic payment systems as an alternative delivery channel for banks and other financial institutions.

He is also involved in property development in the Klang Valley, Melaka and Johor through Tres Industry Sdn Bhd and the JM Group. He is also involved in politics and now serves as Deputy Youth Chief for UMNO Cheras.

He is also a Senior Independent Non-Executive Director of Acoustech Bhd. He also sits on the board of several private companies.

He has no conflict of interest with the MRB Group.

LING CHEE WEI
Independent Non-Executive Director, Aged 46, Male

Ling Chee Wei was appointed as an Independent Non-Executive Director of the Company on 13 November 2017. He is also a member of the Audit Committee and the Remuneration Committee of the Company.

He graduated with a Bachelor of Laws (LL.B) (Hons) from the University of London, UK (External Degree) in 1994. He obtained the Certificate of Legal Practice from the Legal Profession Qualifying Board, Malaysia in 1995.

In 1996, he joined Messrs Ho, Loke & Koh (a legal firm in Kuala Lumpur specializing in conveyancing, corporate and litigation works) as a chambering pupil, and he was admitted as an Advocate and Solicitor of the High Court of Malaya in November 1996. He became a partner of the same legal firm in 1999 and is still practicing law there. As a partner, he oversees the litigation department and specialises in areas of law such as banking law, law of insolvency, family law, land law, law of contract, company law and the remedial law of injunction and specific performance.

Other than MRB, he is not a director of any other public company and listed issuer. He sits on the boards of several private limited companies.

He has no conflict of interest with the MRB Group.

Directors' Profile (cont'd)

CHAI WAR REN
Alternate Director to Dato' Sri Chai Chow Sang, Aged 28, Male

Chai War Ren was appointed as Alternate Director to Dato' Sri Chai Chow Sang on 23 March 2017.

He graduated from Monash University, Melbourne, in 2011 with a Bachelor of Business (Accounting and Finance). He had been advanced as Certified Practicing Accountants (Australia) in 2017.

Since 2012, he has been involved in various capacities in his family's business of sawmilling, logging, timber trading and property development.

Other than MRB, he is not a director of any other public company and listed issuer. He sits on the Board of Directors of several private companies and belongs to several trade and social associations.

He has no conflict of interest with the MRB Group.

SENIOR/KEY OFFICER'S PROFILE

NG KOK HOK
Chief Financial Officer, Aged 57, Male

Ng Kok Hok joined MRB as Finance Advisor in November 2013 and was promoted to the position of Chief Financial Officer. On 21 February 2014, he was appointed as Finance Director. He resigned from the Board before taking up new position as Chief Financial Officer on 23 March 2017.

He is a Chartered Accountant with the Malaysian Institute of Accountants, a Chartered Global Management Accountant, an Associate Member of the Chartered Institute of Management Accountants and a Member of the Financial Planning Association of Malaysia.

Prior to joining MRB, he held the position of an Accountant in several private limited companies involved in telecommunications, manufacturing and trading businesses. He has also served as an Accountant and was later promoted to be a Financial Controller for Kuala Lumpur Mutual Fund Berhad (now known as Public Mutual Berhad). He then joined as General Manager of TA Unit Trust Management Berhad and progressed to the role as Chief Executive Officer.

He has no directorship in any public company or listed issuer but sits on the board of a private limited company.

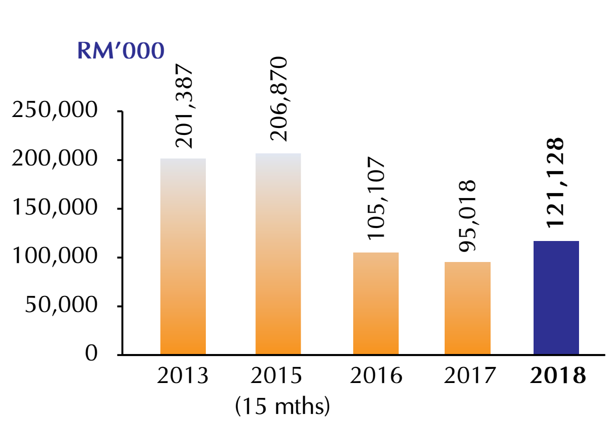
He has no conflict of interest in any business arrangement involving the MRB Group.

Notes:

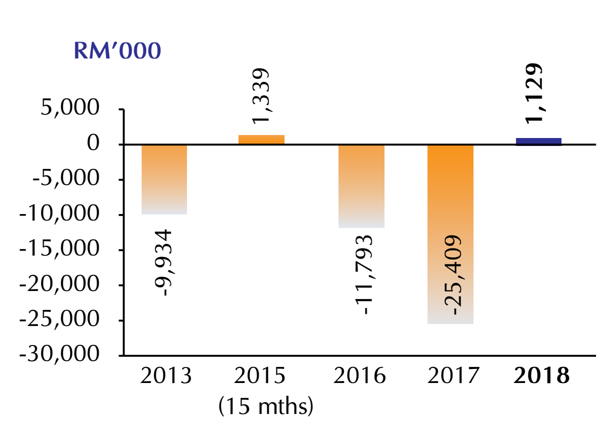
1. All the Directors and senior/key officer of MRB are Malaysian.
2. Save as otherwise disclosed, none of the Directors and senior/key officer of MRB have any convictions for offences within the past five (5) years other than traffic offences, if any.
3. None of the Directors and senior/key officer of MRB have any family relationship with any other directors and/or major shareholders except the following:
   (a) Mr Chin Leong Choy is the son of Mr Choy Sen @ Chin Kim Sang, the Non-Independent Non-Executive Chairman and major shareholder of MRB; and
   (b) Mr Chai War Ren is the son of Dato' Sri Chai Chow Sang, the Non-Independent Non-Executive Director of MRB.
4. The details of Directors' attendance of Board Meetings during the financial year ended 31 March 2018 are disclosed in page 37 of this Annual Report.

FINANCIAL HIGHLIGHTS

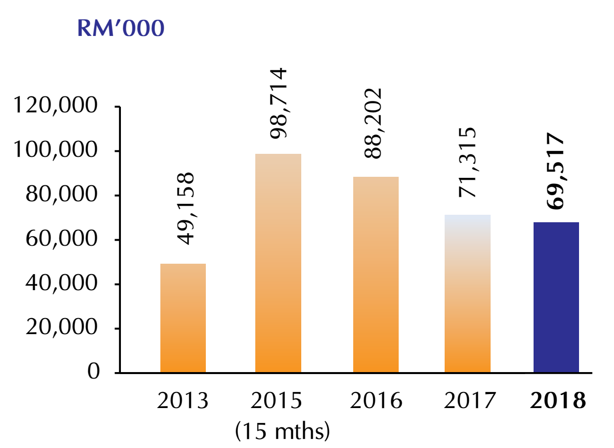
Revenue



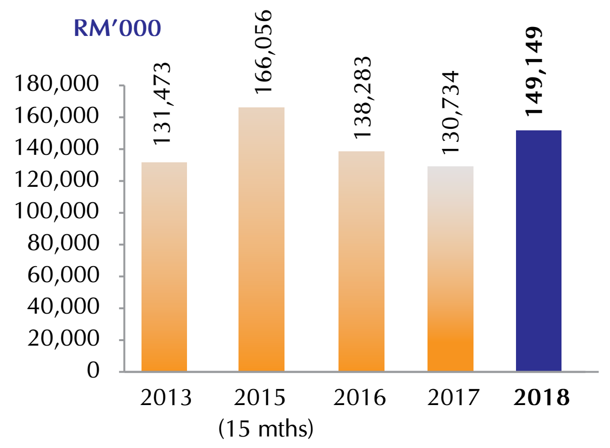
Profit / (Loss) Before Tax



Shareholders' Fund



Total Assets



CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS,

For this financial year ended 31 March 2018, it is my pleasure to report that Minetech Resources Berhad ("MRB" or "Group"), recorded a Group revenue of RM121.1 million, representing an increase of 27.5% as compared to the previous financial year. Further thereto, the Group recorded a profit before taxation of RM1.1 million as compared to previous year's loss before taxation of RM25.4 million. The improvement in Group revenue is mainly due to the better performance in the quarry division, which is further described below. The better operating results are as a result of the undertaking of a business restructuring and rationalisation exercise implemented in the previous financial year.

Quarry Division

The quarry division recorded revenue of RM54.98 million for the financial year ended 31 March 2018 and a segmental profit of RM8.49 million as compared to the revenue of RM41.42 million and a segmental loss of RM17.30 million recorded in the previous financial year, respectively. The increased in revenue recorded is due to the increased production from our operation in Gebeng, Pahang, as a result of the installation and commissioning of a new crushing plant and also due to the commencement of the quarry operation at Bidor, Perak.

The restructuring of the operations exercise which was undertaken in the previous financial year has improved cost control and this has led to better margins.

On 30 April 2018, the Group completed the acquisition of a 60% equity interest in Bertam Capital Sdn Bhd which has a quarry operation in Nilai, Negeri Sembilan. This acquisition is expected to contribute positively to this division revenue and profitability in the next financial year.

Construction Division

The construction division recorded a revenue of RM27.21 million and a profit of RM1.96 million during the financial year as compared to a revenue of RM28.3 million and a profit of RM1.48 million in the previous financial year, respectively. This division is expected to continue to perform satisfactorily in the next financial year although it has been reported that there may be delay or cancellation of major infrastructure projects in the country, as announced by the new Government of Malaysia. However, we are confident that we will procure sufficient new contracts for this division to stay profitable in the coming years.

Asphalt Premix Products Division

This division had a challenging year which recorded a revenue of RM24.39 million and losses of RM2.85 million for the current financial year as compared to the revenue of RM17.01 million and losses of RM4.24 million recorded in the previous financial year, respectively. The depressed market prices, raising raw material prices and the increased risk in collection of receivable has led to the curtail of operations to just two plants, one at Saujana Puchong, Selangor and the other at Bidor, Perak. The outlook for this division for the next financial year remains challenging as raw material prices are on an upwards trend and margins are expected to remain low.

Bituminous Products Division

The bituminous products manufacturing division for this financial year has recorded a revenue of RM14.65 million and a profit of RM1.31 million as compared to a revenue of RM13.05 million and a profit of RM0.82 million in the previous financial year, respectively. The bituminous products are mainly used for preventive coating of metal surfaces, water proofing and sealing for building works and as materials used in the road construction industry. The products are both sold locally and overseas mainly to the Asean countries. The company will continue to increase the product range and to improve on their turnover and profitability.

Other Significant Event

We welcome the inclusion of Bertam Capital Sdn Bhd to the Group, as already mentioned above, we look forward to working with our new partners and I am quite certain that this acquisition will provide the Group with the synergies in operating in a larger group.

On 20 April 2018 we undertook a further placement of 30,000,000 shares at an issuance price of 0.10 sen per share, raising RM3,000,000.00 in proceeds to be used as working capital of the Group. This placement is part of the 106,379,940 number of shares approved for private placement at the Annual General Meeting held on 24 August 2017.

On 24 April 2018, Coral Power Sdn Bhd, our 70% owned subsidiary of MRB has been awarded by the Energy Commission, a 21 years concession to build and operate a 9.99MWac solar power farm in Perak. This new venture will provide a new long term income stream for the Group and also to diversify the Group's earnings source from another industry.

We are looking forward to seeing the maiden contribution from our young property development division. This will be from our joint venture with several land owners, to develop 22 units of semi-detached and 2 units of bungalow houses in Raub, Pahang with an estimated Gross Development Value of RM24.7 million. The Group will continue to source for more development proposals and look forward to undertake further development projects in the upcoming financial year.

Future Prospects

The Group's prospect is generally tied to the country's construction, building materials and property development industry. The recent deferment and reassessment of the implementation of several large infrastructure projects by the Government will hopefully not have a significant impact of the prospects of the Group. The slow down of the property development industry is not expected to be reversed in the near term with the reported general oversupply of properties (except for the affordable housing market) in the country.

Notwithstanding the above, the Group would continue to closely monitor its cost structure and production efficiency to maintain its competitiveness in the respective business sectors we are involved in. Although there are uncertainties arising from the implementation of the Government's new policies, I am confident that the economy of the country will improve with time and will place the country on a better footing for the future.

Acknowledgement

On behalf of the Board, I am pleased to extend a warm welcome to Mr Ling Chee Wei as an Independent Non-Executive Director to the Board of Directors. I look forward to his contribution to the Board with his experience, skill, knowledge and expertise.

I wish to express my gratitude to my fellow Directors, senior management and all our employees for your contributions to the Group. Your efforts have been of paramount importance to the Group's ability to deal with challenges faced during the past financial year and to the looming challenges in the business horizon.

Last but not least, I would like to extend our sincerest appreciation to our shareholders, suppliers, bankers, customers and government authorities for your ongoing support.

MANAGEMENT DISCUSSION AND ANALYSIS
FYE 31 MARCH 2018

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

Business and operations

MINETECH RESOURCES BERHAD ("MRB" or "the Company")

Overview

During the financial year ended 31 March 2018, MRB and its group of companies' (MRB Group) were principally involved in the production of quarry products, civil engineering works, production of asphalt premix products and production of bituminous products. Through these businesses, the MRB Group mainly provides goods and services to the property and infrastructure construction sectors.

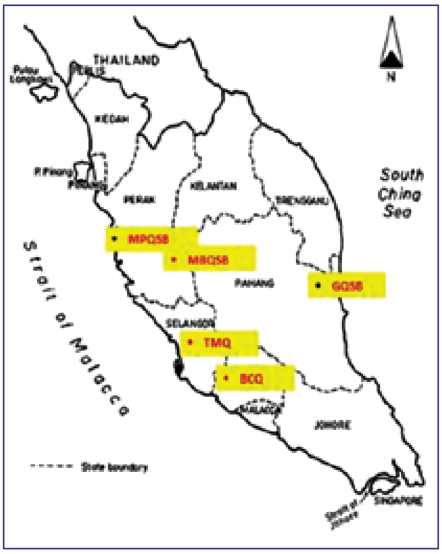
During this period, the country's property development sector, with the exception of the affordable housing subsector, the consensus appears to be that there is an oversupply of commercial and housing properties. The resulting slowdown in the property construction market provides a strong challenge on the MRB Group's plan to improve turnover. As for the infrastructure construction sector, in the Greater Klang Valley region, major transport infrastructure projects implemented including the Mass Rapid Transit project, also known as MRT 2, the Light Rapid Transit project, also known as LRT 3, together with several other private highway projects have been a source of contracts for the Group. Looking ahead, the Group is optimistic of securing further contracts for the supply of construction materials and/or services from the infrastructure construction industry, provided the current Government's review of the implementation of large infrastructure projects in the country are not severely curtailed or postponed.

Operating activities

The ensuing section provides a review of the business activities and more details of the divisions in the MRB Group:

1. Quarrying

This division is involved either in the extraction and the sale of granite quarry products in various sizes (in the industry these products are commonly referred to as aggregates) or only in the extraction of quarry products, as a contractor. Aggregates are primarily sold to customers for the manufacture of concrete mix in the building and infrastructure industries or the manufacture of asphaltic or bituminous premix for road construction or directly to road contractors. This division is regarded as our core division.



Our quarry operation locations are depicted in the map below with their respective markets generally within a radius of 50 kilometers. According to a current report of the Institute of Quarrying Malaysia, in the respective States in which we are operating, there are 39 quarries in Perak, 29 quarries in Selangor, 28 quarries in Pahang and 19 quarries in Negeri Sembilan.

In 2017, we have terminated our quarry operation contract at Yan, Kedah and in April 2018, the Group completed the acquisition of 60% equity interest in Bertam Capital Sdn Bhd which owns a quarry in Nilai, Negeri Sembilan. This new acquisition is expected to contribute positively to the Group.

Management Discussion and Analysis FYE 31 March 2018 (cont'd)

Business and operations (cont'd)

The locations of our quarry operations are shown below:

- Puchong, Selangor (TMQ), operated by KS Chin Minerals Sdn Bhd, a 100% subsidiary company, involved in the extraction of quarry products;
- Bidor, Perak (MBQSB), operated by Minetech Bidor Quarry Sdn Bhd, a 100% subsidiary company, involved in the extraction and sale of quarry products;
- Pantai Remis, Perak (MPQSB) operated under Minetech PQ Sdn Bhd, a 51% subsidiary company, involved in the extraction and sale of quarry products;
- Kuantan, Pahang (GQSB) operated by Gebeng Quarry Sdn Bhd, a 51% subsidiary company, involved in the extraction and sale of quarry products; and
- Nilai, Negeri Sembilan (BCQ) operated by Bertam Capital Sdn Bhd, a 60% subsidiary company, involved in the extraction and sale of quarry products.

Loading of barges at Pantai Remis, Perak

Quarry operation at Bidor, Perak

Quarry operation at Nilai, Negeri Sembilan

2. Civil engineering

This division operates under Minetech Construction Sdn Bhd and is principally involved in infrastructure construction works. The Group's specialized expertise in rock blasting and excavation is applied to the construction industry and offered as a unique value proposition. For example, they are currently involved with an underground excavation contract using controlled blasting at the Mass Rapid Transport project (MRT 2) to build the underground station at the Jalan Chan Sow Lin area in Kuala Lumpur. The company is also involved in the blasting and excavation works at an open cast gold mine in Pahang.

This civil engineering division also allows the MRB Group to enjoy better efficiency for utilization of equipment and staff by sharing of resources between the quarry and construction sites when required. In addition, being involved in civil engineering construction also creates leads for the Group's quarry and bituminous products.

As an ongoing process, this division regularly submits tenders for new projects, especially in the infrastructure construction industry, and is expected to continue to benefit from on-going and future infrastructure projects.

Drill and blast operations at a gold mine in Pahang

Construction of an elevated road at Cheras, Kuala Lumpur

Excavation works with controlled blasting to construct an underground station for the MRT 2 project

Management Discussion and Analysis
FYE 31 March 2018 (cont'd)

Business and operations (cont'd)

3. Asphalt premix products

This division manufactures and sells asphalt premix products used in the road construction industry. Their principal customers are road contractors undertaking contracts for housing estates, municipal councils, state, federal and highway concessionaires.

During the financial year under review, the MRB Group's asphalt premix product division was faced with the rising price of its key raw material of asphalt or bitumen, as well as, competitive pricing due to an overcrowded industry with an estimated 150 asphalt premix plants operating in Peninsular Malaysia. As such, the management has taken steps to downsize from 5 production facilities to 2 production facilities as follows:

- Puchong, Selangor (commenced operations in December 2010)– under Minetech Premix Sdn Bhd (a 100% subsidiary company); and
- Bidor, Perak (commenced operations in May 2017) – under Minetech Bidor Quarry Sdn Bhd (a 100% subsidiary company).

Customers are generally within a radius of 50 - 80 kilometers of its operations.

The raw material used at the MRB Group's plants located at Puchong, Selangor and Bidor, Perak are purchased from the MRB Group's quarry division which allows the division to be more price competitive.

180 metric ton per hour capacity drum mix plant at Saujana Puchong, Selangor

100 metric ton per hour capacity drum mix plant at Bidor, Perak

4. Bituminous products

This division, which operates under Minetech Asphalt Man International Sdn Bhd (a 85% owned subsidiary company), is involved in the production and sale of bituminous products for pipe coating, water proofing and sealing mainly for concrete structures or building works and also bituminous products for road construction.

Our manufacturing plant is located at Ulu Yam, Selangor and its products are sold locally and overseas, mainly targeting the South East Asian market.

Production facility located at Ulu Yam, Selangor

Research and development on materials for road works

Blown Asphalt produced by the plant

Management Discussion and Analysis FYE 31 March 2018 (cont'd)

Objectives and strategies

Short Term and Long Term Goals

The challenging business environment has continued from the previous financial year into the current financial year under review. The slowdown in the property and infrastructure construction industries, has to a certain extent, negatively affected the financial performance of the MRB Group. While there are many "mega" infrastructure projects being implemented in the country, the MRB Group competes against other bidders for the supply contracts of these said infrastructure projects which are usually offered out under a tender process. The MRB Group is also faced with negative effects of an over-supply in the construction materials manufacturing segment in the country. Although there are an increasing number of prospects from the infrastructure construction segment, the overall scenario has not improved substantially.

Against this tough business environment, the Group has continued to focus on cost and cash flow management for each division, maintaining its presence in the market, improving on its product delivery and customer satisfaction, innovation of products and processes and improving readiness to take on new challenges.

For the next financial year, we are looking forward to seeing the maiden contribution from our young property development division. This will be from our joint venture with several land owners to develop 22 units of semi-detached houses and 2 units of bungalows in Raub, Pahang with an estimated Gross Development Value of RM25 million. The Group continues to source for and evaluate development proposals and expects further development projects to be undertaken during the upcoming financial year.

For the longer term, we will continue to explore potential business partnerships with the goal of improving the MRB Group's industry and local business knowledge, broadening of the target markets or clientele, increase in management expertise and assets to enhance and expand our Group's businesses. In line with this objective, the Group completed the acquisition of 60% equity interest in Bertam Capital Sdn Bhd in April 2018. This company operates a quarry which is based in Nilai, Negeri Sembilan and this acquisition is expected to contribute positively to the Group in the coming financial years.

With the intention of diversifying the Group's business, we successfully bid for a 9.99 MWac solar photovoltaic plant in Perak from the Energy Commission under their Large Scale Solar (LSS) power generation scheme via our 70%-owned subsidiary, Coral Power Sdn Bhd. MRB has since entered into a Subscription Agreement with Canadian Solar Energy Holding Company Limited for them to subscribe for redeemable convertible preference shares in Coral Power Sdn Bhd in order to raise the funding required for the development of the said plant which is expected to be commissioned in the year 2020.

As part of our long term strategy, the Group will continue to apply resources to the development and improvement of our human capital, towards the protection of the environment, improve on health and safety practices and training, to the development of innovative practices and improve product quality.

Management Discussion and Analysis FYE 31 March 2018 (cont'd)

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

Financial highlights for the MRB Group for the past 5 financial years are as follows:

	FYE 31 March 2018 RM'000	FYE 31 March 2017 RM'000	FYE 31 March 2016 RM'000	15-month FPE 31 March 2015 RM'000	FYE 31 December 2013 RM'000
Revenue	121,128	95,018	105,107	206,870	201,387
(Loss)/Profit before interest, taxes, depreciation and amortization	12,473	(14,081)	(1,138)	16,939	1,590
(Loss)/Profit before taxation	1,129	(25,409)	(11,793)	1,339	(9,934)
(Loss)/Profit after taxation	(1,402)	(25,780)	(11,198)	553	(7,435)
Net assets ("NA")	75,744	76,017	88,502	99,865	50,868
Total assets	149,149	130,734	138,283	166,056	131,473
Total liabilities	73,405	54,717	49,781	66,191	80,605
Borrowings	30,420	25,294	20,751	17,178	21,989
Gearing (times)	0.38	0.15	0.23	0.17	0.45
(Loss)/Earnings per share (sen)	(0.40)	(3.58)	(1.55)	0.15	(2.69)
NA per share (sen)	10.37	10.61	13.31	15.02	14.78
Dividend per share (RM)	-	-	-	-	-

In addition to the above, the MRB Group's segmental revenue for the FYE 2018 and FYE 2017 are as follows:

Segmental revenue	FYE 31 March 2018 RM'000	FYE 31 March 2017 RM'000
Quarry products & contract	54,983	41,417
Civil engineering	27,211	28,301
Asphalt premix products	24,392	17,013
Bituminous products	14,645	13,049
Others	217	8,039
Sub-total	121,448	107,819
(-) Inter-company elimination	(320)	(12,801)
Total	**121,128**	**95,018**

Despite the challenging market environment, the Group achieved a turnover of RM121.1 million for the financial year ended 31 March 2018 which is an improvement of 27% as compared with the Group turnover of RM95.0 million recorded in the previous financial year. This improvement in turnover is contributed mainly from the quarry division with the start of operations at the new quarry operating in Bidor, Perak and from the increased production and sales from the quarry at Gebeng, Kuantan, Pahang after the installation and commissioning of the new and bigger capacity crushing plant.

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (Cont'd)

For this financial year, the Group achieved a Profit before Tax of RM1.129 million as compared to a Loss before Tax of RM25.4 million in the previous year. The improvement in earnings is the result of the business restructuring exercise undertaken since the previous financial year. Every division has turned in a profit except for the Asphalt Premix Division, which was operating in a very price competitive market, which as a result, its operations has been curtailed.

Total Assets

As at 31 March 2018, the MRB Group has recorded a total assets of RM149 million as compared to a total assets of RM131 million as at 31 March 2017. This increase in total assets of RM18 million or 14% was mainly due to the increase in current assets. The Group's current assets increase is from the increase in trade receivables as a result of the increase in the Group's turnover, as well as, increase in receivables from the sale of machineries to subcontractors as part of the business restructuring exercise carried out since the previous financial year.

Total Liabilities

Total liabilities of the MRB Group stands at RM73 million as at 31 March 2018 as compared with a total of RM55 million as at 31 March 2017, an increase of RM18 million or 33%. This increase is mainly due to the increase in trade and trade related payables as result of the increase in turnover for the financial year ended 31 March 2018. Gearing has increased slightly due to an increase in borrowings from financial institutions of RM5.1 million which is used as working capital or as funding for the new investments in plants and machineries. The total borrowing of the MRB Group remains manageable.

Net Current Assets

As a measure of financial liquidity of the Group, the net current assets of the Group have improved from RM18 million as at 31 March 2017 to RM23.8 million as at 31 March 2018.

	FYE2018 (1.4.2017 to 31.3.2018)	FYE2017 (1.4.2016 to 31.3.2017)	FYE2016 (1.4.2015 to 31.3.2016)	FYE2015 (1.1.2014 to 31.3.2015)	FYE2013 (1.1.2013 to 31.12.2013)
Current Assets	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Inventories	7,272	8,067	7,943	8,191	7,451
Trade receivables	34,793	23,158	23,660	29,004	46,533
Other receivables	23,259	6,671	19,276	12,992	2,613
Other invesments	1,527	-	14,273	32,159	-
Cash and bank deposits	8,399	17,479	15,853	23,300	15,757
	75,250	55,375	81,005	105,646	72,354
Current Liabilities					
Trade payable	31,065	22,636	21,184	38,416	46,941
Other payable	9,448	4,728	6,901	8,580	8,935
Loans and borrowings	10,904	9,980	10,936	7,729	14,380
	51,417	37,344	39,021	54,725	70,256
Net Current Assets	23,833	18,031	41,984	50,921	2,098

Management Discussion and Analysis
FYE 31 March 2018 (cont'd)

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (Cont'd)

Cash Flow

The annual source and utilization of cash is illustrated by the Consolidated Statement of Cash Flow below.

Operating Activities

The Group has generated from operations an inflow of RM7 million cash for this financial year as compared to an outflow of RM6 million cash in the previous financial year.

Working capital

To fund the increased in turnover, working capital requirement increased by RM12.6 million which is funded by the cash balances and from the proceeds of disposal of machineries to subcontractors in the Group .

	FYE2018 (1.4.2017 - 31.3.2018)	**FYE2017 (1.4.2016 - 31.3.2017)**	**FYE2016 (1.4.2015 - 31.3.2016)**	**FYE2015 (1.1.2014 - 31.3.2015)**	**FYE2013 (1.1.2013 - 31.12.2013)**
CASH FLOWS FROM OPERATING ACTIVITIES	RM'000	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax	1,129	(25,409)	(11,792)	1,339	(9,934)
Operating (loss)/profit before changes in working capital	**7,465**	**(5,750)**	**1,971**	**17,188**	**7,650**
Net cash used in operating activities	**(12,666)**	**3,242**	**(22,126)**	**9,679**	**22,152**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant & equipment	(3,400)	(2,832)	(2,339)	(11,310)	(3,466)
Proceeds from disposal of property, plant & equipment	11,584	2,973	913	4,384	512
Purchase of property held for future development	(2,550)	(6,000)	-	-	-
Proceeds from disposal of other investments	(1,527)	14,273	18,650	(32,000)	-
Investment in associate company	-	-	(367)	(123)	-
Net Proceeds from disposal of a subsidiary	-	4,065	4	(1,237)	-
Acquisition of subsidiaries	3	(14,748)	-	-	-
Investment in subsidiary companies by non-controlling interests	-	-	-	475	-
Amount due from associate companies	86	235	-	-	-
Net cash generated from investing activities	**4,196**	**(2,034)**	**16,861**	**(39,811)**	**(2,954)**

Management Discussion and Analysis FYE 31 March 2018 (cont'd)

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (Cont'd)

	FYE2018 (1.4.2017 - 31.3.2018)	FYE2017 (1.4.2016 - 31.3.2017)	FYE2016 (1.4.2015 - 31.3.2016)	FYE2015 (1.1.2014 - 31.3.2015)	FYE2013 (1.1.2013 - 31.12.2013)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net (Repayment)/Drawdown of short term borrowings	(864)	770	(891)	(710)	(6,244)
Repayment of term loans	(147)	(828)	(48)	(6,292)	(8,157)
Drawdown of term loans	4,000	-	-	-	1,805
Decrease in fixed deposits pledged	(921)	(328)	596	1,119	(3,929)
Repayment of hire-purchase and lease creditors	(5,283)	(6,369)	(4,062)	(4,440)	(4,936)
Proceeds from issuance of shares	972	9,000	-	49,861	6,044
Share issues expenses	-	-	-	(1,130)	-
Net cash generated from financing activities	**(2,244)**	**2,245**	**(4,405)**	**38,408**	**(15,417)**
Net Change in Cash & Cash Equivalents	**(10,715)**	**3,454**	**(9,671)**	**8,275**	**3,782**
Cash and Cash Equivalents at end of year	**1,998**	**12,695**	**9,309**	**18,995**	**10,414**

As a fund raising exercise, the Company has on 28 December 2017 announced a Private Placement of up to 73,128,990 new MRB shares (assuming none of the existing warrants are exercised into new MRB shares). Subsequently on 20 April 2018, 30,000,000 new MRB shares were issued at 10 sen per share raising a gross amount of RM3,000,000.00 to be used as working capital for the Group.

CAPITAL REQUIREMENTS, STRUCTURE AND RESOURCES

Capital expenditure requirements

The Group is expected to invest up to RM70 million for the development of the 9.99 MWac solar power farm in Perak. The construction of the plant is expected to start later this year until the expected commissioning of the plant in the year 2020. The source of funds for this project will be raised from the issuance of redeemable convertible preference shares in Coral Power Sdn Bhd to Canadian Solar Energy Holding Company Limited.

Capital structure and capital resources

In this financial year, the primary source of working capital is expected to be derived from internally generated funds. In the event of any shortfall, the MRB Group would then prioritize fund raising through new debt before contemplating fund raising methods through the issuance of new equity, other than from the approved private placement.

Management Discussion and Analysis FYE 31 March 2018 (cont'd)

CAPITAL REQUIREMENTS, STRUCTURE AND RESOURCES (Cont'd)

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.

Status of acquisitions or projects undertaken that may impact the operating activities

On 13 December 2017, MRB entered into a share sale agreement to acquire 1,200,000 ordinary shares in Bertam Capital Sdn Bhd ("BCSB"), representing 60% equity interest in BCSB, for a purchase consideration of RM16.8 million to be satisfied via the issuance of 120,000,000 new ordinary shares in MRB at an issue price of RM0.14 per new MRB Share ("Proposed Acquisition"). The Proposed Acquisition was completed on 30 April 2018.

ANTICIPATED OR KNOWN RISKS

Anticipated or known risks and plans/strategies to mitigate such risks

The Group's Risk Management Committee has identified the following as the top 5 risk areas:

1. Changes in local authorities' policies which is mainly applicable to the quarrying division. Examples of these risks include :-

    a. local authorities implementing unexpected changes in rates and tributes payable for the extraction of rocks which will have a direct impact to operating profits until and unless these higher costs are passed on to our customers;
    b. delays in operating license renewals would result in operation stoppages which will in turn impact turnover; and
    c. limitation to operating hours and/or capacity which may also significantly affect turnover.

2. Credit risk – the provision of credit for customers, which is the norm in our business, has its inherent risk in collection.

3. Sustainability risk – for the quarry operations, there is the risk of increased requirements imposed by the relevant authorities on air emissions, waste water discharge and the handling of waste and materials. Housing developments in the vicinity of the quarry may also result in stoppages or limit operations.

4. Succession planning – the tight employment market especially at management level remains a risk in terms of employment of and retaining talent.

5. Stiff market competition – the present slowdown in the construction and property development industry has increased the intensity of competition coupled with excess capacity leading to price competition.

Management Discussion and Analysis FYE 31 March 2018 (cont'd)

FORWARD-LOOKING STATEMENT

Trend and outlook

According to the Bank Negara 2017 report, the economy of the country for 2018 should continue to be stable and the construction industry is anticipated to grow further. However, in light of the recent announcements by the Government of the review of previously announced infrastructure construction contracts to be implemented, there is now uncertainty as to the impact of this review to the industry. Nonetheless, we remain hopeful that the expected growth in the industry will not be severely curtailed.

The strategy adopted by the Group to consolidate its financial position by reducing overheads and increase in cost control will continue. MRB will also continue to look at further growth via new business partnerships where the Group can leverage off the expertise and experience of these partners.

Dividend policy

No dividend has been paid or declared by the Company since the end of the previous financial year.

With a view to conserve working capital, the Board does not recommend the payment of any dividend in respect of the current financial year.

SUSTAINABILITY STATEMENT

Economic | Environmental | Social

COMMITMENT TO SUSTAINABILITY

Minetech Resources Berhad ("MRB" or the "Company") and its subsidiaries, associates and significant joint venture companies (the "Group") are committed to sustainability efforts by creating awareness to enable our employees to appreciate and embed sustainability as part of our corporate culture. In the journey to this sustainability effort and as a responsible Group, we continuously take initiatives to improve our policies, processes and procedures in supporting sustainability initiatives by Bursa Malaysia Securities Berhad ("Bursa Malaysia").

This is the Group's first sustainability reporting in accordance with the enhanced reporting requirements incorporating the Sustainability Reporting Guide issued by Bursa Malaysia in 2015.

This statement describes the Group's performance on key financial and non-financial metrics for the period from 1 April 2017 to 31 March 2018 which include our programs and activities on economic, environmental, and social related sustainability matters. The Group has considered key sustainability matters affecting direct and indirect stakeholders, which include employees, shareholders, investors, government authorities, the surrounding community and general public. The Group has also considered the type of information for disclosure of key sustainability matters. The information collection procedure is guided and defined by Global Reporting Initiative ("GRI"), an international organisation which introduced sustainability standards and good practices adopted by stock exchanges globally and encouraged by Bursa Malaysia.

The Group's sustainability statement focuses on its four main operation segments - Quarry, Construction, Manufacturing of Premix Products and Manufacturing of Bituminous Products. This statement excludes data from associate companies and joint ventures where the Group does not have majority control.

Sustainability Governance

The Senior Management established a Sustainability Steering Committee comprising members of key management team and is established at subsidiary or business division level, to set the Group's sustainability strategy and as the overseeing role on the Group's performance. The Senior Management will oversee the implementation of the Group's sustainability policies, processes and approach to ensure that key sustainability results are met. The Board of Directors are briefed on the sustainability strategy and initiatives taken including its action plan and performance indicators.

Materiality Assessment and Key Sustainability Matters

The Group identified key material sustainability matters through a set of parameters established. This was driven by desktop review on the Group's business operation, risk and opportunities areas, assisted by input from Senior Management.

Main topic	Key Sustainability Matters	GRI Guidelines
Economic	Market presence	• GRI202-1 Ratios of standard entry level wage by compared to local minimum wage
Environmental	• Water • Environment	• GRI303-6 Water recycled and reused • GRI306-1 Water discharge by quality and destination • GRI306-3 Significant spills • GRI306-4 Transport of hazardous materials • GRI306-5 Water bodies affected by water discharges and/or runoff • GRI307-1 Non-compliance with environmental laws and regulation

Sustainability Statement (cont'd)

Materiality Assessment and Key Sustainability Matters (cont'd)

Main topic	Key Sustainability Matters	GRI Guidelines
Social	• Employment • Employment diversity and equal opportunity • Employment Benefits • Employment Training	• GRI401-1 New employee hires and employee turnover • GRI401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees • GRI401-3 Parental leave • GRI403-1 Workers representation in formal joint management–worker health and safety committees • GRI403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities • GRI403-3 Workers with high incidence or high risk of diseases related to their occupation • GRI404-1 Average hours of training per year per employee • GRI404-2 Programs for upgrading employee skills and transition assistance programs • GRI405-1 Diversity of governance bodies and employees • GRI410-1 Security personnel trained in human rights policies or procedures

Stakeholders

The Group engages stakeholders through several means. This stakeholder engagement is vital in ensuring the Group gets meaningful feedback on their interests, needs and to respond appropriately.

A summary of the stakeholder engagement activities are tabulated below.

Stakeholder	Forms of Engagement	Stakeholder's Concern
Shareholders/ Investors	• Annual General Meeting (AGM) • Corporate announcements	• Financial performance
Customers	• Meeting, discussions and business communication on a day-to-day basis	• Product, service quality and pricing
Suppliers	• Meeting, discussion and business communication on a day-to-day basis	• Enhancing ethical and fair procurement system • Product, service quality and pricing
Employees	• Employment contract • Employee handbook • Training • Meeting/discussion	• Career development • Employee welfare • Health and Safety

Stakeholder	Forms of Engagement	Stakeholder's Concern
Regulatory Authorities	• Regular consultation and meetings • Reporting • Inspection by Authorities	• Compliance with laws and regulations
Local Communities	• Community events and contributions	• Community living • Personal well-being

This Sustainability Statement is available to all stakeholders in hard copy on request. The statement can also be downloaded from our website at www.minetech.com.my.

A detailed explanation for each sustainability areas of economic, environment and social are provided in the next section.

1. Economic

The economic aspect refers to the Group's impact with regards to its market presence in relation to wages and local hires based on GRI standard reporting framework.

Ratios of standard entry level wage in comparison to local minimum wage

The Group remunerates its employees based on reasonable wages considering the perspective of minimum wages in accordance to Malaysia's labour law. The Group rewards its employees based on their merit and performance without any gender discrimination.

2. Environmental

a. Water sourcing – retention pond

In order to reduce the consumption of clean water, a retention pond is maintained by the quarry sites to collect ground water sourced from surroundings and rainwater is also harvested. The water stored in the retention pond will be used accordingly as needed.

Note: Applicable to 2 quarry sites under Gebeng Quarry Sdn Bhd and Minetech PQ Sdn Bhd.

b. Effluent and waste management

Installation of bunker for diesel tank

The Group ensures that the operational sites with diesel storage, including Quarry and Construction Divisions, install bunkers to cover the Diesel Tanks. The bunker especially serves as a protective layer to prevent spilled diesel (if any) from being absorbed into the soil and bring negative impact to the environment.

Note: Applicable to construction sites under Minetech Construction Sdn Bhd and 4 quarry sites under K.S. Chin Minerals Sdn Bhd, Gebeng Quarry Sdn Bhd, Minetech Bidor Quarry Sdn Bhd and Minetech PQ Sdn Bhd.

2. Environmental (cont'd)

c. Effluent and waste disposal

The Group adopts a recommended standard of waste disposal management. Scheduled wastes are stored in secure locations throughout the Group's quarry operation site. These wastes are collected by specialised service providers through a pre-determined schedule and dispose in accordance with the rules and regulation of Department of Environment ("DoE") and Department of Occupational Safety and Health ("DOSH").

d. Compliance with environmental laws and regulations

The Group does not have any significant violation in relation to the environmental laws and regulations to date. The Group was not imposed with any fines or non-monetary sanctions for non-compliance with laws and/or regulations during the Financial Year Ended 31 March 2018.

Post Environmental Impact Assessment

The Group has appointed Environmental Science (M) Sdn Bhd ("ESSB") to assist Gebeng Quarry Sdn. Bhd., a subsidiary of MRB Group, to conduct a post Environmental Impact Assessment ("EIA") monitoring program on its quarry operation in Bukit Pengorak, Kuantan, Pahang Darul Makmur in accordance with the requirement from the DoE. The quarry has been reporting to DoE on a monthly basis since January 2018.

ESSB carried out monitoring program on water quality, ambient air quality and noise levels measurement within the vicinity of the quarry site from January to March 2018. The results of these monitoring programme are summarised below:

Ambient air quality	Water quality	Noise level
Ambient Air Quality is within the Ambient Air Quality Standard limit of a Total Suspended Particulates of **260µg/ m3**.	Water Quality is within the limit of the EIA Approval condition limit of a Total Suspended Solids of **50 mg/**.	**Daytime** 68% of the noise level recordings at the quarry during daytime, exceeded the limit of 56 dBA in the month of January and February 2018. For March 2018, only 13% of the recorded readings exceeded the limit of 56 dBA. **Night time** During night time, 17% and 6% of the total daily readings recorded in January and February 2018 respectively exceeded the limit of 56 dBA. In March 2018, the noise levels were below 56 dBA. Noise sources observed during the monitoring period were quarry operation, vehicular movement and those natural sounds from the surrounding environment.

Note: The monitoring stated above only applicable to quarry operation located at Bukit Pengorak, Mukim Sungai Karang, Kuantan, Pahang Darul Makmur.

2. Environmental (cont'd)

d. Compliance with environmental laws and regulations (cont'd)

Post Environmental Impact Assessment (cont'd)

For the rest of our quarries in Bidor, Perak and Tanming, Selangor, we also monitor these indicators in accordance with the regulations. The Group will establish a uniform reporting format for other quarry sites to ensure consistency.

The Group regularly reviews all identifiable and potential issues related to the environment for its quarry operation. The Group is aware and recognises the importance of EIA requirements and will take necessary steps to ensure that all three parameters above namely air quality, water quality and noise level are within the regulatory requirements at all of the Group's quarries.

3. Social

a. Wage ratio

The Group is committed to provide equal employment opportunities to all employees based on merit and performance. We provide equal employment opportunities, wage equality and the same standard benefits regardless of gender throughout the Company. We encourage employees to develop and enhance their skills and experience through education and various trainings.

b. Employee benefits

In recognition of employees' contributions to the Group, the Group offers attractive benefits in addition to basic salary such as long service award, wedding gift, baby gift, bereavement contribution and periodic medical examination. Further, Group Personal Accident and Group Hospitalisation and Surgical insurance are in place for all the employees in the Group. This insurance policy covers accidental death, disablement as a result of an accident, costs of admission to hospital and treatment for critical illnesses.

The Group thrives to foster a work-life balance culture. We recognise that the availability of paid parental leave has great benefits to physical and emotional health. We allow sixty (60) days paid maternity leave for our female employees in accordance to the Employment Act 1955 and we also offer two (2) days of paid paternity leave as an added benefit to our male employee.

Note: The benefits stated above are applicable to all subsidiary companies of MRB Group.

c. Diversity and equal opportunity

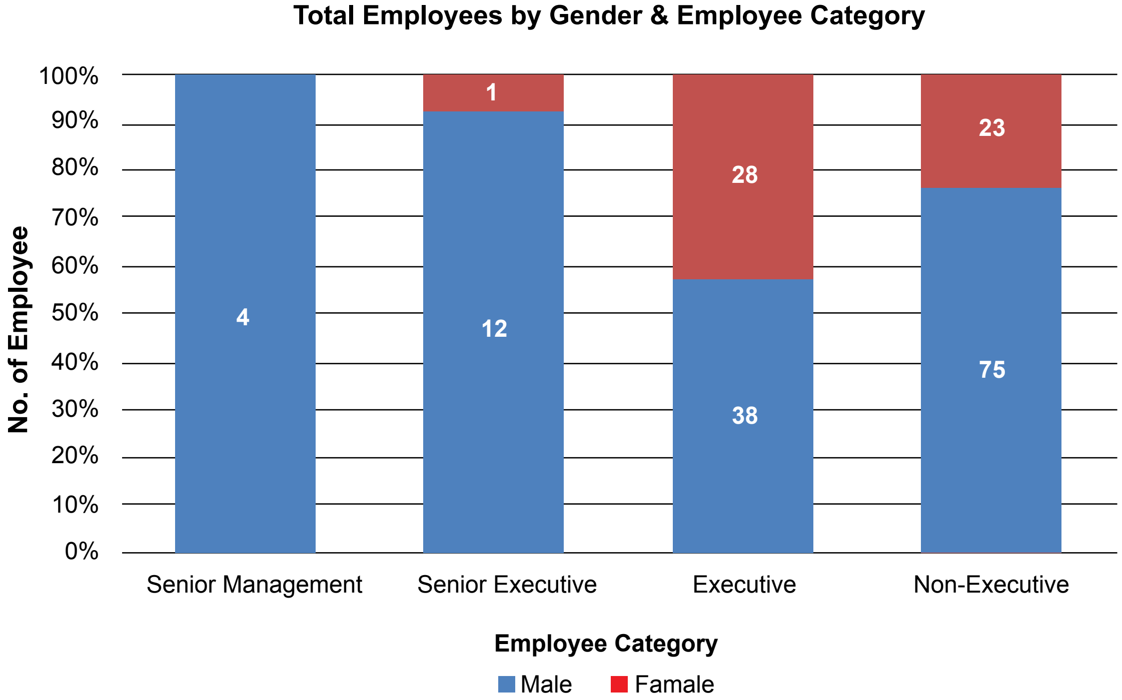
Both employer and employee gain significant benefit as the Group's activities promote diversity and equality at work. These benefit will also flow through to the society at large, as better equality promotes greater social stability and improves economic development. As the employees are one of the most important assets to the Group, we strive to provide the best working conditions to all employees.

The Group believes that the key to success is to have a team of employees that excel in their job. The Group value diversity in skills, abilities and experience among the employees. The Group aims to recruit and retain talents from a pool of diverse candidate. Therefore, the selection of employee's promotion and other benefits are based on qualifications, merit, and business need, without any discrimination. As at 31 March Financial Year Ended 2018, we have a diverse workforce of 29% female employees and the remaining 71% are male.

3. Social (cont'd)

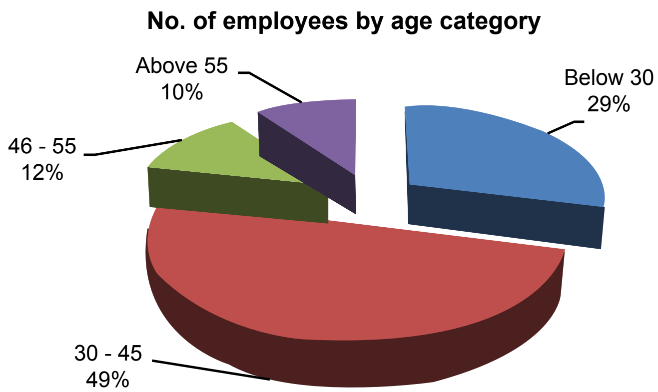
c. Diversity and equal opportunity (cont'd)

The statistics below indicate the gender profile and employee category of the Group:



Note: Information above is inclusive of full time and contract employees in the MRB Group.

As at FYE 31 March 2018, the Group has a total workforce of 181 employees include both full time and contractual employees. The following chart shows the number of employees categorised by age:



Age Category	Senior Management	Senior Executive	Executive	Non-Executive
Below 30	0	0	17	36
30 – 45	1	6	33	49
46 – 55	0	2	12	7
Above 55	3	5	4	6
Total	4	13	66	98

3. Social (cont'd)

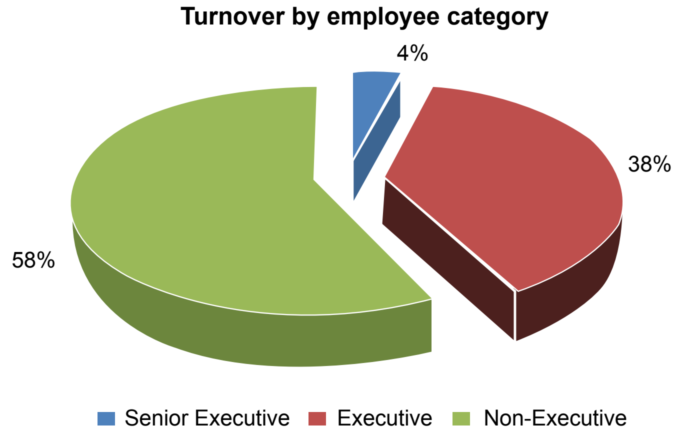
d. Employee retention and turnover rates

The retention rate for the Group is 45%. The following formula was used to calculate the Group's retention rate:

$$\frac{\text{Total Employees - Resignations}}{\text{Total Employees}} \times 100$$

The Group's turnover rate was at 55%. The high employee turnover rate was mainly due to the restructuring of the Group's operation during the year. We are happy to report that our employees who resigned managed to continue their employment with our sub-contractors.

The number turnover by employee category is as follows:



Note: Information above covers the MRB Group as at Financial Year Ended 31 March 2018.

e. Occupational Safety, Health and Environment

Occupational safety, health and environment ("SHE") remains as top priority to the Group particularly for its quarry operations which involves blasting processes. Various programmes and initiatives were instituted to ensure employees' safety. These programmes include continuous safety trainings, reviews on safety policies, implementation and monitoring of SHE procedures at project locations (inclusive of quarry sites). The Group also restricts access by ensuring only authorised trained employees who are involved and registered in the said project that can access to the project location.

Further, when operational risks are identified, these risks will be prioritised, and mitigating controls were established in ensuring the risks were managed adequately. There were no Lost Time Incident ("LTI") recorded and all our quarry operations including high risk blasting procedures were followed strictly, in accordance to the blasting standards adopted worldwide.

Adverse weather

The Group uses data from Meteorological Department to monitor and forecast the weather patterns. This is to ensure that there is sufficient rain water for the retention pond. This monitoring practice also helps the Group to plan and mitigate flooding. The Group will also incur losses if the quarry operations are halted due to floods, landslides and any other natural disasters.

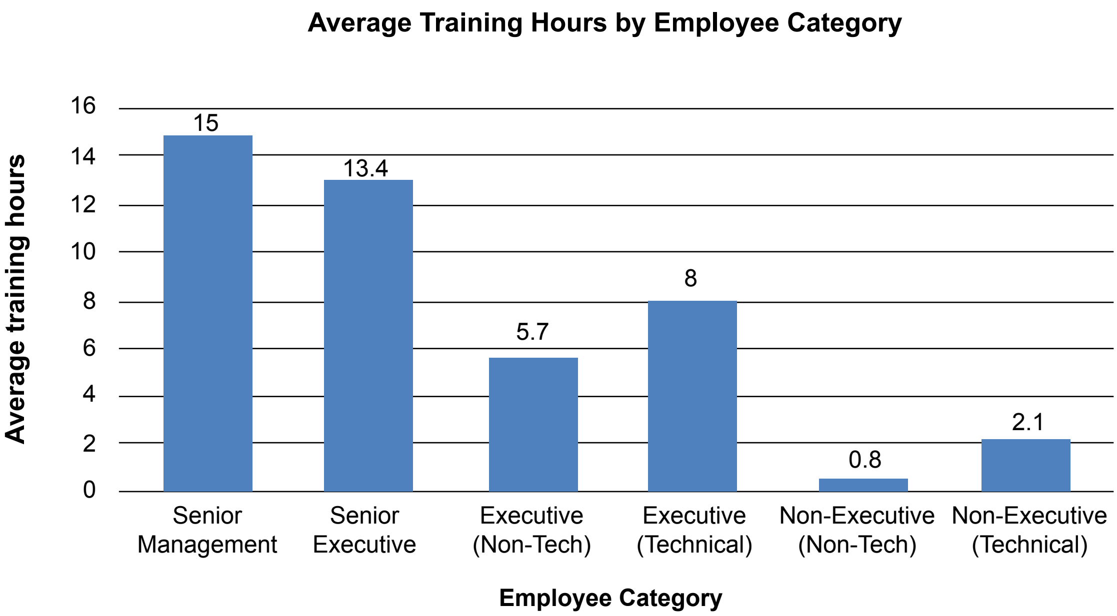
3. Social (cont'd)

f. Employee trainings and learning development

The Group is committed to ensure all its employees continue to develop their knowledge and skills. Everybody has the opportunity to receive training that will enable them to acquire new knowledge and skill sets necessary to develop and improve their potential on the job, which in return contribute to the Group's future growth. During the FYE 31 March 2018, employees attended 63 trainings ranging from technical, administration and strategy training. Employees also attended soft skills training to enhance the employees' knowledge and skill sets. Employees are evaluated based on their performance and needs when taking into consideration the trainings that they attended.

The Group's training programs are aligned to the business strategy based on business need, regulatory requirement, and technical updates. The Group also encourages employees to attend training for interpersonal, business and management skills.

The Group has reported a total of 848 training hours in FYE 31 March 2018. The average training hour per employee is 4.7 hour/employee. The statistics highlights our commitment in ensuring our employees upgrade their skills and knowledge through trainings:



Sustainability Statement (cont'd)

Corporate Social Responsibilities – Giving back to communities

The Group care for its employees. Various programmes and activities were planned in the FYE31 March 2018. These activities include:

- Birthday celebration
- Festivities – Hari Raya, Chinese New Year, Deepavali and Thaipusam
- Donation and Gifts

AUDIT COMMITTEE REPORT

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee ("AC") comprises three (3) members, all of whom are non-executive directors.

COMPOSITION

Encik Ahmad Ruslan Zahari Bin Zakaria (Chairman)
Independent Non-Executive Director

Mr Chan Toong San (Member)
Non-Independent Non-Executive Director

Mr Peter Ling Sie Wuong (Member)
Independent Non-Executive Director
(Ceased as a member of the AC on 24 August 2017 following his retirement as Director)

Mr Ling Chee Wei
Independent Non-Executive Director
(Appointed as a member of the AC on 15 November 2017)

The AC meets the requirements of Paragraph 15.09(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

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

ATTENDANCE OF AC MEETINGS

A total of six (6) meetings were held during the financial year ended 31 March 2018. The details of attendance of each member at the AC meetings held during the tenure of office of the members are as follows:-

Name	Attendance
Encik Ahmad Ruslan Zahari Bin Zakaria	6/6
Mr Chan Toong San	6/6
Mr Peter Ling Sie Wuong *(Ceased as a member of the AC on 24 August 2017)*	3/3
Mr Ling Chee Wei *(Appointed as a member of the AC on 15 November 2017)*	2/2

SUMMARY OF ACTIVITIES OF THE AC

The activities undertaken by the AC during the financial year in discharging of its duties and responsibilities include:-

Financial Reporting

- 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 and Securities Commission. The review focused primarily on:

  - major judgmental areas, significant and unusual events;
  - significant adjustments resulting from audit;
  - the going concern assumptions;
  - compliance with the Malaysian Financial Reporting Standards ("MFRS") 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.

Audit Committee Report (Cont'd)

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 review memorandum and issues arising from the statutory audit of the Group.
(c) Met with the external auditors on 25 May 2017 and 27 February 2018 respectively 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 independence and effectiveness of the external auditors and recommended to the Board of Directors on their re-appointment and audit fee.

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.

Risk Management and Internal Control

(a) Assessed the overall effectiveness of the risk management and internal control system of the Group.
(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 2017 Annual Report.

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 Minetech Construction Sdn Bhd in relation to the Project Management of Selinsing Gold Mine, Weighbridge Management (focus on sales and invoicing) of Gebeng Quarry Sdn Bhd and Minetech Premix Sdn Bhd.
(c) Monitored the implementation of mitigating actions by Management on outstanding issues to ensure all key risks and control weaknesses are properly addressed.
(d) Discussed and recommended the appointment of Internal Auditors to the Board of Directors for approval.
(e) Met with the internal auditors on 25 May 2017 and 23 November 2017 without the presence of Executive Directors and Management of the Group for discussions on internal audit related matters.
(f) 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 AC prior to the recommendation to the Board of Directors for adoption.
(b) Reviewed the Corporate Governance Statement, Management Discussion and Analysis and Audit Committee Report prior to the recommendation to the Board of Directors for approval for inclusion in the 2017 Annual Report.
(c) Reviewed the Circular 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 2018. 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 2017 ("MCCG").

This statement is prepared in compliance with Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and guided by Practice Note 9 of the MMLR and the Corporate Governance Guide (3rd edition) issued by Bursa Malaysia Securities Berhad ("Bursa Securities"). This Corporate Governance Overview Statement should also be read together with the CG Report 2018 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 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 2018.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1 BOARD RESPONSIBILITIES

The Group is headed by an experienced and effective Board. The Board assumes overall responsibility in leading the strategic direction, future expansion, corporate governance, risk management, human resource planning and development, investments made by the Company and overseeing the proper conduct of business of the Group.

In discharging its duties, the Board delegates certain of its responsibilities to the Board Committees, namely Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC") and Risk Management Committee ("RMC") which guided within defined Terms of Reference. 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.

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1 BOARD RESPONSIBILITIES (cont'd)

Name	Board	AC	NC	RC	RMC
Choy Sen @ Chin Kim Sang *Non-Independent Non-Executive Chairman*	6/6	-	-	2/2	-
Chin Kong Yaw *Chief Executive Officer*	6/6	-	-	-	-
Chin Leong Choy *Group Executive Director*	6/6	-	-	-	-
Dato' Sri Chai Chow Sang *Non-Independent Non-Executive Director*	6/6	-	-	-	-
Chan Toong San *Non-Independent Non-Executive Director*	6/6	6/6	-	-	-
Chong Jun Heng *Non-Independent Non-Executive Director*	6/6	-	2/2	-	2/2
Ahmad Ruslan Zahari Bin Zakaria *Independent Non-Executive Director*	6/6	6/6	2/2	2/2	2/2
Ahmad Rahizal Bin Dato' Ahmad Rasidi *Independent Non-Executive Director*	6/6	-	-	-	2/2
Peter Ling Sie Wuong[(a)] *Independent Non-Executive Director*	3/3	3/3	2/2	2/2	-
Ling Chee Wei[(b)] *Independent Non-Executive Director*	2/2	2/2	-	-	-

Remarks:
a - Retired on 24 August 2017
b - Appointed on 13 November 2017

In May and July 2018, the Board Charter, Terms of Reference of the Board Committees, the Code of Ethics and Conduct and Board Policies were tabled and approved by the Board to be in line with the CG practices set out in the MCCG.

The Board Charter delineates the 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 Company's budget;
- Risk management and internal control policies; and
- Key human resource issues.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

1 BOARD RESPONSIBILITIES (cont'd)

The Board Charter also serves as a primary induction literature that guides newly appointed and existing Board members on their duties and functions of the Board and Board Committees.

A copy of the Board Charter can be found in the Company's website at www.minetech.com.my and is periodically reviewed to ensure it complies with legislations, regulations and practices, and remain effective and relevant to the Board's objectives and responsibilities.

The Chairman oversees 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 Chairman is a Non-Independent Non-Executive Director.

The Board is supported by two (2) qualified and competent Company Secretaries. The Board has direct access to the advice and services of the Company Secretaries. The Company Secretaries play an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures, corporate governance and compliance with the relevant regulatory requirements and legislations. The Company Secretaries are suitably qualified, competent and capable of carrying out the duties required.

The Board recognises that decision-making process is highly dependent on the quality of information furnished. In furtherance to this, every Director have access to all information within the Company and 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.

2 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 strategic planning, business development, legal, finance, corporate affairs, marketing and operations.

The Board currently has nine (9) members, comprising three (3) Independent Non-Executive Directors, four (4) Non-Independent Non-Executive Directors and two (2) Executive Directors. This 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. As to-date, all Independent Directors have not attained the cumulative nine (9) years of service. The Board will justify and seek shareholders' approval in the event it retains an Independent Director who has served in that capacity for a cumulative period of more than nine (9) years.

The NC comprised exclusively of Non-Executive Directors, the composition is as follows:-

Encik Ahmad Rahizal Bin Dato' Ahmad Rasidi (Chairman)
Independent Non-Executive Director

Encik Ahmad Ruslan Zahari Bin Zakaria (Member)
Independent Non-Executive Director

Mr. Chong Jun Heng (Member)
Non-Independent Non-Executive Director

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

2 BOARD COMPOSITION (cont'd)

The Board is of the view that 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.

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

(a) Recommended to the Board the appointment of Mr Ling Chee Wei as Independent Non-Executive Director and member of AC respectively after having considered, amongst others, the following criteria:-

- education background;
- skills, knowledge, expertise and experience; and
- possibility of conflict-of-interests.

(b) Reviewed and recommended to the Board the appointment of Chairman/member to the AC, RC and NC.

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

(d) 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.

(e) 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.

(f) Assessed and was satisfied with the character, experience, integrity, competence and time commitment of Directors, Chief Executive Officer and Chief Financial Officer.

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

(h) Evaluated the performance of Mr Peter Ling Sie Wuong, Mr Chin Kong Yaw, Ahmad Rahizal Bin Dato' Ahmad Rasidi, and Dato' Sri Chai Chow Sang and recommended their re-election at the Fifteenth Annual General Meeting ("AGM") of the Company to the Board.

(i) Reviewed and recommended the revised Term of Reference of the NC for Board of Directors' approval.

The NC 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 NC 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. The Company has recently adopted a Succession Planning Policy which provides guidance to identify and develops a talent pool of employees through mentoring, training and job rotation.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

2 BOARD COMPOSITION (cont'd)

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 Board has adopted a Diversity Policy which outlines its approaches to achieving and maintaining diversity (including gender diversity) in its Board and Senior Management positions.

Based on the following summary of the employment gender diversity, the NC is of the view that there is balanced gender diversity at Executive and Managerial levels of employees in the Company during the year under review:-

CATEGORY OF EMPLOYEES	FEMALE	MALE	TOTAL
Non-executive	23	75	98
Executive	28	38	66
Managerial	1	16	17
Total No. of Employees	52	129	181

The NC 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 Non-Executive Directors.

The assessment of the Independent Directors is in accordance with the criteria as set out in the Board Charter and MMLR.

The evaluation process is led by the NC Chairman, namely Encik Ahmad Rahizal Bin Dato' Ahmad Rasidi, 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 Board Committees, based on self-review and peer assessment. The NC reviews the outcome of the assessment report to the Board, in particular, areas for improvement and also used as the basis of recommending relevant Director for re-election at the AGM.

The Board, via NC continues to identify the training needs of the Directors to keep abreast with the changes in legislations and regulations affecting the Group.

All Directors have completed the Mandatory Accreditation Programme ("MAP"). The Directors are mindful that they need to continue to enhance their skill and knowledge to 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 on statutory and regulatory requirements from time to time to the Board, amongst others, the amendments to the Listing Requirements of Bursa Securities, the new requirement of MCCG and the Companies Act 2016. 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.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

2 BOARD COMPOSITION (cont'd)

The Directors have attended the following professional development programmes during the year:-

Directors	Programme	Date
Choy Sen @ Chin Kim Sang	• Raising the Bar on Corporate Governance • Awareness Session on Sustainability Reporting	• 21 July 2017 • 27 February 2018
Chin Kong Yaw	• Advocacy Session on Corporate Disclosure for Directors and Principal Officers of Listed Issuers • International Greentech & Eco Products Exhibition & Conference Malaysia • The CG Breakfast Series for Directors – Leading Change @ The Brain • Blue Ocean Shift Masterclass • Awareness Session on Sustainability Reporting	• 3 October 2017 • 11 October 2017 • 5 December 2017 • 22 January 2018 • 27 February 2018
Chin Leong Choy	• Raising the Bar on Corporate Governance • Awareness Session on Sustainability Reporting	• 21 July 2017 • 27 February 2018
Dato' Sri Chai Chow Sang	Awareness Session on Sustainability Reporting	27 February 2018
Chan Toong San	• The CG Breakfast Series for Directors – Leading Change @ The Brain • Awareness Session on Sustainability Reporting	• 5 December 2017 • 27 February 2018
Chong Jun Heng	Awareness Session on Sustainability Reporting	27 February 2018
Ahmad Ruslan Zahari Bin Zakaria	Awareness Session on Sustainability Reporting	27 February 2018
Ahmad Rahizal Bin Dato' Ahmad Rasidi	Awareness Session on Sustainability Reporting	27 February 2018
Ling Chee Wei	Awareness Session on Sustainability Reporting	27 February 2018
Chai War Ren	Awareness Session on Sustainability Reporting	27 February 2018

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.

Based on the schedule of rotation, the following Directors are subject to retirement by rotation pursuant to the Company's Constitution at the forthcoming Sixteenth AGM:-

(1) Choy Sen @ Chin Kim Sang (Article 125)
(2) Chong Jun Heng (Article 125)
(3) Chan Toong San (Article 125)
(4) Ling Chee Wei (Article 130)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

2 BOARD COMPOSITION (cont'd)

The aforesaid Directors have expressed their intention to seek for re-election at the forthcoming AGM.

The Board has put in place Code of Ethics and Conduct and Whistle Blowing Policy and Procedures 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 Code of Ethics and Conduct can be found on the Company's website at www.minetech.com.my.

The whistle blowing 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 and is available on the Company's website.

3 REMUNERATION

The RC 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 are 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 RC 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 RC 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 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.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

3 REMUNERATION (cont'd)

Details of the remuneration of Directors (both the Company and the Group) who served during the financial year ended 31 March 2018 are as follows:

The Group

Name	Fees (RM'000)	Meeting Allowance (RM'000)	Salaries (RM'000)	Bonus (RM'000)	Other emoluments (RM'000)
Choy Sen @ Chin Kim Sang	240	-	-	-	56
Chin Kong Yaw	-	-	300	-	54
Chin Leong Choy	120	-	420	-	142
Dato' Sri Chai Chow Sang	30	-	-	-	-
Chan Toong San	90	-	-	-	-
Chong Jun Heng	30	-	-	-	-
Ahmad Ruslan Zahari Bin Zakaria	54	-	-	-	-
Ahmad Rahizal Bin Dato' Ahmad Rasidi	30	-	-	-	-
Peter Ling Sie Wuong	11.9	-	-	-	-
Ling Chee Wai	11.5	-	-	-	-
Chai War Ren (Alternate Director to Dato' Sri Chai Chow Sang)	-	-	-	-	-

The Company

Name	Fees (RM'000)	Meeting Allowance (RM'000)	Salaries (RM'000)	Bonus (RM'000)	Other emoluments (RM'000)
Choy Sen @ Chin Kim Sang	240	-	-	-	56
Chin Kong Yaw	-	-	300	-	54
Chin Leong Choy	-	-	420	-	142
Dato' Sri Chai Chow Sang	30	-	-	-	-
Chan Toong San	30	-	-	-	-
Chong Jun Heng	30	-	-	-	-
Ahmad Ruslan Zahari Bin Zakaria	54	-	-	-	-
Ahmad Rahizal Bin Dato' Ahmad Rasidi	30	-	-	-	-
Peter Ling Sie Wuong	11.9	-	-	-	-
Ling Chee Wai	11.5	-	-	-	-
Chai War Ren (Alternate Director to Dato' Sri Chai Chow Sang)	-	-	-	-	-

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

3 REMUNERATION (cont'd)

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 Senior Management whose total remuneration during the financial year ended 31 March 2018 is as follows:-

Name	Fees (RM'000)	Meeting Allowance (RM'000)	Salaries (RM'000)	Bonus (RM'000)	Other emoluments (RM'000)
Ng Kok Hok *Chief Financial Officer*	-	-	240	-	40

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1 AC

The AC comprises all Non-Executive Directors, with majority being Independent Directors. The Chairman of the AC is an Independent Non-Executive Director. The Chairman of the AC is not the Chairman of the Board ensuring that the impairment of objectivity of the Board's review of the AC findings and recommendations remain intact. The AC 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 AC's Term of Reference sets out its goals, objectives, duties, responsibilities and criteria on the composition of AC which includes a former key audit partner of the Group to observe cooling-off period of at least 2 years before being able to be appointed as member of AC.

The NC reviews the composition of the AC 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 AC including financial reporting process are considered for membership on AC. All members of the AC 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 AC without the presence of the executive Board members and management at least two (2) times 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 AC or the Board.

The AC ensures the external audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by the external auditors in order to ensure that does not give rise to a conflict of interest situation. The excluded contracts would include management consulting, internal audit and standard operating policies and procedures documentation.

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

1 AC (cont'd)

For the financial year ended 31 March 2018, fees paid to the external auditors, Messrs. UHY and its affiliated firms by the Company and the Group are stated in the table below:-

Nature of Services	Company (RM)	Group (RM)
Audit	38,000	209,552
Non-Audit:	5,000	5,000
Total	43,000	214,552

2 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 Group has an internal audit function which is outsourced to GovernanceAdvisory.com Sdn Bhd and reports directly to the AC. 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 Audit Committee Report of this Annual Report. GovernanceAdvisory.com Sdn Bhd has approximately 7 audit personnel assisting the person responsible for the internal audit. Details on the person responsible for the internal audit are set out below:-

Name	:	Jason Tee
Qualification	:	BCom (Hons) Acct, AIIA
Independence	:	Does not have any family relationship with any director and/or major shareholder of the Company
Public Sanction or penalty	:	Has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year

The AC and Risk Management Committee ("RMC") meets regularly to review the risks identified and discuss on mitigation initiatives and report to Board on a half yearly basis. 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 AC 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 RMC. The adequacy and effectiveness of the internal controls and risk management framework were reviewed by the AC and RMC.

Further information may be found in the Statement on Risk Management and Internal Control.

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

1 COMMUNICATION WITH STAKEHOLDERS

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 Listing Requirements, but also setting out the persons authorised and responsible to approve and disclose material information to shareholders and stakeholders in compliance with the Listing Requirements.

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, in line with Bursa Securities' objectives of ensuring transparency and good corporate governance 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 investors through dialogue with analysts, fund managers, investor relations roadshows and the media.

2 CONDUCT OF GENERAL MEETINGS

During the meeting, shareholders have the opportunities to enquire and comment on the Group's performance and operations.

Currently, the Notice of AGM is circulated at least twenty one (21) days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. This is in line with Section 316(2) of Companies Act 2016 and paragraph 7.15 of Listing Requirements which call for a 21-days' notice period for public companies or listed issuers respectively.

In addition to being dispatched 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 of the notice of AGM and make the necessary preparations for the AGM.

The Company will circulate Notice of AGM at least twenty eight (28) days prior to the upcoming AGM.

During the AGM, a presentation was shown to the shareholders on the Group's performance and major activities which are carried out during the financial year under review. The Board also encourages participation from shareholders by having a question and answer session during the AGM which the Directors (inclusive of the Chairman of AC, NC, RC and RMC) are available to provide meaningful responses to the questions raised by the shareholders.

All the resolutions set out in the Notice of the AGM were put to vote by poll voting and duly passed. The shareholders were informed of their right to demand for a poll. The outcome of the AGM was announced to Bursa Securities on the same meeting day. The Company had appointed one (1) independent scrutineer to verify the poll results.

A summary of the key matters discussed at the AGM, as soon as practicable after the conclusion of the AGM will be published on the Company's website upon being reviewed by the Board members and approved by the Chairman.

Corporate Governance Overview Statement (Cont'd)

FOCUS AREA ON CORPORATE GOVERNANCE

Corporate governance was clearly imperative for the Group in the year 2017 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.

Corporate governance areas which gained heightened attention from the Board during the financial year ended 31 March 2018 are as follows:

BOARD DIVERSITY

The Company recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage and contributing to sustainable development of the Company.

During the year, the Board has reviewed and revised the Diversity Policy on gender diversity, alongside with specific targets and measures to meet those targets.

The Board with the Head of Human Resource will monitor the scope and applicability of the Diversity Policy, from time to time.

REVIEW OF POLICIES AND PROCEDURES

In light of the improvements in the corporate governance regulations, the Board has reviewed and updated its existing policies and procedures to ensure they are kept contemporaneous whilst equally kept relevant to the Company's needs. The Board will look into the enhancements or developments of corporate governance policies and procedures, as the case may be.

This CG Overview Statement was approved by the Board of Directors of the Company on 6 July 2018.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (the "Board") recognises the importance of a sound system of risk management and internal control to safeguard shareholders' investment and the Group's assets. The Board is pleased to provide the following statement on the state of internal control of the Group in accordance with Paragraph 15.26(b) of the MMLR of Bursa Securities, taking into consideration the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers", for the financial year ended 31 March 2018.

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 for 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 manage rather than eliminate risk of failure to achieve the Group's business objectives. 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.

RISK MANAGEMENT

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 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 on-going 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 reviewed by the Board.

The Board has delegated the responsibility of reviewing the effectiveness of risk management to the RMC. RMC is assisted by 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 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 eight (8) Risk Management Units, namely (1) manufacturing, (2) quarry operation, (3) premix operation, (4) sales and marketing of quarry and premix products, (5) civil engineering, (6) procurement, (7) human resources, information technology and administration, and (8) 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. The risk management reports will record the changes in the risk profiles and the corresponding action plans. Risk management report is extended to RMC for review/ evaluation, then to the Board for final approval. The risk management reports are reviewed and discussed at the Board Meetings on half yearly basis. Nevertheless, the AC can raise any queries to the RMC.

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-to-day 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 AC and Board with explanations 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, RMC and AC review risk management and internal control issues identified by the internal auditors and the external auditors; and

9. The AC reviews the quarterly financial results and yearly financial statements prior to approval by the Board for the release of the said financial statement to Bursa Securities. The Board will also reviews the minutes of the AC meetings.

The Board has received assurance from the Chief Executive Officer, Group Executive Director and Chief Financial Officer that the System in the Group is operating adequately and effectively in all material aspects.

Statement On Risk Management And Internal Control (Cont'd)

INTERNAL AUDIT FUNCTION

The internal audit function is in place to assist the AC 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 AC 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 report on its observations towards the corporate governance and internal control system directly to the AC. 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 AC meetings and thereafter forwarded to the Board for further deliberation. The outsourced internal auditors also followed up with the Management and reported the status to the AC on the implementation of the agreed recommendations from the previous internal audit.

For the financial year ended 31 March 2018, the total costs incurred for the internal audit function amounted to approximately RM36,470.

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. Cognizant 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 to enhance this System from time to time.

Pursuant to Paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement for inclusion in the 2018 Annual Report.

This Statement is made in accordance with a resolution of the Board dated 6 July 2018.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

A total of approximately RM49.90 million were raised from the issuance of 332,689,500 new Ordinary Shares of RM0.15 each in the Company together with 332,689,500 free detachable Warrants in December 2014 ("Rights Issue 2014").

The Company had at the Extraordinary General Meeting held on 16 March 2016 obtained shareholders' approval on the revision of intended utilisation of proceeds arising from Rights Issue 2014 in which a total of RM20.0 million, originally allocated for purchase of quarry sites would be used to fund the Group's distribution of heavy machineries and working capital requirements.

As at 31 March 2018, our Group has utilised approximately RM46.80 million from the total proceeds arising from Rights Issue 2014, mainly for distribution of heavy machineries, working capital and repayment of bank borrowings.

The Company also had issued and allotted a total of 6,480,900 new Ordinary Shares at the subscription price of RM0.15 per Ordinary Share pursuant to the private placement. Details of the allotment during the financial year ended 31 March 2018 are as follows:-

Date	Number of Shares Allotted	Proceeds Raised
9 May 2017	6,480,900	RM972,135.00
Total	**6,480,900**	**RM972,135.00**

The proceeds would be utilised as working capital and defraying of expenses incidental to the private placement.

RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

At the Extraordinary General Meeting held on 20 April 2018, the Company obtained the shareholders' mandate to allow the Group to enter into recurrent related party transaction of a revenue or trading nature.

The disclosure of the recurrent related party transactions conducted for the period from 20 April 2018 to LPD are set out in the Circular to Shareholders dated 31 July 2018.

MATERIAL CONTRACTS INVOLVING INTEREST OF THE DIRECTORS, CHIEF EXECUTIVE AND MAJOR SHAREHOLDERS

Save as disclosed below, the MRB Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) for the financial year ended 31 March 2018:-

(i) A joint development agreement dated 1 November 2017 entered between MRB Land Sdn Bhd (a wholly-owned subsidiary of MRB) and Wawasan Eksklusif Sdn Bhd in which the parties had agreed to co-operate in joint venture to jointly develop all that parcel of freehold land measuring approximately 1.955 hectares held under Geran Mukim 697, Lot No. 7099 in Tempat Batu 1 $^{1}/_{2}$, Jalan Cheroh Raub, Mukim Gali, Daerah Raub, Negeri Pahang into a housing development ("**Housing Development Project**");

(ii) A joint venture agreement dated 27 November 2017 entered by MRB Land Sdn Bhd with Cheong See Weng, Chong Moey Loy and Chong Thin Choy (collectively known as the landowners) in which MRB Land Sdn Bhd has been appointed as the developer for the Housing Development Project;

Additional Compliance Information (Cont'd)

(iii) The Share Sale Agreement ("**SSA**") dated 13 December 2017 entered between Bertam Roadbase Sdn Bhd ("BRSB") and MRB on the sale and purchase of 60% of the entire issued share capital of Bertam Capital Sdn Bhd ("BCSB") for a purchase consideration of RM16,800,000 to be fully satisfied via the issuance of 120,000,000 new ordinary shares in MRB at an issue price of RM0.14 per share;

(iv) The Shareholders' Agreement dated 13 December 2017 entered between MRB, BRSB and BCSB to regulate their rights, obligations and management of BCSB upon the completion of acquisition of BCSB;

(v) Power Purchase Agreement dated 26 March 2018 entered between Coral Power Sdn Bhd and Tenaga National Berhad ("**TNB**") for the generation and sale of solar photovoltaic energy to TNB's grid system at PPU Pantai Remis from its solar photovoltaic energy generating facility with a capacity of 9.99 MWac to be located in PT 18535, Persiaran Segari, Mukim Pengkalan Baharu, Daerah Manjung, Perak; and

(vi) Loan agreement dated 27 March 2018 entered between Canadian Solar Energy Holding Company Limited ("**CSE**") as lender, Coral Power Sdn Bhd as borrower and MRB as Guarantor whereby CSE has agreed to grant Coral Power Sdn Bhd a loan of US$1,500,000.00 to procure the issuance of the substitute bond from a Malaysian financial institution and subsequently submit to the Energy Commission.

SHARE ISSUANCE SCHEME

The Company had at the Extraordinary General Meeting held on 16 March 2016 obtained its shareholders' approval to establish a Share Issuance Scheme ("Scheme") of up to 15% of the issued and paid-up share capital 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 3 August 2016 implemented the Scheme but yet to grant the options as at the date of this Annual Report.

CONTENTS

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 2018.

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 8 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	(1,402,415)	(9,118,506)
Attributable to:		
Owners of the Parent	(2,924,600)	(9,118,506)
Non-controlling interests	1,522,185	-
	(1,402,415)	(9,118,506)

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 Directors do not recommend any dividend in respect of the current financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 6,480,900 new ordinary shares amounted to RM972,135 at an issue price of RM0.15 per ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

TREASURY SHARES

The Company repurchased 57,000 ordinary shares of its issued share capital from the open market in year 2008 at an average price of approximately RM0.84 per share. The total consideration paid for the shares repurchased was RM47,990. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016. These shares have been subsequently subdivided into 285,000 ordinary shares of RM0.20 each on 21 January 2008. None of the treasury shares has been resold, cancelled or distributed as share dividends during the financial year.

As at 31 March 2018, the Company held 285,000 treasury shares out of the total 731,574,900 issued ordinary shares. Further details are disclosed in Note 20 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

WARRANT

The Warrants 2014/2019 were constituted under the Deed Poll dated 24 October 2014.

As at 31 March 2018, the total number of Warrants that remain unexercised were 332,404,500.

The salient terms of Warrants are disclosed in Note 19(c) to the financial statements.

DIRECTORS

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

Ahmad Ruslan Zahari Bin Zakaria	
Choy Sen @ Chin Kim Sang*	
Chin Leong Choy*	
Chin Kong Yaw*	
Chan Toong San*	
Chong Jun Heng	
Ahmad Rahizal Bin Dato' Ahmad Rasidi	
Dato' Sri Chai Chow Sang	
Chai War Ren (Alternate director to Dato' Sri Chai Chow Sang)	
Ling Chee Wei	(Appointed on 13 November 2017)
Peter Ling Sie Wuong	(Retired on 24 August 2017)

Directors' Report (Cont'd)

The Directors who held in 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:

Dato'Chia Kee Mong
Chin Chee Choy
Chin Foh Sen
Chin Jet Choy^
Chin Sheong Choy
Chin Yee Teng^
Chong Thin Peng
Jot Seng Keong^
Lee Kwan Ming^
Low Chee Eng^
Low Choon Lan^
Ng Kok Hok
Tan Seow Leng
Wong Kian Foong
Yap Yun Fatt^

* Director of the Company and its subsidiary companies
^ Appointed during the financial year

This 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 or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.4.2017	**Addition**	**Disposed**	**At 31.3.2018**
Direct interests				
Choy Sen @ Chin Kim Sang	172,897,020	-	-	172,897,020
Dato' Sri Chai Chow Sang	30,000,000	-	-	30,000,000
Indirect interests				
Low Choon Lan (*)	172,897,020	-	-	172,897,020

(*) Deemed interest pursuant to Section 59(11)(c) of the Companies Act, 2016 by virtue of the shares held by his/her spouse.

By virtue of their interests in the shares of the Company, Choy Sen @ Chin Kim Sang is also deemed interested in the shares of all the 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 of 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 Notes 27 and 30 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 Director who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business and legal fee paid to a firm in which a Director is a member as disclosed in Note 32(ii) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors 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 insurance premium amount of indemnity for Directors and Officers of the Company were RM18,800. No indemnity was given to or insurance effected for the auditors of the Company.

OTHER STATUTORY INFORMATION

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

   (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; 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 Company have been written down to an amount which the current assets might be expected so 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 doubtful debts in the financial statements of the Group and of 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 of the Company misleading: or

   (iii) not otherwise dealt with in this report or the financial statements of the Group and of 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 of 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 of 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 of the Company which has arisen since the end of the financial year.

Directors' Report (Cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

(d) In the opinion of the Directors:

(i) no 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 of the Company to meet their obligations as and when they fall due;

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

(iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 8 to the financial statements.

AUDITORS' REMUNERATION

The details of auditors' remuneration are disclosed in Note 27 to the financial statements.

SIGNIFICANT EVENTS

The significant events are disclosed in Note 38 to the financial statements.

SUBSEQUENT EVENTS

The subsequent events are disclosed in Note 39 to the financial statements.

AUDITORS

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 18 July 2018.

CHIN KONG YAW

CHIN LEONG CHOY

KUALA LUMPUR

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 64 to 154 are drawn up in accordance with 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 2018 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 18 July 2018.

CHIN KONG YAW	**CHIN LEONG CHOY**

KUALA LUMPUR

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT, 2016

I, Ng Kok Hok (MIA membership No: CA 6226), being the Officer primarily responsible for the financial management of Minetech Resources Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 64 to 154 are 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 at Kuala Lumpur in the)
Federal Territory on 18 July 2018)

NG KOK HOK

Before me,

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MINETECH RESOURCES BERHAD

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 2018 of the Group and of the Company, and the statements of profit and loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of 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 pages 64 to 154.

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 2018, and of their financial performance and their cash flows for the financial year then ended in accordance with 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 Requirements

We are independent of the Group and of 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' Code of Ethics for Professional Accountants ("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 judgment, 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.

	Key audit matters	How you addressed the key audit matters
1.	**Impairment of quarry development expenditure** In accordance with MFRS 136 *Impairment of Assets*, the Directors are required to perform a review for impairment of non-financial assets at any time an indicator of impairment exists. We consider the carrying amount of quarry development expenditure and the risk over potential impairment to be a significant audit risk because of the inherent uncertainty involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability.	We have assessed the methodology used by management to estimate the recoverable value of each cash generating unit (CGU) to ensure that this is consistent with the accounting standards. We have assessed the reasonableness of each key assumption used in management's cash flow forecasts and the recoverable values calculation, in particular: • We have verified the reserves and resources quantities underpinning the quarry to the estimated reserves audited by the specialist engaged by the management. • We assessed the professional competence, objectivity and capabilities of the specialist engaged by management as required by auditing standards. • We assessed the reasonableness of the relevant production profiles by benchmarking to existing quarry production rates and considered the forecasted growth rates of each quarry site. • We evaluated the reasonableness of the estimated capital and operating costs by benchmarking to the historical and current quarry costing, growth rate and quarry production.

Independent Auditors' Report
To the Members of Minetech Resources Berhad (Cont'd)

Key Audit Matters (Cont'd)

	Key audit matters	How you addressed the key audit matters
2.	**Impairment of trade receivables**	
	The Group has material credit exposures in its trade receivables. Given the nature of these assets, the assessment of impairment involves significant estimation uncertainty, subjective assumptions and the application of significant judgement.	The focus of our work involved auditing the Group's credit analyses and associated impairment assessments of trade receivables that were either in default or significantly overdue as at 31 March 2018. We obtained and evaluated the Group's credit risk policy, and tested the associated processes used by management to assess the credit exposures, assignment of internal credit ratings and regular reporting to the appropriate level of governance to ensure they worked as designed. We developed our understanding of the monitoring of significant credit exposures which were significantly overdue, deemed to be in default, or were on watch through review of credit reports produced by the credit department and analysis of aged receivables. We reviewed certain overdue receivables to assess the reasonableness of impairment provided for the identified exposures. We also assessed the adequacy of the related disclosures in the notes to the financial statements.

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.

Our opinion on the financial statements of the Group and of 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 of 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 a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report
To the Members of Minetech Resources Berhad (Cont'd)

Responsibilities of 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 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 of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and 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 has 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 the financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 of 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.

- 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 disclosures 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.

Independent Auditors' Report
To the Members of Minetech Resources Berhad (Cont'd)

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

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, related safeguards.

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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

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.

UHY
Firm Number: AF 1411
Chartered Accountants

LIM BEE PENG
Approved Number: 03307/06/2019 J
Chartered Accountant

KUALA LUMPUR
18 July 2018

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Non-Current Assets					
Property, plant and equipment	4	51,082,531	46,064,018	1,372,176	1,070,476
Investment properties	5	11,074,908	1,648,271	-	-
Inventories	6	8,550,424	22,898,736	8,065,000	6,000,000
Quarry development expenditure	7	3,191,041	3,230,930	-	-
Investment in subsidiary companies	8	-	-	26,216,493	26,209,492
Investment in associate companies	9	-	-	-	-
Goodwill on consolidation	10	-	1,517,193	-	-
		73,898,904	75,359,148	35,653,669	33,279,968
Current Assets					
Inventories	6	7,271,566	8,066,841	-	-
Trade receivables	11	27,316,372	19,569,142	-	-
Other receivables	12	21,888,396	5,503,123	401,361	773,111
Amount due from customers for contract works	13	7,476,938	3,588,540	-	-
Amount due from associate companies	14	148,516	234,508	-	-
Amount due from subsidiary companies	15	-	-	5,487,189	7,748,393
Tax recoverable		1,222,445	933,683	47,745	46,316
Other investments	16	1,527,125	-	21,948	-
Fixed deposits with licensed banks	17	4,063,559	3,143,860	-	-
Cash and bank balances		4,335,015	14,335,000	172,590	7,839,027
		75,249,932	55,374,697	6,130,833	16,406,847
Total Assets		149,148,836	130,733,845	41,784,502	49,686,815
Equity					
Share capital	18	110,526,862	109,554,727	110,526,862	109,554,727
Reserves	19	(40,962,331)	(38,191,629)	(75,010,338)	(65,891,832)
Treasury shares	20	(47,990)	(47,990)	(47,990)	(47,990)
Equity attributable to owners of the parent		69,516,541	71,315,108	35,468,534	43,614,905
Non-controlling interests		6,227,361	4,702,176	-	-
Total Equity		75,743,902	76,017,284	35,468,534	43,614,905

Statements of Financial Position
As at 31 March 2018 (Cont'd)

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Non-Current Liabilities					
Loans and borrowings	21	19,516,473	15,313,537	196,763	399,848
Deferred tax liabilities	22	2,471,720	2,060,128	-	-
		21,988,193	17,373,665	196,763	399,848
Current Liabilities					
Trade payables	23	31,046,688	22,629,348	-	-
Other payables	24	8,707,745	4,528,205	2,479,811	290,241
Amount due to customers for contract works	13	18,382	6,241	-	-
Amount due to subsidiary companies	15	-	-	3,436,309	5,039,058
Loans and borrowings	21	10,903,881	9,979,651	203,085	342,763
Tax payable		740,045	199,451	-	-
		51,416,741	37,342,896	6,119,205	5,672,062
Total Liabilities		73,404,934	54,716,561	6,315,968	6,071,910
Total Equity and Liabilities		149,148,836	130,733,845	41,784,502	49,686,815

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 2018

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Revenue	25	121,127,553	95,018,313	-	3,760,000
Cost of sales		(114,568,991)	(98,320,600)	-	-
Gross profit/(loss)		6,558,562	(3,302,287)	-	3,760,000
Other income		20,091,836	7,202,584	3,340,716	1,256,495
Administrative expenses		(22,620,613)	(26,856,382)	(12,399,119)	(66,495,451)
Selling and marketing expenses		(806,412)	(568,298)	-	-
Finance costs	26	(2,094,370)	(1,719,005)	(60,103)	(56,299)
Share of results of associate companies		-	(165,636)	-	-
Profit/(Loss) before tax	27	1,129,003	(25,409,024)	(9,118,506)	(61,535,255)
Taxation	28	(2,531,418)	(370,919)	-	-
Loss for the financial year		(1,402,415)	(25,779,943)	(9,118,506)	(61,535,255)
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
- Exchange translation differences for foreign operations		153,898	(227,935)	-	-
Total comprehensive loss for the financial year		(1,248,517)	(26,007,878)	(9,118,506)	(61,535,255)
Loss for the financial year attributable to:					
Owners of the parent		(2,924,600)	(25,659,136)	(9,118,506)	(61,535,255)
Non-controlling interests		1,522,185	(120,807)	-	-
		(1,402,415)	(25,779,943)	(9,118,506)	(61,535,255)
Total comprehensive loss attributable to:					
Owners of the parent		(2,770,702)	(25,887,071)	(9,118,506)	(61,535,255)
Non-controlling interests		1,522,185	(120,807)	-	-
		(1,248,517)	(26,007,878)	(9,118,506)	(61,535,255)
Loss per share					
Basic (sen)	29	(0.40)	(3.58)		
Diluted (sen)	29	(0.40)	(3.58)		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

		Attributable to Owners of the Parent									
		Non-distributable									
	Note	Share capital RM	Share premium RM	Treasury shares RM	Foreign currency translation reserve RM	Warrant reserve RM	Other reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
Group											
At 1 April 2016		99,764,100	790,627	(47,990)	183,564	21,971,937	(21,971,937)	(12,488,122)	88,202,179	299,695	88,501,874
Loss for the financial year		-	-	-	-	-	-	(25,659,136)	(25,659,136)	(120,807)	(25,779,943)
Other comprehensive income		-	-	-	(227,935)	-	-	-	(227,935)	-	(227,935)
Total comprehensive loss for the financial year		-	-	-	(227,935)	-	-	(25,659,136)	(25,887,071)	(120,807)	(26,007,878)
Transactions with owners:											
Issue of ordinary shares	18	9,000,000	-	-	-	-	-	-	9,000,000	-	9,000,000
Transition to no-par value regime on 31 January 2017	18	790,627	(790,627)	-	-	-	-	-	-	-	-
Change in ownership interest in a subsidiary company	8(d)	-	-	-	-	-	-	-	-	4,523,288	4,523,288
		9,790,627	(790,627)	-	-	-	-	-	9,000,000	4,523,288	13,523,288
At 31 March 2017		109,554,727	-	(47,990)	(44,371)	21,971,937	(21,971,937)	(38,147,258)	71,315,108	4,702,176	76,017,284

Statements of Changes in Equity
For the Financial Year Ended 31 March 2018 (Cont'd)

		Attributable to Owners of the Parent									
		Non-distributable									
	Note	Share capital RM	Share premium RM	Treasury shares RM	Foreign currency translation reserve RM	Warrant reserve RM	Other reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
Group											
At 1 April 2017		109,554,727	-	(47,990)	(44,371)	21,971,937	(21,971,937)	(38,147,258)	71,315,108	4,702,176	76,017,284
Loss for the financial year		-	-	-	-	-	-	(2,924,600)	(2,924,600)	1,522,185	(1,402,415)
Other comprehensive income		-	-	-	153,898	-	-	-	153,898	-	153,898
Total comprehensive income/(loss) for the financial year		-	-	-	153,898	-	-	(2,924,600)	(2,770,702)	1,522,185	(1,248,517)
Transactions with owners:											
Issue of ordinary shares	18	972,135	-	-	-	-	-	-	972,135	-	972,135
Acquisition of subsidiary company	8(b)	-	-	-	-	-	-	-	-	3,000	3,000
		972,135	-	-	-	-	-	-	972,135	3,000	975,135
At 31 March 2018		110,526,862	-	(47,990)	109,527	21,971,937	(21,971,937)	(41,071,858)	69,516,541	6,227,361	75,743,902

Statements of Changes in Equity
For the Financial Year Ended 31 March 2018 (Cont'd)

	Note	Non-distributable Share capital RM	Share premium RM	Treasury shares RM	Warrant reserve RM	Other reserve RM	Accumulated losses RM	Total equity RM
Company								
At 1 April 2016		99,764,100	790,627	(47,990)	21,971,937	(21,971,937)	(4,356,577)	96,150,160
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	-	(61,535,255)	(61,535,255)
Transactions with owners:								
Issue of ordinary shares	18	9,000,000	-	-	-	-	-	9,000,000
Transition to no-par value regime on 31 January 2017	18	790,627	(790,627)	-	-	-	-	-
		9,790,627	(790,627)	-	-	-	-	9,000,000
At 31 March 2017		109,554,727	-	(47,990)	21,971,937	(21,971,937)	(65,891,832)	43,614,905
At 1 April 2017		109,554,727	-	(47,990)	21,971,937	(21,971,937)	(65,891,832)	43,614,905
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	-	(9,118,506)	(9,118,506)
Transactions with owners:								
Issue of ordinary shares	18	972,135	-	-	-	-	-	972,135
At 31 March 2018		110,526,862	-	(47,990)	21,971,937	(21,971,937)	(75,010,338)	35,468,534

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash Flows From Operating Activities				
Profit/(Loss) before tax	1,129,003	(25,409,024)	(9,118,506)	(61,535,255)
Adjustments for:				
Amortisation of quarry development expenditure	1,132,629	969,364	-	-
Bad debts written off	1,326,199	364,577	-	-
Depreciation of investment properties	3,363	3,363	-	-
Depreciation of property, plant and equipment	8,168,555	8,819,697	422,857	348,239
Gain on disposal of subsidiary companies	-	458,777	-	-
Impairment loss on:				
- other receivables	-	195,498	-	1,542
- trade receivables	55,932	152,578	-	-
- investment in subsidiary companies	-	-	-	33,855,191
- amount due from subsidiary companies	-	-	4,628,394	26,344,324
- quarry development expenditure	-	7,250,318	-	-
- property, plant and equipment	49,732	1,156,185	-	-
- goodwill on consolidation	1,517,193	-	-	-
Finance costs	2,039,317	1,537,028	54,495	54,953
Interest income	(333,249)	(176,518)	(65,346)	(60,180)
Inventories written down	450,763	1,523,043	-	-
Operating profit/(loss) before working capital changes carried forward	15,539,437	(3,155,114)	(4,078,106)	(991,186)
Gain on disposal of property, plant and equipment	(7,255,260)	(397,775)	-	-
Property, plant and equipment written off	30,083	1,839,180	-	-
Reversal of accrual - tribute	-	(800,000)	-	-
Reversal of inventories written down	(936,201)	(1,789,608)	-	-
Reversal of impairment loss on trade receivables	(48,860)	(1,452,334)	-	-
Reversal of impairment loss on amount due from subsidiary company	-	-	(3,273,766)	-
Reversal of impairment loss on investment in subsidiary company	-	-	-	(1,054,406)
Share of loss on associate companies	-	165,636	-	-
Unrealised loss/(gain) on foreign exchange	135,561	(160,812)	121,059	(141,833)
Operating profit/(loss) before working capital changes	7,464,760	(5,750,827)	(7,230,813)	(2,187,425)

Statements of Cash Flows
For the Financial Year Ended 31 March 2018 (Cont'd)

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Change in working capital:					
Quarry development expenditure		(1,092,740)	(556,671)	-	-
Inventories		1,280,713	142,691	-	-
Trade receivables		(9,080,501)	1,907,963	-	-
Other receivables		(16,385,273)	12,403,267	371,750	1,711,011
Customers for contract works		(3,876,257)	(693,265)	-	-
Trade payables		8,417,340	1,730,222	-	-
Other payables		4,179,540	(3,807,877)	2,189,570	(370,951)
Subsidiary companies		-	-	(817,232)	3,570,990
		(16,557,178)	11,126,330	(1,744,088)	4,911,050
Cash (used in)/from operations		(9,092,418)	5,375,503	(5,486,725)	2,723,625
Interest received		333,249	176,518	65,346	60,180
Interest paid		(2,039,317)	(1,537,028)	(54,495)	(54,953)
Tax paid		(1,867,994)	(884,465)	(13,682)	(15,882)
Tax refund		-	111,880	12,253	9,015
		(3,574,062)	(2,133,095)	9,422	(1,640)
Net cash (used in)/from operating activities		(12,666,480)	3,242,408	(5,477,303)	2,721,985
Cash Flows From Investing Activities					
Purchase of property, plant and equipment	4(c)	(3,400,152)	(2,831,674)	(724,557)	-
Purchase of inventories		(2,550,424)	(6,000,000)	(2,065,000)	(6,000,000)
Acquisition of subsidiary companies		-	-	(7,001)	(14,861,178)
Net cash inflow/(outflow) from acquisition of subsidiary companies	8(b)	3,000	(14,748,004)	-	-
Amount due from associate companies		85,992	234,508	-	-
Proceeds from disposal of property, plant and equipment		11,584,362	2,973,239	-	-
Proceeds from disposal of subsidiary companies	8(d)	-	4,064,511	-	-
(Acquisition of)/Proceeds from disposal of other investments		(1,527,125)	14,272,772	(21,948)	14,272,772
Net cash from/(used in) investing activities		4,195,653	(2,034,648)	(2,818,506)	(6,588,406)

Statements of Cash Flows
For the Financial Year Ended 31 March 2018 (Cont'd)

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Cash Flows From Financing Activities					
Increase in fixed deposits pledged		(920,730)	(328,124)	-	-
Repayment of term loans		(147,179)	(827,731)	-	-
Drawdown of term loans		4,000,000	-	-	-
Repayment of finance lease payables		(5,283,819)	(6,368,777)	(342,763)	(475,687)
Net changes on short term borrowings		(864,794)	770,451	-	-
Proceeds from issuance of shares	18	972,135	9,000,000	972,135	9,000,000
Net cash (used in)/from financing activities		(2,244,387)	2,245,819	629,372	8,524,313
Net (decrease)/increase in cash and cash equivalents		(10,715,214)	3,453,579	(7,666,437)	4,657,892
Effects of exchange translation differences on cash and cash equivalents		18,337	(67,123)	-	-
Cash and cash equivalents at the beginning of the financial year		12,694,695	9,308,239	7,839,027	3,181,135
Cash and cash equivalents at the end of the financial year		1,997,818	12,694,695	172,590	7,839,027
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances		4,335,015	14,335,000	172,590	7,839,027
Fixed deposits with licensed banks		4,063,559	3,143,860	-	-
Bank overdrafts		(2,347,713)	(1,651,852)	-	-
		6,050,861	15,827,008	172,590	7,839,027
Less: Fixed deposits pledged to licensed banks		(4,053,043)	(3,132,313)	-	-
		1,997,818	12,694,695	172,590	7,839,027

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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018

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 Level 5, Wisma Miramas, No. 1, Jalan 2/109E, Taman Desa, Jalan Klang Lama, 58100 Kuala Lumpur.

The registered office of the Company is located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 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 8. 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 of the Company have been prepared in accordance with 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 of 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 amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to MFRSs 2014 - 2016 Cycle	Amendments to MFRS 12

The adoption of the Amendments to MFRS 107 has required additional disclosure of changes in liabilities arising from financing activities in Note 34. Other than that, the adoption of above amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

Notes To The Financial Statements
31 March 2018 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of Compliance (cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Amendments to MFRS 4	*Applying MFRS 9 Financial Instruments with* MFRS 4 *Insurance Contracts*	1 January 2018*
Annual Improvements to MFRSs 2014 - 2016 Cycle:		
• Amendments to MFRS 1		1 January 2018
• Amendments to MFRS 128		1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23	Uncertainty Over Income Tax Treatments	1 January 2019
MFRS 16	Leases	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128	Long term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRSs 2015 - 2017 Cycle:		
• Amendments to MFRS 3		1 January 2019
• Amendments to MFRS 11		1 January 2019
• Amendments to MFRS 112		1 January 2019
• Amendments to MFRS 123		1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards		
• Amendments to MFRS 2 *Share-Based Payment*		1 January 2020
• Amendments to MFRS 3 *Business Combination*		1 January 2020
• Amendments to MFRS 6 *Exploration for and Evaluation of Mineral Resources*		1 January 2020
• Amendments to MFRS 14 *Regulatory Deferral Account*		1 January 2020

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of Compliance (cont'd)

Standards issued but not yet effective (cont'd)

The Group and the Company have not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company: (cont'd)

		Effective dates for financial periods beginning on or after
Amendments to References to the Conceptual Framework in MFRS Standards (cont'd)		
• Amendments to MFRS 101 *Presentation of Financial Statements*		1 January 2020
• Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*		1 January 2020
• Amendments to MFRS 134 *Interim Financial Reporting*		1 January 2020
• Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*		1 January 2020
• Amendments to MFRS 138 *Intangible Assets*		1 January 2020
• Amendments to IC Interpretation 12 *Service Concession Arrangements*		1 January 2020
• Amendments to IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*		1 January 2020
• Amendments to IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*		1 January 2020
• Amendments to IC Interpretation 22 *Foreign Currency Transactions and Advances Consideration*		1 January 2020
• Amendments to IC Interpretation 123 *Intangible Assets – Website Costs*		1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

Note:
* *Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.*

The Group and the Company intend to adopt the above MFRSs when they become effective.

The initial application of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below:

Notes To The Financial Statements
31 March 2018 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of Compliance (cont'd)

Standards issued but not yet effective (cont'd)

(i) MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)

MFRS 9, Financial Instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces MFRS 139 Financial Instruments: *Recognition and Measurement*.

(a) Classification of financial assets

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which the assets are managed and their cash flow characteristics. MFRS 9 contains three (3) principal classification categories for financial assets:

- Amortised Cost ("AC");
- Fair Value through Other Comprehensive Income ("FVTOCI"); and
- Fair Value through Profit Or Loss ("FVTPL").

The standard eliminates the existing MFRS 139 categories of Held-to-Maturity ("HTM"), Loans and Receivables ("L&R") and Available-for-Sale ("AFS"). Based on its assessment, the financial assets held by the Group and the Company as at 31 March 2018 will be reclassified to the following classifications:

	2018 RM	Existing classification under MFRS 139	New classification under MFRS 9
Group			
Financial assets			
Trade receivables	27,316,372	L&R	AC
Other receivables	18,919,600	L&R	AC
Amount due from associate companies	148,516	L&R	AC
Other investments	1,527,125	FVTPL	FVTPL
Fixed deposits with licensed banks	4,063,559	L&R	AC
Cash and bank balances	4,335,015	L&R	AC
Company			
Financial assets			
Other receivables	316,701	L&R	AC
Amount due from subsidiary companies	5,487,189	L&R	AC
Other investments	21,948	FVTPL	FVTPL
Cash and bank balances	172,590	L&R	AC

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of Compliance (cont'd)

Standards issued but not yet effective (cont'd)

(i) MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014) (cont'd)

(b) Impairment of financial assets

MFRS 9 replaces the "incurred loss" model in MFRS 139 with a forward-looking "expected credit loss" ("ECL") model. This will require considerable judgement about how changes in economic factors affect ECL, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at AC or FVTOCI, except for investment securities.

Under MFRS 9, loss allowances will be measured on either of the following bases:
- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not increased significantly. A financial asset's credit risk deemed not increased significantly if the asset has low credit risk at the reporting date. However, the Group and the Company have adopted lifetime ECL measurements for loans and receivables due to the expected lifetime period of loans and receivables are generally less than 12 months.

(c) Classification of financial liabilities

MFRS 9 largely retains the existing requirements in MFRS 139 for the classification of financial liabilities. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main changes is that, in case where the fair value option is taken for financial liabilities, the part of fair value change due to entity's own credit risk is recoded in other comprehensive income rather than in profit or loss, unless this create an accounting mismatch.

Based on the assessments undertaken to date, the Group and the Company do not expect the above new requirements to affect the classification and measurements of its financial assets and financial liabilities. On the ECL impact, the Group and the Company expects an increase in the Group's and the Company's allowance for impairment by less than 5% of loans and receivables.

(ii) MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Interpretations. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of Compliance (cont'd)

Standards issued but not yet effective (cont'd)

(ii) MFRS 15 *Revenue from Contracts with Customers* (cont'd)

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Group has assessed the impact of initial application of MFRS 15 on its businesses and does not expect significant impact on the Group's financial statements.

(iii) MFRS 16 Leases

MFRS 16, which upon the effective date will supersede MFRS 117 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group and the Company are assessing the impact of the above new standard on the financial statements of the Group and of the Company in the year of initial adoption.

(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 and all values have been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group'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 amount of the asset or liability affected in the future.

2. BASIS OF PREPARATION (CONT'D)

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

Judgments

Classification between property, plant and equipment, investment properties and inventories

The Group has developed certain criteria based on MFRS 116 *Property, Plant and Equipment*, MFRS 140 *Investment Property* and MFRS 102 *Inventories* in making judgement whether a land qualifies as a property, plant and equipment, an investment property and an inventory. Property, plant and equipment is a property held for use in the production or supply of goods or services or for administrative purposes. Investment property is a property held to earn rentals or for capital appreciation or both. Land held for property development is classified as inventories, when no development activities are expected to be commenced within 12 months, it is classified as non-current asset.

During the financial year, the Group has identified certain pieces of land where they have no intention to undertake any property development project, and has decided to treat these lands as property, plant and equipment for own-occupation purpose, and investment properties when these properties held in the long term for capital appreciation or rental income.

Accordingly, these land held property development classified as inventories are now reclassified to property, plant and equipment and investment properties.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation 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 of property, plant and equipment and investment properties

The Group and the Company regularly review the estimated useful lives of property, plant and equipment and investment properties 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 investment properties would increase the recorded depreciation and decrease the value of property, plant and equipment and investment properties.

The carrying amount at the reporting date for property, plant and equipment and investment properties are disclosed in Notes 4 and 5 respectively.

Impairment of property, plant and equipment and quarry development expenditure

The Group assesses whether there is any indication that property, plant and equipment and quarry development expenditure are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less costs of disposal for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information. Changes to any of these assumptions would affect the amount of impairment.

The key assumptions used to determine the recoverable amounts are disclosed in Notes 4 and 7 respectively.

Notes To The Financial Statements
31 March 2018 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

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

Key sources of estimation uncertainty (cont'd)

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 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 6.

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 8.

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 10.

Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts at the reporting date for loans and receivables are disclosed in Notes 11, 12, 14 and 15 respectively.

Construction contracts

The Group recognises construction contracts revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on experience and by relying on the work of specialists. The details of construction contracts are disclosed in Note 13.

2. BASIS OF PREPARATION (CONT'D)

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

Key sources of estimation uncertainty (cont'd)

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. Details of deferred tax assets are disclosed in Note 22.

Income taxes

Judgment 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 recognises 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. As at 31 March 2018, the Group and the Company have tax recoverable of RM1,222,445 (2017: RM933,683) and RM47,745 (2017: RM46,316) respectively and tax payable of RM740,045 (2017: RM199,451) and RM Nil (2017: RM Nil) respectively.

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 31.

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 35(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.

Notes To The Financial Statements
31 March 2018 (Cont'd)

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, 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.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement*, 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(n)(i) on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiary companies without change of 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 amount 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(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 amount 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(n)(i) on impairment of non-financial assets.

(b) Investments in associate companies

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

On acquisition of an investment in an associate company, 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 company's profit or loss for the period in which the investment is acquired.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Investments in associate companies (cont'd)

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.

After application of the equity method, the Group applies MFRS 139 to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate company. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value-in-use and fair value less costs of disposal) 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 company 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, investments in associate 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(n)(i) on impairment of non-financial assets.

(c) Foreign currency translation

(i) Foreign currency transactions 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.

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 operation is 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 company 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(n)(i).

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(i) Recognition and measurement (cont'd)

Capital work-in-progress consists of buildings and plant and machinery under construction/ installation for intended use as production facilities. The amount is stated at cost until the property, plant and equipment are ready for their intended use.

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.

(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 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. Leased assets are depreciated over the shorter of the lease term and their useful lives.

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
Workshop cum site office	22 - 50 years
Access road	7 - 9 years
Renovation	10 years

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

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases (cont'd)

As lessee

(i) Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as a property, plant and equipment.

(ii) Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statements of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property and measured using fair value model.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. 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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investment properties (cont'd)

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 principal annual depreciation rates are:

Leasehold buildings	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. See accounting policy Note 3(n)(i) on impairment of non-financial assets.

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.

(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 reference to the output for the year over the total estimated reserve, which will be extracted during the duration of the quarry contract, so as to write off the quarry development expenditure. 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

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

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group and the Company classify their financial assets depends on the purpose for which the financial assets were acquired at initial recognition, into the following categories:

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

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets that are designated into this category upon initial recognition. A financial asset is classified in this category if it is acquired principally for the purpose of selling it in the near term. Derivatives, including separated embedded derivatives, are also categorised as held for trading unless they are designated as effective hedging instruments. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

After initial recognition, financial assets in this category are measured at fair value with any gains or losses arising from changes in the fair values recognised in profit or loss in the period in which the changes arise.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial assets (cont'd)

(i) Financial assets at fair value through profit or loss (cont'd)

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing later than 12 months after the end of the reporting period which are classified as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

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 and derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised when the contractual rights to receive cash flows from the financial asset has expired or has been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in profit or loss.

(i) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of financial liabilities.

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

The Group and the Company classify their financial liabilities at initial recognition, into the following categories:

(i) Other financial liabilities measured at amortised cost

The Group's and the Company's other financial liabilities comprise trade and other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Notes To The Financial Statements
31 March 2018 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial liabilities (cont'd)

(i) Other financial liabilities measured at amortised cost (cont'd)

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(ii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specific payment to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

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.

(j) 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.

(k) Inventories

(i) Sales of goods

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

Cost is determined on a first-in-first out basis. Cost of raw and packaging materials, spare parts and consumables consists of purchase price plus the cost of bringing the inventories to their present location and condition. The cost of quarry and 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Inventories (cont'd)

(ii) Land held for property development

The costs of land held for property development is stated at the lower of historical cost and net realisable value. The cost of land held for property development consists of the purchase price of the 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 to sell. Fair value is the amount the land 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 where development activities can be completed within the Group's normal operating cycle.

(l) 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 function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion method is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract cost.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable recoverable and contract costs are recognised as expenses in the period in which they are incurred.

Irrespective whether the outcome of a construction contract can be estimated reliably, when it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probably that they will result in revenue and they are capable of being reliably measured.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the reporting period end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is presented as amount due from customers for contract works. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as amount due to customers for contract works.

Notes To The Financial Statements
31 March 2018 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft 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 statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(n) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, amount due from customers for contract works 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 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.

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, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, 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 unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

All financial assets, other than investments in subsidiary companies and associate companies are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Impairment of assets (cont'd)

(ii) Financial assets (cont'd)

Financial assets carried at amortised cost (cont'd)

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers 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 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.

(ii) Financial assets

Financial assets carried at amortised cost

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.

(o) 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 statement 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.

Notes To The Financial Statements
31 March 2018 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Share capital (cont'd)

(ii) Treasury shares (cont'd)

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.

(p) 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.

(q) 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. 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 has no further payment obligations.

(r) Revenue

(i) Turnkey quarry services

Revenue from the provision of turnkey quarry services is recognised in the profit or loss by reference to the quantity of stockpiles produced.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Revenue (cont'd)

(ii) Sale 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.

(iii) Construction contracts

Revenue from construction contracts is accounted in accordance to the accounting policies as described in Note 3(l) .

(iv) 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) Interest income

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

(vi) Management fee

Management fee is recognised on accrual basis when services are rendered.

(s) 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, are capitalised as part of the cost of those assets. 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 borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or 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 years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements 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.

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.

Unutilised reinvestment allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(u) Goods and Services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

(i) where the GST incurred in a purchase of assets or services are not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as other payables or other receivables in the statements of financial position.

(v) Segment 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.

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Leasehold land RM	Buildings and improvements RM	Plant and machinery RM	Motor vehicles RM	Furniture fittings and office equipment and renovation RM	Workshop cum site office RM	Total RM
Group								
2018								
Cost								
At 1 April 2017	1,793,698	-	11,917,276	104,763,002	7,109,905	1,781,978	172,234	127,538,093
Additions	-	-	-	8,951,472	151,315	1,024,462	-	10,127,249
Disposals	-	-	-	(38,416,289)	(1,170,487)	(16,077)	-	(39,602,853)
Written off	-	-	(41,483)	-	-	(32,222)	-	(73,705)
Reclassified from inventories	-	7,468,736	-	-	-	-	-	7,468,736
Reclassification	-	-	(503,738)	9,300	-	503,738	(9,300)	-
At 31 March 2018	1,793,698	7,468,736	11,372,055	75,307,485	6,090,733	3,261,879	162,934	105,457,520
Accumulated depreciation								
At 1 April 2017	-	-	1,198,542	74,273,889	4,194,163	591,575	59,721	80,317,890
Charge for the financial year	-	-	139,979	6,672,873	996,720	347,524	11,459	8,168,555
Disposals	-	-	-	(33,538,038)	(1,019,954)	(15,809)	-	(34,573,801)
Written off	-	-	(11,400)	-	-	(32,222)	-	(43,622)
Reclassification	-	-	(422,094)	6,543	(1,000)	422,094	(5,543)	-
At 31 March 2018	-	-	905,027	47,415,267	4,169,929	1,313,162	65,637	53,869,022
Accumulated impairment loss								
At 1 April 2017	-	-	-	1,146,251	9,934	-	-	1,156,185
Charge for the financial year	-	-	-	4,077	-	-	45,655	49,732
Disposals	-	-	-	(699,950)	-	-	-	(699,950)
At 31 March 2018	-	-	-	450,378	9,934	-	45,655	505,967
Carrying amount								
At 31 March 2018	1,793,698	7,468,736	10,467,028	27,441,840	1,910,870	1,948,717	51,642	51,082,531

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM	Leasehold land RM	Buildings and improvements RM	Plant and machinery RM	Motor vehicles RM	Furniture fittings and office equipment and renovation RM	Workshop cum site office RM	Total RM
Group								
2017								
Cost								
At 1 April 2016	1,793,698	4,040,506	117,297,625	6,676,047	2,795,041	395,804	648,524	133,647,245
Additions	-	7,373,032	6,795,269	1,363,560	330,143	26,730	-	15,888,734
Disposals	-	-	(7,526,026)	(840,001)	-	-	-	(8,366,027)
Written off	-	-	(11,803,866)	(89,701)	(839,468)	(250,300)	(648,524)	(13,631,859)
Reclassification	-	503,738	-	-	(503,738)	-	-	-
At 31 March 2017	1,793,698	11,917,276	104,763,002	7,109,905	1,781,978	172,234	-	127,538,093
Accumulated depreciation								
At 1 April 2016	-	641,308	81,875,324	4,128,502	1,488,345	299,432	648,524	89,081,435
Charge for the financial year	-	135,140	7,379,866	980,847	313,255	10,589	-	8,819,697
Disposals	-	-	(4,965,077)	(825,486)	-	-	-	(5,790,563)
Written off	-	-	(10,016,224)	(89,700)	(787,931)	(250,300)	(648,524)	(11,792,679)
Reclassification	-	422,094	-	-	(422,094)	-	-	-
At 31 March 2017	-	1,198,542	74,273,889	4,194,163	591,575	59,721	-	80,317,890
Accumulated impairment losses								
At 1 April 2016	-	-	-	-	-	-	-	-
Charge for the financial year	-	-	1,146,251	9,934	-	-	-	1,156,185
At 31 March 2017	-	-	1,146,251	9,934	-	-	-	1,156,185
Carrying amount								
At 31 March 2017	1,793,698	10,718,734	29,342,862	2,905,808	1,190,403	112,513	-	46,064,018

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Motor vehicles RM	Furniture fittings and office equipment RM	Renovation RM	Total RM
Company				
2018				
Cost				
At 1 April 2017	1,134,654	806,785	-	1,941,439
Additions	-	588,067	136,490	724,557
At 31 March 2018	1,134,654	1,394,852	136,490	2,665,996
Accumulated depreciation				
At 1 April 2017	481,494	389,469	-	870,963
Charge for the financial year	226,931	187,964	7,962	422,857
At 31 March 2018	708,425	577,433	7,962	1,293,820
Carrying amount				
At 31 March 2018	426,229	817,419	128,528	1,372,176
2017				
Cost				
At 1 April 2016	934,654	806,785	-	1,741,439
Additions	200,000	-	-	200,000
At 31 March 2017	1,134,654	806,785	-	1,941,439
Accumulated depreciation				
At 1 April 2016	287,896	234,828	-	522,724
Charge for the financial year	193,598	154,641	-	348,239
At 31 March 2017	481,494	389,469	-	870,963
Carrying amount				
At 31 March 2017	653,160	417,316	-	1,070,476

Notes To The Financial Statements
31 March 2018 (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) The carrying amount of property, plant and equipment of the Group and of the Company acquired under finance lease are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Furniture fittings, and office equipment	-	371,483	-	371,483
Motor vehicles	1,916,106	3,047,853	426,230	653,161
Plant and machinery	10,985,948	12,831,544	-	-
	12,902,054	16,250,880	426,230	1,024,644

Leased assets are pledged as security for the related finance lease liabilities.

(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 21(a)(i) are as follows:

	Group	
	2018 RM	2017 RM
Freehold land	1,793,698	1,793,698
Buildings and improvements	9,440,593	9,566,662
	11,234,291	11,360,360

(c) The aggregate additional cost for the property, plant and equipment of the Group and of the Company under finance lease financing, term loan financing and cash payments are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Aggregate costs	10,127,249	15,888,734	724,557	200,000
Less: Finance lease financing	(6,727,097)	(5,684,028)	-	(200,000)
Less: Term loan financing	-	(7,373,032)	-	-
Cash payments	3,400,152	2,831,674	724,557	-

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(d) Impairment loss

During the financial year, the Group has assessed the recoverable amount of related product line. The Group tested the related product line for impairment and recognised an impairment loss of RM49,732 (2017: RM1,156,185) with respect to the condition of plant and machinery.

(e) Change in estimates

In the previous financial year, the Group conducted an operational efficiency review on its plant and machinery, which resulted in changes in the expected usage of certain items of plant and machinery. Certain machineries, which management previously intended to sell after ten years of use, is now expected to remain in production for ten years with refurbishment, other machinery without refurbishment will now expected to remain in production for 4 to 8 years from the date of transfers.

The effect of these changes on depreciation expense, recognised in cost of sales, in current and future periods is as follows:

	2018 RM	2019 RM	2020 RM	Later RM
(Decrease) / Increase in depreciation charges	151,510	23,963	(371,959)	(562,674)

5. INVESTMENT PROPERTIES

	Group 2018 RM	2017 RM
Cost		
At 1 April	1,711,329	1,711,329
Reclassified from inventories	9,430,000	-
At 31 March	11,141,329	1,711,329
Accumulated depreciation		
At 1 April	63,058	59,695
Charge for the financial year	3,363	3,363
At 31 March	66,421	63,058
Carrying amount		
At 31 March	11,074,908	1,648,271
Fair value		
At 31 March	(13,170,000)	3,315,000

Notes To The Financial Statements
31 March 2018 (Cont'd)

5. INVESTMENT PROPERTIES (CONT'D)

(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 78 to 83 years (2017: 79 to 84 years).

(b) Fair value basis of investment properties

Fair value of investment properties was estimated by the Directors based on internal appraisal of market value of comparable properties. The fair values are within Level 3 of the fair value hierarchy.

(c) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2018 RM	**2017 RM**
Rental income	90,300	112,500
Direct operating expenses - income generating investment properties	24,674	23,301

6. INVENTORIES

	Group		Company	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Non-current				
Land held for development [Note (a)]	8,550,424	22,898,736	8,065,000	6,000,000
Current				
Raw materials and packaging materials	1,213,530	1,289,064	-	-
Spare parts and consumables	379,357	1,783,496	-	-
Quarry and bituminous products	5,678,679	4,994,281	-	-
	7,271,566	8,066,841	-	-
	15,821,990	30,965,577	8,065,000	6,000,000
Recognised in profit or loss:				
Inventories recognised in cost of sales	33,051,590	36,254,599	-	-
Inventories written down	450,763	1,523,043	-	-
Reversal of inventories written down	(936,201)	(1,789,608)	-	-

6. INVENTORIES (CONT'D)

The reversal of inventories written down was made during the financial year when the related inventories were sold above their carrying amounts.

(a) Land held for development

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Land held for development				
At 1 April	22,898,736	-	6,000,000	-
Addition	2,550,424	6,000,000	2,065,000	6,000,000
Arising from acquisition of subsidiary companies	-	16,898,736	-	-
Reclassified to property, plant and equipment	(7,468,736)	-	-	-
Reclassified to investment properties	(9,430,000)	-	-	-
At 31 March	8,550,424	22,898,736	8,065,000	6,000,000

7. QUARRY DEVELOPMENT EXPENDITURE

	Group	
	2018 RM	2017 RM
Cost		
At 1 April	18,162,977	17,606,306
Additions	1,092,740	556,671
Written off	(3,792,038)	-
At 31 March	15,463,679	18,162,977
Accumulated amortisation		
At 1 April	6,170,288	5,200,924
Charge for the financial year	1,132,629	969,364
Written off	(3,171,574)	-
At 31 March	4,131,343	6,170,288
Accumulated impairment losses		
At 1 April	8,761,759	1,511,441
Impairment loss recognised	-	7,250,318
Written off	(620,464)	-
At 31 March	8,141,295	8,761,759
Carrying amount		
At 31 March	3,191,041	3,230,930

Notes To The Financial Statements
31 March 2018 (Cont'd)

8. INVESTMENT IN SUBSIDIARY COMPANIES

	Group 2018 RM	Group 2017 RM
Unquoted shares, at cost		
In Malaysia	66,893,922	66,886,921
Outside Malaysia	2	2
	66,893,924	66,886,923
Less: Accumulated impairment losses	(40,677,431)	(40,677,431)
	26,216,493	26,209,492

The movement in the allowance for impairment losses are as follows:

	Group 2018 RM	Group 2017 RM
At 1 April	40,677,431	7,876,646
Impairment loss recognised	-	33,855,191
Reversal of impairment losses	-	(1,054,406)
At 31 March	40,677,431	40,677,431

Details of the subsidiaries companies are as follows:

Name of company	Country of incorporation	Effective interest 2018 %	Effective interest 2017 %	Principal activities
Direct holding:				
K.S. Chin Minerals Sdn. Bhd. ("KSCM")	Malaysia	100	100	Provision of turnkey and specialised quarry services and rental of machinery
Minetech Construction Sdn. Bhd. ("MCSB")	Malaysia	100	100	Provision of specialised civil engineering services and rental of machinery
Minetech Premix Sdn. Bhd. ("MPSB")	Malaysia	100	100	Manufacturing and trading of premix products
Minetech Industries Sdn. Bhd. ("MISB")	Malaysia	100	100	Trading of industrial machinery spare parts
Diman KS Chin Sdn. Bhd. ("DKSCSB")	Malaysia	100	100	Inactive
Minetech Realty Sdn. Bhd. ("MRSB")	Malaysia	100	100	Property investment

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Name of company	Country of incorporation	Effective interest 2018 %	Effective interest 2017 %	Principal activities
Minetech Quarries Singapore Pte. Ltd. ("MQS")*	Singapore	100	100	Inactive
Minetech Asphalt Man International Sdn. Bhd. ("MAMI")	Malaysia	85	85	Manufacturing and trading of bituminous products
Minetech Heavy Machineries Sdn. Bhd. ("MHMSB")	Malaysia	51	51	Inactive
MRB Land Sdn. Bhd. ("MRBL")	Malaysia	100	100	Property development
Harapan Iringan Sdn. Bhd ("HISB")	Malaysia	100	100	Property investment holding
Medium Visa Sdn. Bhd ("MVSB")	Malaysia	100	100	Investment holding
MRB FTZ Development Sdn. Bhd. ("MFDSB")	Malaysia	100	-	Property development
Coral Power Sdn. Bhd.	Malaysia	100	-	Solar Farm Operator
Subsidiary companies of KSCM:				
Minetech Quarries Sdn. Bhd. ("MQSB")	Malaysia	100	100	Inactive
Gebeng Quarry Sdn. Bhd. ("GQSB")	Malaysia	51	51	Production, sales and marketing of quarry products
Subsidiary companies of MQSB:				
Optimis Dinamik Sdn. Bhd. ("ODSB")	Malaysia	100	100	Inactive
Minetech Pavement Technologies Sdn. Bhd. ("MPTSB")	Malaysia	100	100	Inactive
Minetech Bidor Quarry Sdn. Bhd. ("MBQSB")	Malaysia	100	100	Production, sales and marketing of quarry products

Notes To The Financial Statements
31 March 2018 (Cont'd)

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Name of company	Country of incorporation	Effective interest 2018 %	Effective interest 2017 %	Principal activities
Subsidiary companies of MLSB:				
Integral Housing Development Sdn. Bhd. ("IHDSB")	Malaysia	100	-	Dormant
MRB Property Sdn. Bhd. ("MRBP") (formerly known as Balance Property Sdn. Bhd. ("BPSB"))	Malaysia	100	-	Dormant
Konsep Khas Sdn. Bhd. ("KKSB")	Malaysia	100	-	Dormant
Subsidiary company of MPSB:				
Minetech Quarries Sabah Sdn. Bhd. ("MQSSB")	Malaysia	100	100	Inactive
Subsidiary company of MPTSB:				
Minetech PQ Sdn. Bhd. ("MPQSB")	Malaysia	51	51	Production, sales and marketing of quarry products

** Subsidiary companies not audited by UHY*

(a) Impairment loss

During the financial year, the Company conducted a review of the recoverable amounts of its investments in certain subsidiary companies of which its carrying amount of investments exceeded net assets of the respective subsidiary companies at the reporting date.

The review gave rise to the recognition of an impairment loss of investment in subsidiary company of RMNil (2017: RM33,855,191). The recoverable amounts are determined using the fair value less costs of disposal approach, and this is derived using adjusted net assets of the respective subsidiary companies as at the end of the reporting period. The fair values are within level 3 of the fair value hierarchy.

The impairment loss was recognised in the administrative expenses in the statements of profit or loss and other comprehensive income.

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiary companies

(i) On 20 July 2017, the Company acquired the entire 7,000 ordinary shares of Coral Power Sdn. Bhd. ("CPSB") for cash consideration of RM7,000. Consequently, CPSB became a wholly-owned subsidiary company of the Company.

(ii) On 28 July 2017, the Company's wholly-owned subsidiary company, MRB Land Sdn. Bhd. ("MLSB") acquired the entire two (2) ordinary shares of Integral Housing Development Sdn. Bhd. ("IHDSB") for cash consideration of RM2. Consequently, IHDSB became an indirect wholly-owned subsidiary company of the Company.

(iii) On 13 October 2017, MLSB acquired the entire one (1) ordinary share of MRB Property Sdn. Bhd. ("MRBP") (formerly known as Balance Property Sdn. Bhd. ("BPSB")) for a consideration of RM1. Consequently, MRBP became an indirect wholly-owned subsidiary company of the Company.

(iv) On 13 October 2017, the Company acquired the entire one (1) ordinary share of MRB FTZ Development Sdn. Bhd. ("MFDSB") for a cash consideration of RM1. Consequently, MFDSB became a wholly-owned subsidiary company of the Company.

(v) On 22 November 2017, Consequently, MLSB acquired the entire one (1) ordinary share of Konsep Khas Sdn. Bhd. ("KKSB") for cash consideration of RM1. Consequently, KKSB became an indirect wholly-owned subsidiary of the Company.

(vi) On 1 April 2016, KSCM has increased its issued and paid-up share capital from 2,500,000 to 2,500,100 ordinary shares of RM1.00 each. The Company has subscribed for an additional of 100 ordinary share of RM1.00 each in KSCM by way of cash. Consequently, KSCM remained a wholly-owned subsidiary company of the Company.

(vii) On 1 April 2016, MCSB has increased its issued and paid-up share capital from 2,500,000 to 2,500,100 ordinary shares of RM1.00 each. The Company has subscribed for an additional of 100 ordinary share of RM1.00 each in MCSB by way of cash. Consequently, MCSB remained a wholly-owned subsidiary company of the Company.

(viii) On 4 April 2016, the Company acquired the entire two (2) ordinary shares of RM1.00 each in the share capital of HISB for a cash consideration of RM5,678,641 with novation of RM1,831,359. Consequently, HISB become a wholly-owned subsidiary company of the Company.

(ix) On 21 April 2016, the Company acquired the entire two (2) ordinary shares of RM1.00 each in the share capital of MVSB for a cash consideration of RM9,182,337 with novation of RM247,663. Consequently, MVSB become a wholly-owned subsidiary company of the Company.

(x) On 21 November 2016, MQSB, a wholly-owned subsidiary company of the Company acquired the entire two (2) ordinary shares of MBQSB for a cash consideration of RM2. Consequently, MBQSB become a wholly-owned subsidiary company of the MQSB.

Notes To The Financial Statements
31 March 2018 (Cont'd)

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiary companies (cont'd)

The following summarises the major classes of consideration transferred, and the recognised amount of assets acquired and liabilities assumed at the acquisition date:

	Group	
	2018	**2017**
	RM	**RM**
Identifiable assets acquired and liabilities assumed		
Land held for development	-	16,898,736
Cash and bank balances	10,005	112,976
Other payables	-	(2,234,997)
Non-controlling interests	(3,000)	-
Tax payable	-	9,000
Deferred taxation	-	(1,441,928)
Total identifiable assets and liabilities	7,005	13,343,787

Net cash inflow/(outflow) arising from the acquistion as follow:

	Group	
	2018	**2017**
	RM	**RM**
Purchase consideration settled in cash	7,005	14,860,980
Cash and bank balances	(10,005)	(112,976)
	(3,000)	14,748,004

Goodwill arising from business combination

Goodwill was recognised as a result of the acquisition as follows:

	Group	
	2018	**2017**
	RM	**RM**
Fair value of consideration transferred	-	14,860,980
Fair value of identifiable assets acquired and liabilities assumed	-	(13,343,787)
Goodwill	-	1,517,193

The goodwill recognised on the acquisition is attributable mainly to the lands being located in a developing area where housing developments are to be launched over the next 1 to 5 years.

Acquisition-related costs

In previous financial year, the Group incurred acquisition-related costs of RM101,684 related to external legal fees and due diligence costs. The expenses have been included in administrative expenses in profit or loss.

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiary companies (cont'd)

Impact of the acquisition on the Statements of Profit or Loss and Other Comprehensive Income

From the date of acquisition, acquired subsidiary companies has contributed RMNIL and RM39,383 (2017: RM78,000 and RM167,322) to the Group's revenue and loss for the financial year respectively. If the combination had taken place at the beginning of the financial year, the Group's revenue and loss for the financial year from its continuing operations would have been RMNIL and RM39,383 (2017: RM78,000 and RM167,322) respectively.

(c) Material partly owned subsidiary companies

The summarised financial information of the Group's subsidiary companies that have material non-controlling interests (amounts before inter-company elimination) is as follows:

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	2018	2017	2018	2017	2018	2017
	%	%	RM	RM	RM	RM
MAMI	15	15	92,627	33,682	820,544	727,917
GQSB	49	49	1,538,961	132,688	6,194,917	4,655,957
					7,015,461	5,383,874
Individually immaterial subsidiary companies with non-controlling interests					(788,100)	(681,698)
Total non-controlling interests					6,227,361	4,702,176

(i) Summarised Statements of Financial Position

	MAMI		GQSB	
	2018	2017	2018	2017
	RM	RM	RM	RM
Non-current assets	5,599,049	6,181,588	12,184,960	7,013,288
Current assets	5,202,429	6,405,844	15,909,815	6,463,476
Non-current liabilities	(434,985)	(502,742)	(4,754,991)	(176,513)
Current liabilities	(4,896,202)	(7,231,909)	(10,697,095)	(3,820,319)
Net assets	5,470,291	4,852,781	12,642,689	9,479,932
Equity attributable to:				
Owners of the Parent	4,649,747	4,124,864	6,447,772	4,823,975
Non-controlling interests	820,544	727,917	6,194,917	4,655,957
Total Equity	5,470,291	4,852,781	12,642,689	9,479,932

Notes To The Financial Statements
31 March 2018 (Cont'd)

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(c) Material partly owned subsidiary companies (cont'd)

(ii) Summarised Statements of Profit or Loss and Other Comprehensive Income

	MAMI		GQSB	
	2018 RM	2017 RM	2018 RM	2017 RM
Revenue	14,645,150	13,049,570	21,200,389	10,519,735
Total comprehensive income for the financial year	617,510	224,544	3,140,736	1,019,071

(iii) Summarised Statements of Cash Flows

	MAMI		GQSB	
	2018 RM	2017 RM	2018 RM	2017 RM
Net cash from/(used in) operating activities	878,241	(62,350)	948,203	(2,513,253)
Net cash (used in)/from investing activities	(686,505)	(60,000)	(157,249)	2,851,606
Net cash (used in)/from financing activities	(977,350)	1,685,674	(932,735)	-
Net (decrease)/increase in cash and cash equivalents	(785,614)	1,563,324	(141,781)	338,353

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(d) Changes in equity interest in a subsidiary company

In previous financial year, KSCM, a wholly-owned subsidiary company of the Company disposed 4,169,900 ordinary shares of RM1 each in the share capital of GQSB, representing 49% equity interest in GQSB for a cash consideration of RM4,064,511. Consequently, GQSB become 51% owned subsidiary company of KSCM.

The effect of changes in the equity interest in GQSB that is attributable to owners of the Company:

	Group	
	2018 RM	2017 RM
Carrying amount of non-controlling interest disposed	-	458,777
Consideration received from non-controlling interest	-	4,064,511
Increase in parent's equity	-	4,523,288

(e) 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.

9. INVESTMENT IN ASSOCIATE COMPANIES

(a) Investment in associate companies

	GROUP	
	2018 RM	2017 RM
In Malaysia		
Unquoted shares, at cost	490,049	490,049
Share of post-acquisition reserve	(490,049)	(490,049)
	-	-

Notes To The Financial Statements
31 March 2018 (Cont'd)

9. INVESTMENT IN ASSOCIATE COMPANIES (CONT'D)

(b) Details of the associate companies and shareholdings therein are as follows:

Name of the company	Country of incorporation	Effective interest (%) 2018	Effective interest (%) 2017	Principal activities
Indirect holding				
Associate company of MCSB:				
Minetech Builders Sdn. Bhd. ("MBSB")	Malaysia	49	49	Civil Engineering Construction
Associate company of KSCM:				
Hebat Asset Sdn. Bhd. ("HASB")	Malaysia	49	49	Dormant

(c) The summarised financial information of the associate companies are as follows:

	GROUP 2018 RM	GROUP 2017 RM
Total assets	12,952	154,160
Total liabilities	168,053	293,893
Revenue	3,675	-
Loss for the financial year	(15,368)	(376,556)

(d) The unrecognised share of losses of the associate companies are as follows:

	GROUP 2018 RM	GROUP 2017 RM
At 1 April	22,728	3,852
Addition during the financial year	7,530	18,876
At 31 March	30,258	22,728

10. GOODWILL ON CONSOLIDATION

	GROUP	
	2018	2017
	RM	RM
Cost		
At 1 April	1,517,193	-
Acquisition through business combination	-	1,517,193
At 31 March	1,517,193	1,517,193
Accumulated impairment losses		
At 1 April	-	-
Charge for the financial year	1,517,193	-
At 31 March	1,517,193	-
Carrying amount	-	1,517,193

Goodwill on consolidation arose upon the acquisition of a subsidiary company principally engaged in property development.

The recoverable amount of the property development unit is 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 RM1,517,193 (2017: Nil) was recognised. The impairment loss is recorded within administrative expenses in the statements of profit or loss and other comprehensive income.

For the purpose of impairment testing, the recoverable amount of goodwill as at the end of the previous 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 flow projections based on the most recent financial budgets covering a five (5) years period.

(ii) The anticipated annual revenue growth rate used in the financial budgets and plans of the CGU is 10%.

(iii) Pre-tax discount rate of 8% 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 the carrying values of the units to materially exceed their recoverable amounts.

Notes To The Financial Statements
31 March 2018 (Cont'd)

11. TRADE RECEIVABLES

	GROUP 2018 RM	GROUP 2017 RM
Trade receivables	28,154,566	20,563,632
Less: Allowance for impairment losses	(838,194)	(994,490)
	27,316,372	19,569,142

The Group's normal trade credit terms range from 30 to 180 days (2017: 30 to 180 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 RM1,711,149 (2017: RM1,382,817).

Movements in the allowance for impairment losses of trade receivables are as follows:

	GROUP 2018 RM	GROUP 2017 RM
At 1 April	994,490	2,307,383
Impairment losses recognised	55,932	152,578
Reversal of impairment losses	(48,860)	(1,452,334)
Written off	(163,368)	(13,137)
At 31 March	838,194	994,490

Analysis of the trade receivables ageing as at the end of the reporting period is as follows:

	GROUP 2018 RM	GROUP 2017 RM
Neither past due nor impaired	10,997,730	9,743,860
Past due but not impaired:		
Less than 30 days	5,397,493	4,429,322
31 to 60 days	3,506,179	2,141,555
61 to 90 days	2,072,712	1,110,863
More than 90 days	5,342,258	2,143,542
	16,318,642	9,825,282
	27,316,372	19,569,142
Impaired	838,194	994,490
	28,154,566	20,563,632

11. TRADE RECEIVABLES (CONT'D)

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 31 March 2018, trade receivables of RM16,318,642 (2017: RM9,825,282) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM838,194 (2017: RM994,490), related to customers that are in financial difficulties, have defaulted on payments. These balances are expected to be recovered through the debts recovery process.

12. OTHER RECEIVABLES

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Other receivables	17,612,222	2,713,559	149,990	409,521
Less: Accumulated impairment losses	(193,956)	(223,498)	-	(1,542)
	17,418,266	2,490,061	149,990	407,979
Deposits	1,501,334	1,056,419	166,711	167,172
Prepayments	2,782,619	1,956,643	84,660	197,960
GST receivables	186,177	-	-	-
	21,888,396	5,503,123	401,361	773,111

Movements in the allowance for impairment losses of other receivables are as follows:

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
At 1 April	223,498	181,606	1,542	-
Impairment losses recognised	-	195,498	-	1,542
Written off	(29,542)	(153,606)	(1,542)	-
At 31 March	193,956	223,498	-	1,542

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.

Notes To The Financial Statements
31 March 2018 (Cont'd)

13. AMOUNT DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORKS

	GROUP 2018 RM	GROUP 2017 RM
Aggregate costs incurred to date	60,310,669	152,821,388
Add: Attributable profits	7,566,305	29,351,907
	67,876,974	182,173,295
Less: Progress billings	(60,418,418)	(178,590,996)
	7,458,556	3,582,299
Presented as:		
Amount due from customers for contract works	7,476,938	3,588,540
Amount due to customers for contract works	(18,382)	(6,241)
	7,458,556	3,582,299

Included in progress billings is retention sum of RM1,832,883 (2017: RM386,630).

14. AMOUNT DUE FROM ASSOCIATE COMPANIES

Amount due from associate companies are unsecured, non-interest bearing advances and repayable on demand. An amount of RM32,577 (2017: RM27,846) represents trade transactions, which generally on 60 days to 90 days (2017: 60 days to 90 days) terms.

15. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

(a) Amount due from subsidiary companies

	COMPANY 2018 RM	COMPANY 2017 RM
Amount due from subsidiary companies	50,583,325	51,489,901
Less: Accumulated impairment losses	(45,096,136)	(43,741,508)
	5,487,189	7,748,393

15. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES (CONT'D)

(a) Amount due from subsidiary companies (Cont'd)

Movements in impairment on amount due from subsidiary companies are as follows:

	COMPANY 2018 RM	COMPANY 2017 RM
At 1 April	43,741,508	17,397,184
Impairment losses recognised	4,628,394	26,344,324
Reversal of impairment losses	(3,273,766)	-
At 31 March	45,096,136	43,741,508

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.

16. OTHER INVESTMENTS

	GROUP 2018 RM	GROUP 2017 RM	COMPANY 2018 RM	COMPANY 2017 RM
Current				
Financial assets at fair value through profit or loss:				
Unit trust, quoted in Malaysia	1,527,125	-	21,948	-

The fair value of the quoted shares were determined by reference to the quoted price in the share market.

17. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group amounting to RM4,053,043 (2017: RM3,132,313) are pledged to licensed banks as securities for credit facilities granted to a subsidiary company as disclosed in Note 21.

The weighted average interest rate of fixed deposits at the end of the reporting period is 3.06% (2017: 3.10%) per annum and the maturities of deposits ranging from 30 to 365 days (2017: 30 to 365 days).

Notes To The Financial Statements
31 March 2018 (Cont'd)

18. SHARE CAPITAL

	Group/Company			
	Number of Shares		Amount	
	2018 Units	2017 Units	2018 RM	2017 RM
Issued and fully paid				
Ordinary shares with no par value				
At 1 April	725,094,000	665,094,000	109,554,727	99,764,100
Shares issued during financial year	6,480,900	60,000,000	972,135	9,000,000
Transition to no-par value regime on 31 January 2017	-	-	-	790,627
At 31 March	731,574,900	725,094,000	110,526,862	109,554,727

During the financial year, the Company increased its issued and paid-up ordinary shares from 725,094,000 to 731,574,900 by way of issuance of 6,480,900 ordinary shares at an issue price of RM0.15 per ordinary share for a total consideration of RM972,135.

The new ordinary shares issued during the financial year rank pari passu in all respect with the existing ordinary shares of the Company.

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.

The Companies Act 2016 (the "Act"), which come into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM790,627 become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM790,627 for purposes as set out in Sections 618(3). There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

19. RESERVES

		GROUP		COMPANY	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Non distributable					
Foreign currency translation reserve	(a)	109,527	(44,371)	-	-
Share premium	(b)	-	-	-	-
Warrant reserve	(c)	21,971,937	21,971,937	21,971,937	21,971,937
Other reserve	(d)	(21,971,937)	(21,971,937)	(21,971,937)	(21,971,937)
Accumulated losses		(41,071,858)	(38,147,258)	(75,010,338)	(65,891,832)
		(40,962,331)	(38,191,629)	(75,010,338)	(65,891,832)

19. RESERVES (CONT'D)

(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.

(b) Share premium

	Group/Company	
	2018 RM	2017 RM
At 1 April	-	790,627
Transition ot no-par value regime on 31 January 2017	-	(790,627)
At 31 March	-	-

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares. In previous financial year under review, the share premium has been reclassified into share capital as required by Companies Act, 2016.

(c) Warrant reserve

Warrant reserve represents reserve allocated to free detachable warrants issued with right issue.

On 28 November 2014, the Company has issued 332,404,500 free detachable warrants to all the entitled shareholders of the Company on the basis of one (1) warrant for every one existing ordinary shares held in the Company.

The salient term of the warrants are as follows:

(i) Each warrant entitles the holder to subscribe for one new ordinary share of RM0.15 each in the Company at the exercise price of RM0.15 per ordinary share;

(ii) The warrants may be exercised at any time up to 27 November 2019. Any warrants which have not been exercised at date of maturity will lapse and cease to be valid for any purpose.; and

(iii) The shares arising from the exercise of warrants shall rank pari passu in all respects with the existing ordinary shares of the Company, save and except that the new shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the allotment date of the new shares.

As at 31 March 2018, the total number of Warrants that remain unexercised was 332,404,500 (2017: 332,404,500).

(d) Other reserve

Other reserve represents the fair value allocated to the detachable warrants issued in conjunction with rights issue as disclose in Note 19(c).

Notes To The Financial Statements
31 March 2018 (Cont'd)

20. TREASURY SHARES

	Group/Company			
	Number of Shares		Amount	
	2018 Units	2017 Units	2018 RM	2017 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 repurchased any of its issued shares from the open market during the financial year.

The Directors of the Company are committed to 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.

21. LOANS AND BORROWINGS

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Secured				
Term loans (Note a)	10,398,122	6,545,301	-	-
Bank overdrafts (Note a)	2,347,713	1,651,852	-	-
Bankers' acceptance (Note a)	1,886,854	2,394,947	-	-
Bills payable (Note a)	198,355	-	-	-
Trust receipts (Note a)	424,448	979,504	-	-
Finance lease payables (Note b)	15,164,862	13,721,584	399,848	742,611
	30,420,354	25,293,188	399,848	742,611
Non-current				
Term loans	9,759,839	6,366,665	-	-
Finance lease payables	9,756,634	8,946,872	196,763	399,848
	19,516,473	15,313,537	196,763	399,848
Current				
Term loans	638,283	178,636	-	-
Bank overdrafts	2,347,713	1,651,852	-	-
Bankers' acceptance	1,886,854	2,394,947	-	-
Bills payable	198,355	-	-	-
Trust receipts	424,448	979,504	-	-
Finance lease payables	5,408,228	4,774,712	203,085	342,763
	10,903,881	9,979,651	203,085	342,763
	30,420,354	25,293,188	399,848	742,611

21. LOANS AND BORROWINGS (CONT'D)

(a) Bank borrowings

The term loans, bankers' acceptance, bills payable, letter of credit and bank overdrafts are secured by the following:

(i) first legal charge over freehold land and building of a subsidiary company as disclosed in Note 4(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 17;
(iv) debenture over all the fixed and floating assets of a subsidiary company;
(v) guarantee provided by the Government of Malaysia; and
(vi) corporate guarantee provided by the Company.

Maturity of bank borrowings (excluding finance lease payables) are as follows:

	GROUP	
	2018 RM	2017 RM
Within one year	5,495,653	5,204,939
Between one to two years	678,321	185,793
Between two to five years	2,314,094	606,679
After five years	6,767,424	5,574,193
	15,255,492	11,571,604

The ranges of interest rates at the reporting date are as follows:

	GROUP	
	2018 %	2017 %
Term loans	4.77 - 6.80	6.95
Bank overdrafts	4.48 - 8.60	8.10
Bankers' acceptance	5.25 - 8.15	5.20 - 8.35
Bills payable	4.25 - 4.35	-
Trust receipts	8.15	8.15

21. LOANS AND BORROWINGS (CONT'D)

(b) Finance lease payables

	GROUP 2018 RM	GROUP 2017 RM	COMPANY 2018 RM	COMPANY 2017 RM
Minimum lease payments				
Within one year	6,149,360	6,234,749	219,744	392,796
Later than one year and not later than two years	5,010,059	4,215,615	142,312	219,744
Later than two years and not later than five years	5,440,660	4,645,944	64,782	207,094
	16,600,079	15,096,308	426,838	819,634
Less: Future finance charges	(1,435,217)	(1,374,724)	(26,990)	(77,023)
Present value of minimum lease payments	15,164,862	13,721,584	399,848	742,611
Present value of minimum lease payments				
Within one year	5,408,228	4,774,712	203,085	342,763
Later than one year and not later than two years	4,588,758	4,016,247	135,401	203,085
Later than two years and not later than five years	5,167,876	4,930,625	61,362	196,763
	15,164,862	13,721,584	399,848	742,611
Analysed as:				
Repayable within twelve months	5,408,228	4,774,712	203,085	342,763
Repayables after twelve months	9,756,634	8,946,872	196,763	399,848
	15,164,862	13,721,584	399,848	742,611

The effective interest rate of finance lease payables range from 4.05% to 9.23% (2017: 4.05% to 9.23%) per annum.

The Group leases motor vehicles and plant and machinery under finance lease [Note 4(a)]. There are no restrictive covenants imposed by the lease agreement and no arrangements have been entered into for contingent rental payments.

22. DEFERRED TAX LIABILITIES

	GROUP 2018 RM	GROUP 2017 RM	COMPANY 2018 RM	COMPANY 2017 RM
At 1 April	2,060,128	944,900	-	-
Recognised in profit or loss (Note 28)	411,592	(326,700)	-	-
Acquisition of subsidiary companies	-	1,441,928	-	-
At 31 March	2,471,720	2,060,128	-	-

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	GROUP 2018 RM	GROUP 2017 RM	COMPANY 2018 RM	COMPANY 2017 RM
Deferred tax liabilities	4,424,329	5,315,128	42,102	65,439
Deferred tax assets	(1,952,609)	(3,255,000)	(42,102)	(65,439)
	2,471,720	2,060,128	-	-

The components and movements of deferred tax liabilities and assets are as follows:

Deferred tax liabilities of the Group

	Accelerated capital allowances RM	Quarry development expenditure RM	Total RM
At 1 April 2017	5,315,128	-	5,315,128
Recognised in profit or loss	(890,799)	-	(890,799)
At 31 March 2018	4,424,329	-	4,424,329
At 1 April 2016	5,604,040	2,328,200	7,932,240
Recognised in profit or loss	(1,730,840)	(2,328,200)	(4,059,040)
Acquisition of subsidiary companies	1,441,928	-	1,441,928
At 31 March 2017	5,315,128	-	5,315,128

Notes To The Financial Statements
31 March 2018 (Cont'd)

22. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax assets of the Group

	Unutilised capital allowances RM	Unutilised tax losses RM	Unutilised reinvestment allowances RM	Total RM
At 1 April 2017	(651,770)	(2,594,090)	(9,140)	(3,255,000)
Recognised in profit or loss	106,620	1,195,771	-	1,302,391
At 31 March 2018	(545,150)	(1,398,319)	(9,140)	(1,952,609)
At 1 April 2016	(4,123,250)	(2,782,290)	(81,800)	(6,987,340)
Recognised in profit or loss	3,471,480	188,200	72,660	3,732,340
At 31 March 2017	(651,770)	(2,594,090)	(9,140)	(3,255,000)

Deferred tax liability of the Company

	Accelerated capital allowances RM
At 1 April 2017	65,439
Recognised in profit or loss	(23,337)
At 31 March 2018	42,102
At 1 April 2016	79,051
Recognised in profit or loss	(13,612)
At 31 March 2017	65,439

Deferred tax asset of the Company

	Unutilised capital allowances RM
At 1 April 2017	(65,439)
Recognised in profit or loss	23,337
At 31 March 2018	(42,102)
At 1 April 2016	(79,051)
Recognised in profit or loss	13,612
At 31 March 2017	(65,439)

22. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Unutilised capital allowances	8,112,485	14,110,289	500,356	128,549
Unutilised tax losses	25,938,811	12,260,005	7,713,671	1,750,634
Others	21,380	202,712	21,380	202,712
	34,072,676	26,573,006	8,235,407	2,081,895

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.

23. TRADE PAYABLES

The Group's normal trade credit terms range from 30 to 150 days (2017: 30 to 150 days), depending on the terms of the contracts.

24. OTHER PAYABLES

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Other payables	1,836,528	955,142	164,038	134,564
Deposits	455,600	120,100	-	-
Accruals	5,802,282	3,421,235	2,315,773	155,677
GST payables	613,335	31,728	-	-
	8,707,745	4,528,205	2,479,811	290,241

25. REVENUE

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Turnkey quarry services	25,846,186	13,966,476	-	-
Sales of goods	68,160,855	53,028,725	-	-
Contract revenue	27,056,612	27,777,141	-	-
Rental income	63,900	245,971	-	-
Management fees	-	-	-	3,760,000
	121,127,553	95,018,313	-	3,760,000

Notes To The Financial Statements
31 March 2018 (Cont'd)

26. FINANCE COSTS

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Bank charges	55,053	181,977	5,608	1,346
Interest expenses on:				
Bank overdrafts	143,244	3,788	-	-
Bankers' acceptance/Trust receipts	403,461	135,249	-	-
Finance leases	1,067,516	1,022,994	50,033	54,953
Term loans	293,952	261,599	-	-
Others	131,144	113,398	4,462	-
	2,039,317	1,537,028	54,495	54,953
	2,094,370	1,719,005	60,103	56,299

27. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is derived at after charging/(crediting):

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Amortisation of quarry development expenditure	1,132,629	969,364	-	-
Auditors' remuneration				
- statutory audit	209,552	199,676	38,000	38,000
- non-statutory	5,000	45,178	5,000	-
- overprovision in prior years	(4,000)	(2,500)	-	-
Bad debts written off	1,326,199	364,577	-	-
Bad debts recovered	-	(198,835)	-	-
Depreciation of :				
- investment properties	3,363	3,363	-	-
- property, plant and equipment	8,168,555	8,819,697	422,857	348,239
Foreign exchange loss/(gain):				
- realised	113,476	(167,068)	-	-
- unrealised	135,561	(160,812)	121,059	(141,833)
Inventories written down	450,763	1,523,043	-	-
Impairment loss on :				
- other receivables	-	195,498	-	1,542
- trade receivables	55,932	152,578	-	-
- quarry development expenditure	-	7,250,318	-	-
- property, plant and equipment	49,732	1,156,185	-	-
- investment in subsidiary companies	-	-	-	33,855,191
- amount due from subsidiary companies	-	-	4,628,394	26,344,324
- goodwill on consolidation	1,517,193	-	-	-
Loss on disposal of subsidiary companies	-	458,777	-	-

27. PROFIT/(LOSS) BEFORE TAX (CONT'D)

Profit/(Loss) before tax is derived at after charging/(crediting) (cont'd):

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Non-executive Directors' remunerations				
- Fees	967,435	272,500	437,435	272,500
- Other emoluments	46,193	-	46,193	-
- Benefit in-kind	9,900	-	9,900	-
Property, plant and equipment written off	30,083	1,839,180	-	-
Rental expenses:				
- access road	-	31,800	-	-
- land	391,000	1,115,750	-	-
- motor vehicles, plant and machinery	1,434,326	1,715,790	263,299	178,024
- office equipment	7,373	2,101	-	-
- premises	808,406	124,984	581,140	90,000
- workshop	173,000	748,800	-	-
- warehouse	324,000	432,000	-	-
- store	20,000	-	20,000	-
- others	164,005	-	-	-
Gain on disposal of property, plant and equipment	(7,255,260)	(397,775)	-	-
Interest income	(333,249)	(176,518)	(65,346)	(60,180)
Rental income:				
- plant	(1,161,704)	(227,218)	-	-
- investment property	(26,400)	(45,325)	-	-
- motor vehicles	(60,000)	-	-	-
Reversal of accrual - tribute	-	(800,000)	-	-
Reversal of impairment loss on trade receivables	(48,860)	(1,452,334)	-	-
Reversal of impairment loss on amount due from subsidiary companies	-	-	(3,273,766)	-
Reversal of impairment loss on investment in subsidiary companies	-	-	-	(1,054,406)
Reversal of inventories written down	(936,201)	(1,789,608)	-	-

Notes To The Financial Statements
31 March 2018 (Cont'd)

28. TAXATION

	GROUP 2018 RM	GROUP 2017 RM	COMPANY 2018 RM	COMPANY 2017 RM
Tax expenses recognised in profit or loss:				
Current tax provision	2,524,992	709,800	-	-
Over provision in prior years	(405,166)	(12,181)	-	-
	2,119,826	697,619	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(466,986)	(1,020,700)	-	-
Under provision in prior years	878,578	694,000	-	-
	411,592	(326,700)	-	-
	2,531,418	370,919	-	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2017: 24%) of the estimated assessable profits for the financial year.

A reconciliation of income tax expenses applicable to profit/(loss) before tax at the statutory tax rate to income tax expenses at the effective income tax of the Group and of the Company are as follows:

	GROUP 2018 RM	GROUP 2017 RM	COMPANY 2018 RM	COMPANY 2017 RM
Profit/(Loss) before tax	1,129,003	(25,409,024)	(9,118,506)	(61,535,255)
At Malaysian statutory tax rate of 24% (2017: 24%)	270,961	(6,098,166)	(2,188,441)	(14,768,461)
Expenses not deductible for tax purposes	2,572,155	2,100,578	1,497,672	14,691,909
Income not subject to tax	(2,585,031)	(1,002,203)	(786,074)	(287,098)
Deferred tax assets not recognised	2,167,032	5,172,349	1,476,843	363,650
Utilisation of previously unrecognised deferred tax assets	(367,111)	(483,458)	-	-
Over provision of income tax expense in prior years	(405,166)	(12,181)	-	-
Under provision of deferred tax in prior years	878,578	694,000	-	-
Tax expenses for the financial year	2,531,418	370,919	-	-

28. TAXATION (CONT'D)

The Group and the Company have the following estimated unutilised tax losses, unutilised capital allowances and unutilised reinvestment allowance available for set-off against future taxable profit. The said amounts are subject to approval by the tax authorities.

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Unutilised capital allowances	10,383,942	15,060,978	675,780	565,911
Unutilised tax losses	31,765,131	26,068,710	7,713,671	1,750,634
Unutilised reinvestment allowances	38,093	38,093	-	-
	42,187,166	41,167,781	8,389,451	2,316,545

29. LOSS PER SHARE

(a) 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:

	Group	
	2018 RM	2017 RM
Loss attributable to owners of the parent	(2,924,600)	(25,659,136)
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 April	725,094,000	665,094,000
Effect of ordinary shares issued during the financial year	5,912,712	51,534,247
Effect of treasury shares held	(285,000)	(285,000)
Weighted number of ordinary shares at 31 March	730,721,712	716,343,247
Basic loss per ordinary share (sen)	(0.40)	(3.58)

(b) Fully diluted loss per share

The Group and the Company have no dilution in their loss per ordinary share as there are no dilutive potential ordinary shares (Note 19(c)(i)). There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

Notes To The Financial Statements
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30. STAFF COSTS

	GROUP 2018 RM	GROUP 2017 RM	COMPANY 2018 RM	COMPANY 2017 RM
Fees	1,147,435	440,500	437,435	227,500
Salaries, wages and other emoluments	11,514,859	14,580,152	2,484,576	3,116,237
Defined contribution plan	1,167,774	1,485,234	317,298	410,679
Social security contributions	103,658	140,277	16,823	18,237
Other benefits	1,531,176	750,634	350,642	431,892
	15,464,902	17,396,797	3,606,774	4,204,545

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of its subsidiary companies during the financial year as below:

	GROUP 2018 RM	GROUP 2017 RM	COMPANY 2018 RM	COMPANY 2017 RM
Fees	180,000	440,500	-	227,500
Salaries, wages and other emoluments	1,798,002	1,680,000	779,167	1,402,500
Defined contribution plan	203,443	249,930	95,204	217,350
Estimated money value of benefits-in-kind	77,380	76,400	41,350	56,550
	2,258,825	2,446,830	915,721	1,903,900

31. CONTINGENT LIABILITIES

	GROUP 2018 RM	GROUP 2017 RM	COMPANY 2018 RM	COMPANY 2017 RM
Secured				
Bank guarantee issued in favour of third parties by certain subsidiary companies	3,319,380	2,720,000	-	-
Unsecured				
Corporate guarantee given to financial institutions for credit facilities granted to subsidiary companies	-	-	26,202,877	56,647,900
Corporate guarantee given to suppliers of subsidiary company for credit terms granted to subsidiary companies	-	-	2,791,877	26,700,000
	3,319,380	2,720,000	28,994,754	83,347,900

32. RELATED PARTY DISCLOSURE

(i) 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 or 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.

(ii) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the transactions detailed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	GROUP		COMPANY	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
Transactions with subsidiary companies				
Management fees received	-	-	-	3,760,000
Rental expenses	-	-	733,939	304,424
Interest expenses	-	-	4,462	-
Transactions with Directors				
Legal fees	20,666	79,417	20,666	79,417
Rental expenses	160,000	294,000	20,000	-

(iii) Compensation of key management personnel

Remuneration of Directors and other members of key management are as follows:

	GROUP		COMPANY	
	2018 RM	**2017 RM**	**2018 RM**	**2017 RM**
- Salary and other emoluments	3,173,610	2,730,555	1,351,612	1,402,500
- Fees	1,147,435	713,000	437,435	500,000
- EPF	346,515	373,278	160,851	217,350
- Benefits in kind	127,830	122,558	68,850	56,550
	4,795,390	3,939,391	2,018,748	2,176,400

33. OPERATING SEGMENTS

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

Quarry products	:	Provision of turnkey and specialised quarry services and sales and marketing of quarry products
Civil engineering	:	Specialised civil engineering works
Premix products	:	Manufacturing and trading of premix products
Bituminous products	:	Manufacturing and trading bituminous products
Others	:	Investment holding, provision of managerial services, rental of machinery, trading of industrial machinery spare parts and property development

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.

33. OPERATING SEGMENTS (CONT'D)

	Quarry products RM	Civil engineering RM	Premix products RM	Bituminous products RM	Others RM	Consolidation adjustment RM	Consolidation RM
Group							
2018							
Revenue							
External customers	54,982,526	27,056,612	24,391,624	14,634,051	62,740	-	121,127,553
Inter-segment	-	154,161	-	11,099	154,306	(319,566)	-
Total revenue	54,982,526	27,210,773	24,391,624	14,645,150	217,046	(319,566)	121,127,553
Results							
Segment results	8,485,835	1,959,664	(2,849,627)	1,311,804	(9,373,068)	3,355,516	2,890,124
Interest income							333,249
Finance costs							(2,094,370)
Share of loss on associate companies							-
Loss before tax							1,129,003
Taxation							(2,531,418)
Loss for the financial year							(1,402,415)
Assets							
Capital expenditure	8,024,626	42,091	481,250	10,490	754,146	(1,283,655)	8,028,948
Segment assets	79,117,071	37,440,867	15,156,871	10,801,478	64,662,789	(58,030,240)	149,148,836
Liabilities							
Segment liabilities	72,948,626	23,885,787	19,983,751	5,331,187	23,109,062	(71,853,479)	73,404,934

Notes To The Financial Statements
31 March 2018 (Cont'd)

33. OPERATING SEGMENTS (CONT'D)

	Quarry products RM	Civil engineering RM	Premix products RM	Bituminous products RM	Others RM	Consolidation adjustment RM	Consolidation RM
Group							
2017							
Revenue							
External customers	33,090,962	27,782,924	17,012,724	13,048,375	4,083,328	-	95,018,313
Inter-segment	8,326,552	517,911	-	1,195	3,955,455	(12,801,113)	-
Total revenue	41,417,514	28,300,835	17,012,724	13,049,570	8,038,783	(12,801,113) -	95,018,313
Results							
Segment results	(17,297,627)	1,475,820	(4,242,025)	820,951	(65,773,089)	61,315,069	(23,700,901)
Interest income							176,518
Finance costs							(1,719,005)
Share of loss on associate companies							(165,636)
Profit before tax							(25,409,024)
Taxation							(370,919)
Loss for the financial year							(25,779,943)
Assets							
Capital expenditure	10,834,163	8,536,592	5,263,715	60,000	200,000	(11,679,995)	13,214,475
Segment assets	61,352,524	27,970,914	17,403,617	12,587,432	69,110,400	(57,691,042)	130,733,845
Liabilities							
Segment liabilities	63,605,959	16,008,698	19,069,145	7,734,651	21,781,840	(73,483,732)	54,716,561

33. OPERATING SEGMENTS (CONT'D)

	Quarry products RM	Civil engineering RM	Premix products RM	Bituminous products RM	Others RM	Consilidation adjustment RM	Consolidation RM
Group							
2018							
Other non-cash items							
Amortisation of quarry development expenditure	1,132,629	-	-	-	-	-	1,132,629
Bad debts written off	69,347	-	-	130,308	572,138	554,406	1,326,199
Depreciation of investment properties	-	3,363	-	-	-	-	3,363
Depreciation of property, plant and equipment	5,000,650	1,020,717	1,341,460	593,029	430,079	(217,380)	8,168,555
Loss/(Gain) on disposal of property, plant and equipment	(3,868,075)	(237,485)	(378,470)	-	(13,431)	(2,757,799)	(7,255,260)
Impairment loss on:							
- trade receivables	11,528	-	44,404	-	-	-	55,932
- property, plant and equipments	49,732	-	-	-	-	-	49,732
- amount owing by subsidiary companies	-	-	-	-	4,628,394	(4,628,394)	-
- goodwill on consolidation	-	-	-	-	-	(1,517,193)	(1,517,193)
Property, plant and equipment written off	-	-	-	-	30,083	-	30,083
Inventories written down	450,763	-	-	-	-	-	450,763
Reversal of impairment loss on trade receivables	(2,640)	-	(46,220)	-	-	-	(48,860)
Reversal of amount due from subsidiary companies	-	-	-	-	(3,273,766)	3,273,766	-
Reversal of inventory written down	(936,201)	-	-	-	-	-	(936,201)
Unrealised foreign exchange gain	-	-	-	13,178	122,383	-	135,561

33. OPERATING SEGMENTS (CONT'D)

	Quarry products RM	Civil engineering RM	Premix products RM	Bituminous products RM	Others RM	Consilidation adjustments RM	Consolidation RM
Group							
2017							
Other non-cash items							
Amortisation of quarry development expenditure	969,364	-	-	-	-	-	969,364
Bad debts written off	-	-	-	350,156	14,421	-	364,577
Depreciation of investment properties	-	3,363	-	-	-	-	3,363
Depreciation of property, plant and equipment	5,380,231	1,388,982	1,159,015	706,023	366,745	(181,299)	8,819,697
Loss/(Gain) on disposal of property, plant and equipment	(4,105,093)	(5,002)	144,897	-	(10,000)	3,577,423	(397,775)
Impairment loss on:							
- trade receivables	-	44,773	107,805	-	-	-	152,578
- other receivables	-	-	193,956	-	1,542	-	195,498
- investment in subsidiary companies	1,054,406	-	-	-	33,855,191	(34,909,897)	-
- property, plant and equipments	1,156,185	-	-	-	-	-	1,156,185
- quarry development expenditure	7,250,318	-	-	-	-	-	7,250,318
- amount due from subsidiary companies	96,553	-	-	-	26,344,324	(26,440,877)	-
- property, plant and equipments written off	1,799,422	39,758	-	-	-	-	1,839,180
Inventories written down	1,523,043	-	-	-	-	-	1,523,043
Gain on disposal of a subsidiary company	105,389	-	-	-	-	353,388	458,777
Reversal of accrual - tribute	-	-	-	-	(800,000)	-	(800,000)
Reversal of mpairment loss on trade receivables	(16,343)	(1,336,761)	-	-	(99,230)	-	(1,452,334)
Reversal of impairment loss on investment in subsidiary company	-	-	-	-	(1,054,406)	1,054,406	-
Reversal of inventory written down	-	-	-	(1,789,608)	-	-	(1,789,608)
Unrealised foreign exchange gain	(6,549)	-	-	(12,430)	(141,833)	-	(160,812)

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The analysis of net debts and the movement in net debts are shown as follows:

	At 1 April 2017 RM	Financing cash flow (i) RM	New finance lease (Note 4(c)) RM	At 31 March 2018 RM
Financial liabilities				
Finance lease payables	13,721,584	(5,283,819)	6,727,097	15,164,862
Bank borrowings	11,571,604	2,988,027	-	15,255,492
	25,293,188	(2,295,792)	6,727,097	30,420,354

(i) The cash flows from loans and borrowings make up the net amount of drawdown from or repayments of borrowings in the statements of cash flows.

35. 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:

	Fair value through profit or loss - held for trading RM	Loans and receivables RM	Financial liabilities measured at amortised cost RM	Total RM
Group				
2018				
Financial assets				
Trade receivables	-	27,316,372	-	27,316,372
Other receivables	-	18,919,600	-	18,919,600
Other investments	1,527,125	-	-	1,527,125
Amount due from associate companies	-	148,516	-	148,516
Fixed deposits with licensed banks	-	4,063,559	-	4,063,559
Cash and bank balances	-	4,335,015	-	4,335,015
	1,527,125	54,783,062	-	56,310,187

Notes To The Financial Statements
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35. Financial Instruments (Cont'd)

(a) Classification of financial instruments (cont'd)

	Fair value through profit or loss - held for trading RM	Loans and receivables RM	Financial liabilities measured at amortised cost RM	Total RM
Group				
2018				
Financial liabilities				
Trade payables	-	-	31,046,688	31,046,688
Other payables	-	-	8,094,410	8,094,410
Loans and borrowings	-	-	30,420,354	30,420,354
	-	-	69,561,452	69,561,452
2017				
Financial assets				
Trade receivables	-	19,569,142	-	19,569,142
Other receivables	-	3,546,480	-	3,546,480
Amount due from associate companies	-	234,508	-	234,508
Fixed deposits with licensed banks	-	3,143,860	-	3,143,860
Cash and bank balances	-	14,335,000	-	14,335,000
	-	40,828,990	-	40,828,990
Financial liabilities				
Trade payables	-	-	22,629,348	22,629,348
Other payables	-	-	4,496,477	4,496,477
Loans and borrowings	-	-	25,293,188	25,293,188
	-	-	52,419,013	52,419,013

35. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (cont'd)

	Fair value through profit or loss - held for trading RM	Loans and receivables RM	Financial liabilities measured at amortised cost RM	Total RM
Company				
2018				
Financial assets				
Other receivables	-	316,701	-	316,701
Amount due from subsidiary companies	-	5,487,189	-	5,487,189
Other investments	21,948	-	-	21,948
Cash and bank balances	-	172,590	-	172,590
	21,948	5,976,480	-	5,998,428
Financial liabilities				
Other payables	-	-	2,479,811	2,479,811
Amount due to subsidiary companies	-	-	3,436,309	3,436,309
Loans and borrowings	-	-	399,848	399,848
	-	-	6,315,968	6,315,968
2017				
Financial assets				
Other receivables	-	575,151	-	575,151
Amount due from subsidiary companies	-	7,748,393	-	7,748,393
Cash and bank balances	-	7,839,027	-	7,839,027
	-	16,162,571	-	16,162,571
Financial liabilities				
Other payables	-	-	290,241	290,241
Amount due to subsidiary companies	-	-	5,039,058	5,039,058
Loans and borrowings	-	-	742,611	742,611
	-	-	6,071,910	6,071,910

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned 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 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 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 licensed banks for credit facilities granted to subsidiary companies.

The Group has 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 deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiary companies. It also provides unsecured financial guarantees to banks for banking facilities granted to suppliers certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

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. The Company's maximum exposure in this respect is RM28,994,754 (2017: RM83,347,900). 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 credits risks except for advances to its subsidiary companies where risks of default have been assessed to be low.

(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 finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for 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.

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk (cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group						
2018						
Non-derivative financial liabilities						
Trade payables	31,046,688	-	-	-	31,046,688	31,046,688
Other payables	8,094,410	-	-	-	8,094,410	8,094,410
Finance lease payables	6,149,360	5,010,059	5,440,660	-	16,600,079	15,164,862
Bank borrowings	5,098,600	1,196,268	3,588,804	9,307,018	19,190,690	15,255,492
	50,389,058	6,206,327	9,029,464	9,307,018	74,931,867	69,561,452
2017						
Non-derivative financial liabilities						
Trade payables	22,629,348	-	-	-	22,629,348	22,629,348
Other payables	4,496,477	-	-	-	4,496,477	4,496,477
Finance lease payables	6,234,749	4,215,615	4,645,944	-	15,096,308	13,721,584
Bank borrowings	5,496,943	470,640	470,640	9,033,778	15,472,001	11,571,604
	38,857,517	4,686,255	5,116,584	9,033,778	57,694,134	52,419,013

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35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk (cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company						
2018						
Financial liabilities						
Other payables	2,479,811	-	-	-	2,479,811	2,479,811
Amount due to subsidiary companies	3,436,309	-	-	-	3,436,309	3,436,309
Finance lease payables	219,744	142,312	64,782	-	426,838	399,848
Corporate guarantee	28,994,754	-	-	-	28,994,754	-
	35,130,618	142,312	64,782	-	35,337,712	6,315,968
2017						
Financial liabilities						
Other payables	290,241	-	-	-	290,241	290,241
Amount due to subsidiary companies	5,039,058	-	-	-	5,039,058	5,039,058
Finance lease payables	392,796	219,744	207,094	-	819,634	742,611
Corporate guarantee	83,347,900	-	-	-	83,347,900	-
	89,069,995	219,744	207,094	-	89,496,900	6,071,910

The Company provides unsecured financial guarantee to banks in respect of credit facilities granted to certain subsidiary companies and monitors on an ongoing basis the performance of the subsidiary companies. At end of the reporting period, there was no indication that the subsidiary companies would default on repayment.

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk (Cont'd)

Financial guarantee have not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiary companies defaulting on their credit facilities is remote.

(iii) 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 manages the interest rate risk of its deposits with licensed financial institutions 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 manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The carrying amounts of the Group's and of the Company's financial instruments that are exposed to interest rate risk are as follows:

	2018 RM	2017 RM
Group		
Fixed rate instruments		
Financial assets		
Fixed deposits with licensed banks	4,063,559	3,143,860
Financial liabilities		
Finance lease payables	(15,164,862)	(13,721,584)
	(11,101,303)	(10,577,724)
Floating rate instruments		
Financial liabilities		
Bank overdrafts	2,347,713	1,651,852
Bankers' acceptance	1,886,854	2,394,947
Bills payable	198,355	-
Trust receipts	424,448	979,504
Term loans	10,398,122	6,545,301
	15,255,492	11,571,604
Company		
Fixed rate instrument		
Financial liabilities		
Finance lease payables	399,848	742,611

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Interest rate risk (cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's loss before tax by RM150,571 (2017: RM115,716) respectively, 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.

(iv) Foreign currency exchange risk

The Company is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currency giving rise to this risk is primarily Singapore Dollar (SGD).

The carrying amounts of the Company's foreign currency denominated financial assets at the end of the reporting period are as follows:

	Denominated in SGD RM
Company	
2018	
Amount due from a subsidiary company	1,654,997
2017	
Amount due from a subsidiary company	1,724,954

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iv) Foreign currency exchange risk (cont'd)

Foreign currency risk sensitivity

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.

A 10% strengthening of Ringgit Malaysia against the following foreign currencies at the end of the reporting period would increase/(decrease) the loss before tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain unchanged.

	Effect on loss before tax RM
Company	
2018	
SGD	165,500
2017	
SGD	172,495

(c) Fair values 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 insignificant impact of discounting.

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 carried at fair value and those not carried at fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

35. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair values of financial instruments (cont'd)

	Fair value of financial instruments not carried at fair value			
	Level 1 RM	Level 2 RM	Level 3 RM	Carrying amount RM
Group				
2018				
Financial liabilities				
Finance lease payables	-	9,506,162	-	9,756,634
2017				
Financial liabilities				
Finance lease payables	-	8,856,673	-	8,946,872
Company				
2018				
Financial liabilities				
Finance lease payables	-	191,057	-	196,763
2017				
Financial liabilities				
Finance lease payables	-	395,040	-	399,848

(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.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

<u>Non-derivative financial instruments</u>

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 values for the financial assets and liabilities are estimated using unobservable inputs.

36. CAPITAL COMMITMENT

	Group	
	2018 RM	2017 RM
Capital expenditure		
Authorised and contracted for:		
- purchase of property, plant and equipment	-	6,900,000
- acquisition of new subsidiary companies (Note 38(e))	16,800,000	-
	16,800,000	6,900,000

37. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the 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 the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirement. The gearing ratios at end of the reporting period are as follows:

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Total loans and borrowings	30,420,354	25,293,188	399,848	742,611
Less: Cash and cash equivalents (exclude bank overdrafts)	(4,345,531)	(14,346,547)	(172,590)	(7,839,027)
Total net debts/(excess fund)	26,074,823	10,946,641	227,258	(7,096,416)
Total equity attributable to owners of the parent	69,516,541	71,315,108	35,468,534	43,614,905
Gearing ratio (times)	0.38	0.15	0.01	*

* Gearing ratio is not applicable as the cash and cash equivalents were sufficient to cover the entire borrowing obligation.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

38. SIGNIFICANT EVENTS

During the financial year, the following significant events took place for the Company and its subsidiary companies:

(a) On 31 May 2017, GQSB, a 51%-owned subsidiary of the Company has entered into an Extended Quarry Agreement with Yasmin Hayati Binti Mohd Muda to further extend the term of the Quarry Agreement entered on 5 January 2006 for another period of 5 years commencing from 1 January 2021 where such period is extendable to a maximum period of 10 years and to grant GQSB extended sole and exclusive right to set up, operate and manage a quarry and/or to takeover the existing quarry activities at Bukit Penggorak, Kuantan.

(b) On 8 August 2017, MCSB, a wholly-owned subsidiary of the Company has accepted the Letter of Acceptance from CHEC Construction (M) Sdn. Bhd. appointing MCSB as the sub-contractor to perform Construction, Completion, Testing, Commissioning, Care and Maintenance of Sentul West Station and Escape Shaft 1 (Package A) for the "Projek Mass Rapid Transit Laluan 2: Sungai Buloh-Serdang-Putrajaya" ("Sub-contract"). The value of the Sub-contract is RM16,281,156. The Sub-contract works will be carried out and to be completed in 25 months.

(c) On 9 August 2017, MCSB, a wholly-owned subsidiary of the Company has entered into a Sub-Contract Agreement with MMC Gamuda KVMRT (UGW) Joint Venture appointing MCSB as the sub-contractor to perform Construction and Completion of Excavation Works, Rock Strengthening, Steel Strutting and Other Associated Works for Station Box, Entrances and Paid Link at Chan Sow Lin Station for the "Projek Mass Rapid Transit Laluan 2: Sungai Buloh-Serdang-Putrajaya" ("Sub-Contract Works"). The value of Sub-Contract Works is RM35,187,615 and shall commence on 15 August 2017.

(d) On 27 November 2017, MLSB, a wholly-owned subsidiary company of the Company entered into a Joint Venture Agreement ("JVA") with Cheong See Weng, Chong Moey Loy and Chong Thin Choy ("the Landowner") to appoint MLSB as developer for the development of all that parcel of freehold land held under Geran Mukim 697 No. Lot 7033 in Tempat Batu $1^1/_2$ Jalan Cheroh, Raub, Mukim 27600 Gali, Daerah Raub, Negeri Pahang measuring approximately 1.955 hectres ("the Land") into a housing development project ("the Project") on a joint-venture basis whereby:-

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

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

38. SIGNIFICANT EVENTS (CONT'D)

During the financial year, the following significant events took place for the Company and its subsidiary companies: (Cont'd)

(e) On 13 December 2017, the Company entered into a conditional share sale agreement ("SSA") with Bertam Roadbase Sdn Bhd ("BRSB") for the Acquisition and shareholder agreement with the BRSB and Bertam Capital Sdn Bhd ("BCSB") to regulate their rights, obligations and management of BCSB upon completion of the Acquisition.

The Acquisition entails the acquisition by the Company of 1,200,000 ordinary shares in Bertam Capital Sdn Bhd ("BCSB"), representing 60% of the equity interest in BCSB for a purchase consideration of RM16,800,000, which is to be satisfied via the allotment and issuance of 120,000,000 new MRB shares at an issue price of RM0.14 per MRB share.

On 4 April 2018, the Company entered into a supplemental agreement to the SSA with BRSB to extend the Conditional Period for a further term of 60 days from 12 April 2018 to 11 June 2018, for both the Company and BRSB to fulfil all remaining Conditions Precedent ("Supplemental Agreement"). Save and except for the extension of the period for the fulfilment of the Conditions Precedent, all the terms and conditions of the SSA shall remain unchanged for the Acquisition of 1,200,000 ordinary shares in BCSB.

The Acquisition has been completed on 30 April 2018.

(f) The Company had on 28 December 2017 announced that a Proposed Private Placement that entails the issuance of up to 106,397,940 new ordinary shares, representing up to ten percent (10%) of the total number of issued shares of the Company, after taking into consideration:

(i) The Company's existing issued and paid-up share capital of 731,289,900 shares (i.e. after excluding 285,000 Treasury Shares) as at 6 December 2017 (being the latest practicable date prior to this announcement ("LPD"));

(ii) Assuming full exercise of the 332,404,500 outstanding warrants 2014/2019 in MRB ("Warrants 2014/2019") as at LPD into 332,404,500 shares; and

(iii) Assuming the 285,000 Treasury Shares are resold in the open market, prior to the implementation of the Proposed Private Placement (collectively known as "Maximum Scenario").

Based on the minimum scenario, the size of the Proposed Private Placement is up to 73,128,990 Placement Shares, representing ten percent (10%) of the existing issued and paid-up share capital of RM110,526,862, comprising 731,289,900 shares (i.e. after excluding 285,000 Treasury Shares) as at the LPD, assuming none of the existing Warrants 2014/2019 is exercised into new shares and none of the Treasury Shares is resold in the open market prior to the implementation of the Proposed Private Placement ("Minimum Scenario").

On 10 January 2018, the Company announced that Bursa Securities has vide letter dated 9 January 2018, approved the listing of and quotation for up to 106,397,940 new shares to be issued pursuant to the Proposed Private Placement.

(g) On 30 March 2018, the Company announced that CPSB, a 70%-owned subsidiary of the Company, had on 26 March 2018 entered into a Power Purchase Agreement ("PPA") with Tenaga Nasional Berhad ("TNB") for the generation and sale of solar photovoltaic energy to TNB's grid system at PPU Pantai Remis from its solar photovoltaic energy generating facility with a capacity of 9.99 MWac to be located in PT 18535, Persiaran Segari, Mukim Pengkalan Baharu, Daerah Manjung, Perak ("Project"). Upon completion, this project will be one of the first system utilising floatation devices on a pond in Malaysia.

Notes To The Financial Statements
31 March 2018 (Cont'd)

39. SUBSEQUENT EVENTS

Subsequent to the financial year, the following subsequent events took place for the Company and its subsidiary companies:

(a) On 24 April 2018, the Company announced that, CPSB, a 70% owned subsidiary of the Company has accepted the Letter of Award ("LOA") from Energy Commission to develop Large Scale Solar PV Plant ("LSSPV") of 9.99 MWac at PT18535, Persiaran Segari, Mukim Pengkalan Baharu, Daerah Manjung, Perak at the offer price of 37.50 sen/kWh for a period of 21 years ("Project").

(b) On 31 May 2018, the Company announced that, on 25 May 2018, the Company had executed a Subscription Agreement ("SA") with Canadian Solar Energy Holding Company Limited, CPSB, a 70%-owned subsidiary of the Company, Jot Seng Keong and Dato' Sri Md Zin Bin Baharom for the purpose of subscribing Redeemable Convertible Preference Shares ("RCPS") in CPSB subject to the fulfilment of the conditions precedent as set out in the SA. The subscription of RCPS will be for the purpose of the funding of the development of the solar photovoltaic energy generating facility with a capacity of 9.99 MWac to be located at PT18535, Persiaran Segari, Mukim Pengkalan Baharu, Daerah Manjung, Perak.

(c) On 10 April 2018, the Company announced that the Board has fixed the issue price for the placement of 30,000,000 new shares at RM0.10 each ("Issue Price"), being the first tranche of the Proposed Private Placement. The Issue Price represents a premium of approximately 6.27% over the five (5)-days volume weighted average market price of up to and including 9 April 2018, being the last market day immediately preceding to the Price-fixing Date, of RM0.0941 per Share.

On 20 April 2018, the Company announced that the first tranche of the Private Placement has been completed following the listing of and quotation for the 30,000,000 Placement Shares on the Main Market of Bursa Malaysia Securities Berhad.

The Company had on 19 June 2018 submitted an application to Bursa Securities seeking its approval for an extension of time of six (6) months from 9 July 2018 to 8 January 2019 for the Company to complete the implementation of the Private Placement.

On 6 July 2018, the Company announced that, Bursa Securities had on 6 July 2018 approved the Company's application for an extension of time of 6 months from 9 July 2018 to 8 January 2019 for the Company to complete the implementation of the Private Placement.

40. LITIGATION AND CLAIMS MATTER

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

(a) **Status update on the Writ of Summons dated 1 April 2013 served by the Company's wholly owned subsidiary, Optimis Dinamik Sdn Bhd ("ODSB") to Sri Manjung Granite Quarry Sdn Bhd ("SMGQ") (Kuala Lumpur High Court Suit No. S-22NCVC-288-04/2013)**

ODSB the indirect wholly-owned subsidiary company of the Company, and SMGQ had entered into an agreement dated 28 March 2006 ("Agreement") for ODSB to be given the exclusive right to undertake quarry works at quarry sites located in Mukim Pengkalan Baru, Daerah Manjung, Perak ("Quarry Sites") as described in the Agreement for a period of fifteen (15) years.

ODSB received a letter dated 20 December 2012 from SMGQ, the owner of the Quarry Sites, giving sixty (60) days' notice to cease any remaining operation or activity on the Quarry Sites and to dismantle and remove all plant and machinery and vacate all buildings and structures at the Quarry Sites and return the Quarry Sites to SMGQ.

40. LITIGATION AND CLAIMS MATTER (CONT'D)

(a) **Status update on the Writ of Summons dated 1 April 2013 served by the Company's wholly owned subsidiary, Optimis Dinamik Sdn Bhd ("ODSB") to Sri Manjung Granite Quarry Sdn Bhd ("SMGQ") (Kuala Lumpur High Court Suit No. S-22NCVC-288-04/2013) (Cont'd)**

On 1 April 2013, the Company through its Advocates, Messrs CK Oon & Co., served on the Defendant, SMGQ, through its Advocates, Messrs Gan Partnership, and submitted to the Arbitrator and the High Court of Kuala Lumpur, Commercial Division for Arbitration its Statement of Claim for the sum of RM43,397,367 being the loss of profit ca lculated from 2013 to 2021 and sum of RM14,818,447 being the net book value for fixed assets.

On 16 April 2013 Case Management, ODSB has been served a Defence and Counter claimed by the Defendant, SMGQ. The Defendant contends that ODSB violated the conditions of license by the Forest Office by using lorries with unregistered sub-licenses and gave ODSB a period of 60 days to vacate the quarry and return the quarry to the Defendant via Defendant's solicitors' letter dated 20 December 2012. In addition, the Defendant counter claim for the tribute of RM256,300 for the months of October and November 2012, respectively for RM169,095 and RM87,205 and the forwarding agency fee for materials shipped to Singapore for the months of September, October and November 2012 in the sum of RM24,624.

At the hearing date for SMGQ's injunction application on 29 May 2013, ODSB was directed to deliver vacant possession of the Quarry Sites to SMGQ on or before 12 July 2013. ODSB fully evacuated the Quarry Sites on 9 July 2013.

SMGQ by way of an amended statement of defence and amended counter-claim dated 20 March 2014 added Minetech Quarries Sdn Bhd ("MQSB"), our wholly-owned subsidiary company, as a party to the amended counter-claim by reason of a performance guarantee dated 28 March 2006 in favour of SMGQ.

The trial of the above matter commenced on 30 October 2015. The Court has fixed 15 February 2016, 3 to 4 March 2016 for continued hearing. This has been further postponed to 11 and 12 August 2016 and 19 to 21 September 2016.

On 1 July 2016, the High Court has allowed SMGQ's application to amend its defence and counter-claim and to add MRB, the holding company of ODSB and MQSB as the 3rd Defendant in the counter-claim.

Pursuant to the amendment by way of Court Order dated 1 July 2016, SMGQ is now claiming for the followings in addition to their previous claims :-

- Special damages in the sum of RM2,705,198.18
- Alternatively general damages of RM100,000.00 per month (monthly tribute payments) for the period from 20 February 2013 to the date of judgement.

The Company and ODSB filed appeals against the KLHC's decision respectively on 20 July 2016. Further, MRB and ODSB had filed their respective applications for a Stay of Proceedings at the KLHC on 22 July 2016 pending the disposal of appeals at the Court of Appeal. This matter has fixed for Hearing on 14 September 2016.

In the interim pending the hearing of the Stay of Proceedings applications, filing of the respective pleadings are to be compiled.

The trial dates previously fixed in August 2016 have been vacated. The Court has maintained the continued trial dates on 20 and 21 September 2016.

40. LITIGATION AND CLAIMS MATTER (CONT'D)

(a) **Status update on the Writ of Summons dated 1 April 2013 served by the Company's wholly owned subsidiary, Optimis Dinamik Sdn Bhd ("ODSB") to Sri Manjung Granite Quarry Sdn Bhd ("SMGQ") (Kuala Lumpur High Court Suit No. S-22NCVC-288-04/2013) (Cont'd)**

The Company had filed an application to strike out SMGQ's Counterclaim against the Company ("the Striking Out Application"). Thereafter, both the Company and ODSB had withdrawn their Appeals to the Court of Appeal on 8 December 2016 and 5 January 2017 respectively in order to proceed with the hearing of the Striking Out Application and the continued trial of the two (2) litigation cases referred to in this Report ("the Litigation Cases"). Following the withdrawal of the Appeals by the Company and ODSB, the Judge had proceeded to hear the Striking Out Application and fixed the same for decision on 21 February 2017. The Judge had also fixed Suit 288 and Suit 433 (which is referred to below) for continued trial on 9 March 2017 and 8, 9, 11, 12, 18 and 19 May 2017.

The Judge had on 21 February 2017 allowed the Striking Out Application and strike out SMGQ's counterclaim against the Company with costs of RM3,000 payable by SMGQ to the Company.

SMGQ had appealed to the Court of Appeal ("COA") on 16 March 2017 ("the Appeal") against the Striking Out. The Appeal has been fixed for hearing on 27 July 2017 and both parties are supposed to deliver their respective Written Submission and Bundle of Authorities in respect of the Appeal to the Deputy Registrar on the Case Management date on 13 July 2017.

SMGQ had also filed an application for stay of proceedings in KLHC on 20 March 2017 (that is to stay the Continued Trial of Suit 288 and Suit 433 stated hereinbelow) pending the disposal of the Appeal ("the Application For Stay of Proceedings"). KLHC Judge had on 2 June 2017 dismissed SMGQ's application.

The Continued Trial for Suit 288 (to be heard together with Suit 433) was fixed on 7, 8, 9, 10 and 11 August 2017. The earlier Continued Trial dates on 9 March 2017 and 8, 9, 11, 12, 18 and 19 May 2017 were vacated by the KLHC Judge because SMGQ's counsel is on medical leave after he suffered a heart attack in early March 2017.

Our solicitors are cautiously optimistic that the Appeal (when heard) will be decided in the Company's favour and that continued trial of both Suit 288 and Suit 433 will proceed on 7, 8, 9, 10 and 11 August 2017.

On 20 July 2017, the Judge vacated the continued trial dates fixed on 7 to 11 August 2017 and fixed the continued trial dates on 23 to 26 October 2017.

Suit 288 (together with Suit 433 as defined in Note 37(b) below) was heard by way of a trial before the Judge on 23, 24, 25 and 26 October 2017, 13 November 2017 and 23 November 2017. The Judge had on 20 April 2018 decided that the termination of the Agreement by SMGQ is unlawful and had ordered SMGQ to pay damages to ODSB (the quantum of damages is to 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 Judge only allowed SMGQ's Counterclaim for the outstanding tribute payment of RM256,300.24 owing by ODSB which is to be deducted (set-off) from the damages assessed to be paid by SMGQ to ODSB. The Counterclaim of RM256,300.24 allowed by the High Court in Suit 288 should have no financial impact on the Company as it is to be deducted (set-off) against damages to be paid by SMGQ to ODSB.

40. LITIGATION AND CLAIMS MATTER (CONT'D)

(a) **Status update on the Writ of Summons dated 1 April 2013 served by the Company's wholly owned subsidiary, Optimis Dinamik Sdn Bhd ("ODSB") to Sri Manjung Granite Quarry Sdn Bhd ("SMGQ") (Kuala Lumpur High Court Suit No. S-22NCVC-288-04/2013) (Cont'd)**

ODSB had already filed a Notice of Direction to Kuala Lumpur High Court for the assessment of damages. On 15 May 2018, SMGQ filed their appeal to the Court of Appeal against the Judge's decision in Suit 288 ("SMGQ's Appeal") and the case management for SMGQ's appeal has been fixed on 23 July 2018. SMGQ had further filed an application for an order to stay the assessment of damages proceedings pending the disposal of SMGQ's Appeal. On 5 July 2018, the Judge, by consent, ordered that the assessment of damages proceedings be stayed pending the disposal of SMGQ's Appeal.

(b) **ODSB, Minetech Quarries Sdn Bhd ("MQSB") and K.S Chin Minerals Sdn Bhd ("KSCM") vs SMGQ, Moo Khean Choong @ Mu Kan Chong, AtmaSingh @ Atma Singh Lahre s/o Keer Singh and Low Sow Fong (Kuala Lumpur High Court Suit No. 22NCVC-433-09/2014)**

ODSB, MQSB and KSCM, the wholly-owned subsidiary companies of the Company (collectively referred to as the "Subsidiary Companies") had on 19 September 2014 through their solicitors served a statement of claim and writ of summons both dated 15 September 2014 against SMGQ and its shareholders, namely Moo Khean Choong @ Mu Kan Chong, Atma Singh @ Atma Singh Lahre s/o Keer Singh and Low Sow Fong ("Defendants") in the High Court of Malaya. By this suit, the Subsidiary Companies sought for orders to rescind the agreement dated 28 March 2006 as mentioned in Note 40(a) above, demanded general damages to be assessed by the Senior Assistant Registrar, special damages in the sum of RM4,000,000 for the wasted expenditure incurred in developing the Quarry Sites, interest and cost.

The subject matter of this suit is based on the breach of the agreement dated 28 March 2006 as mentioned in Note 40(a) above. However, the reliefs sought herein are different from the above suit described in Note 40(a) above.

This suit is premised on the deceit and misrepresentation that is committed by the Defendants against the Subsidiary Companies and also involving the tort of deceit. This has caused the Subsidiary Companies to suffer loss and damages.

This suit will be heard together with Kuala Lumpur High Court Suit No. S- 22NCVC-288-04/2013. As such, the trial dates for both the suits are the same.

The Judge had fixed Suit 433 (together with Suit 288) for continued trial on 9 March 2017 and 8, 9, 11, 12, 18 and 19 May 2017. The Continued Trial for Suit 433 (to be heard together with Suit 288) has now been fixed on 7, 8, 9, 10 and 11 August 2017, as the earlier Continued Trial dates on 9 March 2017 and 8, 9, 11, 12, 18 and 19 May 2017 were vacated by the KLHC Judge because SMGQ's counsel is on medical leave after he suffered a heart attack in early March 2017.

As we have reported earlier, although the standard of proof for proving the existence of deceit and fraudulent misrepresentation by SMGQ is much higher than the standard of proof for normal civil claims (that is we must be able to furnish or provide clear evidence in respect of the matters averred in the statement of claims), Suit 433 is necessary to enable ODSB, MQSB and KSCM to recover their losses as a group of companies undertaking the project. The maximum exposure of our liabilities in Suit 433 in the worst case scenario would be the dismissal of this Suit with costs to the Defendants should Suit 433 be decided against us.

Notes To The Financial Statements
31 March 2018 (Cont'd)

40. LITIGATION AND CLAIMS MATTER (CONT'D)

(b) **ODSB, Minetech Quarries Sdn Bhd ("MQSB") and K.S Chin Minerals Sdn Bhd ("KSCM") vs SMGQ, Moo Khean Choong @ Mu Kan Chong, AtmaSingh @ Atma Singh Lahre s/o Keer Singh and Low Sow Fong (Kuala Lumpur High Court Suit No. 22NCVC-433-09/2014) (Cont'd)**

The estimated legal fees to be incurred by the Group in the engagement of solicitors to litigate the abovementioned Litigation Cases is approximately RM1 million.

As stated above, Suit 433 and Suit 288 were tried together and the Judge had on 20 April 2018 dismissed the Subsidiary Companies' claim against the Defendants with costs of RM50,000. The Subsidiary Companies had on 18 May 2018 proceeded to file an appeal to the Court of Appeal against the Judge's decision in Suit 433 dismissing the Subsidiary Companies' claim against SMGQ with cost and the case management for the appeal has been fixed on 24 July 2018.

41. COMPARATIVE INFORMATION

The following reclassifications were made to the financial statement of prior year to be consistent with current year presentation.

	As previously reported RM	Amount reclassified RM	As reclassified RM
Group			
Statements of Financial Position:			
Current assets			
Other receivables	5,765,526	(262,403)	5,503,123
Amount due from associate companies	-	234,508	234,508
Current liabilities			
Trade payables	22,657,194	(27,846)	22,629,348
Other payables	4,528,254	(49)	4,528,205
Statements of Cash Flows:			
Cash Flows From Operating Activities			
Change in working capital:			
Other receivables	12,665,670	(262,403)	12,403,267
Trade payable	1,702,376	27,846	1,730,222
Other payable	(3,807,926)	49	(3,807,877)
Cash Flows From Investing Activities			
Amount due from associate companies	-	234,508	234,508

42. 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 dated 18 July 2018.

LIST OF PROPERTIES
AS AT 31 MARCH 2018

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 2018 (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
			Medium Visa Sdn Bhd		
1.	Lot PT 17209 held under Title No. HSD 15403 **Mukim Hulu Bernam Timur** **District Batang Padang** **Perak Darul Ridzuan**	99 years leasehold/ Expiring on 8 December 2107	Industrial lands - land rental 21 April 2016	7,001.7	600,000
2.	Lot PT 17211 held under Title No. HSD 15405 **Mukim Hulu Bernam Timur** **District Batang Padang** **Perak Darul Ridzuan**	99 years leasehold/ Expiring on 8 December 2107	Industrial lands - land rental 21 April 2016	117,135	8,830,000
			Harapan Iringan Sdn Bhd		
1.	Lot PT 17210 held under Title No. HSD 15404 **Mukim Hulu Bernam Timur** **District Batang Padang** **Perak Darul Ridzuan**	99 years leasehold/ Expiring on 8 December 2107	Industrial lands - land rental 4 April 2016	99,730	7,468,736
			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**	16 years/99 years leasehold/Expiring on 11 January 2095	2 commercial office units currently rented to third parties 18 January 1996	- 879	266,561
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***	20 years/99 years leasehold/Expiring on 6 December 2092	9 units 5 storeys commercial shop lots - Vacant 22 November 1994	- 720	1,026,433
3.	D-G-5 – D-5-5 & M-5, Ground Floor to Fifth Floor, Block D Parklane, Commercial Hub @ Kelana Jaya Selangor Darul Ehsan **HS(D) 259689, P.T. No. 14532, Mukim of Damansara, Daerah Petaling** **Negeri Selangor Darul Ehsan***	5 years/99 years leasehold/Expiring on 6 December 2092	6 1/2 units commercial shop office - Vacant 2 February 2016	- 1,178	7,230,303

List Of Properties
As At 31 March 2018 (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 2018 (RM)
			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***	7 years/99 years leasehold/Expiring on 4 October 2100	4 units commercial shoplots currently rented to third parties 4 units were acquired on 30 April 2004 SA-SG26 was acquired on 10 May 2004	- 731	1,378,347
			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	4,003,988
	Grand Total				**36,804,368**

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 29 JUNE 2018

Issued Shares	:	881,574,900 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	9	0.36	265	0.00
100 - 1,000	333	13.31	167,375	0.02
1,001 - 10,000	413	16.51	2,887,990	0.33
10,001 - 100,000	1,155	46.16	57,858,250	6.57
100,001 to less than 5% of issued shares	590	23.58	542,327,510	61.54
5% and above of issued shares	2	0.08	278,048,510	31.55
Total	**2,502**	**100.00**	**881,289,900***	**100.00**

* *Excluding a total of 285,000 shares bought-back by the Company and retained as treasury shares as per the Record of Depositors as at 29 June 2018.*

SUBSTANTIAL SHAREHOLDERS
(As per Register of Substantial Shareholders)

	<------------- Direct ------------->		<------------- Indirect ------------->	
Name of Shareholders	No. of Shares Held	% of Issued Capital#	No. of Shares Held	% of Issued Capital#
Choy Sen @ Chin Kim Sang	172,897,020	19.62	-	-
Bertam Roadbase Sdn Bhd ("BRSB")	120,000,000	13.62	-	-
CMT Resources Sdn Bhd ("CMT")	-	-	120,000,000[(1)]	13.62
Koperasi Ukhwah Malaysia Berhad	-	-	120,000,000[(1)]	13.62
Monobina Maju Sdn Bhd	-	-	120,000,000[(2)]	13.62
Skychen Holdings Sdn Bhd	-	-	120,000,000[(2)]	13.62
Chong Sook Kian	-	-	120,000,000[(2)]	13.62
Dato' Chong Thin Choy	-	-	120,000,000[(3)]	13.62
Chong Thin Peng	-	-	120,000,000[(3)]	13.62
Chong Thian Ming	-	-	120,000,000[(4)]	13.62

(1) *Deemed interested by virtue of their respective shareholdings in BRSB, pursuant to the Companies Act 2016 ("the Act").*

(2) *Deemed interested via their respective shareholdings in CMT, who is a direct shareholder of BRSB, pursuant to the Act.*

(3) *Deemed interested via their respective shareholdings in Monobina Maju Sdn Bhd and Skychen Holdings Sdn Bhd, who are indirect shareholders of BRSB through their shareholdings in CMT, who is a direct shareholder of BRSB, pursuant to the Act.*

(4) *Deemed interest via his shareholdings in Monobina Maju Sdn Bhd, who is an indirect shareholder of BRSB through its shareholdings in CMT, who is a direct shareholder of BRSB, pursuant to the Act.*

\# *Excluding a total of 285,000 shares bought-back by the Company and retained as treasury shares.*

Analysis Of Shareholdings
As At 29 June 2018 (Cont'd)

SHAREHOLDINGS OF DIRECTORS
(As per Register of Directors' Shareholdings)

Name of Directors	<------------- Direct	------------->	<------------- Indirect	------------->
	No. of Shares Held	% of Issued Capital#	No. of Shares Held	% of Issued Capital#
Choy Sen @ Chin Kim Sang	172,897,020	19.62	-	-
Chin Kong Yaw	-	-	-	-
Chin Leong Choy	-	-	-	-
Dato' Sri Chai Chow Sang	30,000,000	3.40	-	-
Chan Toong San	-	-	-	-
Chong Jun Heng	-	-	-	-
Ahmad Ruslan Zahari Bin Zakaria	-	-	-	-
Ahmad Rahizal Bin Dato' Ahmad Rasidi	-	-	-	-
Ling Chee Wei	-	-	-	-
Chai War Ren (Alternate Director to Dato' Sri Chai Chow Sang)	-	-	-	-

Excluding a total of 285,000 shares bought-back by the Company and retained as treasury shares.

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares Held	% of Issued Capital#
1.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Choy Sen @ Chin Kim Sang	158,048,510	17.93
2.	Bertam Roadbase Sdn Bhd	120,000,000	13.62
3.	Dato' Sri Chai Chow Sang	30,000,000	3.40
4.	Madu Training & Consultancy Sdn Bhd	30,000,000	3.40
5.	Choy Sen @ Chin Kim Sang	14,848,510	1.68
6.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Chee Eng	14,600,000	1.66
7.	Tan Seow Leng	13,000,000	1.48
8.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goh Juai Hian (100378)	10,007,700	1.14
9.	Lee Kwan Ming	9,760,400	1.11
10.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chia Kee Mong	7,545,000	0.86
11.	Hong Foh Nyok	7,267,000	0.82
12.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mak Bonleo	7,001,200	0.79

Analysis Of Shareholdings
As At 29 June 2018 (Cont'd)

THIRTY (30) LARGEST SHAREHOLDERS (cont'd)

No.	Name of Shareholders	No. of Shares Held	% of Issued Capital#
13.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Viannie Undikai	6,891,500	0.78
14.	Leong Mun Cheon	6,842,100	0.78
15.	Liew Vooi Fong	6,450,000	0.73
16.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Siew Beng	6,400,000	0.73
17.	Wong Chee Kin	6,119,000	0.69
18.	Tan Eu Hye	5,700,000	0.65
19.	Loo Leong Hoe	5,640,100	0.64
20.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Phua Yee Chan (E-KTU/CKI)	5,542,900	0.63
21.	Ng Chong Yow	5,474,500	0.62
22.	Liew Hun Fung	5,395,200	0.61
23.	Ng Chong Yow	5,261,000	0.60
24.	Lee Fong Kuan	5,200,000	0.59
25.	Chew Soon Fatt	5,152,100	0.58
26.	Shia Fui Kin	5,010,700	0.57
27.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Tan Po Ong (MY0703)	5,003,300	0.57
28.	Wong Chee Kin	4,433,000	0.50
29.	Ng Chong Kiat	4,166,700	0.47
30.	See Eng Siang	3,660,000	0.42
	Total	**520,420,420**	**59.05**

Excluding a total of 285,000 shares bought-back by the Company and retained as treasury shares.

ANALYSIS OF WARRANT HOLDINGS
AS AT 29 JUNE 2018

Total Number of Outstanding Warrants A	:	332,404,500
Issue Date	:	28 November 2014
Expiry Date	:	27 November 2019
Exercise Price of Warrants A	:	RM0.15

ANALYSIS OF WARRANT HOLDINGS
Distribution of warrant holdings according to size:

Size of Warrant Holdings	No. of Warrant Holders/ Depositors	% of Warrant Holders/ Depositors	No. of Warrants Held	% of Issued Warrants
1 - 99	2	0.29	43	0.00
100 - 1,000	35	5.01	19,057	0.01
1,001 - 10,000	83	11.89	602,100	0.18
10,001 - 100,000	292	41.83	17,025,400	5.12
100,001 to less than 5% of issued warrants	284	40.69	269,508,300	81.08
5% and above of issued warrants	2	0.29	45,249,600	13.61
Total	**698**	**100.00**	**332,404,500**	**100.00**

WARRANT HOLDINGS OF DIRECTORS
(As per Register of Directors' Warrants Holdings)

	<------------- Direct -------------->		<------------- Indirect ------------>	
Name of Directors	No. of Warrants held	% of Issued Warrants	No. of Warrants held	% of Issued Warrants
Choy Sen @ Chin Kim Sang	-	-	-	-
Chin Kong Yaw	-	-	-	-
Chin Leong Choy	-	-	-	-
Dato' Sri Chai Chow Sang	-	-	-	-
Chan Toong San	-	-	-	-
Chong Jun Heng				
Ahmad Ruslan Zahari Bin Zakaria	-	-	-	-
Ahmad Rahizal Bin Dato' Ahmad Rasidi	-	-	-	-
Ling Chee Wei	-	-	-	-
Chai War Ren (Alternate Director to Dato' Sri Chai Chow Sang)	-	-	-	-

THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name of Warrant Holders	No. of Warrants Held	% of Issued Warrants
1.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Muhammad Harith Shum Bin Abdullah	28,249,600	8.50
2.	Yeoh Keat Chuan	17,000,000	5.11
3.	Leow Choon Yim	15,000,200	4.51
4.	Lok Kwee Reng	14,000,000	4.21

Analysis of Warrant Holdings
As at 29 June 2018 (Cont'd)

THIRTY (30) LARGEST WARRANT HOLDERS (cont'd)

No.	Name of Warrant Holders	No. of Warrants Held	% of Issued Warrants
5.	Lee Kue Lian	7,600,000	2.29
6.	Lim Kian Leong	7,100,000	2.14
7.	Ng Chong Kiat	6,500,000	1.96
8.	Ng Chong Yow	5,700,000	1.72
9.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Noorazian Binti Zainal Abidin	5,520,000	1.66
10.	Ng See Bee	5,335,700	1.61
11.	Wee Chin Teng	5,200,000	1.56
12.	Cimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yee Kon Sin (Menara MRCB-CL)	5,000,000	1.50
13.	Lee Seow Chun	4,800,000	1.44
14.	Lee Kwan Ming	4,299,000	1.29
15.	Hiew Yuen Loy	4,000,000	1.20
16.	Mah Yuet Ching	4,000,000	1.20
17.	Pon Sau Wan	3,400,000	1.02
18.	Winston Ng Peng Cheang	3,250,000	0.98
19.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Kian Leong (E-KLG)	3,086,800	0.93
20.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Choong Foong Ming (021)	3,080,000	0.93
21.	Maybank Nominees (Tempatan) Sdn Bhd Chew Soon Fatt	3,060,000	0.92
22.	Chuan Yi Hardware Trading Sdn Bhd	3,000,000	0.90
23.	Tan Boon Peng	3,000,000	0.90
24.	Lee Kwan Ming	2,980,000	0.90
25.	Wong Chee Kin	2,847,100	0.86
26.	Kenanga Nominees (Tempatan) Sdn Bhd Ng Geok Mun	2,820,000	0.85
27.	Tan Eu Hye	2,800,000	0.84
28.	Lai Hin Han	2,750,000	0.83
29.	Choo Wai Kit	2,600,000	0.78
30.	Chew Soon Fatt	2,585,100	0.78
	Total	**180,563,500**	**54.32**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting of **MINETECH RESOURCES BERHAD** (the "**Company**" or "**MRB**") will be held at Tioman Room, Bukit Jalil Golf & Country Resort, Berjaya Golf Resort Berhad, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan on Tuesday, 28 August 2018 at 9.00 a.m. for the following purposes:

A G E N D A

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 March 2018 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 RM750,000.00 for the financial year ending 31 March 2019. **Ordinary Resolution 1**

3. To re-elect the following Directors of the Company who are retiring pursuant to Articles 125 of the Articles of Association of the Company:-

   i. Mr Choy Sen @ Chin Kim Sang **Ordinary Resolution 2**
   ii. Mr Chong Jun Heng **Ordinary Resolution 3**
   iii. Mr Chan Toong San **Ordinary Resolution 4**

5. To re-elect Mr Ling Chee Wei who is retiring pursuant to Article 130 of the Articles of Association of the Company. **Ordinary Resolution 5**

6. To re-appoint Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

As Special Business

To consider and, if thought fit, to pass the following resolutions:-

7. **Authority under Section 76 of the Companies Act 2016 for the Directors to allot and issue shares** **Ordinary Resolution 7 (Please refer to Note 2 of the Explanatory Notes)**

   "THAT pursuant to Section 76 of the Companies Act 2016, the Directors be and are hereby authorised 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."

8. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature** **Ordinary Resolution 8 (Please refer to Note 3 of the Explanatory Notes)**

   THAT approval be and is hereby given to the Company and its subsidiaries ("MRB Group") to enter into RRPT of a revenue or trading nature as set out in Section 2.2 of the Circular to Shareholders dated 31 July 2018 ("Circular") which are necessary for the MRB 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 Annual General Meeting ("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."

9. **Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares** **Ordinary Resolution 9 (Please refer to Note 4 of the Explanatory Notes)**

"THAT subject to the Companies Act 2016, the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of any other relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase the ordinary shares in the Company ("Proposed Renewal of Share Buy-Back Authority") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

(a) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time of the said purchase(s);

(b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained earnings of the Company at the time of purchase; and

(c) the authority conferred by this resolution shall continue to be in force until:

(i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting.

whichever occurs first,

but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:-

(a) cancel all the ordinary shares so purchased; and/or

(b) retain the ordinary shares so purchased as treasury shares; and/or

(c) retain part thereof as treasury shares and cancel the remainder.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including the opening and maintaining of depository account(s) under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company."

10. **Proposed Granting of Share Issuance Scheme ("SIS") Options to Mr Ling Chee Wei** **Ordinary Resolution 10 (Please refer to Note 5 of the Explanatory Notes)**

"THAT the Board be and is hereby authorised, at any time and from time to time during the existence of the SIS, to offer and grant to Mr Ling Chee Wei, being the Independent Non-Executive Director of the Company, options to subscribe for new ordinary shares in MRB ("MRB Shares") ("SIS Options") and if such options are accepted and exercised, to allot and issue such number of new MRB Shares as may be required to be issued to him under the SIS, in accordance with the provisions of the By-Laws, provided that not more than ten percent (10%) of the total number of SIS Options shall be allocated to Mr Ling Chee Wei, as long as Mr Ling Chee Wei either singly or collectively through persons connected with him (as defined in the Main Market Listing Requirements of Bursa Securities), holds twenty percent (20%) or more of the total number of issued shares (excluding treasury shares) of MRB subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws."

11. To transact any other business for which due notice shall have been given.

Notice Of Annual General Meeting (Cont'd)

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
Company Secretaries

Selangor Darul Ehsan
Date: 31 July 2018

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote for him but his attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

2. A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

3. Where a member of the Company 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.

4. The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor or his 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.

5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid.

6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 21 August 2018 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Notice Of Annual General Meeting (Cont'd)

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. To receive the Audited Financial Statements

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

2. Ordinary Resolution 7 on the Authority under Section 76 of the Companies Act 2016 for the Directors to allot and issue shares

The Company had, during its Fifteenth AGM held on 24 August 2017, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to the Section 76 of the Companies Act 2016. As at the date of this Notice, the Company had issued 30,000,000 ordinary shares at the subscription price of RM0.10 per share pursuant to this mandate obtained. The proceeds of RM3,000,000.00 raised from the private placement would be utilised as working capital and defraying of expenses incidental to the private placement.

The Ordinary Resolution 7 proposed under item 7 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 76 of the Companies Act 2016. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the total number of issued shares of the Company for purpose of funding the working capital or strategic development of the Group. This would 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.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

3. Ordinary Resolution 8 on Proposed Renewal of Shareholders' Mandate for RRPT of a Revenue or Trading Nature

The proposed Ordinary Resolution 8, if passed, will allow the Company and its subsidiaries to enter into RRPT in accordance with Paragraph 10.09 of the Main Market Listing Requirements 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 the Group or affecting the business opportunities available to the Group. The shareholders' mandate is subject to renewal on an annual basis.

For further information on Ordinary Resolution 8, please refer to Part A of the Circular to Shareholders dated 31 July 2018 accompanying the Annual Report of the Company for the financial year ended 31 March 2018.

4. Ordinary Resolution 9 on Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares

The proposed Ordinary Resolution 9, if passed, will give the Directors of the Company authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or to effect the purchase(s) of shares by the Company as the Directors may deem fit and expedient in the best interest of the Company. The authority will, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM of the Company is required by law to be held.

For further information on Ordinary Resolution 9, please refer to the Statement to Shareholders in Part B of the Circular to Shareholders dated 31 July 2018 accompanying the Annual Report of the Company for the financial year ended 31 March 2018.

5. **Ordinary Resolutions 10 on Proposed Granting of SIS Options to Mr Ling Chee Wei**

   In accordance with the Main Market Listing Requirements of Bursa Securities, Ordinary Resolution 10 is to seek shareholders' approval for the Company to offer and grant Options to the Directors of the Company, to participate in the SIS.

   The Director of the Company namely, Mr Ling Chee Wei is deemed interested in the respective resolutions pertaining to the grant of SIS Options to him and accordingly has abstained and shall continue to abstain from deliberation and voting in respect of his direct and indirect interest in the Company and will ensure that persons connected with him will abstain from voting in respect of his direct and indirect interest in the Company, in the respective allocation to him.

Personal data privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, 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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Proxy Form

MRB (575543-X)
MINETECH RESOURCES BERHAD
Incorporated in Malaysia

No. of ordinary shares held	CDS account no. of holder

I/We ____ IC No./Passport No./Company No. ________________
(name of shareholder as per NRIC/Passport, in capital letters)
____ of ____
____(full address)
being a member(s) of **MINETECH RESOURCES BERHAD** (575543-X) hereby appoint * THE CHAIRMAN OF THE **MEETING** or failing him/her

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)
1.			
*And/or (delete as appropriate)			
2.			

as my/our proxy(ies) to vote for me/us on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held at Tioman Room, Bukit Jalil Golf & Country Resort, Berjaya Golf Resort Berhad, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan on Tuesday, 28 August 2018 at 9.00 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 RM750,000.00 for the financial year ending 31 March 2019.	Ordinary Resolution 1		
2. To re-elect Mr Choy Sen @ Chin Kim Sang who is retiring pursuant to Article 125 of the Company's Articles of Association.	Ordinary Resolution 2		
3. To re-elect Mr Chong Jun Heng who is retiring pursuant to Article 125 of the Company's Articles of Association.	Ordinary Resolution 3		
4. To re-elect Mr Chan Toong San who is retiring pursuant to Article 125 of the Company's Articles of Association.	Ordinary Resolution 4		
5. To re-elect Mr Ling Chee Wei who is retiring pursuant to Article 130 of the Company's Articles of Association.	Ordinary Resolution 5		
6. To re-appoint Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration.	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		
9. Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares	Ordinary Resolution 9		
10. Proposed granting of SIS Options to Mr Ling Chee Wei	Ordinary Resolution 10		

(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

Number of shares held: ______________________

Date: ______________________________

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

Fold this for sealing

Notes:

1. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote for him but his attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*
2. *A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
3. *Where a member of the Company 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.*
4. *The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor or his 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.*
5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, otherwise the instrument of proxy shall not be treated as valid.*
6. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 21August 2018 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his 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 Annual General Meeting dated 31 July 2018.

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STAMP

MINETECH RESOURCES BERHAD (575543-X)

Lot 6.05, Level 6,
KPMG Tower
8 First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

1st fold here

MINETECH RESOURCES BERHAD
(Company No:575543-X)

Level 5, Wisma Miramas
No. 1, Jalan 2/109E, Taman Desa
Jalan Klang Lama, 58100 Kuala Lumpur, Malaysia.
Tel: (603) 7972 3833 Fax: (603) 7972 3288

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