



**NURTURE TODAY,  
SUSTAIN THE FUTURE**



# 19<sup>th</sup> ANNUAL GENERAL MEETING



online meeting platform  
of TIH Online website at  
<https://tiah.online>



Tuesday,  
28 SEP 2021



10.00 a.m.

# CONTENTS

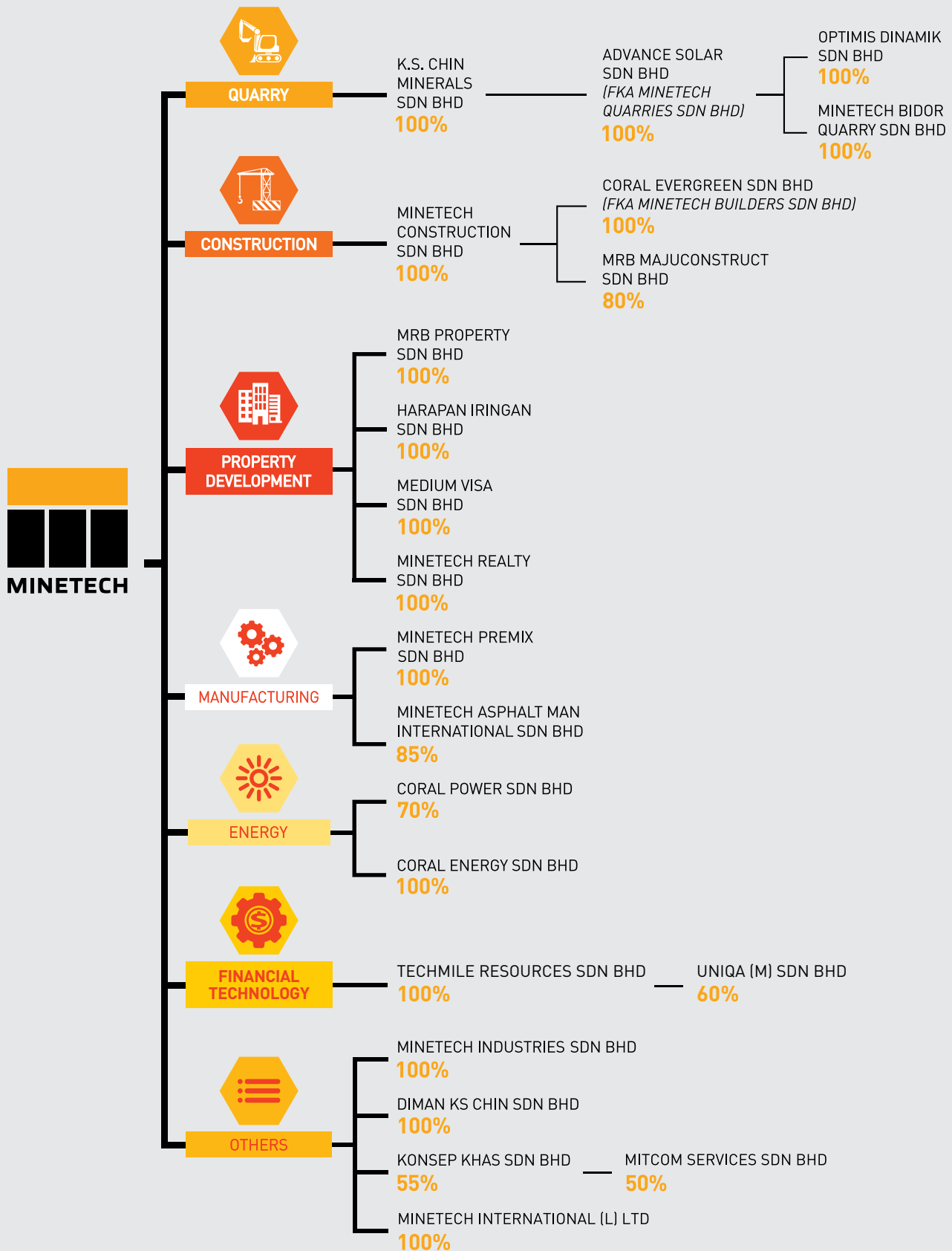


## NURTURE TODAY, SUSTAIN THE FUTURE

- 02 Group Corporate Structure
- 03 Corporate Information
- 04 Directors' Profile
- 12 Senior/Key Officer's Profile
- 14 5-Year Financial Highlights
- 16 Chairman's Statement
- 18 Management Discussion and Analysis
- 33 Sustainability Statement
- 47 Audit and Risk Management Committee Report
- 51 Corporate Governance Overview Statement
- 67 Statement on Risk Management and Internal Control
- 70 Additional Compliance Information
- 71 Reports and Financial Statements
- 196 List of Properties
- 198 Analysis of Shareholdings
- 200 Notice of 19<sup>th</sup> Annual General Meeting and Proxy Form

# GROUP CORPORATE STRUCTURE

AS AT 30 JULY 2021



# CORPORATE INFORMATION

## **BOARD OF DIRECTORS**

1. **Dato' (Dr). Ts. Awang Daud Bin Awang Putera**  
*Executive Chairman*
2. **Choy Sen @ Chin Kim Sang**  
*Executive Director of Advisory*
3. **Awgku Mohd Reza Farzak Bin Awg Daud**  
*Executive Director of Corporate Services*
4. **Chin Leong Choy**  
*Executive Director of Business Development and Operations*
5. **Azlan Shah Bin Zainal Arif**  
*Executive Director of Business Development, Operations and Finance*
6. **Ahmad Rahizal Bin Dato' Ahmad Rasidi**  
*Executive Director of Business Development*
7. **Ahmad Ruslan Zahari Bin Zakaria**  
*Independent Non-Executive Director*
8. **Datin Feridah Binti Bujang Ismail**  
*Independent Non-Executive Director*
9. **Siti Aishah Binti Othman**  
*Independent Non-Executive Director*

## **REGISTERED OFFICE**

Boardroom Corporate Services Sdn. Bhd.  
[Registration No. 196001000110 (3775-X)]  
12th Floor, Menara Symphony  
No. 5, Jalan Professor Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Tel No. : 603-7890 4800  
Fax No.: 603-7890 4650

## **SHARE REGISTRAR**

Boardroom Share Registrars Sdn. Bhd.  
[Registration Number: 199601006647 (378993-D)]  
11th Floor, Menara Symphony  
No. 5, Jalan Professor Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Tel No. : 603-7890 4700  
Fax No.: 603-7890 4670

## **AUDIT AND RISK MANAGEMENT COMMITTEE**

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

## **NOMINATION AND REMUNERATION COMMITTEE**

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

## **INVESTMENT COMMITTEE**

1. Dato' (Dr). Ts. Awang Daud Bin Awang Putera (*Chairman*)
2. Chin Leong Choy
3. Awgku Mohd Reza Farzak Bin Awg Daud
4. Azlan Shah Bin Zainal Arif
5. Ahmad Rahizal Bin Dato' Ahmad Rasidi

## **COMPANY SECRETARIES**

Tai Yit Chan (MAICSA 7009143)  
(SSM Practicing Certificate No. 202008001023)  
Tan Ai Ning (MAICSA 7015852)  
(SSM Practicing Certificate No. 202008000067)

## **PRINCIPAL BANKERS**

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

## **AUDITORS**

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

## **STOCK EXCHANGE LISTING**

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

## DIRECTORS' PROFILE



**DATO' (DR). TS. AWANG DAUD BIN AWANG PUTERA**  
*Executive Chairman*  
*Aged 60, Male*

**Dato' (Dr). Ts. Awang Daud Bin Awang Putera** was appointed as Minetech's Executive Chairman on 31 March 2020. He was also appointed as Chairman for both our Investment Committee and Executive Committee on 12 June 2020.

Dato' (Dr). Ts. Awang Daud has over 40 years of experience in the field of mechanical engineering. He began his career in 1980 with Ballast Nedam International (Malaysia) Sdn. Bhd before moving on to Daelim Ltd where he was heavily involved in the construction of Malaysia's first Liquefied Natural Gas Plant in Bintulu. In 1983, he joined Malaysia LNG Sdn Bhd and was involved in the task force team during the establishment of their products first shipment in the global market.

Dato' (Dr). Ts. Awang Daud was also the co-founder of Serba Dinamik Sdn Bhd and was appointed as its Managing Director in 1993. In 2016, he was re-appointed as Deputy Managing Director of Serba Dinamik Holdings Berhad and currently is the Non-Independent Non-Executive Director and sitting in the Investment Committee Board.

For the record, Dato' (Dr). Ts. Awang Daud was trained as Mechanical Fitter and General Mechanic and moved up his career as millwright majoring in turbomachinery. He then acquired his Bachelor of Science in Mechanical Engineering from the University of the East in the Philippines in 1994 and earned his Masters in Mechanical Engineering in 2007 from Universitas Pancasila, Indonesia.

Dato' (Dr). Ts. Awang Daud was conferred the title of Honorary Doctorate by Geomatika University College Kuala Lumpur in 2020. He was also appointed as the Honorary Consul for the Republic of Kazakhstan for Sarawak in the same year. In addition to these, Dato' (Dr). Ts. Awang Daud was also appointed as a chartered fellow of the Chartered Institute of Logistics and Transport Malaysia ("CILTM") and is at present the honorary advisor for both CILTM's International Business Forum and its Sarawak Chapter.

Other than Minetech, Dato' (Dr). Ts. Awang Daud is also the Executive Chairman for Aimflex Berhad (formerly known as i-Stone Group Berhad) a company which also listed on Bursa Malaysia. In addition, he also sits on the board of several private limited companies and has currently no conflict of interest with the Minetech group of companies.

## Directors' Profile (Cont'd)



**CHOY SEN @ CHIN KIM SANG**  
*Executive Director of Advisory*  
*Aged 68, Male*

**Choy Sen @ Chin Kim Sang** is the founder of our Company. He has been re-designated from Executive Chairman to Executive Director on 31 March 2020. He is also a member of the Executive Committee of our Company since 12 June 2020.

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

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

He has no conflict of interest with the Minetech Group.

## Directors' Profile (Cont'd)



**AWGKU MOHD REZA FARZAK BIN  
AWG DAUD**  
*Executive Director of Corporate Services*  
*Aged 37, Male*

**Awgku Mohd Reza Farzak** was appointed as Non-Independent Non-Executive Director of our Company on 3 April 2020. He was re-designated as Executive Director and appointed as a member of the Investment Committee and Executive Committee of our Company since 12 June 2020.

He received his Masters in Industrial Engineering Technology from University Malaysia, Pahang and was conferred with a Doctor of Business Administration from The University of Information Technology and Management, Rzeszow, Poland. He is also a Chartered Member of the Chartered Institute of Logistics & Transport ("CILT") International, United Kingdom.

Awgku Mohd Reza Farzak began his corporate career in the oil and gas industry with Serba Dinamik Sdn. Bhd. in 2004 as an Assistant Project Manager. During his tenure with the Serba Dinamik's Group, he played an instrumental role in the successful completion of more than 40 maintenance, repair and overhaul projects which contributed significantly to Serba Dinamik's growth. Subsequently, in 2014, he started his own oil and gas MRO company, Trillion Axis Sdn. Bhd. to capture a slice of the MRO market in East Malaysia. In 2017, through the ADAP 40rty Group, he ventured into businesses ranging from real estate, retailing, hospitality, tourism and travel, food and beverage, agriculture, deep sea fishery, ship management to advanced cooling systems and non-explosive rock breaking technology.

He then co-founded ADAP Capital Sdn. Bhd. in 2019, an investment and private equity company. Since its incorporation, ADAP Capital Sdn. Bhd. has acquired significant stakes in several listed companies listed on Bursa Malaysia Securities Berhad. In 2020, he founded ADAP Kenyalang Holdings Sdn. Bhd., a Bintulu based investment holding and venture partner vehicle to enhance the hornbill state presence in the essential services sectors in Malaysia. Since the incorporation of ADAP Kenyalang Holdings Sdn. Bhd., the company has actively embarked into negotiation to purchase several tier-1 companies which is involve in oil and gas, engineering and telecommunication industry.

With over 15 years of experience in the corporate world and as an entrepreneur, Awgku Mohd Reza Farzak currently serves as Executive Director of 10 companies, Managing Director of 3 companies, Executive Chairman of a Tier-1 oil and gas company and member of the Board of several companies.

Other than Minetech, he is not a director of any other public company and listed issuer and has no conflict of interest with the Minetech Group.

## Directors' Profile (Cont'd)



**CHIN LEONG CHOY**  
*Executive Director of Business  
 Development and Operations*  
**Aged 38, Male**

**Chin Leong Choy**, was appointed as Executive Director on 21 January 2010 and was re-designated as Group Executive Director on 6 March 2013. He was re-designated as Executive Director of our Company and appointed as a member of the Investment Committee and Executive Committee on 12 June 2020.

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

Chin Leong Choy has over 18 years of experience in sales and marketing, quarrying and civil engineering. He was also involved in multiple strategic business development ventures. He joined Minetech Construction Sdn Bhd in 2003 where he was responsible for control blasting and infrastructure works. He was then transferred to Minetech Quarries Sdn Bhd in 2005 and subsequently to K.S. Chin Minerals Sdn Bhd in the following year, with the responsibility of planning and management of the overall group's quarry business. During his tenure as Group Executive Director, he contributed to the growth and success of all Minetech's business units, including premix and manufacturing divisions and had also played a key role in steering Minetech to diversify its business into new profitable sectors.

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

He has no conflict of interest with the Minetech Group.



## Directors' Profile (Cont'd)



**AZLAN SHAH BIN ZAINAL ARIF**  
*Executive Director of Business Development,  
 Operations and Finance*  
*Aged 39, Male*

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

Azlan Shah obtained his Bachelor's Degree in Mechanical Engineering (Honours) from University of Malaya in 2006 and has today over 15 years of experience in the maintenance, fabrication and construction work in the oil and gas industry. In addition, Azlan Shah is also a certified ME or Manufacturing and Industrial Technology, an accreditation issued by MBOT or the Malaysian Board of Technologists.

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

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

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

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

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

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

## Directors' Profile (Cont'd)



**AHMAD RAHIZAL BIN DATO' AHMAD RASIDI**  
*Executive Director of Business Development*  
 Aged 38, Male

**Ahmad Rahizal** was appointed as Independent Non-Executive Director on 28 October 2016. He was re-designated as Non-Independent Non-Executive Director on 24 February 2021 and subsequently re-designated to Executive Director on 7 May 2021. He is also a member of the Investment Committee of the Company since 12 June 2020.

Ahmad Rahizal has over 13 years of experience in corporate and business ventures. He began his career as a Director in Noble Signet Sdn Bhd in 2008, an IT developer catering for the banking industry. From 2009 to 2012, he was appointed as Chairman of UQ Holiday Sdn Bhd which charters flights for pilgrims to perform the Umrah. In 2012, he joined Auto MasterCop Sdn Bhd [now known as Uniqa (M) Sdn Bhd] as Chief Executive Officer. Uniqa (M) Sdn Bhd provides electronic payment systems as an alternative delivery channel for banks and other financial institutions.

He is also involved in coconut plantation, sand quarry, waste-management and edible oil business. He serves as an Independent Non-Executive Director of Acoustech Bhd and sits on the board of Aliran Utara Sdn Bhd (subsidiary of Aliran Ihsan Resources Berhad which is part of MMC Corporation Berhad Group).

He sits on the board of several private limited companies, and has no conflict of interest with the Minetech Group of Companies.

## Directors' Profile (Cont'd)



**AHMAD RUSLAN ZAHARI BIN ZAKARIA**  
*Independent Non-Executive Director*  
*Aged 60, Male*

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

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

In 1986, he joined Merchants Business Growth Consulting, a pan-European marketing consultancy in London as Group Financial Controller. He then joined Corporate Finance Department of CIMB Investment Bank Berhad in 1993 where 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 Development Director/ Managing Director of Malaysian operations and in 2005, he joined Terengganu Incorporated, a strategic investment holding company of Terengganu, as Chief Executive Officer. He was also the Chief Executive Officer of Armstrong Marine & Offshore Sdn. Bhd. from 2008 to 2018 and the founder and principal of Connoisseur Consult Sdn. Bhd.

Other than Minetech, Ahmad Ruslan sits on the Board of KTG Berhad as the Independent Non-Executive Chairman. He is also the Chairman of the Remuneration Committee, Chairman of the Nomination Committee and member of the Audit Committee of KTG Berhad.

He has no conflict of interest with the Minetech Group.

## Directors' Profile (Cont'd)



**DATIN FERIDAH BINTI BUJANG ISMAIL**  
*Independent Non-Executive Director*  
 Aged 46, Female

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

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

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

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

She has no conflict of interest with the Minetech Group.



**SITI AISHAH BINTI OTHMAN**  
*Independent Non-Executive Director*  
 Aged 61, Female

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

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

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

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

She has no conflict of interest with the Minetech Group.

## SENIOR/KEY OFFICER'S PROFILE



**MOHD DZULFADHLY BIN ROZELAN**  
*Chief Financial Officer*  
*Aged 34, Male*

**Dzulfadhly** joined Minetech on 8 February 2021 as Chief Financial Officer.

He brings with him over 12 years of working experience in several sectors with extensive knowledge of financial audit, strategy development and value creation.

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

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

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

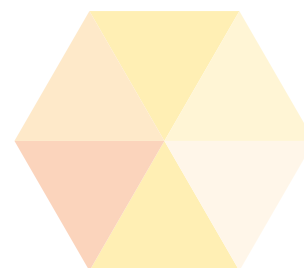
Prior to joining Minetech, he was the Head of the Corporate Strategy division of Education Malaysia Global Services ("EMGS"), an entity under the Ministry of Higher Education tasked with the promotion of Malaysia to international students. He was responsible for the overall strategic development plans,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

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

## Senior/Key Officer's Profile (Cont'd)

### NOTES:

1. All the Directors and senior/key officer of Minetech are Malaysian.
2. Save as otherwise disclosed, none of the Directors and senior/key officer of Minetech have any convictions for offences within the past 5 years other than traffic offences, if any.
3. None of the Directors and senior/key officer of Minetech have any family relationship with any other directors and/or major shareholders except the following:
  - (a) Encik Awgku Mohd Reza Farzak Bin Awg Daud is the son of Dato' (Dr). Ts. Awang Daud Bin Awang Putera, the Executive Chairman and major shareholder of Minetech; and
  - (b) Mr Chin Leong Choy is the son of Mr Choy Sen @ Chin Kim Sang, the Executive Director of Advisory and major shareholder of Minetech.
4. The details of Directors' attendance of Board Meetings during the financial year ended 31 March 2021 are disclosed in page 52 of this Annual Report.



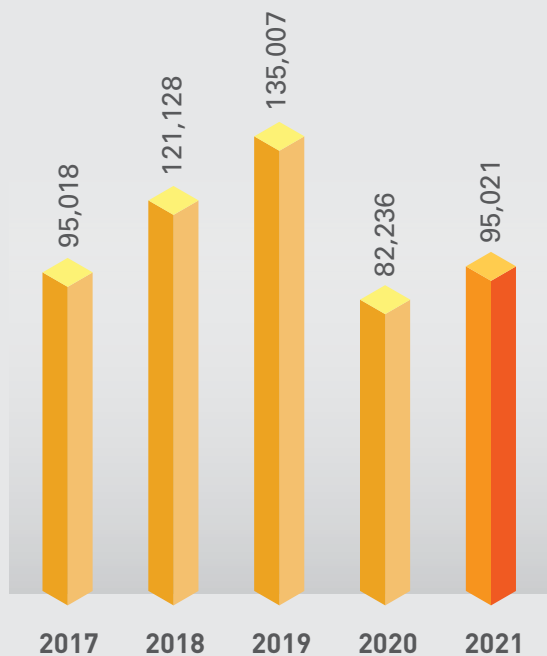
## 5-YEAR FINANCIAL HIGHLIGHTS

|  |       | 2021    | 2020     | 2019     | 2018    | 2017     |
|--|-------|---------|----------|----------|---------|----------|
|  |       | RM'000  | RM'000   | RM'000   | RM'000  | RM'000   |
| <b>FINANCIAL PERFORMANCE</b>               |       |         |          |          |         |          |
| Revenue                                    |       | 95,021  | 82,236   | 135,007  | 121,128 | 95,018   |
| Profit/(Loss) before taxation              |       | 4,016   | (19,454) | (12,352) | 1,129   | (25,409) |
| Profit/(Loss) after taxation               |       | 715     | (20,994) | (14,295) | (1,402) | (25,780) |
| Profit/(Loss) attributable to shareholders |       | 924     | (20,434) | (15,073) | (2,925) | (25,659) |
| Earnings/(Loss) per share                  | sen   | 0.09    | (2.22)   | (1.71)   | (0.40)  | (3.58)   |
| Return on equity                           | %     | 1%      | -35%     | -15%     | 1%      | -33%     |
| Return on assets                           | %     | 0%      | -17%     | -7%      | 1%      | -19%     |
| Return on revenue                          | %     | 1%      | -25%     | -9%      | 1%      | -27%     |
| <b>DIVIDENDS</b>                           |       |         |          |          |         |          |
| Dividend for the year                      |       | —       | —        | —        | —       | —        |
| Net dividend per share                     | sen   | —       | —        | —        | —       | —        |
| Dividend yield                             | %     | —       | —        | —        | —       | —        |
| Dividend cover                             | times | —       | —        | —        | —       | —        |
| <b>GEARING</b>                             |       |         |          |          |         |          |
| Borrowings                                 |       | 37,132  | 22,432   | 35,003   | 30,420  | 25,294   |
| Gearing                                    | times | 0.24    | 0.18     | 0.40     | 0.38    | 0.15     |
| Interest Cover                             | times | 4.70    | 10.82    | (3.34)   | 1.55    | (15.53)  |
| <b>OTHER FINANCIAL STATISTICS</b>          |       |         |          |          |         |          |
| Net assets per share                       | sen   | 7.90    | 6.25     | 9.15     | 10.37   | 10.61    |
| Share price – high                         | sen   | 0.355   | 0.130    | 0.120    | 0.170   | 0.150    |
| Share price – low                          | sen   | 0.125   | 0.050    | 0.045    | 0.100   | 0.075    |
| Price earning ratio                        | times | —       | —        | —        | —       | —        |
| Paid up share capital                      |       | 166,813 | 132,527  | 132,527  | 110,527 | 109,555  |
| Shareholders' fund                         |       | 90,777  | 55,419   | 75,924   | 69,517  | 71,315   |
| Total Equity                               |       | 92,341  | 57,570   | 84,808   | 75,744  | 76,017   |
| Total Assets                               |       | 193,618 | 120,443  | 177,031  | 149,149 | 130,734  |

## 5-Year Financial Highlights (Cont'd)

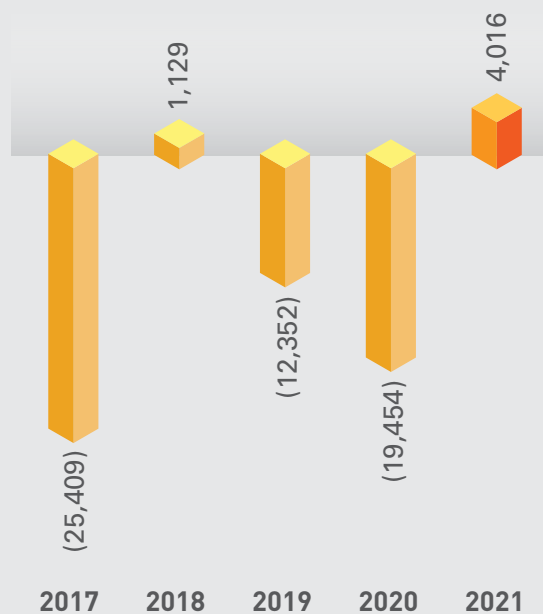
### REVENUE

(RM Million)



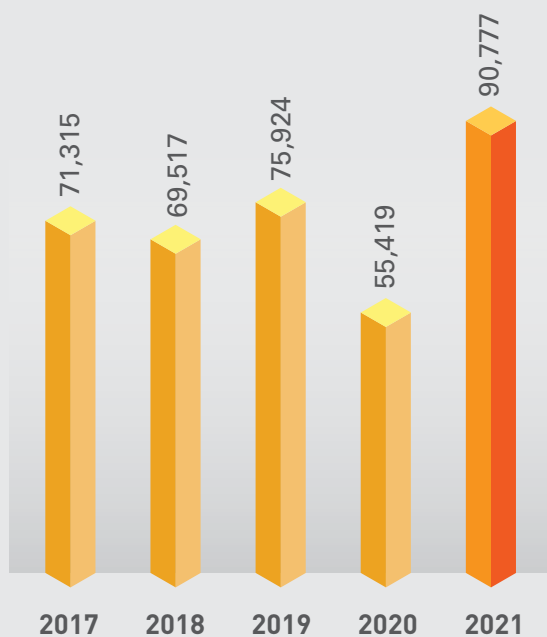
### PROFIT/(LOSS) BEFORE TAXATION

(RM Million)



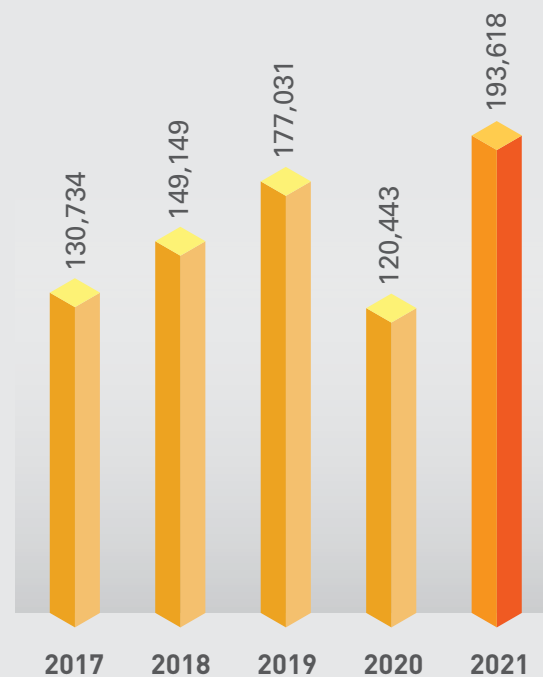
### SHAREHOLDERS' FUND

(RM Million)



### TOTAL ASSETS

(RM Million)





# CHAIRMAN'S STATEMENT

## DEAR VALUED SHAREHOLDERS,

It gives me great pleasure today to share Minetech Resources Berhad's ("**Minetech**") Annual Report for the financial year ended 31 March 2021.

This report, which has been prepared in accordance with the prescribed regulatory guidelines, entails our efforts to create tangible value for our stakeholders and will provide a comprehensive overview of our performance, challenges, mitigation measures and transformation initiatives.

**DATO' (DR). TS. AWANG  
DAUD BIN AWANG PUTERA**  
Executive Chairman

# CHAIRMAN'S STATEMENT (Cont'd)

## An Astonishing Year

It has been a boisterous year for us!

The catastrophic global pandemic is not only a health and humanitarian quandary, but also came with horrendous economic repercussions. It has brought the world down on its knees. And it continues to be a highly personal, individual experience that has disrupted lives across all countries and communities and negatively affected global economic growth in 2020 beyond anything experienced in nearly a century.

It has been estimated that the virus reduced our global economic growth in 2020 to an annualized rate of -3.4% to -7.6%, with a recovery of 4.2% to 5.6% projected for 2021. Global trade meanwhile fell by 5.3% in 2020, but is projected to grow by 8.0% in this year.

However, against this backdrop and despite numerous challenges, I am pleased to share that Minetech has continued our momentum towards long-term growth, hence unlocking value for all existing stakeholders.

## Key Performance Highlight

Over the years, Minetech has demonstrated vibrant and strong commitment to growth by adding value to our core business, particularly in civil engineering and construction, quarry, bituminous products as well as the introduction of a new division – services.

I am thrilled to share that despite the extreme business and market conditions, Minetech has recorded improved performance versus the previous year, largely due to our concerted efforts in securing a sturdy pipeline of projects throughout the year, supported by prudent and pragmatic cost cautious approach. These efforts have resulted in a steady increase of revenue, where we recorded approximately RM95 million for the year, an increase of 16% compared to the previous year.

We are also proud to share that Minetech has today returned to black this year, our first within the last 5 years, with a net profit of RM0.7 million versus a loss of RM21 million over the same period last year. The improved performance was driven by revenue from the civil engineering and services divisions, whilst the quarry and bituminous products divisions showed commendable results albeit recording reduced revenue due to strategic asset rationalisation via the disposal of Minetech PQ Sdn Bhd and Gebeng Quarry Sdn Bhd which we carried out in the previous year.

This is testament that Minetech remains unswerving to ensure that we would continue to emerge stronger despite any challenges that comes our way and a demonstration of our capability to maneuver through any foreboding challenges ahead.

## Resilience through Diversification

As we continue to navigate through the uncertainties, Minetech has solidified our footing through the diversification of our revenue stream and recurring income pipeline. Backed by over four decades of experience and strong track record, Minetech has charted our way forward by venturing into new growth engines.

This year, we have set the course towards catalytic and strategic acquisitions, laying the foundations for Minetech moving forward. We have taken the opportunity to reassess and reprioritise Minetech's core businesses amidst the pandemic-induced environment.

To that end, Minetech has prepared ourselves to venture into renewable energy, oil & gas and financial technology sectors. This decision was made with due considerations on the risk of having a concentrated portfolio as well as in cognisant of the global mega-trends on the high performing and sustainable sectors, a strategy which will allow our stakeholders to expect better value from Minetech in the years to come.

## Acknowledgements

I would like to take this opportunity to express my sincerest gratitude to everyone involved in ensuring the success of Minetech. I am grateful to my fellow members of the board for continuously providing sound advisory and guidance in steering Minetech amidst the challenging times.

Our board has also been strengthened with the presence of respected industry leaders, namely Yang Berbahagia Datin Faridah binti Bujang Ismail and Puan Siti Aishah binti Othman, who possess between them extensive experience and expertise which would supplement the board in discharging its duties as well as in enhancing Minetech's governance.

I would also like to extend my sincerest appreciation to each and every team member at Minetech for your strength and commitment, and excellent crisis management skills, which had allowed Minetech to continue to deliver our mandate. I would also like thank our suppliers, bankers, customers and the government authorities for your continuous support. Your collective efforts have been of great importance to Minetech's ability in facing previous as well as any challenges ahead.

Above all, please accept my warmest gratitude towards our shareholders for their unwavering trust and support, without which, Minetech would not be where we are today.

## Closing

Minetech looks forward to experience improved performance through our diversification strategy and will continue to eye for catalytic projects, partnerships and ventures. In closing, I would like to assure our stakeholders that with our concentrated efforts, we would ensure continuous growth for Minetech.

# MANAGEMENT DISCUSSION AND ANALYSIS

FYE 31 MARCH 2021

## OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS

### ECONOMIC REVIEW

The global economy was confronted with exceptional circumstances resulting in the deepest recession ever seen since the Great Depression. Arising from the unprecedented health crisis leading to containment measures and significant economic repercussions, the economy contracted massively and registered negative growth. Consequently, the countries' domestic demand, external trade, and global growth, in particular, for the second quarter of 2020, weakened amid a decline in production activities. Malaysia was also not spared as evidenced by the key macro-economic data as shown below:

#### MACRO ECONOMIC KEY DATA 2020



#### PRODUCTION BY SEGMENTS 2020

| Segment            | 2020 (%) | 2019 (%) |
|--------------------|----------|----------|
| Services           | -5.5%    | 6.2%     |
| Manufacturing      | -2.6%    | 3.8%     |
| Agriculture        | -2.2%    | 2.0%     |
| Mining & Quarrying | -10.6%   | -0.6%    |
| Construction       | -19.4%   | 0.4%     |

Source: Department of Statistics Malaysia

■ 2020 ■ 2019

Quick and significant policy responses, including large fiscal stimulus and supportive monetary measures, were implemented by the Government in 2020 which averted a deeper downturn. Despite a slight recovery in the second half of 2020 (*Q3 for the Group's financial period*) due to the gradual easing of containment measures, Malaysia's economy experienced a 5.6% Gross Domestic Product ("**GDP**") contraction in 2020, the lowest since the 1998 Asian Financial Crisis. Malaysia also saw the deterioration of labour market conditions and reduction in income, hence affecting consumer spending and purchasing power. Massive slowdown of project implementation were observed in 2020, resulting in reduced private investment activities. Underlying inflation remained subdued at 1.1% for the year 2020 compared to 1.5% in the previous year reflecting subdued demand pressures, whilst headline inflation was negative at -1.2% compared to 0.7% in the previous year, backed by lower global oil and commodity prices as well as weakened consumer demand.

The Malaysian economy, however, is likely to weather these challenges given the massive fiscal response and the broad range of policy measures implemented to support our economy. Multiple stimulus packages were implemented by the Government, worth RM305 billion, which cushioned the significant impact brought upon by the global pandemic. Malaysia saw the implementation of multiple fiscal support, financial measures, and financing facilities especially for the underserved segments such as small-and medium-sized enterprises and vulnerable communities as part of its relief efforts. Additionally, the Overnight Policy Rate ("**OPR**") reduction by a cumulative 125 basis points to a historical low of 1.75% in 2020 supported the economic landscape.

Source: Bank Negara Malaysia

# Management Discussion And Analysis

FYE 31 March 2021 (Cont'd)

## OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS (CONT'D)

### STRATEGY REVIEW

#### A Turnaround Year

Amid the economic landscape outlined above, Minetech Resources Berhad ("**Minetech**" or "**the Group**") has successfully embarked on a journey of resiliency and agility. The financial year under review has shown encouraging signs as a result from the effective turnaround efforts placed by the Group in charting its course towards a sustainable future.

| STRATEGIC FOCUS FOR 2020      |                                   |
|-------------------------------|-----------------------------------|
| ORGANISATIONAL TRANSFORMATION | DIVERSIFICATION & RATIONALISATION |
| 1 NEW LEADERSHIP              | 1 DISPOSAL OF NON-CORE ASSETS     |
| 2 COST OPTIMISATION           | 2 DIVERSIFYING REVENUE STREAMS    |
| 3 CASHFLOW MANAGEMENT         | 3 RECURRING INCOME                |
| 4 OPERATIONAL EFFICIENCIES    | 4 CATALYTIC PARTNERSHIPS          |

The Group's turnaround initiatives can be succinctly put as a two-pronged strategy encompassing the enhancement of its legacy operations via organisational transformation as well as via the diversification and rationalisation of its assets and operations. Timely facilitation of this strategy enables the Group to future-proof itself amidst challenges and headwinds.

Minetech began the year with a new leadership particularly the appointment of its Executive Chairman on 31 March 2020. The Board was further supported by the redesignations and appointments of independent directors, executive directors including director of business development and operations, director of corporate services, and the appointment of principal officers, including the appointment of a new Chief Financial Officer. This has equipped the Group with the required skills and competencies to strategise its efforts in transforming the Group into a high-performing and value-driven organisation.

Following the strengthening of the Board and management, Minetech has made significant strides to restructure the business segments and principal activities. Operations have been streamlined via the redefinition of existing business divisions including Civil Engineering, Quarry and Bituminous Products, as well as the introduction of Services division to propel the Group's future growth.

The Group has also been continuously monitoring its cost and cash flow management for each segment, maintaining its presence in the market and improving on its product delivery and customer satisfaction. The Group had made efforts to reduce its costs and expenses through optimising the allocation of current human resources, recruitment of additional talents as and when required and the enhancement of management expertise.

The Group's core business was traditionally in mining, where it operates a network of quarries around Malaysia and overseas, as well as specialising in civil engineering works, including drill and blast services, earthworks, road pavement projects and building construction. Throughout the year under review, the Group has embarked on the solidification of its long-term strategies, particularly the diversification of its revenue streams. The Group has identified new growth areas that will significantly improve its standing, namely, Renewable Energy, Oil & Gas ("**O&G**"), and Financial Technology, to name a few.

The Group anticipates that the renewable energy business and the O&G business will each potentially contribute 25% or more of the Group's net profits and/or result in a diversion of 25% or more of the Group's net assets towards each of these businesses. Considering the growing demand within the renewable energy and O&G industries, the diversification is expected to improve the financial performance of the Group and allow the Group to be in a better financial footing on the long run.

# Management Discussion And Analysis

FYE 31 March 2021 (Cont'd)

## OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS (CONT'D)

### BUSINESS SEGMENT REVIEW

During the year under review, every segment was adversely impacted by the various stages of the Movement Control Order ("MCO") and the regulatory requirements and Standard Operating Procedures ("SOPs") to manage the COVID-19 pandemic. This includes temporary shutdown of specific economic sectors, mandatory COVID-19 test for workers returning to construction sites, and compulsory Work-from-Home requirements impacted the Group's supply chain and production. This pushes the Group to continuously adapt and re-evaluate its business conducts under such unique circumstances.

The Group performed a COVID-19 impact assessment on a quarterly basis encompassing areas such as operations, cash flows and liquidity, financial positions and performances, business prospects as well as its strategy. The Group continues to manage these with oversight, direction and support from the Board.

For the financial year under review, Minetech posted RM95.02 million in revenue, which represented an increase of 15.5% as compared to the preceding year's revenue of RM82.24 million. Bottom line turned profitable at RM4.0 million and RM0.7 million for both Profit Before Tax ("PBT") and Profit After Tax ("PAT") respectively. The Group is pleased to record a quarter-on-quarter revenue improvement as well as the increased revenue for quarter three and quarter four vis-à-vis the corresponding quarters in the previous year.

The ensuing section provides a review of the business activities and further details on the contributions from each division for the Group as well as the respective growth strategies.

### **Civil engineering**

Minetech Construction Sdn Bhd ("MCSB") leads the civil engineering division and is principally involved in gold mining and infrastructure construction works. The division specialises in rock blasting and excavation which gives it a unique value proposition to offer the construction industry.

The civil engineering division also allows the Group to enjoy better efficiency for utilisation of equipment and staff by sharing of resources between the quarry and construction sites. In addition, the division also complements the Group's quarry and bituminous products through lead generation.

As an ongoing process, this division regularly submits tenders for new projects, especially in the infrastructure construction sub-sector, and is expected to continue to benefit from on-going and future infrastructure projects. The Group's orderbook for civil engineering as of June 2021 stood at RM136 million which will materialise over the next three (3) years.



*Road upgrading works along the Cheras-Kajang Expressway*



*Mining operations at a gold mine in Pahang*



*Civil engineering works for the Electrified Double Track from Gemas to Johor Bahru*

# Management Discussion And Analysis

FYE 31 March 2021 (Cont'd)

## OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS (CONT'D)

### BUSINESS SEGMENT REVIEW (CONT'D)

#### Civil engineering (Cont'd)

The civil engineering division is the lead contributor for the Group, recording RM54.9 million annual revenue for the financial period under review which represents 58% of the total annual revenue. This marked an increase of 26.6% in annual revenue compared to the previous financial period of RM43.4 million. The division also registered RM8.8 million in Profit Before Tax, a significant increase from the previous financial period of RM3.1 million

This was largely derived from new projects particularly the Electrified Double Track from Gemas to Johor Bahru (Package 3 and 4), road upgrading works along the Cheras-Kajang Expressway, as well as the Selinsing Gold Mine project.

With regards to the Selinsing Gold Mine Project, the Group is pleased to inform that MCSB had on 11 March 2021 been awarded with a three-year extension for the prospecting and mining of gold, worth RM70.0 million, further bolstering its long-term earnings visibility.

#### Quarrying



*Bidor Quarry*

This division is involved either in the extraction and/or the sale of granite quarry products – commonly termed as aggregates – of various sizes. 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.

The economic slowdown has slowed down demand from the housing and commercial sub-sectors. As a result, there was an oversupply in the country. This led to tough competition which pushes prices down, that led to losses over the past few years.

Despite increasing competition, exacerbated by the Covid-19 pandemic, the division has recorded a 4% contribution to the Group's annual revenue or RM3.8 million, excluding *Discontinued Operations*. This represents an annual Profit Before Tax of RM0.3 million for the Group.

The reduction in revenue and profit contribution for the period under review was mainly attributed to the disposal of Gebeng Quarry Sdn Bhd and Minetech PQ Sdn Bhd in the previous year. In addition, during the year under review, the Group has also classified Bertam Capital Sdn Bhd ("**BCSB**") as *Discontinued Operations* in the third quarter of the financial year to monetise its investment. The disposal of BCSB was subsequently completed in May 2021. This is in line with the turnaround plan as part of the diversification and rationalisation initiatives.

# Management Discussion And Analysis

FYE 31 March 2021 (Cont'd)

## OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS (CONT'D)

### BUSINESS SEGMENT REVIEW (CONT'D)

#### Quarrying (Cont'd)

Moving forward, the Group intends to upgrade the secondary and tertiary crushing plant of its existing quarry operations in Bidor, Perak, doubling the crushing capacity from 35,000 metric tonnes to 70,000 metric tonnes per month. This is in anticipation of demand growth for the quarry's product from surrounding areas.

The Group also intends to construct its own explosives manufacturing plant to reduce its dependency on third-party suppliers as well as to diversify its income stream to include the sale of industrial explosives products to quarries, metal/coal mines and infrastructure works. The new production line of industrial explosives is expected to enhance and complement the Group's existing quarry division operationally and financially.

#### Bituminous products

Minetech Asphalt Man International Sdn Bhd (an 85%-owned subsidiary company of Minetech) spearheads this division and 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 road construction. The Group's manufacturing plant is located at Ulu Yam, Selangor and its products are sold locally and abroad, mainly targeting the Southeast Asian market.

Economic downturn and business disruptions have slowed the division's performance. Nonetheless, it managed to contribute RM11.4 million or 12% to the annual revenue, a decrease of 25% from the prevailing year's RM15.2 million. Despite this, the Division remained profitable, recording a Profit Before Tax of RM0.19 million for the year. During the fourth quarter, the division recorded a revenue of RM4.18 million representing the highest quarterly performance, which was mainly attributed to increased demand for coating enamel from a number of its existing customers. The division is also actively identifying new opportunities to increase its revenue by targeting State's road maintenance projects. In addition, it is also actively identifying new suppliers of raw materials to further optimise its raw materials costs.



*Production facility located in Ulu Yam, Selangor*



*Bituminous products*

The division is also actively identifying opportunities to increase its revenue by targeting State's road maintenance projects. In addition, it is also actively identifying new suppliers of raw materials to further optimise its raw materials costs.

The Group intends to improve current manufacturing plant over next one year by constructing new production plants to manufacture liquid and synthetic-based products, upgrading emulsion plant and bitumen storage tanks capacities, purchasing equipment for R&D facilities, and upgrading the warehouse storage facility features to expand the Division's performance.

# Management Discussion And Analysis

FYE 31 March 2021 (Cont'd)

## OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS (CONT'D)

### BUSINESS SEGMENT REVIEW (CONT'D)

#### Services

The Services division was formed as part of the restructuring of the business segments during the financial period under review through the incorporation of Techmile Resources Sdn. Bhd. ("**TRSB**") in August 2020.

The subsidiary accepted a contract from ARNN Technologies Sdn Bhd to undertake and complete the contract works to "design, build, supply, install, configure, test and accredit Integrated Data Centres" on a call out basis option for works.

It contributed RM24.3 million in revenue or 25% of the Groups' annual revenue and RM3.7 million in Profit before Tax. Moving forward, this division will be at the forefront of all Information-Technology related services for the Group.

#### Diversified Business

In tandem with the changing economic and business landscape, the Group has diversified its business to increase its revenue streams and improve long-term financial position.

#### 1. Renewable Energy

Malaysia harbours a wealth of resources capable of generating renewable energy. In 2019, the country taps about 2%, which the Government targets to increase to 20% by the year 2025. The key objective is to transform the country's current energy mix into one that comprises more renewable energy sources, not only for continuity of supply but to address pressing environmental concerns that come with dependency on fossil fuels. With the threat of climate change and fossil fuels being a finite resource, new ways of generating and supplying energy are needed to secure a sustainable future. The energy transition is already underway for the country, and it is focused on expanding the renewable energy capacity in the national energy mix and improving energy efficiency.

The Group initially ventured into the renewable energy business through its 70% owned subsidiary, Coral Power Sdn Bhd ("**CPSB**" or "**Coral Power**"). In 2018, CPSB was awarded the development of a 9.99MW AC solar plant in Pantai Remis, Perak by the Energy Commission. The development of the solar plant commenced in November 2020 and is expected to be completed within 9 months, whilst commercial operation is expected to commence in the third quarter of 2021. The intermittent imposition of the MCO has caused delay to the construction project. However, the Group is committed to achieve the commercial operation target date within the third quarter of 2021.

Once operational, the Solar Power Plant will be one of the first systems in Malaysia utilising flotation devices on a pond (i.e. floating solar power plant). This involves installing solar power plants on floating structures that is tied to a buoyant structure that secures it above the water line. A big advantage of a floating solar power plant is that the installations do not require valuable land space. Furthermore, a floating solar power plant promotes higher solar panel performance as the surrounding water helps cool down the solar equipment, which translates to higher productivity.



*Solar Power Plant in Pantai Remis, Perak*



# Management Discussion And Analysis

FYE 31 March 2021 (Cont'd)

## OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS (CONT'D)

### BUSINESS SEGMENT REVIEW (CONT'D)

#### Diversified Business (Cont'd)

##### 1. Renewable Energy (Cont'd)

Upon commissioning of the Solar Power Plant, the Group will also appoint external consultants with the relevant renewable energy experience as well as hire experienced personnel to assist, manage and support the Group in terms of technicality, operation and maintenance aspects pertaining to this business.

On 3 March 2021, the Company announced that MCSB (a wholly owned subsidiary of the Company) has registered itself as a Registered Solar PV Investor ("RPVI") with Sustainable Energy Development Authority Malaysia ("SEDA"). As a RPVI, MCSB is now allowed by SEDA to sell electricity via the renewable power purchase agreement under the net-energy metering programme to government agencies, businesses, and individuals.

##### 2. Oil & Gas

On 26 June 2020, Minetech entered into a memorandum of understanding ("MOU") with Hadid Oil & Gas LLP ("Hadid") to establish a joint strategic collaboration to engage in potential business opportunities particularly in the field of O&G, construction, and other sectors in the Republic of Kazakhstan and/or other countries and regions.

Hadid was established in the Republic of Kazakhstan in 2011 and is involved in providing a comprehensive range of services in engineering, procurement, construction and commissioning, maintenance, repair and overhaul and underwater services for the energy industry in the Republic of Kazakhstan.

In addition to the MOU, the Group is currently in discussion with various parties and for the tendering of O&G related projects. The Group will continue to identify other business opportunities in the O&G industry via joint ventures, collaborations and/or key partnerships.

##### 3. Fintech Solutions

The Group, through its wholly owned subsidiary, TRSB has on 12 March 2021, sealed an agreement for the 60% acquisition of Uniqa (M) Sdn Bhd ("Uniqa") for a total consideration of RM2.83 million. This acquisition will allow the Group to leverage on Uniqa's extensive network and extend TRSB's reach into the financial technology industry in a shorter time.

Uniqa is a fintech solutions provider in Malaysia specialising in a suite of payment solutions. Its system is currently being used by local banks in Malaysia, focusing mainly on cross-border remittance payments. At present, Uniqa is an approved system provider under section 40 of Bank Negara Malaysia's ("BNM") Money Service Business Act (MBSA) 2011. Uniqa currently has two local banks using its remittance system and is also working closely with its local partner bank to establish partnerships with a number of overseas banks in Indonesia, China, and the Philippines, as well as countries in the Middle East and Europe.

This acquisition allows the Group to be a part of Bank Negara Malaysia's objective to foster better efficiency and effectiveness in the remittance business and to promote the use of the formal channel to curb illegal remittance activities, especially in regards to the foreign workers segment.

The Group's current focus in the fintech solutions is to expand the existing remittance coverage and introduce additional remittance products as well as the modes of payments. In the longer term, the Group aims to build and expand its capabilities to offer comprehensive fintech solutions.

# Management Discussion And Analysis

FYE 31 March 2021 (Cont'd)

## REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

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

|  | FYE<br>31 March<br>2021<br>RM'000 | FYE<br>31 March<br>2020<br>RM'000<br>(restated) | FYE<br>31 March<br>2019<br>RM'000 | FYE<br>31 March<br>2018<br>RM'000 | FYE<br>31 March<br>2017<br>RM'000 |
|--|-----------------------------------|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Revenue  | 95,021                            | 82,236  | 135,007                           | 121,128                           | 95,018                            |
| Profit/(Loss) before interest, taxes,<br>depreciation and amortization | 9,022                             | (13,015)  | (266)                             | 12,195                            | (14,074)                          |
| Profit/(Loss) before taxation  | 4,016                             | (19,454)  | (12,352)                          | 1,129                             | (25,409)                          |
| Profit/(Loss) after taxation from continuing<br>operations             | 897                               | (20,994)  | (14,295)                          | (1,402)                           | (25,780)                          |
| Net assets (" <b>NA</b> ")   | 92,341                            | 57,570  | 84,808                            | 75,744                            | 76,017                            |
| Total assets   | 193,618                           | 120,443   | 177,030                           | 149,149                           | 130,734                           |
| Total liabilities  | 101,277                           | 62,873  | 92,222                            | 73,405                            | 54,717                            |
| Borrowings   | 37,132                            | 22,432  | 35,003                            | 30,420                            | 25,294                            |
| Net Gearing (times)  | 0.24                              | 0.18  | 0.36                              | 0.38                              | 0.15                              |
| Earnings/(Loss) per share (sen)  | 0.09                              | (2.22)  | (1.71)                            | (0.40)                            | (3.58)                            |
| NA per share (sen)   | 7.90                              | 6.25  | 9.15                              | 10.37                             | 10.61                             |
| Dividend per share (RM)  | –                                 | –   | –                                 | –                                 | –                                 |

The Group recorded a profit after taxation for the Financial Year Ended 31 March 2021 ("**FYE 2021**") of RM0.9 million as compared to RM20.9 million Loss after taxation in the prior year. This is mainly due to the increase in revenue from RM82.2 million to RM95.0 million, which represented a 15.5% increase year-on-year. The Group also recorded an Earnings per Share of 0.09 sen in FYE 2021 compared to a Loss per Share of (2.22) sen in FYE 2020.

In the current financial year, the main revenue contributor was the civil engineering segment which generated RM54.9 million (FYE 2020: RM43.4 million) as well as the Services segment which recorded RM24.3 million in revenue (FYE2020: nil). However, the quarry products segment recorded significant reduction in revenue of RM3.8 million (FYE 2020:RM23.2 million).

The bituminous products segment recorded revenue of RM11.4 million, a 25% reduction from the previous year of RM15.2 million.

In FYE 2021, the Group recorded Gross Profit of RM17.5 million, a significant increase from RM7.5 million as compared to the previous financial year. This is reflected due to an improvement in Gross Profit Margin ("**GPM**") from 9% to 18%, which was mainly contributed by the healthy GPM from the Services Division as well as the recovery of cost-back charge from several previously completed construction projects.

In terms of Operating Expenses, the Group has made significant improvement, reducing its Administrative expenses from RM41.5 million recorded in FYE2020 to RM14.7 million recorded in current financial year.

Finance costs recorded a 34% decrease from RM1.6 million in FYE2020 to RM1.1 million in FYE2021 mainly due to the lower bank overdrafts utilisation.

# Management Discussion And Analysis

FYE 31 March 2021 (Cont'd)

## REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

In addition to the above, the Group's segmental revenue for the FYE 2021, FYE 2020, FYE 2019, FYE 2018 and FYE 2017 are as follows:

|                               | FYE<br>31 March<br>2021<br>RM'000 | FYE<br>31 March<br>2020<br>RM'000 | FYE<br>31 March<br>2019<br>RM'000 | FYE<br>31 March<br>2018<br>RM'000 | FYE<br>31 March<br>2017<br>RM'000 |
|-------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>Segmental revenue</b>      |                                   |                                   |                                   |                                   |                                   |
| Quarry products               | 3,768                             | 23,207                            | 69,242                            | 54,983                            | 41,417                            |
| Civil engineering             | 54,936                            | 46,745                            | 54,040                            | 27,211                            | 28,301                            |
| Asphalt premix products       | –                                 | 40                                | 395                               | 24,392                            | 17,013                            |
| Bituminous products           | 11,400                            | 15,199                            | 14,699                            | 14,645                            | 13,049                            |
| Property development          | –                                 | –                                 | 2,152                             | –                                 | –                                 |
| Services                      | 24,332                            | –                                 | –                                 | –                                 | –                                 |
| Others                        | 2,348                             | 876                               | 864                               | 217                               | 8,039                             |
| Sub-total                     | 96,784                            | 86,067                            | 141,392                           | 121,448                           | 107,819                           |
| (–) Inter-company elimination | (1,764)                           | (3,831)                           | (6,385)                           | (320)                             | (12,801)                          |
| <b>Total</b>                  | <b>95,020</b>                     | <b>82,236</b>                     | <b>135,007</b>                    | <b>121,128</b>                    | <b>95,018</b>                     |

The divisions that contributed to the increase in revenue are Civil Engineering and Services while both the Bituminous Products and Quarry Products recorded a decrease in revenue.

The higher revenue recorded by the Civil Engineering was mainly due to new projects undertaken, namely the electrified double-track from Gemas to Johor Bahru (Package 3 and 4) and road upgrading works along the Cheras-Kajang Expressway.

The Electrified Double Track Package 3 project was awarded by Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd with a contract sum of RM17.9 million in September 2019. Subsequently, in July 2020, the Division was awarded with the Package 4 project with a contract sum of RM18.8 million. Additionally, the Cheras-Kajang Expressway upgrading works was awarded by GLM Emerald Square in December 2019 with a contract sum of RM27.7 million which is expected to be completed by the second quarter of 2022.

The combined revenue from these civil engineering projects contributed to over 40% of the Division's FYE2021 revenue.

On the other hand, the contract for waste removal, ore delivery and associated works for open-pit mining at Selinsing Gold Mine recorded a 44% contribution to the Division's revenue for the current financial year.

The Services segment which was a new segment introduced through the incorporation of TRSB contributed 25% of the Group's revenue for the year under review.

The decreased turnover from the Quarry division is mainly due to the disposal of two subsidiaries in the preceding year, while the Bituminous Products recorded lower revenue due to the dampen in demand for the Bituminous Products, as a result of the Covid-19 pandemic.

### Total Assets

As at 31 March 2021, the Minetech Group has recorded total assets of RM193.6 million as compared to total assets of RM120.4 million as recorded at 31 March 2020.

# Management Discussion And Analysis

FYE 31 March 2021 (Cont'd)

## REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

### Total Assets (Cont'd)

The Group's Trade Receivables have seen a decrease from RM28.9 million in FYE2020 to RM18.2 million in FYE2021. The Group embarked on a group-wide debtors collection improvement initiatives, which include creating a more efficient billing systems, improving customer relations as well as providing systematic reminders. These improvement initiatives are closely monitored by the Credit Control Committee. As a result, the Group managed to improve its Trade Receivables turnover days from 106 days to 70 days. The Group's normal trade credit terms range from 30 to 90 days, an improvement from the credit term of 30 to 180 days in the previous financial year.

The increase in total assets of RM73.2 million or 61% was mainly due to the recognition of solar power plant as its construction progresses, increase in contract assets from construction projects as well as increase in cash balance due to the proceeds raised from the Private Placement exercise.

The Group recorded Contract Assets amount of RM36.2 million representing the unbilled amount of work completed as of the reporting date. This amount will be transferred to Trade Receivables when the right to bill becomes unconditional.

### Total Liabilities

Total liabilities of the Group stand at RM101.2 million as at 31 March 2021 as compared with a total of RM62.9 million as at 31 March 2020, recorded a significant increase of RM38.3 million or 61%. This increase is mainly due to the drawdown of the loan in relation to the construction of the solar power plant as well as drawdown from contract financing to fund construction projects.

As a result, the Group's net gearing has increased slightly for the current financial year of 0.24 times as compared to the preceding financial year of 0.18 times.

### Net Current Assets

As a measure of financial liquidity of the Group, the net current assets of the Group has improved from RM16.2 million as at 31 March 2020 to RM34.1 million as at 31 March 2021.

|                            | FYE<br>31 March<br>2021 | FYE<br>31 March<br>2020<br>(restated) | FYE<br>31 March<br>2019 | FYE<br>31 March<br>2018 | FYE<br>31 March<br>2017 |
|----------------------------|-------------------------|---------------------------------------|-------------------------|-------------------------|-------------------------|
|                            | RM'000                  | RM'000                                | RM'000                  | RM'000                  | RM'000                  |
| <b>Current Assets</b>      |                         |                                       |                         |                         |                         |
| Inventories                | 2,019                   | 8,389                                 | 17,246                  | 7,272                   | 8,067                   |
| Trade receivables          | 18,287                  | 28,980                                | 35,340                  | 34,793                  | 23,158                  |
| Other receivables          | 3,433                   | 7,133                                 | 12,908                  | 21,888                  | 5,503                   |
| Amount due from associate  | 9,791                   | -                                     | 22                      | 149                     | 235                     |
| Other investments          | 466                     | 155                                   | 839                     | 1,527                   | -                       |
| Cash and bank deposits     | 22,547                  | 17,780                                | 16,101                  | 8,399                   | 17,479                  |
| Contract assets            | 36,222                  | 3,327                                 | 8,904                   | -                       | -                       |
|                            | 92,765                  | 65,764                                | 91,360                  | 74,028                  | 54,442                  |
| <b>Current Liabilities</b> |                         |                                       |                         |                         |                         |
| Trade payables             | 20,088                  | 26,352                                | 29,718                  | 31,065                  | 22,636                  |
| Other payables             | 18,411                  | 11,514                                | 24,372                  | 8,708                   | 4,528                   |
| Loans and borrowings       | 20,187                  | 11,698                                | 18,598                  | 10,904                  | 9,980                   |
|                            | 58,686                  | 49,564                                | 72,688                  | 50,677                  | 37,144                  |
| <b>Net Current Assets</b>  | 34,079                  | 16,200                                | 18,672                  | 23,351                  | 17,298                  |

# Management Discussion And Analysis

FYE 31 March 2021 (Cont'd)

## REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

### Cash Flows

The Group is committed to continuously uphold financial discipline by maintaining an effective working capital management to achieve optimal operational efficiency and a robust balance sheet position. Total cash and cash equivalents of the Group as at 31 March 2021 stood at RM10.8 million an increase of 150% as compared to RM4.3 million in the previous financial year.

#### 1. Operating Activities

In the current financial year, the Group's net cash used in Operating Activities increased from RM3.7 million to RM7.0 million as a result of unbilled amount of work completed. There was also minimal tax refund of RM0.1 million as compared to RM1.5 million in FYE2020.

#### 2. Investing and Financing Activities

The Group recorded a net cash used in investing activities of RM29.9 million for the current financial year as compared with net cash generated of RM14.5 million in the preceding year. This is mainly due to the additions in property, plant and equipment of RM20.9 million and investment in associate companies of RM9.8 million.

During the year, the Group has generated net cash from financing activities, both through debt and equity funding of RM43.4 million.

A drawdown of term loans of RM15.7 million was made during FYE 2021 to finance the construction of solar power plant.

On 12 May 2020, the Group announced its private placement exercise of up to 10% (105,938,900) of the total number of issued Minetech Shares. In June 2020, a tranche of 48,000,000 new shares were issued at 23.5 sen per share raising a gross amount of RM11.3 million. In July 2020, the second tranche of 30,000,000 new Minetech shares were issued at 27.5 sen per share raising a gross amount of RM8.25 million, while in August 2020, the final tranche of 27,938,900 new Minetech shares were issued at 28.1 sen per share raising a gross amount of RM7.9 million.

Additionally, in June 2020 and July 2020, an exercise of share issuance scheme was completed with a combined number of new shares issued of 138,100,000 at 5 sen per share raising a gross amount of RM6.9 million.

|  | FYE<br>31 March<br>2021 | FYE<br>31 March<br>2020<br>(restated) | FYE<br>31 March<br>2019 | FYE<br>31 March<br>2018 | FYE<br>31 March<br>2017 | FYE<br>31 March<br>2016 |
|--|-------------------------|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>CASH FLOWS FROM</b>   |                         |                                       |                         |                         |                         |                         |
| <b>OPERATING ACTIVITIES</b>                                      | <b>RM'000</b>           | <b>RM'000</b>                         | <b>RM'000</b>           | <b>RM'000</b>           | <b>RM'000</b>           | <b>RM'000</b>           |
| Profit/(Loss) before tax   | 4,016                   | (19,454)                              | (12,352)                | 1,129                   | (25,409)                | (11,792)                |
| <b>Operating profit/(loss) before changes in working capital</b> | <b>5,440</b>            | <b>1,697</b>                          | <b>5,550</b>            | <b>7,465</b>            | <b>(5,750)</b>          | <b>1,971</b>            |
| <b>Net cash (used in)/from in operating activities</b>           | <b>(7,042)</b>          | <b>(3,734)</b>                        | <b>5,104</b>            | <b>(12,666)</b>         | <b>3,242</b>            | <b>(22,126)</b>         |

# Management Discussion And Analysis

FYE 31 March 2021 (Cont'd)

## REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

### Cash Flows (Cont'd)

#### 2. Investing and Financing Activities (Cont'd)

|   | FYE<br>31 March<br>2021 | FYE<br>31 March<br>2020<br>(restated) | FYE<br>31 March<br>2019 | FYE<br>31 March<br>2018 | FYE<br>31 March<br>2017 | FYE<br>31 March<br>2016 |
|---|-------------------------|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |                         |                                       |                         |                         |                         |                         |
| Purchase of property, plant and equipment                     | (20,933)                | (982)                                 | (3,400)                 | (2,832)                 | (2,339)                 | (2,339)                 |
| Proceeds from disposal of property, plant and equipment       | 414                     | 8,286                                 | 11,584                  | 2,973                   | 913                     | 913                     |
| Movement in amount due from associate                         | (9,790)                 | (98)                                  | –                       | –                       | –                       | –                       |
| Purchase of inventories                                       | –                       | –                                     | (2,550)                 | (6,000)                 | –                       | –                       |
| Net cash from disposal of other investments                   | 439                     | 684                                   | (1,527)                 | 14,273                  | 18,650                  | 18,650                  |
| Investment in associate                                       | –                       | –                                     | –                       | –                       | (367)                   | (367)                   |
| Net cash from disposal of a subsidiary companies              | –                       | 6,649                                 | –                       | 4,065                   | 4                       | 4                       |
| Net cash from acquisition of subsidiary companies             | –                       | –                                     | 3                       | (14,748)                | –                       | –                       |
| Amount due from associates                                    | –                       | –                                     | 86                      | 235                     | –                       | –                       |
| <b>Net cash generated from/(used in) investing activities</b> | <b>(29,870)</b>         | <b>14,539</b>                         | <b>3,222</b>            | <b>4,196</b>            | <b>(2,034)</b>          | <b>16,861</b>           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |                         |                                       |                         |                         |                         |                         |
| Net (repayment)/drawdown of short term borrowings             | (1,497)                 | (771)                                 | (864)                   | 770                     | (891)                   | (891)                   |
| Repayment of term loans                                       | (402)                   | (960)                                 | (147)                   | (828)                   | (48)                    | (48)                    |
| Drawdown of term loans  | 15,700                  | –                                     | 4,000                   | –                       | –                       | –                       |
| (Increase)/Decrease in fixed deposits pledged                 | (103)                   | 3,807                                 | (921)                   | (328)                   | 596                     | 596                     |
| Repayment of hire-purchase and lease creditors                | (2,564)                 | (4,368)                               | (5,283)                 | (6,369)                 | (4,062)                 | (4,062)                 |
| Proceeds from issuance of shares                              | 34,286                  | –                                     | 972                     | 9,000                   | –                       | –                       |
| Drawdown of overdraft facilities                              | (1,922)                 | –                                     | –                       | –                       | –                       | –                       |
| <b>Net cash (used in)/ from financing activities</b>          | <b>43,498</b>           | <b>(2,292)</b>                        | <b>(14,451)</b>         | <b>(2,244)</b>          | <b>2,245</b>            | <b>(4,405)</b>          |
| <b>Net change in cash &amp; cash equivalents</b>              | <b>6,586</b>            | <b>8,513</b>                          | <b>(6,125)</b>          | <b>(10,715)</b>         | <b>3,454</b>            | <b>(9,671)</b>          |
| <b>Cash and cash equivalents at end of year</b>               | <b>10,840</b>           | <b>4,253</b>                          | <b>(4,204)</b>          | <b>1,998</b>            | <b>12,695</b>           | <b>9,309</b>            |

# Management Discussion And Analysis

FYE 31 March 2021 (Cont'd)

## CAPITAL REQUIREMENTS, STRUCTURE & RESOURCES

### Capital expenditure requirements

In the financial year ending 2021 the Group is expected to invest up to RM55 million for the development of the 9.99 MW AC solar power plant in Perak. The construction of the plant has started in the third quarter of 2020 and the expected commissioning of the plant is targeted to begin in the third quarter of 2021. The source of funds for this project will be raised from internal funds, bank borrowings as well as private placement exercise.

### Capital structure and capital resources

In the coming financial year FYE2022, the primary source of working capital is expected to be derived from internally generated funds. In the event of any shortfall, the Group would then prioritise fund raising through new debt before contemplating fund raising methods through the issuance of new equity, other than from the approved private placement.

### 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

At the date of this report, there are no on-going acquisitions of company or project.

### Capital Market Exercises

The Group has also initiated several capital market exercises throughout the period under review. The intention of the capital market exercises is to put the Group on a stronger footing, particularly towards its long-term diversification strategy.

The Group had on 15 March 2021 proposed for the reduction of share capital, issuance of private placement of new ordinary shares, issuance of renounceable rights issue of new irredeemable convertible preference shares, and the establishment of share issuance scheme, among others.

The proposed reduction of share capital will enable the Group to eliminate its accumulated losses via cancellation of the issued share capital with the aim of enhancing its credibility with customers, suppliers and investors.

The Group also opined that the proposed private placement and rights issue are appropriate avenues to raise the required funds without incurring interest costs associated with bank borrowings or the issuance of debt instruments, thereby minimizing any potential cash outflow arising from interest servicing costs.

The gross proceeds of the proposed issuance of private placement and rights issue are expected to be in the range of RM68.7 million to RM85.1 million. The gross proceeds are intended to be used for the expansion of current and future business, working capital as well as reduction in bank borrowings therefore reducing the Group's interest commitments. The additional working capital will help finance the Group's existing operations and improve cash flow. These exercises are also expected to improve the Net Tangible Asset per share of the Group significantly, from RM7.02 per share as at 31 March 2020 to RM10.57 assuming the full conversion of the irredeemable convertible preference shares based on the minimum scenario.

# Management Discussion And Analysis

FYE 31 March 2021 (Cont'd)

## CAPITAL REQUIREMENTS, STRUCTURE & RESOURCES (CONT'D)

### Capital Market Exercises (Cont'd)

On 12 May 2020, the Group announced its private placement exercise of up to 10% of the total number of issued Shares pursuant to the general mandate obtained from the Company's shareholders, which is then followed by its completion in August 2020. The exercises garnered a gross proceed of RM27.1 million which was principally utilised for construction expenditure, working capital and development of a large-scale solar project.

Overall, these exercises will bolster a healthy financial position for the Group moving forward.

## DIVIDEND POLICY

The Group has not established a policy on the payment of dividend. No dividend has been paid or declared by the Company since the end of the previous financial year.

## ANTICIPATED OR KNOWN RISKS AND MITIGATIONS

The Group's Audit and Risk Management Committee has identified the following as the top 5 risk areas and has planned for the counteractions:

1. Insufficient Book Order – For the construction operations, there is difficulty in maintaining a healthy order book to ensure consistent revenue and income for the Group due to the industry's highly competitive market. Therefore, a close working relationship with existing clients and potential clients is needed to get continuous invitation to tender for projects.
2. Stiff competition in the market (local and oversea market) – Shrinking demand and overcapacity has induced a price cutting and unfair bidding business environment. The group will improve on its market coverage and expand on its existing customer base.
3. Change of state government/local authority and 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 or unless these higher costs are passed on to our customers;
  - b) Delays in operating license renewals would result in operation stoppages which in turn will impact turnover; and
  - c) Limitation to operating hours and/or capacity which may also significantly affect turnover.
4. Cash flow and liquidity risk – the current downturn in the construction industry has slowed the cash collection cycle and the tight requirements for funding by banks has increased this risk. Therefore, extra vigilance on cash collection are being implemented by management.
5. Credit and interest risk – the provision of credit for customers, which is the norm in our business, has its inherent risk in collection. Credit control procedures and policies are being in placed and monitored closely.



# Management Discussion And Analysis

FYE 31 March 2021 (Cont'd)

## OUTLOOK

The future outlook moving forward remains challenging following the increase in Covid-19 cases nationwide and the closure of certain economic sectors due to the implementation of the movement control orders.

However, the smaller GDP decline in the first quarter of 2021 (fourth quarter for the Group's financial period) where the Malaysian economy registered a decline of only 0.5% compared to a decline of 4.3% in the fourth quarter of 2020 (third quarter for the Group's financial period) provides rays of hope for our economy to recover.

On a quarter-on-quarter basis, the Malaysian economy registered a 2.7% growth in quarter one, 2021 (fourth quarter for the Group's financial period) compared to a poor -1.5% in quarter four, 2020 (third quarter for the Group's financial period).

The first quarter of 2021 saw an improved performance across all sectors of interest to the group would be the mining sector which contracted at a much slower pace of 5.0% in quarter one for 2021 versus -10.4% in quarter four of 2020, amid the gradual recovery of external demand globally. Meanwhile, the construction sector contracted by a smaller rate of 10.4% in the first quarter of 2021 versus -13.9% in quarter four of 2020 due to the increased construction works and implementation of small-scale projects. However, the sector is still dampened by the labour shortages and site shutdowns arising from the pandemic-related measures.

The growth performance was supported mainly by the improvement in domestic demands and robust exports performance as well as continued policy measures. This is relative to the global economic recovery where improvements in the supply chain can be expected following the global vaccination roll-out.

The Group however looks forward to the gradual, albeit uneven, recovery path for the first half of its financial period following the Government's concerted efforts for the national vaccination roll-out and additional policy measures announced in June 2021.

The Group is also better positioned to weather the challenges following its turnaround and implemented growth initiatives such as prudent cost management, efficient cashflow management, and diversification of revenue streams via strategic rationalisation of assets and operations. This includes the renewed focus on high growth sectors that will be able to provide improved financial footing and long-term income such as the Renewable Energy sector, Oil and Gas sector and Financial Technology sectors. This is further supported by the new leadership that joined the Group during the onset of the financial period in March 2020 which has accelerate the growth trajectory of Minetech Resources Berhad.

Global and national growth prospects will continue to be shaped by developments surrounding the COVID-19 pandemic, particularly the rollout of vaccines, ongoing structural shifts in the economy, and the improvements in the labour market. The unveiling of stimulus packages, accommodative monetary policies, lifting of overall consumer spending, and strengthening of supply-side policies will continue to positively affect the long-term prospects of the economy and hence the performance of the Group.

Overall, whilst the Group remains cautious on the outlook, it is encouraged by the recent turnaround in terms of financial performance as evidenced in the improvement recorded in the successive quarterly results and the return to the black for the financial period of 2021.

# SUSTAINABILITY STATEMENT

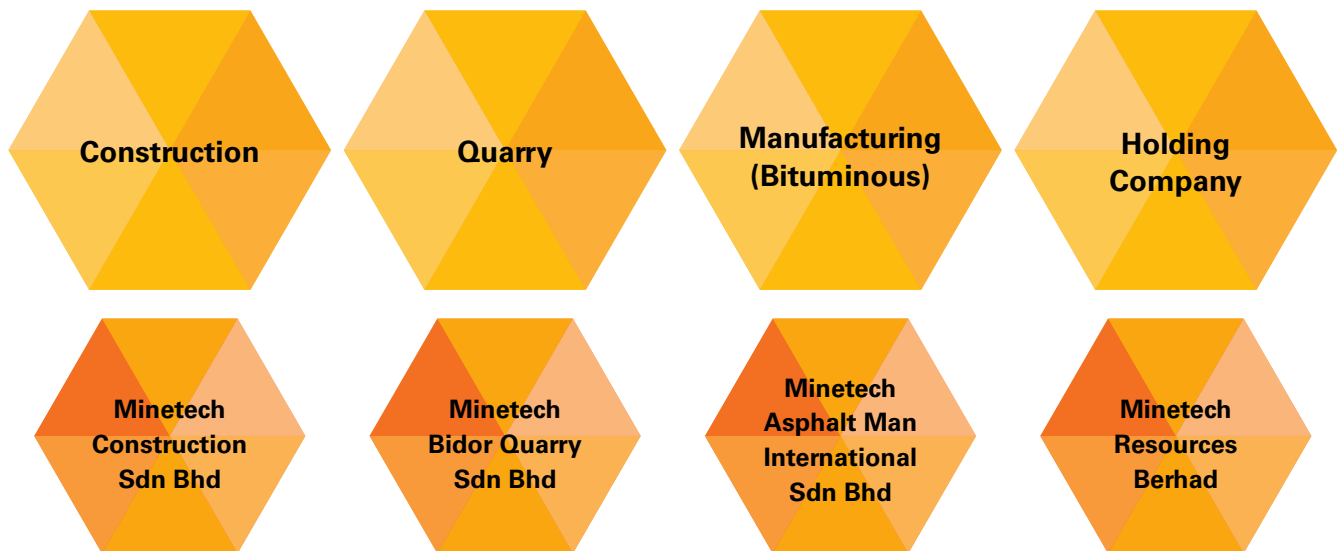


# SUSTAINABILITY STATEMENT

The Sustainability Statement (“**the Statement**”) is prepared in accordance with Sustainability Reporting Guide issued by the Bursa Malaysia Securities Berhad and is guided by the Global Reporting Initiative (“**GRI**”).

The sustainability performance of the Group is reported based on the Economic, Environmental, and Social spheres with due consideration to the risks and opportunities material to our business and our stakeholders. The statement outlines the Group’s intent and commitment to operationalise sustainability in improving organisational effectiveness, adapting to changing circumstances and meaningfully contributing to society.

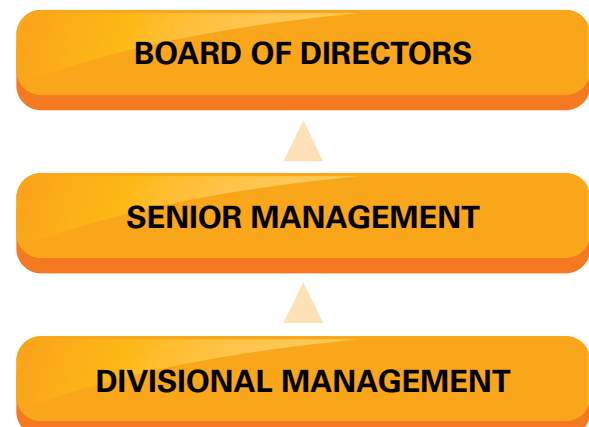
The statement integrates the following active subsidiaries across the three (3) main divisions of Minetech Resources Berhad (“**Minetech**”) namely Construction, Quarry and Manufacturing of Bituminous Products.



## Sustainability Governance

A sustainability governance structure was established to manage the Group’s decision-making processes, implementation of sustainable actions and strategy across Minetech and oversee the sustainability performance.

Our sustainability structure is as depicted below:



## Sustainability Statement (Cont'd)

### Board of Directors ("Board")

The Board provides oversight to the sustainability practices across the Group, supported by the Executive Directors, who in turn ensures the active promotion and effective implementation.

### Senior Management

The Senior Management develops and maps out sustainability material matters and issues relevant to the Group and integrates sustainability practices into the business model, which also encompasses the risks and opportunities.

### Divisional Management

The Heads of departments, through their appointed staff have implemented and executed sustainability strategies to ensure that it is aligned with the business operations.

### Key Stakeholders Engagement

In ensuring the Group operates in tandem with the changing sustainability ecosystem, continuous engagement with various stakeholders is conducted. The stakeholder's engagement also provides insights for the sustainability materiality process, hence better addressing the various concerns and risks raised. We defined stakeholders as groups who affect and/or could be affected by our business, operations, products or services and associated performance.

| Stakeholder   | Forms of Engagement  | Stakeholder's Concern  |
|---|--|--|
| Shareholders / Investors – providers of our capital                           | <ul style="list-style-type: none"> <li>• Annual General Meeting (AGM)</li> <li>• Annual Reports</li> <li>• Corporate announcements</li> </ul>  | <ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Return on investment</li> <li>• Dividends</li> </ul>   |
| Customers – buyers of our products and services                               | <ul style="list-style-type: none"> <li>• Meeting, discussions and business communication on a day-to-day basis</li> <li>• Monthly progress meeting and progress report</li> </ul>  | <ul style="list-style-type: none"> <li>• Product and service quality and pricing</li> <li>• Occupational health and safety</li> </ul>  |
| Suppliers – providers of our materials, labour and expertise support services | <ul style="list-style-type: none"> <li>• Tenders exercises</li> <li>• Meeting, discussion and business communication on a day-to-day basis</li> <li>• Suppliers/ subcontractors' performance evaluation</li> </ul>   | <ul style="list-style-type: none"> <li>• Enhancing ethical and fair procurement system</li> <li>• Product and service quality and pricing</li> <li>• Occupational health and safety</li> </ul> |
| Employees – our most critical resources to achieve our business objectives    | <ul style="list-style-type: none"> <li>• Training and development</li> <li>• Performance management</li> <li>• Employment contract</li> <li>• Employee handbook</li> <li>• Company annual dinner</li> <li>• Meeting/discussion</li> <li>• Occupational health and safety activities</li> </ul> | <ul style="list-style-type: none"> <li>• Career development</li> <li>• Employee welfare</li> <li>• Occupational health and safety</li> </ul>   |
| Regulatory Authorities – govern and guide our business operations             | <ul style="list-style-type: none"> <li>• Regular consultation and meetings</li> <li>• Periodical reporting</li> <li>• Inspection by authorities</li> </ul>   | <ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> </ul>   |
| Local Communities – parties that are impacted by our business operation       | <ul style="list-style-type: none"> <li>• Community events and contributions</li> </ul>   | <ul style="list-style-type: none"> <li>• Community living</li> <li>• Personal well-being</li> </ul>  |

## Sustainability Statement (Cont'd)

### Materiality Assessment and Key Sustainability Matters

We engaged our stakeholders, both internally and externally, to identify and prioritise our key sustainability matters. The facilitation of materiality assessment was driven by management review on the Group's business operations and risk areas, as well as feedback from Board of Directors and Senior Management. A comprehensive mapping was undertaken in 2018, followed by an annual review. No material changes were made to our materiality and the key sustainability matters outlined below are consistent with the previous year's statement:

| No                   | Key Sustainability Matters          | GRI Guidelines   |
|----------------------|-------------------------------------|--|
| <b>Economic</b>      |                                     |  |
| 1                    | Economic Performance                | GRI 201-2 Financial implications and other risks and opportunities due to climate change         |
| 2                    | Market Presence                     | GRI 202-1 Ratios of standard entry level wage by compared to local minimum wage                  |
| 3                    | Anti-Corruption                     | GRI 205 Anti-Corruption  |
| <b>Environmental</b> |                                     |  |
| 4                    | Water                               | GRI 303-6 Water recycled and reused  |
| 5                    | Effluent and waste                  | GRI 306-1 Water discharge by quality and destination   |
|                      |                                     | GRI 306-3 Significant spills   |
|                      |                                     | GRI 306-4 Transport of hazardous materials   |
|                      |                                     | GRI 306-5 Water bodies affected by water discharges and/or runoff                                |
| 6                    | Environmental compliance            | GRI 307-1 Non-compliance with environmental laws and regulation                                  |
| <b>Social</b>        |                                     |  |
| 7                    | Employment                          | GRI 401-2 Benefits provided to full-time employees   |
|                      |                                     | GRI 401-3 Parental leave   |
| 8                    | Occupational health and safety      | GRI 403-2 Occupational Safety and Health   |
| 9                    | Employee training                   | GRI 404-1 Average hours of training per year per employee  |
|                      |                                     | GRI 404-2 Programs for upgrading employee skills and transition assistance programs              |
| 10                   | Diversity and equal opportunity     | GRI 405-1 Diversity of governance bodies and employees   |
| 11                   | Local Communities                   | GRI 413-2 Operations with significant actual and potential negative impacts on local communities |
| 12                   | Product and Service Quality         | GRI 416-1 Assessment of the health and safety impacts of product and service categories          |
| 13                   | Compliance with laws and regulation | GRI 419 Socioeconomic compliance   |

## Sustainability Statement (Cont'd)

### Materiality Assessment and Key Sustainability Matters (Cont'd)

The details of material sustainability matters are further explained in the following sections.

#### A. Economic

The economic aspect refers to the impact regarding wages and local hire, anti-corruption efforts and the impact of climate change to the Group's business based on GRI standard reporting framework.

##### Economic Performance – Climate Change

Minetech acknowledges the impact from global climate changes which has in some way affected our business and operations in Malaysia.

Severe storms and rainy seasons poses some damage risks on our equipment and interval interruptions on our operation.

Measures were taken to monitor weather patterns through weather forecasts, inclusion of natural calamities into our insurance coverage and close monitoring of any other potential risks related to the topographic structure where both our construction and quarry activities are located.

##### Market Presence – Local Minimum Wages

The Group rewards its employees' reasonable wages based on enterprise and individual performances with due regards to equal opportunities and treatment. Aside from monthly salaries and benefits as outlined in the employee handbook and the respective employee's employment terms, the Group also contributes to the Employee Provident Fund, Social Security Organisation, and Employment Insurance system in accordance to the set laws and regulations.

##### Product and Services Quality

The Group demonstrates its commitment to deliver high quality and safe product and service in accordance with the standards upheld by certification bodies. Our high-quality products reinforce Minetech's branding in the market, foster customers loyalty and viability of its business. Our bituminous products last longer with estimated lifespan of more than 5 years, and 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.

Our Construction and Manufacturing Quality Management System was certified with ISO 9001:2015 standard by both accredited certification bodies, SIRIM and UKAS Management System. This is a testament to our ability to consistently manufacture products and services that meet customers and regulatory requirements and to our focus on continuous improvement.



## Sustainability Statement (Cont'd)

### A. Economic (Cont'd)

#### Compliance with Laws and Standards

The Group advocates strict compliance with all relevant national regulations including:

| Section                               | Types compliance with laws and standards  |
|---------------------------------------|---|
| <b>Labour</b>                         | <ul style="list-style-type: none"> <li>• Employment Act 1955</li> <li>• Personal Data Protection Act 2010</li> <li>• Workmen Compensation Act 1952</li> <li>• Employees' Social Security Act 1969</li> <li>• Employees Provident Fund Act 1991</li> <li>• Income Tax Act 1967</li> </ul>  |
| <b>Safety, Health and Environment</b> | <ul style="list-style-type: none"> <li>• Occupational Safety &amp; Health Act, 1994</li> <li>• Fire Service Act, 1988</li> <li>• Environmental Quality act, 1974</li> <li>• Factories and Machinery Act 1967</li> <li>• Standard Operating Procedures ("<b>SOP</b>") in relation of managing Covid 19 by Ministry of International Trade and Industry ("<b>MITI</b>") and Construction Industry Development Board ("<b>CIDB</b>")</li> <li>• Guidelines COVID-19 Management in Malaysia No.5/2020 by Ministry of Health ("<b>MOH</b>")</li> </ul> |
| <b>Construction</b>                   | <ul style="list-style-type: none"> <li>• Lembaga Pembangunan Industri Pembinaan Malaysia Act (CIDB Act)</li> </ul>  |
| <b>Anti-Corruption</b>                | <ul style="list-style-type: none"> <li>• Malaysian Anti-Corruption Commission Act, 2009 Section 17A (MACC Act 2009)</li> </ul>  |

#### Anti-Corruption

The Group ensures its corporate ethics and responsibilities are not compromised in any situation including the current challenging business environment. To ensure an impartial assurance is achieved, Minetech has engaged with an external consultant to assist in developing its principles and expected standard of behaviours towards embedding anti-bribery and anti-corruption policy Group-wide, in accordance with the Guidelines on Adequate Procedures and requirements by Malaysian Anti-Corruption Commission Amendments Act 2018. The Anti-Bribery Management System Policy was established and implemented on 1 June 2020.

#### Code of Conduct

In Minetech, all Directors are in compliance with the Code of Ethics and Conduct which is available on our corporate website at: [www.minetech.com.my](http://www.minetech.com.my). Employees of the Group are guided by our Code of Ethics introduced as part of the Employee Handbook and is made available to them upon joining.

The Employee Handbook sets a clear tone and outlines the procedures for any cases of misconduct, which is further bolstered by the modified Human Resource Standard Operating Procedures. Minetech is preparing appropriate clauses for contract with dealers, consultants and suppliers as part of the improvements to our anti-corruption efforts.

The rules of conduct that are applied to employees and directors are intended to articulate our fundamental principles and guidelines in upholding ethical standards and the Group's commitment to stakeholders in preserving economic sustainability

## Sustainability Statement (Cont'd)

### A. Economic (Cont'd)

#### Whistleblower Policy

Minetech's zero tolerance to corruption and unethical behaviour are clearly stated in its Code of Conduct, Group's Policy anti-corruption, and other governing documents, which are enforced across all business divisions.

A Whistleblower Policy was revised and approved by the Board of Directors on 9 June 2021. The policy supports our commitment to practice ethical business conduct whereby all employees of the Group have a professional responsibility to report any concerns such as known malpractices, wrongdoings, corporate misbehaviour and fraudulent activities, via communication channel established as stated in the Whistleblower Policy.

Whistle-blowers' identities are kept in confidence to the extent possible to facilitate the independent investigations for appropriate remedial and follow-up actions. A copy of the Whistleblower Policy is uploaded into our corporate website at: [www.minetech.com.my](http://www.minetech.com.my).

There were no instances or complaints on suspected corrupt or unethical behaviour of our employees that Minetech was aware of (FY2020: No case reported).

### B. Environmental

The Group is mindful of its responsibilities to the environment and undertakes appropriate management on the natural capital. As part of the evolving sustainability journey, the Group continues to explore initiatives to mitigate negative environmental externalities and contribute to the conservation of the environment. In particular, the Group focuses its efforts on managing water and energy consumption as well as ensuring the compliance to environmental regulatory requirements and standards for its two quarry sites in Nilai and Bidor, construction sites in Klang Valley, Penang, Perak, Pahang and Johor Bahru, and manufacturing site in Ulu Yam, Selangor. As far as applicable, the Group strives to ensure the operations outsourced to its sub-contractors does not contravene any of the Group's standards and aspirations.

#### Water

The Group acknowledges water scarcity as a global crisis driven by climate change and the unpredictable weather patterns as well as an increased demand for usage. In order not to adversely impact the environment, we minimise our water consumption through constant innovative initiatives within the business divisions.

Minetech reuses most of its natural water. Pipes were connected from storage ponds, which is stored by harvesting rainwater and the water is used for washing and cleaning activities within the quarries and construction sites. Consequently, both quarries and construction sites use minimal water from the water authorities.

In FY2021, manufacturing operating segment consumed approximately 1,895 litres of water (FY2020: 1,723 litres).

#### Energy – Diesel and Electricity

Our construction, quarry and manufacturing divisions produce greenhouse gas ("GHG") generated from the use of diesel and electricity. We are cognisant that diesel consumption results in an array of environmental impacts. To mitigate this, we monitor the diesel and electricity consumption closely through the implementation of monthly reporting, machinery use and regular preventive maintenance for our machinery and equipment.

Our calculated carbon emission based on the consumption of diesel and electricity was 971 t CO<sub>2</sub>e in FY2021 (FY2020: 3,033 t CO<sub>2</sub>e).



## Sustainability Statement (Cont'd)

### B. Environmental (Cont'd)

#### Energy – Diesel and Electricity (Cont'd)

| Type   | Construction | Quarry     | Manufacturing | Total      |
|--|--------------|------------|---------------|------------|
| Diesel volume (litres)                                 | 152,880      | 147,188    | 16,821        | 316,889    |
| Electricity consumption (kWh)                          | 37,577       | 371,319    | 475,488       | 884,384    |
| <b>Carbon emission<sup>2</sup> (t CO<sub>2</sub>e)</b> | <b>416</b>   | <b>448</b> | <b>107</b>    | <b>971</b> |

Carbon emission for construction operations were significantly higher when compared to quarry and manufacturing operating segments as operation of equipment and machinery to perform civil engineering works are energy intensive.

During the year, 3 of our construction projects were managed by our clients and one of the construction projects which was managed by us was completed within the year. As a result, our construction operation use of diesel and electricity were scaled down.

#### Effluents and Waste

Our quarries, construction sites and factory utilise chemicals and diesels. To prevent from any untoward incidents, we managed all the discharges and wastes in accordance to the laws and regulations governing the environmental protection. Controls established to handle these materials and wastes include:



#### **Installation of bunker for diesel tank**

- Act as a protective layer to prevent diesel spillage and absorption by soil
- Diesel permit approval obtained from Ministry of Domestic Trade and Consumer Affairs



#### **Designated chemical storage areas**

- Reduce unauthorised access and prevent chemical spillage



#### **Provisions of trainings**

- Training was provided to employees on properly handling, storage, use of equipment and machinery for transportation and disposal of hazardous materials



#### **Appointment of qualified sub-contractor**

- Qualified sub-contractor was appointed for the transportation and disposal of hazardous material.



#### **Used engine oil recycling**

- Interested party purchased used engine oil from Minetech for recycling purpose.

## Sustainability Statement (Cont'd)

### B. Environmental (Cont'd)

#### Environmental Compliance

Minetech took proactive measures to control and prevent environmental pollution throughout its 3 divisions.

The quarry sites are regulated by the Department of Environment (“**DoE**”) in regards to the Environment Impact Assessment (“**EIA**”) monitoring requirements. A licensed third-party environmental consultant was appointed, KenEp Consultancy & Services for Minetech Bidor Quarry Sdn Bhd to perform periodic environmental monitoring on three (3) key parameters – water quality, ambient air quality and noise levels measurement. These monitoring initiatives are to ensure the three parameters are within the environmental standards required under DoE.

A copy of the report was submitted to DoE on quarterly basis for compliance purposes.

| Environmental aspect       | Minetech Bidor Quarry2                                      |                            |
|----------------------------|---|----------------------------|
|                            | DoE Standards   | Actual average achievement |
| <b>Water Quality</b>       | Class III of National Water Quality for Malaysia (NWQS)     | Complied with standard     |
| <b>Ambient Air Quality</b> | TSP 100µg/m3  | Complied with standard     |
| <b>Noise Level</b>         | Noise limit of 65 dBA for day time and 56dBA for night time | Complied with standard     |

We are pleased to highlight that there is only one instance of non-compliance with environmental laws and regulations in FYE 2021 which has been subsequently rectified relating to proper labelling (FY2020: Zero cases). We are constantly engaging with the DoE to ensure that any issues raised are addressed and measures are taken to ensure that these environmental issues are mitigated.

### C. Social

The Group gives high regard in building meaningful relationships with its stakeholders and it is committed to uplifting the internal and external communities, whether directly or indirectly.

Aligning to this objective, we are committed to achieve sustainable and long-term value creation for our stakeholders by promoting diversity and equality at work, thus enhancing our employees’ capabilities, empowering our leaders, and fostering relationships with local communities.

## Sustainability Statement (Cont'd)

### C. Social (Cont'd)

#### Workforce Development

In recognition of the employees' contributions to the Group's continued success, we have implemented and adhered to the best practises of employment engagement, which include attractive remuneration, competitive compensation and benefits programme, robust training and development programmes, assurance of employees' wellness and the retention



*Extracted from Employee Handbook*

## Sustainability Statement (Cont'd)

### C. Social (Cont'd)

#### Workforce Development (Cont'd)

Minetech strongly support open communication between the management and employees. We reviewed all comments and suggestions shared by our employees for the benefit of the Group to improve its productivity as well as to create a harmonious working environment.

The Group's Occupational Safety focuses on effective safety management at the workplace and promoting safety ownership within employees. A safety risk management is conducted at each quarry, construction site, and factory, to identify potential safety risks as well as to strengthen safety compliance and improve safety performance. Steps and measures are taken in managing the risk of job-related hazards and incidents from crystallising at each quarry sites, construction sites and factory. These steps include providing sufficient, adequate and quality personal protective equipment, organise continuous briefings such as toolbox briefing, establishing a standard operating procedure and etc.

In addition, at the construction sites where we are the sub-contractors, we strictly adopt the safety requirements instilled by the main contractors.

The Group recorded a total of 3 days of Lost of Time due to Injury ("LTI") for the FY2021 (FY2020: 21 days), where a worker sustained minor injuries. Following this, Minetech reviewed all of its health and safety protocols to ensure that everything is in place and subsequently focused on educating and creating awareness for all its workers through 'safety and toolbox' briefings.

Employees are always exposed and involved in occupational health and safety issues. Minetech raises its employees' awareness on occupational health and safety topics and shares information about the current developments and practical tips in safety alerts news.

With the recent outbreak of COVID-19 in March 2020, Minetech closely followed MITI and MOH's SOP and guidelines to provide a safe working environment for our employees. We strictly enforce the SOPs particularly in social distancing and cleanliness of working environment through regular disinfections and constantly reminding our employees on strict cleanliness standards such as cleaning hands and use of sanitisers.



## Sustainability Statement (Cont'd)

### C. Social (Cont'd)

#### Training and Development

We are committed to develop our employees' competencies through various learning and development programmes, for them to remain resilient and prepared for emerging challenges in the industry such as the rapid changes in customers demands. Training bond will be offered for confirmed employees, if necessary.

Training programs are identified based on the result of performance appraisal in collaboration with the head of departments. This personalisation allows for the alignment of training programs to suit our business strategy and needs, meeting regulatory requirements and ensuring the development of technical, inter-personal, business and management skills of our employee. Minetech constantly evaluates our employees' performance based on key performance index, company core competency and job-related competency. These criterias are evaluated via annual performance appraisal process to ensure employees are proficient and able to execute the tasks when assigned.



In FY2021, Minetech reported a total of 280 (FY2020: 900) training hours with an average training hours per employee of 2.9 hours (FY2020: 20 hours/ employee). Due to the COVID-19 pandemic, there is a decline in the total and average training hours per employee. We continue to remain committed in ensuring our employees upgrade their skills and knowledge through trainings.

Our trainings are categorised into:



#### Diversity and Equal Opportunity

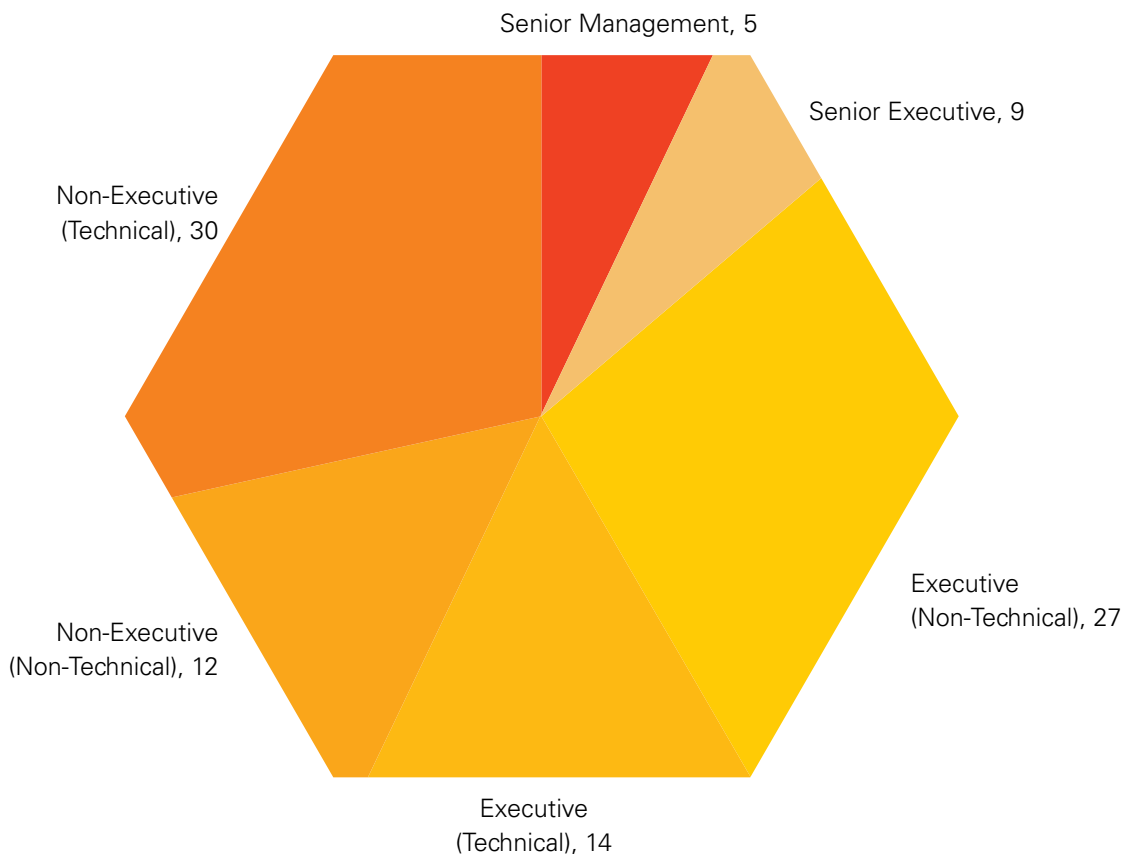
As each talent profile brings a unique perspective in ways that enrich the performance of the Group, Minetech is steadfast in promoting diversity and ensuring equal opportunity. The diverse and inclusive culture is achieved through a no discrimination practice on nationality, race, or gender across all our processes and work practices. In particular, the development and growth of each employee including promotion and remuneration practices are solely based on qualifications, performance and business needs. In FY2021, Minetech recorded a total workforce of 97 (FY2020: 127)

# Sustainability Statement (Cont'd)

## C. Social (Cont'd)

### Diversity and Equal Opportunity (Cont'd)

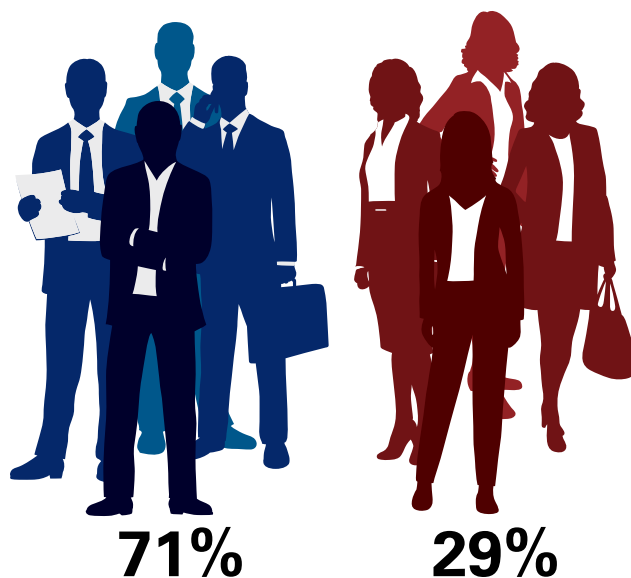
**TOTAL EMPLOYEES BY CATEGORY FY2021**



We are committed to cultivate a harmonious workplace that encourages gender equality across the Group.

Our employees gender profile constitutes 71%: Men and 29%: Women. Our senior management team was 100% Male in FY2021 (FY2020: 100% male).

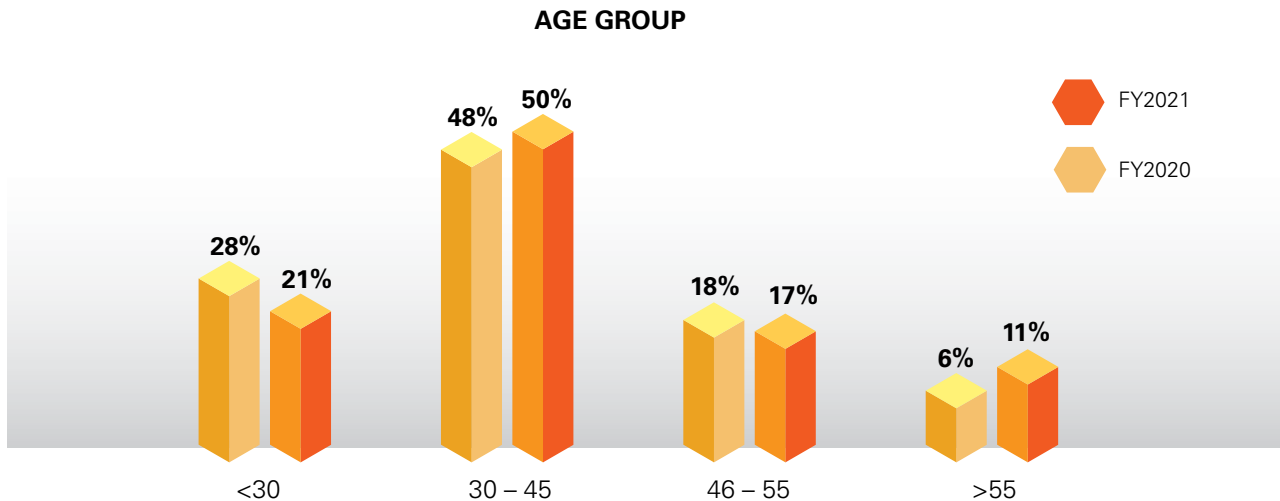
Due to the nature of the industry, the business that it operates in and the availability of talent in the market, the process of attracting female talent remains a challenge across all three business divisions. However, the Group remains committed to ensuring that talent acquisition is made based on candidate's qualifications and fit for role.



## Sustainability Statement (Cont'd)

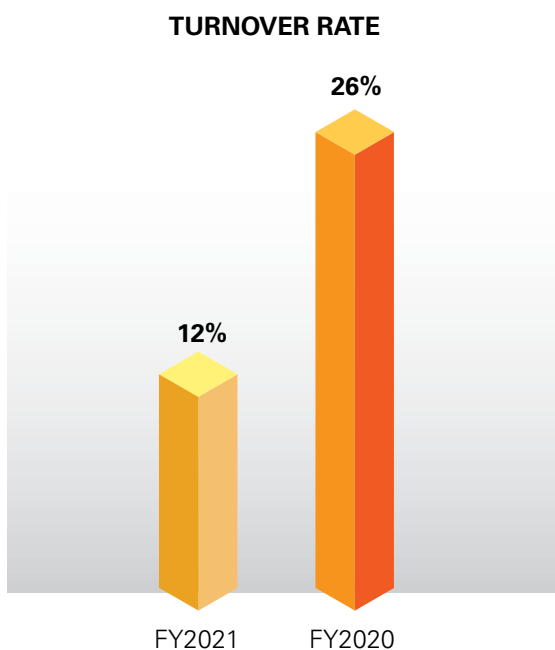
### C. Social (Cont'd)

#### Diversity and Equal Opportunity (Cont'd)



In creating a robust talent pipeline, Minetech ensures a conducive working environment for its multi-generational workforce. As the business ecosystem continue to evolve, the Group strives to remain relevant and agile by attracting and retaining young talents that are able to support other talent profiles within the Group. The mixture of experience and expertise allows for thorough discussions on issues and challenges faced by the Group.

A testament to this is the healthy representation of Gen-Y employees below the age of 35 amounting to 47% versus 53% of employees aged 35 and above.



In FY2021, the employee turnover rate was lower at 12% (11 resigned employees) as compared to 26% in FY2020 (33 resigned employees), consisting of the executive level and non-executive level amounting to approximately 58% and 42% of the resigned employee respectively.

#### Local Communities

FY2021 remains to be a challenging year for us with minimal communities' activities held. Due to the imposition of the various stages of the Movement Control Order as well as in keeping in line with the advisory by the Ministry of Health in response to the pandemic, we did not organise any gathering with the employees nor with the local communities.

*(Calculated using number of resigned employee / end year employee headcount)*

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## MEMBERS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

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

### COMPOSITION

The ARMC members are:–

| <b>ARMC members</b>   | <b>Designation</b> |
|---|--------------------|
| <b>Encik Ahmad Ruslan Zahari Bin Zakaria</b><br><i>Independent Non-Executive Director</i>         | <b>Chairman</b>    |
| <b>Datin Feridah Binti Bujang Ismail<sup>^</sup></b><br><i>Independent Non-Executive Director</i> | <b>Member</b>      |
| <b>Siti Aishah Binti Othman<sup>#</sup></b><br><i>Independent Non-Executive Director</i>          | <b>Member</b>      |
| <b>Encik Ahmad Rahizal Bin Dato’ Ahmad Rasidi<sup>*</sup></b><br><i>Executive Director</i>        | –                  |
| <b>Mr Cheah Hannon<sup>@</sup></b><br><i>Independent Non-Executive Director</i>                   | –                  |

<sup>^</sup> Appointed as member of ARMC on 12 June 2020

<sup>#</sup> Appointed as member of ARMC on 10 June 2021

<sup>\*</sup> Ceased to be a member of ARMC on 7 May 2021

<sup>@</sup> Appointed as member of ARMC on 21 January 2020 and ceased to be a member of ARMC due to his resignation as Director of the Company on 4 June 2020

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

The duties and responsibilities of the ARMC are spelt out in the Terms of Reference of the ARMC, a copy of which is available in the Company’s website [www.minetech.com.my](http://www.minetech.com.my).



# Audit And Risk Management Committee Report (Cont'd)

## ATTENDANCE OF MEETINGS

A total of five (5) ARMC meetings were held during the financial year ended 31 March 2021. The details of attendance of each ARMC member during the tenure of office of the members are as follows:–

| Name  | Attendance    |
|---|---------------|
| <b>Encik Ahmad Ruslan Zahari Bin Zakaria</b><br><i>Independent Non-Executive Director</i>         | 5/5<br>(100%) |
| <b>Datin Feridah Binti Bujang Ismail<sup>^</sup></b><br><i>Independent Non-Executive Director</i> | 5/5<br>(100%) |
| <b>Siti Aishah Binti Othman<sup>#</sup></b><br><i>Independent Non-Executive Director</i>          | –             |
| <b>Encik Ahmad Rahizal Bin Dato' Ahmad Rasidi<sup>*</sup></b><br><i>Executive Director</i>        | 5/5<br>(100%) |
| <b>Mr Cheah Hannon<sup>@</sup></b><br><i>Independent Non-Executive Director</i>                   | –             |

<sup>^</sup> Appointed as member of ARMC on 12 June 2020

<sup>#</sup> Appointed as member of ARMC on 10 June 2021

<sup>\*</sup> Ceased to be a member of ARMC on 7 May 2021

<sup>@</sup> Appointed as member of ARMC on 21 January 2020 and ceased to be a member of ARMC due to his resignation as Director of the Company on 4 June 2020

## SUMMARY OF ACTIVITIES

The activities undertaken by the ARMC during the financial year ended 31 March 2021 in carrying out its duties and responsibilities include:–

### Financial Reporting

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

- Major judgemental areas, significant and unusual events;
- Significant adjustments resulting from audit;
- The going concern assumptions;
- Compliance with the Malaysian Financial Reporting Standards (“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 And Risk Management 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 5 August 2020 (Messrs. UHY) and 18 February 2021 (Messrs. KPMG PLT) 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.
- (e) Evaluated and recommended the appointment of Messrs. KPMG PLT and Messrs. Al Jafree Salihin Kuzaimi PLT (in replacement of Messrs. KPMG PLT) as external auditors of the Company to the Board of Directors for approval.

### Related Party Transactions

- (a) Reviewed and monitored compliance on 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 on an on-going basis.
- (b) Reviewed the Statement on Risk Management and Internal Control prior to the recommendation to the Board of Directors for the approval to include it into the 2020 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 are in place.
- (b) Reviewed and discussed with the internal auditors regarding the internal audit process, internal audit findings and issues arising from the internal audit report of the following:
  - (i) Minetech Construction Sdn Bhd – Project Management of Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd Sub-contract Work.
  - (ii) Minetech Asphalt Man International Sdn Bhd – Plant Operation
- (c) Monitored the implementation of mitigating actions by the Management on outstanding issues to ensure all key risks and control weaknesses are properly addressed.
- (d) Met with the Internal Auditors on 19 November 2020 without the presence of Executive Directors and Management of the Group for discussions on internal audit related matters.
- (e) Reviewed and evaluated the adequacy of the scope, functions, competency and resources of the internal audit functions.

## Audit And Risk Management Committee Report (Cont'd)

### Others

- (a) Reviewed the revised Terms of Reference of ARMC prior to the recommendation to the Board of Directors for adoption.
- (b) Reviewed the Corporate Governance Report, Corporate Governance Overview Statement, Management Discussion and Analysis and ARMC Report prior to the recommendation to the Board of Directors for approval to include it into the 2020 Annual Report.
- (c) Reviewed the Related Party Transaction (“**RPT**”) on Disposal of Motor Vehicle and Shares Sale Agreement in respect of acquisition 60% of the issued and paid-up share capital of Uniq (M) Sdn Bhd prior to the recommendation to the Board of Directors for approval.
- (d) Review the Recurrent RPT on Tenancy Agreement and Renewal of Tenancy Agreement prior to the recommendation to the Board of Directors for approval.
- (e) Reviewed the Statement to Shareholders on the proposed renewal of authority for the Company to purchase its own ordinary shares prior to the recommendation to the Board of Directors for approval.

### INTERNAL AUDIT FUNCTION

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**the Board**”) of Minetech Resources Berhad (“**the Company**”) is pleased to present its statement on corporate governance (“**CG**”) practices of the Company during the financial year ended 31 March 2021. The Board spearheads 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 (“**Bursa Securities**”) (“**MMLR**”) and guided by Practice Note 9 of the MMLR and the CG Guide (3rd edition) issued by Bursa Malaysia Berhad. This CG Overview Statement should also be read together with the CG Report 2021 of the Company (“**CG Report**”) which is available on the Company’s website: [www.minetech.com.my](http://www.minetech.com.my) as well as via an announcement on the website of Bursa Securities and in conjunction with the other statements in the Annual Report (e.g. Statement on Risk Management and Internal Control, Audit and Risk Management Committee Report, and Sustainability Statement) as the application of certain governance enumerations may be more evidently expressed in the context of the respective statements.

The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG during the financial year ended 31 March 2021.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### i. Board Responsibilities

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

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

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

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

## Corporate Governance Overview Statement (Cont'd)

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

#### ii. Board and Board Committees Meetings

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

| Name   | Board | 'NRC | #ARMC | IC  | Nomination Committee ("NC") | Remuneration Committee ("RC") | Audit Committee ("AC") | Risk Management Committee ("RMC") |
|--|-------|------|-------|-----|-----------------------------|-------------------------------|------------------------|-----------------------------------|
| <b>Dato' (Dr). Ts. Awang Daud Bin Awang Putera</b><br><i>Executive Chairman</i>          | 6/6   | –    | –     | 1/1 | –                           | –                             | –                      | –                                 |
| <b>1* Choy Sen @ Chin Kim Sang</b><br><i>Executive Director</i>                          | 6/6   | –    | –     | –   | –                           | –                             | –                      | –                                 |
| <b>2* Chin Leong Choy</b><br><i>Executive Director</i>                                   | 6/6   | –    | –     | 1/1 | –                           | –                             | –                      | –                                 |
| <b>3* Awgku Mohd Reza Farzak Bin Awg Daud</b><br><i>Executive Director</i>               | 6/6   | –    | –     | 1/1 | –                           | –                             | –                      | –                                 |
| <b>4* Azlan Shah Bin Zainal Arif</b><br><i>Executive Director</i>                        | 6/6   | –    | –     | 1/1 | –                           | –                             | –                      | –                                 |
| <b>5* Ahmad Rahizal Bin Dato' Ahmad Rasidi</b><br><i>Executive Director</i>              | 6/6   | 1/1  | 5/5   | 1/1 | 1/1                         | –                             | –                      | –                                 |
| <b>6* Abdul Farid Bin Abdul Kadir</b><br><i>Non-Independent Non-Executive Director</i>   | 5/6   | –    | –     | 1/1 | –                           | –                             | –                      | –                                 |
| <b>7* Ahmad Ruslan Zahari Bin Zakaria</b><br><i>Independent Non-Executive Director</i>   | 6/6   | –    | 5/5   | –   | 1/1                         | –                             | –                      | –                                 |
| <b>8* Datin Feridah Binti Bujang Ismail</b><br><i>Independent Non-Executive Director</i> | 5/5   | 1/1  | 5/5   | –   | –                           | –                             | –                      | –                                 |
| <b>9* Siti Aishah Binti Othman</b><br><i>Independent Non-Executive Director</i>          | 5/5   | 1/1  | –     | –   | –                           | –                             | –                      | –                                 |
| <b>10* Cheah Hannon</b><br><i>Independent Non-Executive Director</i>                     | –     | –    | –     | –   | –                           | –                             | –                      | –                                 |

# Corporate Governance Overview Statement (Cont'd)

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

### ii. Board and Board Committees Meetings (Cont'd)

#### Remark:-

- <sup>^</sup> The merger of NC and RC took effect on 12 June 2020 and known as NRC.
- <sup>#</sup> The merger of AC and RMC took effect on 12 June 2020 and known as ARMC.
- <sup>1\*</sup> Ceased to be a member of RC on 12 June 2020 prior to merger of NC and RC. No RC Meeting was held prior to his cessation.
- <sup>2\*</sup> Ceased to be a member of RMC on 12 June 2020 prior to merger of AC and RMC. No RMC Meeting was held prior to his cessation.
- <sup>3\*</sup> Appointed to the Board of Directors on 3 April 2020 and re-designated as Executive Director on 12 June 2020.
- <sup>4\*</sup> Appointed to the Board of Directors on 3 April 2020 and re-designated to Non-Independent Non-Executive Director on 21 April 2020. Subsequent thereto, he was re-designated as Executive Director on 12 June 2020.
- <sup>5\*</sup> Re-designated from NC Chairman to NRC member on 12 June 2020. He was re-designated as Non-Independent Non-Executive Director on 24 February 2021. Subsequent to his re-designation as Executive Director on 7 May 2021, he ceased to be a member of NRC and ARMC.
- <sup>6\*</sup> Appointed to the Board of Directors on 24 April 2020 and re-designated as Executive Director on 12 June 2020. Subsequent thereto, he was re-designated as Non-Independent Non-Executive Director on 13 November 2020 and removed as Director of the Company on 28 June 2021.
- <sup>7\*</sup> Ceased to be a member of NC and RC on 12 June 2020 prior to merger of NC and RC. Subsequent thereto, he was re-appointed as a member of NRC on 10 June 2021.
- <sup>8\*</sup> Appointed to the Board of Directors and a member of NRC and ARMC on 12 June 2020.
- <sup>9\*</sup> Appointed to the Board of Directors and NRC Chairman on 12 June 2020. Subsequent thereto, she was appointed as a member of ARMC on 10 June 2021.
- <sup>10\*</sup> Resigned as Director of the Company on 4 June 2020 and ceased to be a member of NC, RC and AC following his resignation as Director.

### iii. Board Charter

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

- Conflict of interest issues relating to a substantial shareholder or a Director, including approving related party transactions;
- Material acquisitions and disposition of assets not in the ordinary course of business, including significant capital expenditures;
- Strategic investments, mergers and acquisitions and corporate exercises;
- Limits of authority;
- Treasury policies including Company's budget;
- Risk management and internal control policies; and
- Key human resource issues.

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

A copy of the Board Charter can be found in the Company's website at [www.minetech.com.my](http://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 Board Charter, Terms of Reference of the Board Committees, Anti-Bribery Management System Policy, Code of Ethics and Conduct, Conflict of Interest Policy, Diversity Policy, Succession Planning Policy, Directors and Senior Management's Remuneration Policy and Whistleblower Policy were reviewed annually by the Board to be in line with the CG practices set out in the MCCG.

## Corporate Governance Overview Statement (Cont'd)

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

#### iii. Board Charter (Cont'd)

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

- Advising the Board on its roles and responsibilities;
- Advising the Board on the matters in relation to CG and the MMLR
- Update the Board on the developments of corporate and securities law, MMLR, Company's constitution, Board's policies and procedures;
- Ensure the Board procedures and applicable rules are observed;
- Preparing comprehensive minutes to document Board proceedings and ensuring conclusions are accurately recorded; and
- Serve as focal points for stakeholders' communication and engagement on CG issues.

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

- Full and unrestricted access to timely, accurate and complete information within the Company;
- Authority to have all meeting materials prepared and issued to the Board of Directors and Board Committee members within reasonable period before respective meetings to enable them to contribute constructively;
- Direct and unrestricted communication channels with employees, Senior Management personnel and relevant external parties; and
- Authority to obtain independent professional or other advice at the Company's expense, subject to the approval of the Chief Executive Officer or in the Chief Executive Officer's absence, as prescribed in the Limits of Authority.

# Corporate Governance Overview Statement (Cont'd)

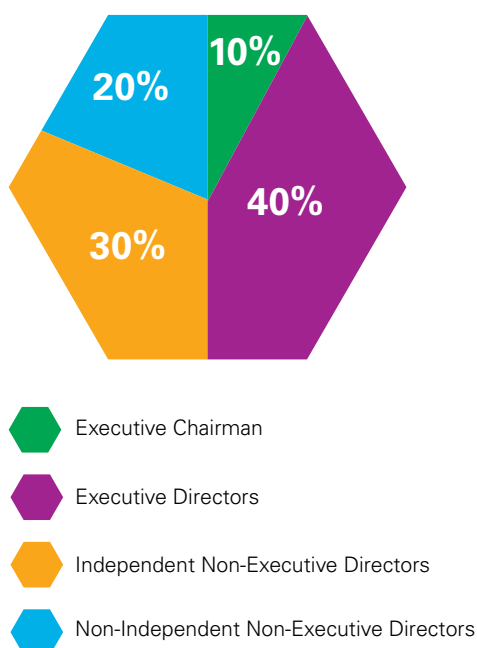
## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### iv. Board Composition

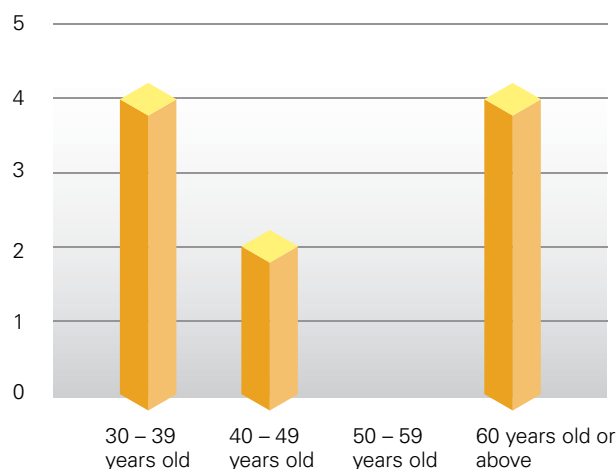
The Board is well balanced, comprising experienced businessmen and qualified professionals of diverse age and ethnicity. The Directors collectively bring with them diverse knowledge, skill, extensive experience and expertise in areas such as strategic planning, human capital, corporate governance, business management, legal, finance, corporate affairs, marketing and operations which enables them to discharge their duties and responsibilities effectively, objectively and independently.

As at 31 March 2021, the Board has ten (10) members, comprising one (1) Executive Chairman, four (4) Executive Directors, two (2) Non-Independent Non-Executive Directors and three (3) Independent Non-Executive Directors. The profile of each Director can be found on pages 4 to 11 of this Annual Report.

#### BOARD COMPOSITION



#### AGE GROUP



The present Board composition complies with Paragraph 15.02 of the MMLR which requires at least two (2) or one-third (1/3) of the Board of the Company, whichever is higher, are Independent Directors. The Board is satisfied with the current composition of Directors where all Independent Directors of the Company are always within reach of the shareholders and issues are discussed openly at meetings, thus shareholders may approach any of the Independent Directors of the Company. In view thereof, the Board did not nominate a Senior Independent Non-Executive Director at this juncture. As at 31 March 2021, 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.



## Corporate Governance Overview Statement (Cont'd)

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

#### v. NRC

The merger of NC and RC took effect on 12 June 2020 and it is officially known as NRC. During the financial year under review, the NRC comprised exclusively of Non-Executive Directors, the composition is as follows:-

| Name   | Designation     |
|--|-----------------|
| <b>1* Puan Siti Aishah Binti Othman</b><br><i>Independent Non-Executive Director</i>         | <b>Chairman</b> |
| <b>2* Datin Feridah Binti Bujang Ismail</b><br><i>Independent Non-Executive Director</i>     | <b>Member</b>   |
| <b>3* Encik Ahmad Ruslan Zahari Bin Zakaria</b><br><i>Independent Non-Executive Director</i> | <b>Member</b>   |
| <b>4* Encik Ahmad Rahizal Bin Dato' Ahmad Rasidi</b><br><i>Executive Director</i>            | -               |
| <b>5* Mr Cheah Hannon</b><br><i>Independent Non-Executive Director</i>                       | -               |

1\* appointed as Chairman of NRC on 12 June 2020.

2\* appointed as member of NRC on 12 June 2020.

3\* ceased to be a member of NRC on 12 June 2020 and appointed to be a member of NRC on 10 June 2021.

4\* re-designated as member of NRC on 12 June 2020 and ceased to be a member of NRC on 7 May 2021.

5\* ceased to be a member of NC following his resignation as Director on 4 June 2020.

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

- (a) Assessed and was satisfied with the effectiveness of the Board as a whole and the Board committees and the contribution of each Director.
- (b) Reviewed and was satisfied with the mix of skills, knowledge, expertise and experience, composition and size of the Board in terms of gender, ethnicity and age.
- (c) Assessed the independence of Independent Directors and concluded that the Independent Directors are independent and have complied with the criteria of independence as set out in MMLR.
- (d) Assessed and was satisfied with the character, experience, integrity, competence and time commitment of Directors and Chief Executive Officer.
- (e) Reviewed the term of office and performance of the ARMC and each ARMC member.
- (f) Discussed on the training programmes for the Directors to enhance their skills and knowledge.
- (g) Evaluated the performance of the following Directors and recommended their re-election at the Eighteenth Annual General Meeting ("AGM") of the Company to the Board:-
  - Mr Choy Sen @ Chin Kim Sang
  - Dato' (Dr). Ts. Awang Daud Bin Awang Putera
  - Encik Awgku Mohd Reza Farzak Bin Awg Daud
  - Encik Azlan Shah Bin Zainal Arif
  - Encik Abdul Farid Bin Abdul Kadir
  - Datin Feridah Binti Bujang Ismail
  - Puan Siti Aishah Binti Othman

## Corporate Governance Overview Statement (Cont'd)

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

#### v. NRC (Cont'd)

- (h) Reviewed and recommended the following for Board's approval:-
  - revised Terms of Reference of the NRC
  - Succession Planning Policy
  - Directors' and Senior Management's Remuneration Policy
- (i) Reviewed and recommended Encik Awgku Mohd Reza Farzak Bin Awg Daud, Encik Azlan Shah Bin Zainal Arif and Encik Abdul Farid Bin Abdul Kadir as Executive Director of the Company and appointment as Directors in the subsidiary companies/ associate company for Board's approval.
- (j) Identified, reviewed and recommended the appointment of Datin Feridah Binti Bujang Ismail and Puan Siti Aishah Binti Othman as the Independent Non-Executive Directors of the Company for Board's approval.
- (k) Reviewed and recommended the proposed composition, member and merger in Board Committees for Board's approval.
- (l) Reviewed and recommended Encik Mohd Dzulfadhly Bin Rozelan as Chief Financial Officer of the Company and his proposed remuneration package for Board's approval.
- (m) Recommended the re-designation of Encik Ahmad Rahizal Bin Dato' Ahmad Rasidi to Non-Independent Non-Executive Director for Board's approval.
- (n) Reviewed and recommended Directors' fees and benefits payable from 1 April 2020 until the next AGM in 2021 and remuneration package of Executive Directors and Senior Management for Board's approval.
- (o) Discussed and reviewed the respective roles, job descriptions and key performance indicators of Executive Directors for Board's approval.

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

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

## Corporate Governance Overview Statement (Cont'd)

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

#### v. NRC (Cont'd)

Based on the following summary of the employment gender diversity, the NRC is of the view that there is balanced gender diversity at Executive and Managerial levels of employees in the Company for the financial year ended 31 March 2021:–

| CATEGORY OF EMPLOYEES         | FEMALE    | MALE      | TOTAL     |
|-------------------------------|-----------|-----------|-----------|
| Non-executive                 | 11        | 31        | 42        |
| Manager/Executive             | 19        | 22        | 41        |
| Senior Management             | 0         | 14        | 14        |
| <b>Total No. of Employees</b> | <b>30</b> | <b>67</b> | <b>97</b> |

The NRC will review the suitability of candidates based on skills, knowledge, character, integrity, expertise and experience, competency, commitment (including time commitment) and were 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 Board and Board Committees evaluation process are led by the NRC Chairman who is an Independent Director and is supported by the Company Secretaries. The evaluation process is conducted via questionnaires to review the effectiveness of the Board and its Committees and based on self-review and peer assessment. The NRC reviews the outcome of the assessment and report to the Board, in particular, areas for improvement and also used as the basis of recommending relevant Directors for re-election at the Annual General Meeting.

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

#### vi. IC

The Board had established IC on 12 June 2020 to assist the Board in assessment of business opportunities and strategic investments. During the financial year under review, the composition of the IC is as follows:–

| Name  | Designation     |
|---|-----------------|
| <b>Dato' (Dr). Ts. Awang Daud Bin Awang Putera</b><br><i>Executive Chairman</i>                         | <b>Chairman</b> |
| <b>Mr Chin Leong Choy</b><br><i>Executive Director</i>  | <b>Member</b>   |
| <b>Encik Awgku Mohd Reza Farzak Bin Awg Daud</b><br><i>Executive Director</i>                           | <b>Member</b>   |
| <b>Encik Azlan Shah Bin Zainal Arif</b><br><i>Executive Director</i>                                    | <b>Member</b>   |
| <b>Encik Ahmad Rahizal Bin Dato' Ahmad Rasidi</b><br><i>Executive Director</i>                          | <b>Member</b>   |
| <sup>1*</sup> <b>Encik Abdul Farid Bin Abdul Kadir</b><br><i>Non-Independent Non-Executive Director</i> | –               |

<sup>1\*</sup> Ceased to be a member of IC on 13 November 2020.

# Corporate Governance Overview Statement (Cont'd)

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

### vi. IC (Cont'd)

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

- (a) Reviewed and discussed business development project.
- (b) Reviewed and recommended the Terms of Reference of IC for Board's approval.

### vii. Directors' Trainings

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

The Directors have attended the following professional development programmes and seminars for the financial year ended 31 March 2021:-

| Director                                    | Programme  |
|---|--|
| Dato' (Dr). Ts. Awang Daud Bin Awang Putera | <ol style="list-style-type: none"> <li>1. Dawn Raid: Don't be Caught Unprepared</li> <li>2. Effective Fund – Raising and Valuations for The New Normal and Post – Covid 19</li> </ol>  |
| Choy Sen @ Chin Kim Sang                    | Effective Fund – Raising and Valuations for The New Normal and Post – Covid 19   |
| Chin Leong Choy                             | Effective Fund – Raising and Valuations for The New Normal and Post – Covid 19   |
| #Awgku Mohd Reza Farzak Bin Awg Daud        | <ol style="list-style-type: none"> <li>1. Mandatory Accreditation Programme for Directors of Public Listed Companies ("MAP")</li> <li>2. Effective Fund – Raising and Valuations for The New Normal and Post – Covid 19</li> </ol> |
| #Azlan Shah Bin Zainal Arif                 | <ol style="list-style-type: none"> <li>1. MAP</li> <li>2. Effective Fund – Raising and Valuations for The New Normal and Post – Covid 19</li> </ol>  |
| +Ahmad Rahizal Bin Dato' Ahmad Rasidi       | Effective Fund – Raising and Valuations for The New Normal and Post – Covid 19   |
| *Abdul Farid Bin Abdul Kadir                | <ol style="list-style-type: none"> <li>1. MAP</li> <li>2. Effective Fund – Raising and Valuations for The New Normal and Post – Covid 19</li> </ol>  |

# Corporate Governance Overview Statement (Cont'd)

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

### vii. Directors' Trainings (Cont'd)

| Director                           | Programme  |
|------------------------------------|--|
| Ahmad Ruslan Zahari Bin Zakaria    | Effective Fund – Raising and Valuations for The New Normal and Post – Covid 19   |
| @Datin Feridah Binti Bujang Ismail | <ol style="list-style-type: none"> <li>1. MAP</li> <li>2. Effective Fund – Raising and Valuations for The New Normal and Post – Covid 19</li> </ol>  |
| @Siti Aishah Binti Othman          | <ol style="list-style-type: none"> <li>1. MAP</li> <li>2. ICDM Post-Budget PowerTalk</li> <li>3. Fraud Risk Management Workshop</li> <li>4. Effective Fund – Raising and Valuation for The New Normal and Post – Covid 19</li> </ol> |
| ^Cheah Hannon                      | –  |

# appointed to the Board of Directors on 3 April 2020.

+ re-designated as Non-Independent Non-Executive Director on 24 February 2021 and subsequently re-designated as Executive Director on 7 May 2021.

\* appointed to the Board of Directors on 24 April 2020 and removed as Director of the Company on 28 June 2021.

@ appointed to the Board of Directors on 12 June 2020.

^ resigned as Director on 4 June 2020.

### viii. Re-election of Directors

In accordance with the Company's Constitution, an election of Directors shall take place each year at an AGM and one-third (1/3) of the Directors are subject to retirement by rotation, in any event, each Director shall retire from office once in every three (3) years. The directors who are subjected to retire 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.

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

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

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

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

# Corporate Governance Overview Statement (Cont'd)

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

### ix. Code of Ethics and Conduct, Whistleblower Policy, Conflict of Interest Policy and Anti-Bribery Management System Policy (Cont'd)

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

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

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

### x. Remuneration

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

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

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

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

## Corporate Governance Overview Statement (Cont'd)

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

#### x. Remuneration (Cont'd)

Details of the remuneration of Directors (both the Company and the Group) who served during the financial year ended 31 March 2021 are as follows:

#### The Group

| Name  | Fees<br>(RM'000) | Meeting<br>Allowance<br>(RM'000) | Salaries<br>(RM'000) | Bonus<br>(RM'000) | Other<br>emoluments<br>(RM'000) |
|---|------------------|----------------------------------|----------------------|-------------------|---------------------------------|
| Dato' (Dr). Ts. Awang Daud Bin Awang Putera | –                | 19                               | 1,225                | –                 | 181                             |
| Choy Sen @ Chin Kim Sang                    | –                | 7                                | 780                  | –                 | 123                             |
| Chin Leong Choy                             | –                | 8                                | 540                  | –                 | 138                             |
| 1* Awgku Mohd Reza Farzak Bin Awg Daud      | 7                | 8                                | 434                  | –                 | 130                             |
| 1* Azlan Shah Bin Zainal Arif               | 7                | 8                                | 434                  | –                 | 130                             |
| 2* Ahmad Rahizal Bin Dato' Ahmad Rasidi     | 36               | 15.5                             | –                    | –                 | –                               |
| 3* Abdul Farid Bin Abdul Kadir              | 18.7             | 7                                | 331                  | –                 | 69                              |
| Ahmad Ruslan Zahari Bin Zakaria             | 60               | 18                               | –                    | –                 | –                               |
| 4* Datin Feridah Binti Bujang Ismail        | 28.9             | 12                               | –                    | –                 | –                               |
| 5* Siti Aishah Binti Othman                 | 28.9             | 7.5                              | –                    | –                 | –                               |
| 6* Cheah Hannon                             | 5.3              | –                                | –                    | –                 | –                               |

#### The Company

| Name  | Fees<br>(RM'000) | Meeting<br>Allowance<br>(RM'000) | Salaries<br>(RM'000) | Bonus<br>(RM'000) | Other<br>emoluments<br>(RM'000) |
|---|------------------|----------------------------------|----------------------|-------------------|---------------------------------|
| Dato' (Dr). Ts. Awang Daud Bin Awang Putera | –                | 19                               | 1,225                | –                 | 181                             |
| Choy Sen @ Chin Kim Sang                    | –                | 7                                | 780                  | –                 | 123                             |
| Chin Leong Choy                             | –                | 8                                | 540                  | –                 | 138                             |
| 1* Awgku Mohd Reza Farzak Bin Awg Daud      | 7                | 8                                | 434                  | –                 | 130                             |
| 1* Azlan Shah Bin Zainal Arif               | 7                | 8                                | 434                  | –                 | 130                             |
| 2* Ahmad Rahizal Bin Dato' Ahmad Rasidi     | 36               | 15.5                             | –                    | –                 | –                               |
| 3* Abdul Farid Bin Abdul Kadir              | 18.7             | 7                                | 331                  | –                 | 69                              |
| Ahmad Ruslan Zahari Bin Zakaria             | 60               | 18                               | –                    | –                 | –                               |
| 4* Datin Feridah Binti Bujang Ismail        | 28.9             | 12                               | –                    | –                 | –                               |
| 5* Siti Aishah Binti Othman                 | 28.9             | 7.5                              | –                    | –                 | –                               |
| 6* Cheah Hannon                             | 5.3              | –                                | –                    | –                 | –                               |

#### Remark:-

- 1\* appointed to the Board of Directors on 3 April 2020 and re-designated as Executive Director on 12 June 2020.  
2\* re-designated to Non-Independent Non-Executive Director on 24 February 2021 and subsequently re-designated as Executive Director on 7 May 2021.  
3\* appointed to the Board of Directors on 24 April 2020 and re-designated as Executive Director on 12 June 2020. Subsequent thereto, he was re-designated as Non-Independent Non-Executive Director on 13 November 2020 and removed as Director of the Company on 28 June 2021.  
4\* appointed to the Board of Directors and a member of NRC and ARMC on 12 June 2020.  
5\* appointed to the Board of Directors and NRC Chairman on 12 June 2020.  
6\* resigned as Director on 4 June 2020.

# Corporate Governance Overview Statement (Cont'd)

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

### x. 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 staff whose total remuneration during the financial year ended 31 March 2021 is as follows:-

| Name                         | Fees<br>(RM'000) | Meeting<br>Allowance<br>(RM'000) | Salaries<br>(RM'000) | Bonus<br>(RM'000) | Other<br>emoluments<br>(RM'000) |
|------------------------------|------------------|----------------------------------|----------------------|-------------------|---------------------------------|
| @Yee Kon Sin                 | -                | -                                | 153                  | -                 | -                               |
| ^Mohd Dzulfadhly Bin Rozelan | -                | -                                | 61                   | -                 | -                               |

Remarks:-

@ Resigned as Chief Executive Officer of the Company on 9 October 2020.

^ Appointed as Chief Financial Officer of the Company on 8 February 2021.

## PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### i. ARMC

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

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

The ARMC's Term of Reference sets out its goals, objectives, duties, responsibilities and criteria on the composition of ARMC which includes a former key audit partner of the Group to observe cooling-off period of at least 2 years before being able to be appointed as member of ARMC.

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

The external auditors would meet the ARMC without the presence of the executive Board members and Management at least 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 ARMC or the Board.



## Corporate Governance Overview Statement (Cont'd)

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

#### i. ARMC (Cont'd)

The ARMC ensures the external audit function is independent from the activities it audits and reviews the contracts for the provision of non-audit services by the external auditors in order to ensure that no occurrence of conflict of interest situation. The external auditors have provided their written assurance to the Group in respect of their independence for the financial year ended 31 March 2021. The external auditors are invited to attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

For the financial year ended 31 March 2021, fees paid to the external auditors, Messrs. Al Jafree Salihin Kuzaimi PLT and its affiliated firms by the Company and the Group are stated in the table below:-

| Nature of Services | Company (RM)  | Group (RM)     |
|--------------------|---------------|----------------|
| Audit              | 50,000        | 176,000        |
| Non-Audit          | 31,500        | 31,500         |
| Total              | <b>81,500</b> | <b>207,500</b> |

Preliminary audit fees amounted to RM26,500 was paid to KPMG PLT prior to receiving their notice of resignation as External Auditors of the Company on 15 March 2021.

Further details on the activities of the ARMC during the financial year ended 31 March 2021 are disclosed in the ARMC Report on pages 47 to 50 of this Annual Report.

#### ii. Risk Management and Internal Control Framework

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

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

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

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

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

Further information may be found in the Statement of Risk Management and Internal Control as pages 67 to 69 page of this Annual Report.

# Corporate Governance Overview Statement (Cont'd)

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

### i. Communication with Stakeholders

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

The Board has established a dedicated section for corporate information on the Company's website at [www.minetech.com.my](http://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 for any queries to be addressed.

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

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

### ii. Conduct of General Meetings

The Board is aware that the AGM is the primary platform for two-way communication between the shareholders and Management of the Group. Hence, shareholders are encouraged to participate in the meeting and are given opportunity to inquire and comment on the Group's performance and operations as well as the Board to clarify issues pertaining to the Group's business activities, performance and other related matters. All the Directors attended the Eighteenth AGM of the Company held on 29 September 2020.

The notice of Eighteenth AGM was circulated at least twenty-eight (28) days before the date of the meeting which is in line with the recommendation of MCCG to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. In addition to being despatched individually to shareholders, the notice of AGM is also circulated in a nationally circulated newspaper alongside an announcement on the website of Bursa Securities. This allows shareholders to have immediate access on the notice of AGM and make the necessary preparations to attend the AGM or to participate, through corporate representatives, proxies or attorneys.

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

In accordance with the Constitution of the Company, the shareholders who are eligible to vote at general meetings but are unable to attend in person, may appoint proxies to vote on their behalf. The outcome of the AGM was announced to Bursa Securities on the same meeting day. The Company had appointed 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 2020 against the backdrop of regulatory changes in the domestic corporate governance realm and a relatively challenging economic environment that is characterised by volatile market conditions and commodity prices. Against the aforementioned setting, during the year under review, the Board directed its focus on the core duties of the Board which is grounded on the creation of long-term value for stakeholders.

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

This CG Overview Statement was approved by the Board of Directors of the Company on 9 August 2021.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (the “**Board**”) is pleased to present the Statement on Risk Management and Internal Control (“**SORMIC**”) for Minetech Resources Berhad (“**Minetech**”) and its subsidiaries (“**Group**”) for the financial year ended 31 March 2021. This SORMIC is made in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), taking into consideration the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.”

## BOARD RESPONSIBILITY

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

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

## RISK MANAGEMENT

The Board has delegated the responsibility of reviewing the effectiveness of risk management to the Audit and Risk Management Committee (“**ARMC**”). ARMC is assisted by 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 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 the internal audit, which provides independent assurance on the effectiveness of the risk management approach.

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

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

## INTERNAL CONTROL

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

1. The Group has a well-defined organisational structure with formally defined lines of responsibilities, delegation of authorities and a process of hierarchical reporting system to ensure proper identification of accountabilities and segregation of duties;
2. There are operational approval limits imposed on the Management in respect of the 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 ARMC and Board with analysis and information provided by the Management on any major variances noted;
7. Head of Department Meetings are carried out regularly to review the monthly performance, monitor the business development, discuss and resolve key operational and management issues. The financial performance of each subsidiary is reviewed periodically and significant variances or fluctuations against the business plan and budget, if any, are discussed and explained comprehensively. The Management also regularly highlights to the Board on any significant issues, changes in the business environment, major policy matters and external environment factors affecting the Group;
8. The Board and ARMC review risk management and internal control issues identified by the internal auditors and the external auditors; and
9. The ARMC reviews the quarterly financial results and yearly financial statements prior to approval by the Board for the release of the said financial statements to Bursa Securities. The Board will also review the minutes of the ARMC meetings.

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

## INTERNAL AUDIT FUNCTION

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

For the financial year ended 31 March 2021, the total costs incurred for the internal audit function amounted to approximately RM91,545.

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

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

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

## CONCLUSION

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

This Statement was approved by the Board of Directors of the Company on 9 August 2021.

## ADDITIONAL COMPLIANCE INFORMATION

### Utilisation of Proceeds

The Company also had issued and allotted a total of 244,038,900 new Ordinary Shares.

Details of the allotment during the financial year ended 31 March 2021 are as follows:-

| Date          | Number of shares allotted | Issued Price | Proceeds Raised        |
|---------------|---------------------------|--------------|------------------------|
| 14 April 2020 | 38,200,000                | RM0.05       | RM1,910,000.00         |
| 23 April 2020 | 40,000,000                | RM0.05       | RM2,000,000.00         |
| 10 June 2020  | 59,900,000                | RM0.05       | RM2,995,000.00         |
| 22 June 2020  | 48,000,000                | RM0.235      | RM11,280,000.00        |
| 15 July 2020  | 30,000,000                | RM0.275      | RM8,250,000.00         |
| 7 August 2020 | 27,938,900                | RM0.281      | RM7,850,830.90         |
| <b>Total</b>  | <b>244,038,900</b>        | <b>-</b>     | <b>RM34,285,830.90</b> |

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

### Recurrent Related Party Transaction of a Revenue or Trading Nature

The Group did not seek any shareholders' mandate pertaining to recurrent related party transactions during the last Annual General Meeting.

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

Save as disclosed below, Minetech has not entered into any material contract involving Interest of the Directors, Chief Executive and major shareholders (not being contracts entered into in the ordinary course of business) for the financial year ended 31 March 2021:-

- (i) Shares Sale Agreement dated 12 March 2021 between Techmile Resources Sdn Bhd and Encik Ahmad Razikal Bin Dato' Ahmad Rasidi, Encik Jamaluddin Bin Mann and Ms Lui Soik Teng for the acquisition of 300,000 ordinary shares in Uniqa (M) Sdn Bhd ("**Uniqa**"), representing 60% of the issued and paid-up share capital of Uniqa for a total purchase consideration of RM2,829,472.00 only.

### 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.

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

|                                   |             | %    | Directors  | %      | Senior Management | %      |
|-----------------------------------|-------------|------|------------|--------|-------------------|--------|
| Total number of options granted   | 138,100,000 | 100% | 19,525,000 | 14.14% | 15,000,000        | 10.86% |
| Total number of options exercised | 138,100,000 | 100% | -          |        | 15,000,000        | 10.86% |
| Total number of options lapsed    | -           | -    | -          | -      | -                 | -      |
| Total options outstanding         | -           | -    | -          | -      | -                 | -      |

| Granted to Directors and Senior Management | During the financial year ended 31 March 2021 | Since the commencement of the Scheme |
|--|---|--------------------------------------|
| Aggregate maximum allocation               | 34,525,000                                    | 34,525,000                           |
| Actual granted                             | 34,525,000                                    | 34,525,000                           |

There were no options exercised by the Directors including Non-Executive Directors of the Company.

# REPORTS AND FINANCIAL STATEMENTS

- 72 DIRECTORS' REPORT
- 78 STATEMENT BY DIRECTORS
- 78 STATUTORY DECLARATION
- 79 INDEPENDENT AUDITORS' REPORT
- 85 STATEMENTS OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME
- 87 CONSOLIDATED STATEMENT OF FINANCIAL POSITION
- 89 STATEMENT OF FINANCIAL POSITION
- 90 STATEMENTS OF CHANGES IN EQUITY
- 93 STATEMENTS OF CASH FLOWS
- 97 NOTES TO THE FINANCIAL STATEMENTS



## DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2021.

### 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 15 to the financial statements.

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

### FINANCIAL RESULTS

|                                      | <b>Group<br/>RM</b> | <b>Company<br/>RM</b> |
|--------------------------------------|---------------------|-----------------------|
| Profit/(loss) for the financial year | 715,380             | (6,461,571)           |
| Profit/(loss) attributable to:       |                     |                       |
| Owners of the parent                 | 923,818             | (6,461,571)           |
| Non-controlling interests            | (208,438)           | –                     |
|                                      | <u>715,380</u>      | <u>(6,461,571)</u>    |

### RESERVES AND PROVISIONS

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

### DIVIDENDS

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

### ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

- (a) issued 38,200,000 new ordinary shares at an issue price of RM0.05 each for a total cash consideration of RM1,910,000 via exercise of options under scheme for working capital purposes;
- (b) issued 40,000,000 new ordinary shares at an issue price of RM0.05 each for a total cash consideration of RM2,000,000 via exercise of options under scheme for working capital purposes;
- (c) issued 59,900,000 new ordinary shares at an issue price of RM0.05 each for a total consideration of RM2,995,000 via exercise of options under scheme for working capital purposes;
- (d) issued 48,000,000 new ordinary shares at an issue price of RM0.235 each for a total consideration of RM11,280,000 via private placement for working capital purposes;
- (e) issued 30,000,000 new ordinary shares at an issue price of RM0.275 each for a total consideration of RM8,250,000 via private placement for the working capital purposes; and
- (f) issued 27,938,900 new ordinary shares at an issue price of RM0.281 each for a total consideration of RM7,850,830 via private placement for working capital purposes.

## Directors' Report (Cont'd)

### ISSUE OF SHARES AND DEBENTURES (CONT'D)

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

The Company has not issued any debentures during the financial year.

### OPTIONS GRANTED OVER UNISSUED SHARES

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

### DIRECTORS

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

Dato' (Dr). Ts. Awang Daud Bin Awang Putera\*

Choy Sen @ Chin Kim Sang\*

Chin Leong Choy\*

Awgku Mohd Reza Farzak Bin Awg Daud\*

Azlan Shah Bin Zainal Arif\*

Ahmad Rahizal Bin Dato' Ahmad Rasidi

Ahmad Ruslan Zahari Bin Zakaria

Datin Feridah Binti Bujang Ismail

Siti Aishah Binti Othman

Abdul Farid Bin Abdul Kadir

(removed on 28 June 2021)

Cheah Hannon

(resigned on 4 June 2020)

## Directors' Report (Cont'd)

### DIRECTORS (CONT'D)

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

Chin Jet Choy  
 Chin Sheong Choy  
 Chong Tian Ming  
 Jot Seng Keong  
 Leow Soon Huat  
 Suhaidi Bin Abd Ghapar#  
 Dato' Jeremy Kho Boon Seng  
 Chong Jun Heng^  
 Awangku Mohammad Rezani Bin Awang Daud^#  
 Chin Chee Choy  
 Chin Foh Sen#  
 Fairuz Sham Bin Azli#  
 Yee Kon Sin#  
 Yap Yun Fatt#  
 Chin Yee Teng#  
 Lee Kwan Ming#  
 Abdul Farid Bin Abdul Kadir^

---

\* Director of the Company and of its subsidiary company

^ Appointed during the financial year

# Resigned during the financial year

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

## Directors' Report (Cont'd)

### DIRECTORS' INTERESTS

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

|  | Number of ordinary shares |             |              | At<br>31.03.2021 |
|--|---------------------------|-------------|--------------|------------------|
|  | At<br>01.04.2020          | Bought      | Sold         |                  |
| <b>Interests in the Holding Company</b>      |                           |             |              |                  |
| <b>Direct Interests</b>                      |                           |             |              |                  |
| Dato' (Dr). Ts. Awang Daud Bin Awang Putera  | 155,800,000               | 142,049,500 | –            | 297,849,500      |
| Choy Sen @ Chin Kim Sang                     | 182,097,020               | –           | (15,000,000) | 167,097,020      |
| Chin Leong Choy                              | 47,456,100                | –           | –            | 47,456,100       |
| Awgku Mohd Reza Farzak Bin Awg Daud          | –                         | 1,150,000   | –            | 1,150,000        |
| Azlan Shah Bin Zainal Arif                   | 1,000,000                 | 3,170,000   | –            | 4,170,000        |
| <b>Indirect Interests</b>                    |                           |             |              |                  |
| Dato' (Dr). Ts. Awang Daud Bin Awang Putera* | –                         | 252,900     | (252,900)    | –                |
| Choy Sen @ Chin Kim Sang*                    | 48,056,100                | –           | –            | 48,056,100       |

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

By virtue of their interests in the shares of the Company, Dato' (Dr). Ts. Awang Daud Bin Awang Putera, Choy Sen @ Chin Kim Sang, Chin Leong Choy and Awgku Mohd Reza Farzak Bin Awg Daud are also deemed interested in the shares of all subsidiary companies during the financial year to the extent that the Company has an interest under Section 8(4) of the Companies Act, 2016.

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

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Other than disclosed in Note 34(b) to the financial statements, there were no arrangements during and at the end of the financial year, which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

### INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium amount of indemnity for Directors and Officers of the Group were RM10,000,000 and RM15,910 respectively. No indemnity was given to or insurance effected for the auditors of the Company.

## Directors' Report (Cont'd)

### OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for expected credit losses and all known bad debts had been written off and that adequate allowance had been made for expected credit losses; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and the Company have been written down to an amount which the current assets might have expected to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance for expected credit losses in the financial statements of the Group and the Company inadequate to any substantial extent; or
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or
  - (iii) not otherwise dealt with in this report or the financial statements of the Group and the Company which would render any amount stated in the financial statements misleading; or
  - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no material contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and the Company to meet their obligations as and when they fall due;
  - (ii) the results of the operations of the Group and the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - (iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

## Directors' Report (Cont'd)

### SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 15 to the financial statements.

### AUDITOR AND AUDITORS' REMUNERATIONS

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

The details of auditors' remuneration are disclosed in Note 6 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 20 August 2021.

---

**AZLAN SHAH BIN ZAINAL ARIF**

DIRECTOR

---

**CHIN LEONG CHOY**

DIRECTOR

Kuala Lumpur

## STATEMENT BY DIRECTORS

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

We, **AZLAN SHAH BIN ZAINAL ARIF** and **CHIN LEONG CHOY**, being two of the Directors of **MINETECH RESOURCES BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with 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 2021 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 20 August 2021.

---

**AZLAN SHAH BIN ZAINAL ARIF**

DIRECTOR

---

**CHIN LEONG CHOY**

DIRECTOR

Kuala Lumpur

## STATUTORY DECLARATION

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

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

Subscribed and solemnly declared by )  
 the abovenamed **MOHD DZULFADHLY** )  
**BIN ROZELAN** at Kuala Lumpur in the )  
 Federal Territory on 20 August 2021 )

---

**MOHD DZULFADHLY BIN ROZELAN**

Before me,

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF MINETECH RESOURCES BERHAD

[Registration No: 200201007880 (575543-X)]

(Incorporated in Malaysia)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Minetech Resources Berhad, which comprises the statements of financial position as at 31 March 2021 of the Group and 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 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 85 to 195.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 31 March 2021, 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 Responsibilities

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and 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 the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



# Independent Auditors' Report

To The Members Of Minetech Resources Berhad (Cont'd)

[Registration No: 200201007880 (575543-X)]

(Incorporated in Malaysia)

## Key Audit Matters (Cont'd)

### Key Audit Matters

### How our audit addressed the key audit matters

#### 1. Impairment of Goodwill

During the financial year, a subsidiary of the Group has entered into a Shares Sale Agreement ("SSA") with third parties for the acquisition of 300,000 ordinary shares in Uniqa (M) Sdn. Bhd. ("Uniqa") representing 60% of the issued and paid-up share capital of Uniqa for a total purchase consideration of RM2,829,472.

Following the above acquisition, the Directors recognised a goodwill amounting to RM3,979,246 as at 31 March 2021.

We focused on this area due to the significance of the goodwill balance with indefinite useful life which is subject to annual impairment assessment pursuant to the requirement of MFRS 136.

The impairment assessment performed by the Directors involved significant degree of judgements in estimating the assumptions on growth rate and discount rate used. The key assumptions are disclosed in Note 17 to the financial statements and kindly refer to Note 2(c) for the Significant Accounting Judgement, Estimates and Assumptions.

In respect to assessment of impairment of goodwill, we have obtained the Group's impairment assessment and assessed the methodology used by the Directors to estimate the recoverable value of the cash-generating unit (CGU) to ensure that this is consistent with the accounting standards.

In performing the impairment assessment, our procedures included amongst others, the following:

- We have challenged the key assumptions used by the Directors in the discounted cash flows projections in determining the recoverable amounts which include the annual revenue growth rate and discount rate.
- We have assessed the reliability of the Directors' forecast through the review of past trends of actual financial performances against previous forecasted results.
- Evaluated the adequacy of the Group's disclosures of key assumptions used in estimations.

# Independent Auditors' Report

## To The Members Of Minetech Resources Berhad (Cont'd)

[Registration No: 200201007880 (575543-X)]  
(Incorporated in Malaysia)

### Key Audit Matters (Cont'd)

| Key Audit Matters   | How our audit addressed the key audit matters  |
|---|--|
| <p><b>2. Classification of disposal group held for sale for disposal of Bertam Capital Sdn. Bhd.</b></p> <p>In Sept 2020, the Directors committed to a plan to sell part of the quarry division – Bertam Capital Sdn. Bhd. (“BCSB”).</p> <p>Losses for the year from discontinued operations of RM181,865 have been separately disclosed on the statements of profit or loss and other comprehensive income in the current year.</p> <p>Assets and liabilities were reclassified as held for sale in relation to the disposal group on the consolidated statement of financial position as at 31 March 2021. The assets held for sale were tested for impairment in accordance with MFRS 5, by comparing their carrying amount to their recoverable amounts, which is based on fair value less cost to sell.</p> <p>We considered this to be a matter of most significance to our current audit due to the:</p> <ul style="list-style-type: none"> <li>• Magnitude of the assets and liabilities held for sale in the consolidated statement of financial position.</li> <li>• Judgement involved in respect of whether the requirements for classification as held for sale under MFRS 5 have been met.</li> </ul> <p>Disclosure is provided in consolidated financial statements of the Group and in Note 25 to the financial statements.</p> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Assessed the Directors’ evaluation and conclusion on the classification of the disposal group held for sale under MFRS 5 by reviewing the board minutes and correspondences with potential buyer.</li> <li>• Assessed the carrying amount of disposal group as at classification date and ensured disposal group classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell.</li> <li>• Tested the completeness and accuracy of the financial results included in the disposal group held for sale, by comparing these to the financial results of the disposal group.</li> <li>• Tested the impairment assessment of assets held for sale in accordance with MFRS 5.</li> <li>• Assessed the adequacy of the disclosure in the financial statements in accordance with MFRS 5.</li> </ul> |

# Independent Auditors' Report

To The Members Of Minetech Resources Berhad (Cont'd)

[Registration No: 200201007880 (575543-X)]

(Incorporated in Malaysia)

## Key Audit Matters (Cont'd)

### Key Audit Matters

### How our audit addressed the key audit matters

#### 3. Revenue and costs recognition

##### – construction contracts

The Group recognised revenue from construction contract of RM78,748,071 which represents 83% of total revenue of the Group for the financial year ended 31 March 2021.

Revenue recognition of a construction contract is inherently complex and we focused on this area because there are significant management estimates and judgements involved in determining the:

- Stage of completion;
- Extent of the construction costs incurred to date;
- Estimated total construction costs; and
- Need to estimate liquidated ascertained damages ("LAD") on the project where the estimated completion date is beyond the contractual completion date.

Refer to Note 2(c) on significant accounting judgements, estimates and assumptions, Notes 3(m) and 3(u)(i) on summary of significant accounting policies and Note 4 and Note 20 to the financial statements.

Our procedures included, amongst others:

- We tested the operating effectiveness of the key controls in respect of the review and approval of the project budgets to assess the reliability of these budgets.
- We identified and assessed the significant estimates and judgements made by the Directors in the recognition of the revenue and costs arising from construction contract. This was performed by corroborating the stage of completion and extent of costs incurred to date on major projects by agreeing to internal or external quantity surveyors' latest valuations.
- We have also agreed, on a sample basis, costs incurred to the supporting documentations such as subcontractor claim certificates and invoices from vendors.
- We assessed the reasonableness of the estimated total construction costs of major project by agreeing to supporting documentation such as approved budgets, quotations, correspondences, contracts, letter of awards, agreements and variation orders with sub-contractors.
- With regards to potential delays, we assessed the potential cause of any delay by inspecting correspondences with project owners and corroborated key judgment applied by the Directors in assessing any requirements for considerations of LAD to determine the transaction price of the project.

# Independent Auditors' Report

## To The Members Of Minetech Resources Berhad (Cont'd)

[Registration No: 200201007880 (575543-X)]  
(Incorporated in Malaysia)

### 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 the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and 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.

### Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and 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 the Company that are free from material misstatement, whether due to fraud or error.

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

# Independent Auditors' Report

## To The Members Of Minetech Resources Berhad (Cont'd)

[Registration No: 200201007880 (575543-X)]

(Incorporated in Malaysia)

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosure in the financial statements of the Group and 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 the Company, including the disclosures, and whether the financial statements of the Group and the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and 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 15 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.

The financial statements of the Company for the year ended 31 March 2020 were audited by another auditor whom have expressed an unmodified opinion on these financial statements on 18 August 2020.

**AL JAFREE SALIHIN KUZAIMI PLT**

201506002872 (LLP0006652-LCA) & AF1522

CHARTERED ACCOUNTANTS

**AIZUL IZUAN BIN ABDUL HAMID**

No. 03509/07/2022 J

CHARTERED ACCOUNTANT

Dated: 20 August 2021.

Selangor, Malaysia

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

|   | Note | Group        |                        | Company     |                        |
|---|------|--------------|------------------------|-------------|------------------------|
|   |      | 2021<br>RM   | 2020<br>RM<br>Restated | 2021<br>RM  | 2020<br>RM<br>Restated |
| <b>Continuing operations</b>  |      |              |                        |             |                        |
| Revenue   | 4    | 95,020,830   | 82,236,107             | 1,764,000   | 456,000                |
| Cost of sales   |      | (77,523,497) | (74,707,748)           | –           | –                      |
| <b>Gross profit</b>   |      | 17,497,333   | 7,528,359              | 1,764,000   | 456,000                |
| Other income  |      | 2,911,560    | 23,266,379             | 2,922,453   | 14,657,636             |
| Administrative expenses   |      | (14,740,385) | (41,535,986)           | (9,821,698) | (12,441,563)           |
| Selling and marketing expenses  |      | (395,492)    | (458,596)              | –           | –                      |
| Net loss on impairment of financial instruments                             |      | (53,443)     | (6,606,625)            | (1,211,858) | (6,600,049)            |
| Finance costs   | 5    | (1,085,305)  | (1,646,038)            | (114,468)   | (96,412)               |
| Share of results of associate companies                                     |      | (118,299)    | (1,701)                | –           | –                      |
| <b>Profit/(Loss) before tax</b>   | 6    | 4,015,969    | (19,454,208)           | (6,461,571) | (4,024,388)            |
| Taxation  | 7    | (3,118,724)  | (1,539,364)            | –           | 17,331                 |
| <b>Profit/(Loss) from continuing operations</b>                             |      | 897,245      | (20,993,572)           | (6,461,571) | (4,007,057)            |
| <b>Discontinued operation</b>   |      |              |                        |             |                        |
| Loss from discontinued operation, net of tax                                |      | (181,865)    | –                      | –           | –                      |
| <b>Net Profit/(Loss) for the year</b>                                       |      | 715,380      | (20,993,572)           | (6,461,571) | (4,007,057)            |
| <b>Other comprehensive income/(loss)</b>                                    |      |              |                        |             |                        |
| <b>Items that are or may be reclassified subsequently to profit or loss</b> |      |              |                        |             |                        |
| – Exchange translation differences for foreign operation                    |      | 39,933       | (70,737)               | –           | –                      |
| <b>Total comprehensive income/(loss) for the year</b>                       |      | 755,313      | (21,064,309)           | (6,461,571) | (4,007,057)            |

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

# Statements Of Profit Or Loss And Other Comprehensive Income

For The Year Ended 31 March 2021 (Cont'd)

|  | Note | Group          |                        | Company            |                        |
|--|------|----------------|------------------------|--------------------|------------------------|
|  |      | 2021<br>RM     | 2020<br>RM<br>Restated | 2021<br>RM         | 2020<br>RM<br>Restated |
| <b>Profit/(loss) from the year attributable to:</b>        |      |                |                        |                    |                        |
| Owners of the parent                                       |      | 923,818        | (20,434,102)           | (6,461,571)        | (4,007,057)            |
| Non-controlling interests                                  |      | (208,438)      | (559,470)              | –                  | –                      |
|  |      | <u>715,380</u> | <u>(20,993,572)</u>    | <u>(6,461,571)</u> | <u>(4,007,057)</u>     |
| <b>Total comprehensive income/ (loss) attributable to:</b> |      |                |                        |                    |                        |
| Owners of the parent                                       |      | 963,751        | (20,504,839)           | (6,461,571)        | (4,007,057)            |
| Non-controlling interests                                  |      | (208,438)      | (559,470)              | –                  | –                      |
|  |      | <u>755,313</u> | <u>(21,064,309)</u>    | <u>(6,461,571)</u> | <u>(4,007,057)</u>     |
| <b>Profit/(Loss) per share</b>                             |      |                |                        |                    |                        |
| Basic (sen)  | 8    |                |                        |                    |                        |
| – continuing operations                                    |      | 0.09           | (2.22)                 |                    |                        |
| – discontinuing operation                                  |      | (0.01)         | –                      |                    |                        |
|  |      | <u>0.08</u>    | <u>(2.22)</u>          |                    |                        |
| Diluted (sen)  | 8    |                |                        |                    |                        |
| – continuing operations                                    |      | 0.09           | (2.22)                 |                    |                        |
| – discontinuing operation                                  |      | (0.01)         | –                      |                    |                        |
|  |      | <u>0.08</u>    | <u>(2.22)</u>          |                    |                        |

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

|                                    | Note | Group           |                             |                            |
|------------------------------------|------|-----------------|-----------------------------|----------------------------|
|                                    |      | 31.3.2021<br>RM | 31.3.2020<br>RM<br>Restated | 1.4.2019<br>RM<br>Restated |
| <b>Assets</b>                      |      |                 |                             |                            |
| <b>Non-Current Assets</b>          |      |                 |                             |                            |
| Property, plant and equipment      | 10   | 36,501,376      | 21,365,792                  | 47,529,779                 |
| Right-of-use assets                | 11   | 11,503,648      | 7,910,603                   | –                          |
| Investment properties              | 12   | 10,816,041      | 10,943,793                  | 11,071,545                 |
| Inventories                        | 13   | 6,000,000       | 6,000,000                   | 8,065,000                  |
| Quarry development expenditure     | 14   | 86,859          | 356,192                     | 2,941,897                  |
| Investment in associates           | 16   | –               | 118,299                     | –                          |
| Intangible assets                  | 17   | 3,979,246       | 7,319,589                   | 13,464,965                 |
| Other investments                  | 18   | –               | 64,464                      | 64,464                     |
| Other receivables                  | 19   | 582,617         | 342,000                     | 615,600                    |
|                                    |      | 69,469,787      | 54,420,732                  | 83,753,250                 |
| <b>Current Assets</b>              |      |                 |                             |                            |
| Inventories                        | 13   | 2,019,213       | 8,388,513                   | 17,246,149                 |
| Contract assets                    | 20   | 36,221,907      | 3,327,364                   | 8,983,367                  |
| Trade receivables                  | 21   | 18,287,336      | 28,980,168                  | 35,340,349                 |
| Other receivables                  | 19   | 3,433,249       | 7,132,864                   | 12,908,058                 |
| Amount due from an associate       | 22   | 9,790,537       | –                           | 21,879                     |
| Tax recoverable                    |      | 128,000         | 258,654                     | 1,837,224                  |
| Other investments                  | 18   | 466,078         | 155,013                     | 839,208                    |
| Fixed deposits with licensed banks | 24   | 7,492,841       | 7,389,596                   | 11,196,610                 |
| Cash and bank balances             |      | 15,054,613      | 10,390,085                  | 4,904,495                  |
|                                    |      | 92,893,774      | 66,022,257                  | 93,277,339                 |
| Assets classified as held for sale | 25   | 31,254,515      | –                           | –                          |
| <b>Total Assets</b>                |      | 193,618,076     | 120,442,989                 | 177,030,589                |

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



# Consolidated Statement Of Financial Position

As At 31 March 2021 (Cont'd)

|   |             | <b>31.3.2021</b>   | <b>Group<br/>31.3.2020</b> | <b>1.4.2019</b>    |
|---|-------------|--------------------|----------------------------|--------------------|
|   |             | <b>RM</b>          | <b>RM</b>                  | <b>RM</b>          |
|   | <b>Note</b> |                    | <b>Restated</b>            | <b>Restated</b>    |
| <b>Equity</b>                               |             |                    |                            |                    |
| Share capital                               | 26          | 166,812,692        | 132,526,862                | 132,526,862        |
| Reserves                                    | 27          | (75,987,214)       | (77,060,109)               | (56,555,270)       |
| Treasury shares                             | 28          | (47,990)           | (47,990)                   | (47,990)           |
| Equity attributable to owners of the parent |             | 90,777,488         | 55,418,763                 | 75,923,602         |
| Non-controlling interests                   |             | 1,563,327          | 2,151,709                  | 8,884,179          |
| <b>Total Equity</b>                         |             | <b>92,340,815</b>  | <b>57,570,472</b>          | <b>84,807,781</b>  |
| <b>Liabilities</b>                          |             |                    |                            |                    |
| <b>Non-Current Liabilities</b>              |             |                    |                            |                    |
| Loans and borrowings                        | 29          | 16,945,048         | 10,732,840                 | 16,434,411         |
| Deferred tax liabilities                    | 30          | 2,389,663          | 2,329,520                  | 2,372,075          |
|   |             | 19,334,711         | 13,062,360                 | 18,806,486         |
| <b>Current Liabilities</b>                  |             |                    |                            |                    |
| Contract liabilities                        | 20          | –                  | –                          | 78,911             |
| Trade payables                              | 31          | 32,463,711         | 26,351,573                 | 29,718,645         |
| Other payables                              | 32          | 6,035,810          | 11,513,741                 | 24,371,698         |
| Loans and borrowings                        | 29          | 20,187,092         | 11,698,948                 | 18,598,497         |
| Tax payable                                 |             | 2,328,099          | 245,895                    | 648,571            |
|   |             | 61,014,712         | 49,810,157                 | 73,416,322         |
| Liabilities classified as held for sale     | 25          | 20,927,838         | –                          | –                  |
|   |             | 81,942,550         | 49,810,157                 | 73,416,322         |
| <b>Total Liabilities</b>                    |             | <b>101,277,261</b> | <b>62,872,517</b>          | <b>92,222,808</b>  |
| <b>Total Equity and Liabilities</b>         |             | <b>193,618,076</b> | <b>120,442,989</b>         | <b>177,030,589</b> |

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

# STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

|                                      | Note | Company           |                             |                            |
|--------------------------------------|------|-------------------|-----------------------------|----------------------------|
|                                      |      | 31.3.2021<br>RM   | 31.3.2020<br>RM<br>Restated | 1.4.2019<br>RM<br>Restated |
| <b>Assets</b>                        |      |                   |                             |                            |
| <b>Non-Current Assets</b>            |      |                   |                             |                            |
| Property, plant and equipment        | 10   | 677,265           | 758,218                     | 800,097                    |
| Right-of-use assets                  | 11   | 246,056           | 431,962                     | –                          |
| Inventories                          | 13   | 6,000,000         | 6,000,000                   | 8,065,000                  |
| Investment in subsidiary companies   | 15   | 44,597,254        | 39,694,255                  | 40,516,543                 |
| Investment in associates             | 16   | 120,000           | 120,000                     | –                          |
|                                      |      | 51,640,575        | 47,004,435                  | 49,381,640                 |
| <b>Current Assets</b>                |      |                   |                             |                            |
| Other receivables                    | 19   | 198,475           | 512,411                     | 349,037                    |
| Amount due from an associate         | 22   | 9,790,537         | –                           | –                          |
| Amount due from subsidiary companies | 23   | 14,847,166        | 4,552,745                   | 5,631,681                  |
| Tax recoverable                      |      | 2,815             | 2,815                       | 5,905                      |
| Other investments                    | 18   | 57,200            | 3,433                       | 3,322                      |
| Cash and bank balances               |      | 1,599,831         | 170,312                     | 187,309                    |
|                                      |      | 26,496,024        | 5,241,716                   | 6,177,254                  |
| <b>Total Assets</b>                  |      | <b>78,136,599</b> | <b>52,246,151</b>           | <b>55,558,894</b>          |
| <b>Equity</b>                        |      |                   |                             |                            |
| Share capital                        | 26   | 166,812,692       | 132,526,862                 | 132,526,862                |
| Reserves                             | 27   | (93,023,469)      | (86,561,898)                | (82,551,823)               |
| Treasury shares                      | 28   | (47,990)          | (47,990)                    | (47,990)                   |
| <b>Total Equity</b>                  |      | <b>73,741,233</b> | <b>45,916,974</b>           | <b>49,927,049</b>          |
| <b>Liabilities</b>                   |      |                   |                             |                            |
| <b>Non-Current Liability</b>         |      |                   |                             |                            |
| Loans and borrowings                 | 29   | –                 | 254,621                     | 61,361                     |
|                                      |      | –                 | 254,621                     | 61,361                     |
| <b>Current Liabilities</b>           |      |                   |                             |                            |
| Other payables                       | 32   | 1,288,163         | 468,825                     | 2,441,679                  |
| Amount due to subsidiary companies   | 23   | 2,820,300         | 5,354,649                   | 3,001,222                  |
| Loans and borrowings                 | 29   | 286,903           | 251,082                     | 127,583                    |
|                                      |      | 4,395,366         | 6,074,556                   | 5,570,484                  |
| <b>Total Liabilities</b>             |      | <b>4,395,366</b>  | <b>6,329,177</b>            | <b>5,631,845</b>           |
| <b>Total Equity and Liabilities</b>  |      | <b>78,136,599</b> | <b>52,246,151</b>           | <b>55,558,894</b>          |

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

| Group   | Attributable to Owners of the Parent |                    |   |                    |                  |                          |            |                             |                 |  | Total equity RM |
|---|--------------------------------------|--------------------|---|--------------------|------------------|--------------------------|------------|-----------------------------|-----------------|--|-----------------|
|   | Non-distributable                    |                    |   |                    |                  | Non-controlling interest |            |                             |                 |  |                 |
|   | Share capital RM                     | Treasury shares RM | Foreign currency translation reserve RM | Warrant reserve RM | Other reserve RM | Accumulated losses RM    | Total RM   | Non-controlling interest RM | Total equity RM |  |                 |
| At 1 April 2020                                   | 132,526,862                          | (47,990)           | –                                       | –                  | –                | (77,060,109)             | 55,418,763 | 2,151,709                   | 57,570,472      |  |                 |
| Profit for the financial year                     | –                                    | –                  | –                                       | –                  | –                | 923,818                  | 923,818    | (208,438)                   | 715,380         |  |                 |
| Other comprehensive income for the financial year | –                                    | –                  | 39,933                                  | –                  | –                | –                        | 39,933     | –                           | 39,933          |  |                 |
| Total comprehensive income for the financial year | –                                    | –                  | 39,933                                  | –                  | –                | 923,818                  | 963,751    | (208,438)                   | 755,313         |  |                 |
| <b>Transactions with owners:</b>                  |                                      |                    |   |                    |                  |                          |            |                             |                 |  |                 |
| Issuance of ordinary shares                       | 34,285,830                           | –                  | –                                       | –                  | –                | –                        | 34,285,830 | –                           | 34,285,830      |  |                 |
| Acquisition of new subsidiary                     | –                                    | –                  | –                                       | –                  | –                | 109,144                  | 109,144    | (379,944)                   | (270,800)       |  |                 |
| At 31 March 2021                                  | 166,812,692                          | (47,990)           | 39,933                                  | –                  | –                | (76,027,147)             | 90,777,488 | 1,563,327                   | 92,340,815      |  |                 |

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

# Statements Of Changes In Equity

For The Year Ended 31 March 2021 (Cont'd)

| Group   | Attributable to Owners of the Parent |                 |                                      |                 |               |                          |              |                          |              |  |
|---|--------------------------------------|-----------------|--------------------------------------|-----------------|---------------|--------------------------|--------------|--------------------------|--------------|--|
|   | Non-distributable                    |                 |                                      |                 |               | Non-controlling interest |              |                          |              |  |
|   | Share capital                        | Treasury shares | Foreign currency translation reserve | Warrant reserve | Other reserve | Accumulated losses       | Total        | Non-controlling interest | Total equity |  |
| RM  | RM                                   | RM              | RM                                   | RM              | RM            | RM                       | RM           | RM                       | RM           |  |
| At 1 April 2019, previously reported            | 132,526,862                          | (47,990)        | 70,737                               | 21,971,937      | (21,971,937)  | (56,603,503)             | 75,946,106   | 8,884,179                | 84,830,285   |  |
| Effect of adopting MFRS 16                      | -                                    | -               | -                                    | -               | -             | (22,504)                 | (22,504)     | -                        | (22,504)     |  |
| At 1 April 2019, as restated                    | 132,526,862                          | (47,990)        | 70,737                               | 21,971,937      | (21,971,937)  | (56,626,007)             | 75,923,602   | 8,884,179                | 84,807,781   |  |
| Loss for the financial year                     | -                                    | -               | -                                    | -               | -             | (20,434,102)             | (20,434,102) | (559,470)                | (20,993,572) |  |
| Other comprehensive loss for the financial year | -                                    | -               | (70,737)                             | -               | -             | -                        | (70,737)     | -                        | (70,737)     |  |
| Total comprehensive loss for the financial year | -                                    | -               | (70,737)                             | -               | -             | (20,434,102)             | (20,504,839) | (559,470)                | (21,064,309) |  |
| <b>Transactions with owners:</b>                |                                      |                 |                                      |                 |               |                          |              |                          |              |  |
| Lapse of warrants                               | -                                    | -               | -                                    | (21,971,937)    | 21,971,937    | -                        | -            | -                        | -            |  |
| Disposal of subsidiary companies                | -                                    | -               | -                                    | -               | -             | -                        | -            | (6,173,000)              | (6,173,000)  |  |
| At 31 March 2020                                | 132,526,862                          | (47,990)        | -                                    | (21,971,937)    | 21,971,937    | (77,060,109)             | 55,418,763   | 2,151,709                | 57,570,472   |  |

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

# Statements Of Changes In Equity

For The Year Ended 31 March 2021 (Cont'd)

|  | Note  | Non-distributable      |                          |                          |                        |                             |  | Total<br>RM |
|--|-------|------------------------|--------------------------|--------------------------|------------------------|-----------------------------|--|-------------|
|  |       | Share<br>capital<br>RM | Treasury<br>shares<br>RM | Warrant<br>reserve<br>RM | Other<br>reserve<br>RM | Accumulated<br>losses<br>RM |  |             |
|  |       |                        |                          |                          |                        |                             |  |             |
| <b>Company</b>   |       |                        |                          |                          |                        |                             |  |             |
| At 1 April 2020  |       | 132,526,862            | (47,990)                 | -                        | -                      | (86,561,898)                |  | 45,916,974  |
| Loss for the financial year, representing total<br>comprehensive loss for the financial year |       | -                      | -                        | -                        | -                      | (6,461,571)                 |  | (6,461,571) |
| <b>Transactions with owners:</b>   |       |                        |                          |                          |                        |                             |  |             |
| Issuance of ordinary shares  | 26    | 34,285,830             | -                        | -                        | -                      | -                           |  | 34,285,830  |
| At 31 March 2021   |       | 166,812,692            | (47,990)                 | -                        | -                      | (93,023,469)                |  | 73,741,233  |
| <b>Company</b>   |       |                        |                          |                          |                        |                             |  |             |
| At 1 April 2019, previously reported   |       | 132,526,862            | (47,990)                 | 21,971,937               | (21,971,937)           | (82,551,823)                |  | 49,927,049  |
| Effect of adopting MFRS 16   |       | -                      | -                        | -                        | -                      | (3,018)                     |  | (3,018)     |
| At 1 April 2019, as restated   |       | 132,526,862            | (47,990)                 | 21,971,937               | (21,971,937)           | (82,554,841)                |  | 49,924,031  |
| Loss for the financial year, representing total<br>comprehensive loss for the financial year |       | -                      | -                        | -                        | -                      | (4,007,057)                 |  | (4,007,057) |
| <b>Transactions with owners:</b>   |       |                        |                          |                          |                        |                             |  |             |
| Lapse of warrants  | 27(b) | -                      | -                        | (21,971,937)             | 21,971,937             | -                           |  | -           |
| At 31 March 2020   |       | 132,526,862            | (47,990)                 | -                        | 21,971,937             | (86,561,898)                |  | 45,916,974  |

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

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

|  | Group     |              | Company     |             |
|--|-----------|--------------|-------------|-------------|
|  | 2021      | 2020         | 2021        | 2020        |
|  | RM        | RM           | RM          | RM          |
|  |           | Restated     |             | Restated    |
| <b>Cash flows from operating activities</b>                            |           |              |             |             |
| Profit/(loss) before tax   | 4,015,969 | (19,454,208) | (6,461,571) | (4,024,388) |
| Adjustments for:   |           |              |             |             |
| Amortisation of intangible assets                                      | –         | 545,376      | –           | –           |
| Amortisation of right-of-use assets                                    | 411,916   | 609,417      | 246,058     | 215,979     |
| Amortisation of quarry development expenditure                         | –         | 118,247      | –           | –           |
| Bad debts (recovered)/written off                                      | (174,949) | 1,882,497    | (1,200)     | 837,618     |
| Depreciation of investment properties                                  | 127,752   | 127,752      | –           | –           |
| Depreciation of property, plant and equipment                          | 1,605,451 | 3,841,591    | 128,125     | 355,726     |
| Deposits recovered   | –         | (800)        | –           | (800)       |
| Impairment losses on:  |           |              |             |             |
| – other receivables  | 33,460    | 252,981      | –           | –           |
| – trade receivables  | 53,443    | 8,310        | –           | –           |
| – amount due from subsidiary companies                                 | –         | –            | 1,211,858   | 5,007,727   |
| – investment in subsidiary companies                                   | –         | –            | –           | 6,600,049   |
| – intangible asset   | –         | 4,259,163    | –           | –           |
| – goodwill on consolidation  | –         | 1,340,837    | –           | –           |
| Fair value adjustment on other receivables                             | –         | (14,604)     | –           | –           |
| Finance costs  | 1,085,305 | 1,646,038    | 114,468     | 96,412      |
| Loss on disposal of subsidiary companies                               | 2         | 1,154,854    | –           | –           |
| Interest income  | (258,075) | (321,887)    | (86,410)    | (110)       |
| Share of loss in associated company                                    | 118,299   | 1,701        | –           | –           |
| Gain on disposal of property, plant and equipment                      | (300,474) | (1,290,592)  | (193,600)   | 17,723      |
| Write off of property development cost                                 | –         | 2,065,000    | –           | 2,065,000   |
| Write off of other receivables   | –         | 7,210,545    | –           | –           |
| Operating profit/(loss) before working capital changes carried forward | 6,718,099 | 3,982,218    | (5,042,272) | 11,170,936  |

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

## Statements Of Cash Flows

For The Year Ended 31 March 2021 (Cont'd)

|  | Group        |                        | Company      |                        |
|--|--------------|------------------------|--------------|------------------------|
|  | 2021<br>RM   | 2020<br>RM<br>Restated | 2021<br>RM   | 2020<br>RM<br>Restated |
| Operating profit/(loss) before working capital changes brought forward | 6,718,099    | 3,982,218              | (5,042,272)  | 11,170,936             |
| Property, plant and equipment written off                              | –            | 11,177                 | –            | –                      |
| Reversal on impairment losses on trade receivables                     | (120,402)    | (1,459,879)            | –            | –                      |
| Reversal on impairment losses on other receivables                     | (1,062,697)  | (825,513)              | –            | –                      |
| Reversal on impairment losses on amount due from subsidiary companies  | –            | –                      | (2,589,164)  | (9,643,921)            |
| Reversal on impairment losses on investment in subsidiary companies    | –            | –                      | –            | (5,777,761)            |
| Unrealised gain on foreign exchange                                    | (96,502)     | (10,613)               | –            | –                      |
| Operating profit/(loss) before working capital changes                 | 5,438,498    | 1,697,390              | (7,631,436)  | (4,250,746)            |
| Changes in working capital:  |              |                        |              |                        |
| Quarry development expenditure   | (86,859)     | (31,920)               | –            | –                      |
| Inventories  | 6,369,300    | (5,777,784)            | –            | –                      |
| Trade receivables  | 11,050,025   | (1,696,296)            | –            | –                      |
| Other receivables  | 4,469,452    | (6,600,103)            | 315,136      | (262,574)              |
| Contract assets/contract liabilities                                   | (32,894,543) | 7,150,488              | –            | –                      |
| Trade payables   | 6,112,138    | 1,268,256              | –            | –                      |
| Other payables   | (5,826,968)  | 1,541,289              | 470,024      | (1,872,854)            |
| Subsidiary companies   | –            | –                      | (11,451,464) | 7,230,940              |
| Cash (used in)/generated from operations                               | (5,368,957)  | (2,448,680)            | (18,297,740) | 844,766                |
| Interest received  | 258,075      | 321,887                | 86,410       | 110                    |
| Interest paid  | (1,085,305)  | (1,646,038)            | (114,468)    | (96,412)               |
| Tax paid   | (976,531)    | (1,442,465)            | –            | (1,690)                |
| Tax refunded   | 130,811      | 1,481,109              | –            | 22,110                 |
| Net cash (used in)/generated from operating activities                 | (7,041,907)  | (3,734,187)            | (18,325,798) | 768,884                |

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

## Statements Of Cash Flows

For The Year Ended 31 March 2021 (Cont'd)

|  | Group        |             | Company      |           |
|--|--------------|-------------|--------------|-----------|
|  | 2021         | 2020        | 2021         | 2020      |
|  | RM           | RM          | RM           | RM        |
|  |              | Restated    |              | Restated  |
| <b>Cash flows from investing activities</b>                          |              |             |              |           |
| Purchase of property, plant and equipment                            | (20,932,854) | (982,471)   | (47,172)     | (644,813) |
| Acquisition of associate companies                                   | –            | –           | (4,902,999)  | (120,000) |
| Proceeds from disposal of subsidiary companies, net of cash disposed | –            | 6,649,441   | –            | –         |
| Movement in amount due from associates                               | (9,790,537)  | (98,121)    | (9,790,537)  | –         |
| Proceeds from disposal from property, plant and equipment            | 413,601      | 8,286,444   | 489,147      | 313,243   |
| Acquisition of other investment                                      | (311,065)    | –           | –            | –         |
| Proceed from disposal of other investments                           | 750,000      | 684,195     | –            | (111)     |
| Net cash (used in)/generated from investing activities               | (29,870,855) | 14,539,488  | (14,251,561) | (451,681) |
| <b>Cash flows from financing activities</b>                          |              |             |              |           |
| (Decrease)/increase in fixed deposits pledged                        | (103,072)    | 3,807,323   | –            | –         |
| Drawdown of term loans   | 15,700,000   | –           | –            | –         |
| Repayment of term loans  | (402,153)    | (960,654)   | –            | –         |
| Repayment of overdraft facilities                                    | (1,921,570)  | –           | –            | –         |
| Repayment of lease liabilities and hire purchase                     | (2,563,822)  | (4,368,309) | (278,952)    | (334,200) |
| Repayment of short-term borrowings                                   | (1,496,544)  | (770,556)   | –            | –         |
| Proceeds from issuance shares  | 34,285,830   | –           | 34,285,830   | –         |
| Net cash generated from/(used in) financing activities               | 43,498,669   | (2,292,196) | 34,006,878   | (334,200) |

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



## Statements Of Cash Flows

For The Year Ended 31 March 2021 (Cont'd)

|   | Note | Group       |             | Company    |            |
|---|------|-------------|-------------|------------|------------|
|   |      | 2021<br>RM  | 2020<br>RM  | 2021<br>RM | 2020<br>RM |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                     |      | 6,585,907   | 8,513,105   | 1,429,519  | (16,997)   |
| <b>Effects of exchange translation differences on cash and cash equivalents</b> |      | 364         | (60,120)    | –          | –          |
| <b>Cash and cash equivalents at the beginning of financial year</b>             |      | 4,254,180   | (4,198,805) | 170,312    | 187,309    |
| <b>Cash and cash equivalents at the end of financial year</b>                   |      | 10,840,451  | 4,254,180   | 1,599,831  | 170,312    |
| <b>Cash and cash equivalents at the end of the financial year comprises:</b>    |      |             |             |            |            |
| Cash and bank balances  |      | 15,054,613  | 10,390,085  | 1,599,831  | 170,312    |
| Fixed deposits with licensed banks  |      | 7,492,841   | 7,389,596   | –          | –          |
| Bank overdrafts   | 29   | (4,225,435) | (6,147,005) | –          | –          |
|   |      | 18,322,019  | 11,632,676  | 1,599,831  | 170,312    |
| Less: Fixed deposits pledged to licensed banks                                  | 24   | (7,481,568) | (7,378,496) | –          | –          |
|   |      | 10,840,451  | 4,254,180   | 1,599,831  | 170,312    |

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

# NOTES TO THE FINANCIAL STATEMENTS

## 31 MARCH 2021

### 1. CORPORATE INFORMATION

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

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

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

The principal activities of the Company are those of investment holding and provision of managerial services. The principal activities of its subsidiary companies are disclosed in Note 15. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

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

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

#### Adoption of new and amended standards

During the financial year, the Company has adopted the following amended MFRSs that are mandatory for annual financial periods beginning on or after 1 January 2020:

| <b>Description</b>   | <b>Effective for annual period<br/>beginning on or after</b> |
|--|--|
| Amendments to MFRS 3 – Definition of a Business  | 1 January 2020   |
| 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 7 – Financial Instruments Disclosures   | 1 January 2020   |
| Amendments to MFRS 9 – Financial Instruments   | 1 January 2020   |
| Amendments to MFRS 9, MFRS 139 and MFRS 7<br>– Interest Rate Benchmark Reform                            | 1 January 2020   |
| Amendments to MFRS 16 – Leases (COVID-19 Related Rent Concessions)                                       | 1 June 2020  |
| Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16<br>– Interest Rate Benchmark Reform – Phase 2 | 1 January 2021   |

The adoption of the new standards and amendments to standards and interpretations did not have any significant impact on the financial statements of the Group and of the Company.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 2. BASIS OF PREPARATION (CONT'D)

### (a) Statement of compliance (Cont'd)

#### Standards issued but not yet effective

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

|  | <b>Effective dates for<br/>financial periods<br/>beginning on or after</b> |
|--|--|
| Amendments to MFRS 3 – Business Combinations (Reference to the Conceptual Framework)   | 1 January 2022   |
| Amendments to MFRS 116 – Property, Plant and Equipment (Proceeds before Intended Use)  | January 2022   |
| Amendments to MFRS 137 – Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts (Cost of Fulfilling a Contract)                                    | 1 January 2022   |
| Annual Improvements to MFRS Standards 2018–2020 Cycle<br>– MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (Subsidiary as a first-time adopter)    | 1 January 2022   |
| Annual Improvements to MFRS Standards 2018–2020 Cycle<br>– MFRS 9 Financial Instruments (Fees in the “10 Percent” Test for Derecognition of Financial Liabilities)       | 1 January 2022   |
| Amendment to MFRS 101 – Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)   | 1 January 2023   |
| Amendment to MFRS 101 – Presentation of Financial Statements (Disclosure of Accounting Policies)   | 1 January 2023   |
| Amendment to MFRS 108 – Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)   | 1 January 2023   |
| Amendments to MFRS 10 and MFRS 128 – Investments in Associates and Joint Venture (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture) | Deferred   |

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

### (b) Functional and presentation currency

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

# Notes To The Financial Statements

## 31 March 2021 (Cont'd)

### 2. BASIS OF PREPARATION (CONT'D)

- (c) Significant accounting judgements, estimates and assumptions

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

#### Judgements

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

##### Satisfaction of performance obligations in relation to contracts with customers

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

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

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

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

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

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

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

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 2. BASIS OF PREPARATION (CONT'D)

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

### Judgements (Cont'd)

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

#### Determining the lease term of contracts with renewal and termination options – Group and the Company as lessee (Cont'd)

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

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

#### Useful lives/depreciation of property, plant and equipment (Note 10) and right-of-use ("ROU") asset (Note 11)

The Group and the Company regularly review the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The carrying amount of the property, plant and equipment and right-of-use assets is disclosed in Notes 10 and 11 to the financial statements respectively.

### Key sources of estimation uncertainty

#### Impairment of investment in subsidiary companies

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

The carrying amount at the reporting date for investments in subsidiary companies is disclosed in Note 15 to the financial statements.

#### Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group and the Company estimate the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's and on the Company's products, the Group and the Company might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 13 to the financial statements.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 2. BASIS OF PREPARATION (CONT'D)

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

### Key sources of estimation uncertainty (Cont'd)

#### Determination of transactions prices

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

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

#### 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 17 to the financial statements.

#### Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 30 to the financial statements.

#### Revenue from construction contracts

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

The contract assets and contract liabilities of the Group arising from construction contracts are disclosed in Note 30 to the financial statements.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 2. BASIS OF PREPARATION (CONT'D)

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

### **Key sources of estimation uncertainty (Cont'd)**

#### Income taxes

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

The Group and the Company recognise liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. Details of taxation are disclosed in Notes 7 and 30 to the financial statements.

#### 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 33 to the financial statements.

#### Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 37(c) regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

#### Provision for expected credit loss of financial assets at amortised cost

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

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

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

Information about the expected credit losses and the carrying amounts at the reporting date for receivables are disclosed in Notes 19, 21, 22 and 23 to the financial statements.

# Notes To The Financial Statements

## 31 March 2021 (Cont'd)

### 2. BASIS OF PREPARATION (CONT'D)

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

#### **Key sources of estimation uncertainty (Cont'd)**

##### Discount rate used in leases

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

- (a) Basis of consolidation

- (i) Subsidiary companies

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

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

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

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



# Notes To The Financial Statements

31 March 2021 (Cont'd)

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

### (a) Basis of consolidation (Cont'd)

#### (i) Subsidiary companies (Cont'd)

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

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

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

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

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

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

#### (iii) Disposal of subsidiary companies

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

# Notes To The Financial Statements

## 31 March 2021 (Cont'd)

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

#### (a) Basis of consolidation (Cont'd)

##### (iv) Goodwill on consolidation

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

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

#### (b) Investment in associates

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

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

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

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

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

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

# Notes To The Financial Statements

31 March 2021 (Cont'd)

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

### (b) Investment in associates (Cont'd)

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

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

### (c) Foreign currency translation

#### (i) Foreign currency translations and balances

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

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

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

#### (ii) Foreign operations

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

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

# Notes To The Financial Statements

31 March 2021 (Cont'd)

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

### (c) Foreign currency translation (Cont'd)

#### (ii) Foreign operations (Cont'd)

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

### (d) Property, plant and equipment

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

#### (i) Recognition and measurement

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

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

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

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

#### (ii) Subsequent costs

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

# Notes To The Financial Statements

31 March 2021 (Cont'd)

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

### (d) Property, plant and equipment (Cont'd)

#### (iii) Depreciation

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

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

|  |   |
|--|---|
| Buildings and improvements               | 50 – 99 years                           |
| Plant and machinery                      | 4 – 10 years                            |
| Motor vehicles                           | 5 years                                 |
| Furniture, fittings and office equipment | 5 – 10 years                            |
| Renovation                               | 10 years                                |
| Workshop cum site office                 | 22 – 50 years                           |
| Work in progress                         | Not depreciated until available for use |

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

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

### (e) Leases

#### (i) As lessee

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

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

# Notes To The Financial Statements

31 March 2021 (Cont'd)

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

### (e) Leases (Cont'd)

#### (i) As lessee (Cont'd)

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

|                              |                                 |
|------------------------------|---------------------------------|
| Leasehold land and buildings | Over the remaining lease period |
| Plant and machinery          | 5 – 12½ years                   |

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

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

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

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

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

#### (ii) As lessor

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

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

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

## Notes To The Financial Statements

31 March 2021 (Cont'd)

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

(e) Leases (Cont'd)

(ii) As lessor (Cont'd)

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

(f) Investment properties

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

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

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

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

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(p)(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.

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

(g) Quarry development expenditure

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

# Notes To The Financial Statements

31 March 2021 (Cont'd)

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

### (h) Financial assets

#### Recognition and initial measurement

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

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

#### Financial instrument categories and subsequent measurement

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

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

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

#### (i) Financial assets at amortised cost

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

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

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

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



# Notes To The Financial Statements

31 March 2021 (Cont'd)

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

(h) Financial assets (Cont'd)

### Financial instrument categories and subsequent measurement (Cont'd)

For purposes of subsequent measurement, financial assets are classified into the following categories: (Cont'd)

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

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

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

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

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

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

### Regular way purchase or sale of financial assets

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

### Derecognition

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

(i) Financial liabilities

### Recognition and initial measurement

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

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

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

# Notes To The Financial Statements

31 March 2021 (Cont'd)

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

### (i) Financial liabilities (Cont'd)

#### **Financial instrument categories and subsequent measurement**

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

#### (i) Financial liabilities at amortised cost

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

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

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

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

#### **Derecognition**

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

### (j) Financial guarantee contracts

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

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

- (i) the best estimate of the expenditure required to settle the present obligation at the reporting date; and
- (ii) the amount initially recognised less cumulative amortisation.

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

### (k) Offsetting of financial instruments

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

# Notes To The Financial Statements

31 March 2021 (Cont'd)

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

### (l) Inventories

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

#### (i) Land held for property development

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

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

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

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

#### (ii) Property development costs

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

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

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

#### (iii) Other inventories

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

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

# Notes To The Financial Statements

31 March 2021 (Cont'd)

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

#### (m) Construction contracts

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

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

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

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

#### (n) Intangible assets

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

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

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

See accounting policy Note 3(p)(i) on impairment of non-financial assets for intangible assets.

#### (o) Cash and cash equivalents

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

# Notes To The Financial Statements

31 March 2021 (Cont'd)

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

### (p) Impairment of financial assets

#### (i) Non-financial assets

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

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

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

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

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

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

#### (ii) Financial assets

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

# Notes To The Financial Statements

31 March 2021 (Cont'd)

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

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

(ii) Financial assets (Cont'd)

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

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

Financial assets carried at amortised cost

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

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

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

(q) Share capital

(i) Ordinary shares

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

# Notes To The Financial Statements

31 March 2021 (Cont'd)

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

### (q) Share capital (Cont'd)

#### (i) Ordinary shares (Cont'd)

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

#### (ii) Treasury shares

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

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

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

### (r) Contingencies

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

### (s) Employee benefits

#### (i) Short-term employee benefits

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

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

#### (ii) Defined contribution plans

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

# Notes To The Financial Statements

31 March 2021 (Cont'd)

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

(t) Borrowing costs

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

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

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

(u) Revenue

(i) Revenue from contracts with customers

Revenue is recognised when the Group and the Company satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

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

Sales of goods

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

Revenue from construction contracts

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

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



# Notes To The Financial Statements

31 March 2021 (Cont'd)

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

### (u) Revenue (Cont'd)

#### (i) Revenue from contracts with customers (Cont'd)

##### Revenue from management fee

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

#### (ii) Interest income

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

#### (iii) Rental income

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

### (v) Income taxes

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

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

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

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.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

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

#### (w) Segments reporting

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

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

##### (i) Assets Classified as Held For Sale

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

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

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

A sale is considered to be highly probable if the appropriate level of management is committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan has been initiated. Further, the asset (or disposal group) has been actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale is expected to qualify for recognition as a completed sale within one (1) year from the date that it is classified as held for sale.

##### (ii) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which;

- represents a separate major line of business of geographical area of operations;
- is part of a single co-ordinated plan to dispose a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 4. REVENUE

|  | Group      |            | Company    |            |
|--|------------|------------|------------|------------|
|  | 2021<br>RM | 2020<br>RM | 2021<br>RM | 2020<br>RM |
| <b>Revenue from contracts with customers</b> |            |            |            |            |
| Sale of goods                                | 15,168,220 | 38,524,758 | –          | –          |
| Sale of services                             | 519,715    | –          | –          | –          |
| Construction contracts                       | 78,748,071 | 43,389,589 | –          | –          |
| Management fees                              | –          | –          | 1,764,000  | 456,000    |
|  | 94,436,006 | 81,914,247 | 1,764,000  | 456,000    |
| <b>Revenue from other sources</b>            |            |            |            |            |
| Rental income                                | 60,185     | 321,860    | –          | –          |
| Other services                               | 524,639    | –          | –          | –          |
|  | 584,824    | 321,860    | –          | –          |
|  | 95,020,830 | 82,236,107 | 1,764,000  | 456,000    |
| <b>Timing of revenue recognition</b>         |            |            |            |            |
| At a point in time                           | 15,687,935 | 38,202,798 | 1,764,000  | 456,000    |
| Over time                                    | 78,748,071 | 43,711,449 | –          | –          |
| Total revenue from contracts with customers  | 94,436,006 | 81,914,247 | 1,764,000  | 456,000    |
| Total revenue from other sources             | 584,824    | 321,860    | –          | –          |
|  | 95,020,830 | 82,236,107 | 1,764,000  | 456,000    |

## Notes To The Financial Statements

31 March 2021 (Cont'd)

## 4. REVENUE (CONT'D)

Disaggregation of the Group's revenue from contracts with customers:

|  | Quarry<br>product<br>RM | Civil<br>engineering<br>RM | Premix<br>products<br>RM | Bituminous<br>products<br>RM | Services<br>RM | Total<br>RM |
|--|-------------------------|----------------------------|--------------------------|------------------------------|----------------|-------------|
| <b>2021</b>  |                         |                            |                          |                              |                |             |
| <b>Major services</b>                              |                         |                            |                          |                              |                |             |
| Sale of goods                                      | 3,768,201               | -                          | -                        | 11,400,019                   | -              | 15,168,220  |
| Sale of services                                   | -                       | -                          | -                        | -                            | 519,715        | 519,715     |
| Construction contracts                             | -                       | 54,935,555                 | -                        | -                            | 23,812,516     | 78,748,071  |
|  | 3,768,201               | 54,935,555                 | -                        | 11,400,019                   | 24,332,231     | 94,436,006  |
| <b>Geographical market</b>                         |                         |                            |                          |                              |                |             |
| Malaysia   | 3,768,201               | 54,935,555                 | -                        | 11,400,019                   | 24,332,231     | 94,436,006  |
| <b>Timing of revenue recognition</b>               |                         |                            |                          |                              |                |             |
| At a point in time                                 | 3,768,201               | -                          | -                        | 11,400,019                   | 519,715        | 15,687,935  |
| Over time  | -                       | 54,935,555                 | -                        | -                            | 23,812,516     | 78,748,071  |
| <b>Total revenue from contracts with customers</b> | 3,768,201               | 54,935,555                 | -                        | 11,400,019                   | 24,332,231     | 94,436,006  |
| <b>Total revenue from other sources</b>            | -                       | 524,639                    | -                        | -                            | 60,185         | 584,824     |
| <b>Total revenue</b>                               | 3,768,201               | 55,460,194                 | -                        | 11,400,019                   | 24,392,416     | 95,020,830  |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 4. REVENUE (CONT'D)

Disaggregation of the Group's revenue from contracts with customers: (Cont'd)

|  | Quarry<br>product<br>RM | Civil<br>engineering<br>RM | Premix<br>products<br>RM | Bituminous<br>products<br>RM | Services<br>RM | Total<br>RM |
|--|-------------------------|----------------------------|--------------------------|------------------------------|----------------|-------------|
| <b>2020</b>  |                         |                            |                          |                              |                |             |
| <b>Major services</b>                              |                         |                            |                          |                              |                |             |
| Sale of goods                                      | 23,285,502              | -                          | 39,912                   | 15,199,244                   | -              | 38,524,658  |
| Construction contracts                             | -                       | 43,389,589                 | -                        | -                            | -              | 43,389,589  |
|  | 23,285,502              | 43,389,589                 | 39,912                   | 15,199,244                   | -              | 81,914,247  |
| <b>Geographical market</b>                         |                         |                            |                          |                              |                |             |
| Malaysia   | 23,285,502              | 43,389,589                 | 39,912                   | 15,199,244                   | -              | 81,914,247  |
| <b>Timing of revenue recognition</b>               |                         |                            |                          |                              |                |             |
| At a point in time                                 | 23,285,502              | -                          | 39,912                   | 15,199,244                   | -              | 38,524,658  |
| Over time  | -                       | 43,389,589                 | -                        | -                            | -              | 43,389,589  |
| <b>Total revenue from contracts with customers</b> | 23,285,502              | 43,389,589                 | 39,912                   | 15,199,244                   | -              | 81,914,247  |
| <b>Total revenue from other sources</b>            | -                       | -                          | -                        | -                            | 321,860        | 321,860     |
| <b>Total revenue</b>                               | 23,285,502              | 43,389,589                 | 39,912                   | 15,199,244                   | 321,860        | 82,236,107  |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 5. FINANCE COSTS

|                                     | Group            |                  | Company        |               |
|-------------------------------------|------------------|------------------|----------------|---------------|
|                                     | 2021<br>RM       | 2020<br>RM       | 2021<br>RM     | 2020<br>RM    |
| <b>Interest expenses on:</b>        |                  |                  |                |               |
| Bank overdrafts                     | 128,763          | 455,551          | –              | –             |
| Bankers' acceptance/ Trust receipts | 45,665           | 94,991           | –              | –             |
| Hire purchase                       | 138,390          | –                | 2,754          | –             |
| Lease liabilities                   | 251,734          | 299,020          | 21,953         | 33,765        |
| Term loans                          | 397,013          | 548,022          | –              | –             |
| Others                              | 123,740          | 248,454          | 89,761         | 62,647        |
|                                     | <u>1,085,305</u> | <u>1,646,038</u> | <u>114,468</u> | <u>96,412</u> |

## 6. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is determined after charging/(crediting) amongst others, the following items:

|  | Group      |            | Company    |            |
|--|------------|------------|------------|------------|
|  | 2021<br>RM | 2020<br>RM | 2021<br>RM | 2020<br>RM |
| Amortisation on:                           |            |            |            |            |
| – quarry development expenditure           | –          | 118,247    | –          | –          |
| – intangible assets                        | –          | 545,376    | –          | –          |
| – right-of-use assets                      | 411,916    | 609,417    | 246,058    | 215,979    |
| Auditors' remuneration                     |            |            |            |            |
| – statutory audit                          | 176,000    | 174,125    | 50,000     | 45,000     |
| – non-statutory                            | 5,000      | 5,000      | 5,000      | 5,000      |
| – over provision in prior years            | –          | 2,750      | –          | –          |
| Bad debts written off                      | –          | 1,996,216  | –          | 837,618    |
| Bad debts recovered                        | (174,949)  | (113,719)  | (1,200)    | –          |
| Depreciation of:                           |            |            |            |            |
| – investment properties                    | 127,752    | 127,752    | –          | –          |
| – property, plant and equipment            | 1,605,451  | 3,841,591  | 128,125    | 355,726    |
| Fair value adjustment on other receivables | –          | (14,604)   | –          | –          |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 6. PROFIT/(LOSS) BEFORE TAX (CONT'D)

Profit/(Loss) before tax is determined after charging/(crediting) amongst others, the following items: (Cont'd)

|  | Group      |             | Company    |            |
|--|------------|-------------|------------|------------|
|  | 2021<br>RM | 2020<br>RM  | 2021<br>RM | 2020<br>RM |
| Foreign exchange (gain)/loss:                            |            |             |            |            |
| – realised   | (72,163)   | 38,591      | –          | –          |
| – unrealised   | (96,502)   | (10,613)    | –          | –          |
| Impairment losses on:                                    |            |             |            |            |
| – trade receivables                                      | 33,460     | 252,981     | –          | –          |
| – other receivables                                      | 53,443     | 8,310       | –          | –          |
| – amount due from subsidiary companies                   | –          | –           | 1,211,858  | 5,007,727  |
| – investment in subsidiary companies                     | –          | –           | –          | 6,600,049  |
| – intangible assets                                      | –          | 4,259,163   | –          | –          |
| – goodwill on consolidation                              | –          | 1,340,837   | –          | –          |
| Non-executive Directors' remunerations                   |            |             |            |            |
| – Fees   | 235,333    | 616,629     | 191,833    | 212,629    |
| – Other emoluments                                       | 72,000     | 11,942      | –          | 11,942     |
| – Benefit in-kind  | –          | 7,000       | –          | 7,000      |
| Property, plant and equipment written off                | –          | 11,177      | –          | –          |
| Rental expenses:   |            |             |            |            |
| – motor vehicles and plant and machinery                 | 235,645    | 4,532,062   | 142,280    | –          |
| – office equipment                                       | 10,374     | 7,911       | 1,864      | –          |
| – premises   | 12,000     | 99,996      | –          | –          |
| – store  | 65,372     | –           | 60,000     | –          |
| – others   | 29,350     | 44,114      | –          | –          |
| Quit rent  | 154,031    | 340,977     | 5,860      | 6,229      |
| (Gain)/loss on disposal of property, plant and equipment | (300,474)  | (1,290,592) | (193,600)  | 17,723     |
| Loss on disposal of subsidiary companies                 | 2          | 1,154,854   | –          | –          |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 6. PROFIT/(LOSS) BEFORE TAX (CONT'D)

Profit/(Loss) before tax is determined after charging/(crediting) amongst others, the following items: (Cont'd)

|   | Group       |             | Company     |             |
|---|-------------|-------------|-------------|-------------|
|   | 2021<br>RM  | 2020<br>RM  | 2021<br>RM  | 2020<br>RM  |
| Interest income   | (258,075)   | (321,887)   | (86,410)    | (110)       |
| Rental income:  |             |             |             |             |
| – investment properties   | (84,365)    | (75,000)    | –           | –           |
| – motor vehicles  | (4,093)     | –           | (42,000)    | –           |
| Reversal of impairment losses on trade receivables                    | (120,402)   | (1,459,879) | –           | –           |
| Reversal of impairment losses on other receivables                    | (1,062,697) | (825,513)   | –           | –           |
| Reversal of impairment losses on amount due from subsidiary companies | –           | –           | (2,589,164) | (9,643,921) |
| Reversal of impairment losses on investment in subsidiary companies   | –           | –           | –           | (5,777,761) |

## 7. TAXATION

|   | Group      |            | Company    |            |
|---|------------|------------|------------|------------|
|   | 2021<br>RM | 2020<br>RM | 2021<br>RM | 2020<br>RM |
| <b>Tax expenses recognised in profit or loss</b>                |            |            |            |            |
| Malaysian income tax  |            |            |            |            |
| – Current tax provision   | 3,359,487  | 1,284,928  | –          | –          |
| – (Over)/under provision in prior years                         | (300,906)  | 150,691    | –          | (17,331)   |
|   | 3,058,581  | 1,435,619  | –          | (17,331)   |
| <b>Deferred taxation</b>  |            |            |            |            |
| – Relating to origination and reversal of temporary differences | (54,250)   | 65,615     | –          | –          |
| – Under provision in prior years                                | 114,393    | 38,130     | –          | –          |
|   | 60,143     | 103,745    | –          | –          |
|   | 3,118,724  | 1,539,364  | –          | (17,331)   |



# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 7. TAXATION (CONT'D)

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 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 rate of the Group and of the Company are as follows:

|   | Group       |              | Company     |             |
|---|-------------|--------------|-------------|-------------|
|   | 2021<br>RM  | 2020<br>RM   | 2021<br>RM  | 2020<br>RM  |
| Profit/(loss) before tax                                      | 4,015,969   | (19,454,208) | (6,461,571) | (4,024,388) |
| At Malaysian statutory tax rate of 24%<br>(2020: 24%)         | 963,833     | (4,669,010)  | (1,550,777) | (965,853)   |
| Expenses not deductible for tax purposes                      | 1,635,055   | 9,662,499    | 751,405     | 3,558,956   |
| Income not subject to tax                                     | (1,182,539) | (3,833,167)  | (723,237)   | (3,509,034) |
| Deferred tax assets not recognised                            | 1,888,888   | 1,751,052    | 1,522,609   | 915,931     |
| Utilisation of previously unrecognised<br>deferred tax assets | –           | (1,560,831)  | –           | –           |
| (Over)/Under provision of income tax in<br>prior years        | (300,906)   | 150,691      | –           | (17,331)    |
| Under provision of deferred tax in<br>prior years             | 114,393     | 38,130       | –           | –           |
| Tax expenses for the financial year                           | 3,118,724   | 1,539,364    | –           | (17,331)    |

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

|                                    | Group      |            | Company    |            |
|------------------------------------|------------|------------|------------|------------|
|                                    | 2021<br>RM | 2020<br>RM | 2021<br>RM | 2020<br>RM |
| Unutilised capital allowances      | 11,338,286 | 10,281,800 | 1,121,707  | 1,013,838  |
| Unutilised tax losses              | 47,381,711 | 40,567,828 | 18,743,872 | 12,507,538 |
| Unutilised reinvestment allowances | 38,093     | 38,093     | –          | –          |
|                                    | 58,758,090 | 50,887,721 | 19,865,579 | 13,521,376 |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 8. PROFIT/(LOSS) PER SHARE

### Basic profit/(loss) per share

The basic profit/(loss) per share are calculated based on the consolidated profit/(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         |                          |
|--|---------------|--------------------------|
|  | 2021<br>RM    | 2020<br>RM<br>(restated) |
| <b>Continuing operation:</b>                               |               |                          |
| Profit/(loss) attributable to owners of the parent         | 1,032,937     | (20,434,102)             |
| <b>Discontinued operation</b>                              |               |                          |
| Loss attributable to owners of the parent                  | (109,119)     | –                        |
| Weighted average number of ordinary shares:                |               |                          |
| Ordinary shares in issue at 1 April                        | 921,574,900   | 921,574,900              |
| Effect of ordinary shares issued during the financial year | 244,038,900   | –                        |
| Weighted average number of ordinary shares at 31 March     | 1,165,613,800 | 921,574,900              |
| Basic loss per ordinary share (sen)                        |               |                          |
| – continuing operations                                    | 0.09          | (2.22)                   |
| – discontinuing operation                                  | (0.01)        | –                        |

### Diluted loss per share

The Group has no dilution in their loss per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the reporting period and before the authorisation of these financial statements.

## 9. STAFF COSTS

|                                      | Group      |            | Company    |            |
|--------------------------------------|------------|------------|------------|------------|
|                                      | 2021<br>RM | 2020<br>RM | 2021<br>RM | 2020<br>RM |
| Fees                                 | 235,333    | 554,693    | 191,833    | 150,693    |
| Salaries, wages and other emoluments | 12,355,981 | 10,757,629 | 6,684,641  | 2,512,728  |
| Defined contribution plans           | 1,201,338  | 1,075,501  | 681,298    | 333,458    |
| Social security contributions        | 57,502     | 82,972     | 15,203     | 11,750     |
| Others benefits                      | 652,881    | 1,431,726  | 160,258    | 220,682    |
|                                      | 14,503,035 | 13,902,521 | 7,733,233  | 3,229,311  |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 9. STAFF COSTS (CONT'D)

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

|  | Group            |                  | Company          |                  |
|--|------------------|------------------|------------------|------------------|
|  | 2021<br>RM       | 2020<br>RM       | 2021<br>RM       | 2020<br>RM       |
| <b>Executive Directors of the Company</b>              |                  |                  |                  |                  |
| Salaries, wages and other emoluments                   | 5,212,249        | 2,327,742        | 5,212,249        | 1,277,742        |
| Defined contribution plans                             | 543,534          | 318,169          | 543,534          | 197,687          |
| Other benefits   | 20,663           | 65,413           | 20,663           | 43,025           |
|  | <u>5,776,446</u> | <u>2,711,324</u> | <u>5,776,446</u> | <u>1,518,454</u> |
| <b>Executive Directors of the subsidiary companies</b> |                  |                  |                  |                  |
| Salaries, wages and other emoluments                   | 444,750          | 1,050,000        | –                | –                |
| Defined contribution plans                             | 49,435           | 120,482          | –                | –                |
| Other benefits   | 8,300            | 22,388           | –                | –                |
|  | <u>502,485</u>   | <u>1,192,870</u> | <u>–</u>         | <u>–</u>         |
| <b>Total remuneration of Executive Directors</b>       |                  |                  |                  |                  |
| Company's Directors                                    | 5,776,446        | 2,711,324        | 5,776,446        | 1,518,454        |
| Subsidiary company's Directors                         | 502,485          | 1,192,870        | –                | –                |
|  | <u>6,278,931</u> | <u>3,904,194</u> | <u>5,776,446</u> | <u>1,518,454</u> |

## Notes To The Financial Statements

31 March 2021 (Cont'd)

## 10. PROPERTY, PLANT AND EQUIPMENT

| Group  | Freehold land RM | Leasehold land RM | Buildings and improvements RM | Plant and machinery RM | Motor vehicles RM | Furniture, fitting and office equipment and renovation RM | Workshop cum site office RM | Work in progress RM | Total RM     |
|--|------------------|-------------------|-------------------------------|------------------------|-------------------|---|-----------------------------|---------------------|--------------|
| <b>2021</b>                                    |                  |                   |                               |                        |                   |   |                             |                     |              |
| <b>Cost</b>                                    |                  |                   |                               |                        |                   |   |                             |                     |              |
| At 1 April 2020                                | 1,793,698        | -                 | 11,316,679                    | 31,628,396             | 4,916,517         | 2,789,513   | 190,730                     | -                   | 52,635,533   |
| Additions                                      | -                | -                 | -                             | 1,813,960              | 148,676           | 80,556  | -                           | 18,889,662          | 20,932,854   |
| Arising from acquisition of subsidiary company | -                | -                 | -                             | -                      | -                 | 1,067,606   | -                           | -                   | 1,067,606    |
| Disposals                                      | -                | -                 | -                             | (71,991)               | (1,565,517)       | -   | -                           | -                   | (1,637,508)  |
| Transfer to assets held for sale (Note 25)     | -                | -                 | -                             | (16,689,107)           | (1,662,922)       | (304,602)   | (190,730)                   | -                   | (18,847,361) |
| At 31 March 2021                               | 1,793,698        | -                 | 11,316,679                    | 16,681,258             | 1,836,754         | 3,633,073   | -                           | 18,889,662          | 54,151,124   |
| <b>Accumulated depreciation</b>                |                  |                   |                               |                        |                   |   |                             |                     |              |
| At 1 April 2020                                | -                | -                 | 1,126,690                     | 24,265,208             | 3,751,033         | 1,589,727   | 58,808                      | -                   | 30,791,466   |
| Arising from acquisition of subsidiary company | -                | -                 | -                             | -                      | -                 | 648,619   | -                           | -                   | 648,619      |
| Charge for the financial year                  | -                | -                 | 138,727                       | 1,460,673              | 314,050           | 166,753   | 9,536                       | -                   | 2,089,739    |
| Disposals                                      | -                | -                 | -                             | (71,991)               | (1,452,390)       | -   | -                           | -                   | (1,524,381)  |
| Transfer to assets held for sale (Note 25)     | -                | -                 | -                             | (13,565,149)           | (1,103,454)       | (97,023)  | (68,344)                    | -                   | (14,833,970) |
| At 31 March 2021                               | -                | -                 | 1,265,417                     | 12,088,741             | 1,509,239         | 2,308,076   | -                           | -                   | 17,171,473   |
| <b>Accumulated impairment</b>                  |                  |                   |                               |                        |                   |   |                             |                     |              |
| At 1 April 2020 / 31 March 2021                | -                | -                 | -                             | 461,230                | -                 | 17,045  | -                           | -                   | 478,275      |
| <b>Carrying amount</b>                         |                  |                   |                               |                        |                   |   |                             |                     |              |
| At 31 March 2021                               | 1,793,698        | -                 | 10,051,262                    | 4,131,287              | 327,515           | 1,307,952   | -                           | 18,889,662          | 36,501,376   |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| Group   | Freehold land RM | Leasehold land RM | Buildings and improvements RM | Plant and machinery RM | Motor vehicles RM | Furniture, office equipment and renovation RM | Workshop cum office RM | Work in progress RM | Total RM     |
|---|------------------|-------------------|-------------------------------|------------------------|-------------------|---|------------------------|---------------------|--------------|
| <b>2020</b>                                   |                  |                   |                               |                        |                   |   |                        |                     |              |
| <b>Cost</b>                                   |                  |                   |                               |                        |                   |   |                        |                     |              |
| At 1 April 2019, as previously stated         | 1,793,698        | 7,468,736         | 11,372,055                    | 74,893,882             | 5,834,393         | 2,884,690                                     | 247,700                | -                   | 104,495,154  |
| Effect of adoption on MFRS 16                 | -                | (7,468,736)       | -                             | -                      | -                 | -   | -                      | -                   | (7,468,736)  |
| At 1 April 2019, as restated                  | 1,793,698        | -                 | 11,372,055                    | 74,893,882             | 5,834,393         | 2,884,690                                     | 247,700                | -                   | 97,026,418   |
| Additions                                     | -                | -                 | -                             | 980,205                | 317,124           | 358,540                                       | -                      | -                   | 1,655,869    |
| Arising from disposal of subsidiary companies | -                | -                 | -                             | (13,223,634)           | (105,484)         | (238,861)                                     | -                      | -                   | (13,567,979) |
| Disposals                                     | -                | -                 | (55,376)                      | (24,003,235)           | (1,025,582)       | (425,423)                                     | (79,222)               | -                   | (25,588,838) |
| Written off                                   | -                | -                 | -                             | (48,140)               | -                 | (89,026)                                      | -                      | -                   | (137,166)    |
| Reclassification                              | -                | -                 | -                             | (6,970,682)            | (103,934)         | 299,593                                       | 22,252                 | -                   | (6,752,771)  |
| At 31 March 2020                              | 1,793,698        | -                 | 11,316,679                    | 31,628,396             | 4,916,517         | 2,789,513                                     | 190,730                | -                   | 52,635,533   |
| <b>Accumulated depreciation</b>               |                  |                   |                               |                        |                   |   |                        |                     |              |
| At 1 April 2019, as previously stated         | -                | 83,217            | 1,043,754                     | 48,454,998             | 4,280,429         | 1,475,789                                     | 51,050                 | -                   | 55,389,237   |
| Effect of adoption on MFRS 16                 | -                | (83,217)          | -                             | -                      | -                 | -   | -                      | -                   | (83,217)     |
| At 1 April 2019, as restated                  | -                | -                 | 1,043,754                     | 48,454,998             | 4,280,429         | 1,475,789                                     | 51,050                 | -                   | 55,306,020   |
| Arising from disposal of subsidiary companies | -                | -                 | -                             | (3,641,382)            | (38,262)          | (63,302)                                      | -                      | -                   | (3,742,946)  |
| Charge for the financial year                 | -                | -                 | 138,726                       | 2,656,039              | 757,870           | 269,883                                       | 19,073                 | -                   | 3,841,591    |
| Disposals                                     | -                | -                 | (55,376)                      | (16,394,048)           | (912,853)         | (92,241)                                      | (33,567)               | -                   | (17,488,085) |
| Written off                                   | -                | -                 | -                             | (44,241)               | -                 | (81,748)                                      | -                      | -                   | (125,989)    |
| Reclassification                              | -                | -                 | (414)                         | (6,766,158)            | (336,151)         | 81,346  | 22,252                 | -                   | (6,999,125)  |
| At 31 March 2020                              | -                | -                 | 1,126,690                     | 24,265,208             | 3,751,033         | 1,589,727                                     | 58,808                 | -                   | 30,791,466   |
| <b>Accumulated impairment losses</b>          |                  |                   |                               |                        |                   |   |                        |                     |              |
| At 1 April 2019                               | -                | -                 | -                             | 1,513,438              | -                 | 17,045  | 45,655                 | -                   | 1,576,138    |
| Disposals                                     | -                | -                 | -                             | (1,052,208)            | -                 | -   | (45,655)               | -                   | (1,097,863)  |
| At 31 March 2020                              | -                | -                 | -                             | 461,230                | -                 | 17,045  | -                      | -                   | 478,275      |
| <b>Carrying amount</b>                        |                  |                   |                               |                        |                   |   |                        |                     |              |
| At 31 March 2020                              | 1,793,698        | -                 | 10,189,989                    | 6,901,958              | 1,165,484         | 1,182,741                                     | 131,922                | -                   | 21,365,792   |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| Company                                 | Motor<br>vehicles<br>RM | Furniture,<br>fittings and<br>office<br>equipment<br>RM | Total<br>RM      |
|---|-------------------------|---|------------------|
| <b>2021</b>                             |                         |   |                  |
| <b>Cost</b>                             |                         |   |                  |
| At 1 April 2020                         | 909,254                 | 1,625,958   | 2,535,212        |
| Additions                               | –                       | 47,172  | 47,172           |
| Disposals                               | (709,254)               | –   | (709,254)        |
| At 31 March 2021                        | <u>200,000</u>          | <u>1,673,130</u>  | <u>1,873,130</u> |
| <b>Accumulated depreciation</b>         |                         |   |                  |
| At 1 April 2020                         | 835,922                 | 941,072   | 1,776,994        |
| Charge for the financial year           | 39,999                  | 88,126  | 128,125          |
| Disposals                               | (709,254)               | –   | (709,254)        |
| At 31 March 2021                        | <u>166,667</u>          | <u>1,029,198</u>  | <u>1,195,865</u> |
| <b>Carrying amount</b>                  |                         |   |                  |
| At 31 March 2021                        | <u>33,333</u>           | <u>643,932</u>  | <u>677,265</u>   |
| <b>2020</b>                             |                         |   |                  |
| <b>Cost</b>                             |                         |   |                  |
| At 1 April 2019, as previously reported | 909,254                 | 1,394,852   | 2,304,106        |
| Additions                               | –                       | 644,813   | 644,813          |
| Disposals                               | –                       | (413,707)   | (413,707)        |
| At 31 March 2020                        | <u>909,254</u>          | <u>1,625,958</u>  | <u>2,535,212</u> |
| <b>Accumulated depreciation</b>         |                         |   |                  |
| At 1 April 2019, as previously reported | 713,713                 | 790,296   | 1,504,009        |
| Charge for the financial year           | 122,209                 | 233,517   | 355,726          |
| Disposals                               | –                       | (82,741)  | (82,741)         |
| At 31 March 2020                        | <u>835,922</u>          | <u>941,072</u>  | <u>1,776,994</u> |
| <b>Carrying amount</b>                  |                         |   |                  |
| At 31 March 2020                        | <u>73,332</u>           | <u>684,886</u>  | <u>758,218</u>   |

## Notes To The Financial Statements

31 March 2021 (Cont'd)

### 10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) The carrying amount of property, plant and equipment of the Group and the Company held under hire purchase arrangement are as follows:

|                     | Group            |                  | Company       |               |
|---------------------|------------------|------------------|---------------|---------------|
|                     | 2021<br>RM       | 2020<br>RM       | 2021<br>RM    | 2020<br>RM    |
| Motor vehicles      | 269,506          | 1,078,726        | 33,333        | 73,331        |
| Plant and machinery | 2,034,200        | 4,014,351        | –             | –             |
|                     | <u>2,303,706</u> | <u>5,093,077</u> | <u>33,333</u> | <u>73,331</u> |

Leased assets are pledged as security for the related finance lease liabilities as disclosed in Note 29(b).

Following the adoption of MFRS 16 in previous financial year, the Group has reclassified the carrying amount of the certain leased assets to Right-of-use Assets (Note 11).

- (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 29(a)(i) are as follows:

|                            | Group             |                   |
|----------------------------|-------------------|-------------------|
|                            | 2021<br>RM        | 2020<br>RM        |
| Freehold land              | 1,793,698         | 1,793,698         |
| Buildings and improvements | 10,508,883        | 11,175,248        |
|                            | <u>12,302,581</u> | <u>12,968,946</u> |

- (c) The aggregate additional cost for the property, plant and equipment of the Group and the Company during the financial year acquired under finance lease financing and cash payments are as follows:

|                               | Group             |                | Company       |                |
|-------------------------------|-------------------|----------------|---------------|----------------|
|                               | 2021<br>RM        | 2020<br>RM     | 2021<br>RM    | 2020<br>RM     |
| Aggregate costs               | 20,932,854        | 982,471        | 47,172        | 644,813        |
| Less: Finance lease financing | –                 | –              | –             | –              |
| Cash payments                 | <u>20,932,854</u> | <u>982,471</u> | <u>47,172</u> | <u>644,813</u> |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 11. RIGHT-OF-USE ASSETS

| Group                                      | 2021 | Plant and machinery<br>RM | Motor vehicle<br>RM | Office equipment<br>RM | Land<br>RM | Leasehold building<br>RM | Total<br>RM |
|--|------|---------------------------|---------------------|------------------------|------------|--------------------------|-------------|
|  |      |                           |                     |                        |            |                          |             |
| <b>Cost</b>                                |      |                           |                     |                        |            |                          |             |
| At 1 April 2020                            |      | -                         | 331,710             | 1,081,757              | 162,654    | 7,502,227                | 9,168,591   |
| Additions                                  |      | -                         | -                   | 774,527                | 163,259    | 4,365,988                | 5,303,774   |
| Transfer to assets held for sale (Note 25) |      | -                         | -                   | (1,062,478)            | (325,913)  | -                        | (1,388,391) |
| Disposal                                   |      | -                         | (331,710)           | (593,795)              | -          | (33,491)                 | (958,996)   |
| At 31 March 2021                           |      | -                         | -                   | 200,011                | -          | 11,834,724               | 12,124,978  |
| <b>Accumulated amortisation</b>            |      |                           |                     |                        |            |                          |             |
| At 1 April 2020                            |      | -                         | 262,640             | 618,120                | 145,485    | 177,598                  | 1,257,988   |
| Charge for the financial year              |      | -                         | -                   | 114,554                | 7,765      | 302,355                  | 442,724     |
| Transfer to assets held for sale (Note 25) |      | -                         | -                   | (443,232)              | (153,250)  | -                        | (596,482)   |
| Disposal                                   |      | -                         | (262,640)           | (197,932)              | -          | (22,328)                 | (482,900)   |
| At 31 March 2021                           |      | -                         | -                   | 91,510                 | -          | 457,625                  | 621,330     |
| <b>Carrying amount</b>                     |      |                           |                     |                        |            |                          |             |
| At 31 March 2021                           |      | -                         | -                   | 108,501                | -          | 11,377,099               | 11,503,648  |



# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 11. RIGHT-OF-USE ASSETS (CONT'D)

| Group                                 | Plant and machinery<br>RM | Motor vehicle<br>RM | Office equipment<br>RM | Land<br>RM | Leasehold building<br>RM | Total<br>RM |
|---------------------------------------|---------------------------|---------------------|------------------------|------------|--------------------------|-------------|
|                                       |                           |                     |                        |            |                          |             |
| <b>2020</b>                           |                           |                     |                        |            |                          |             |
| <b>Cost</b>                           |                           |                     |                        |            |                          |             |
| At 1 April 2019, as previously stated | -                         | -                   | -                      | -          | -                        | -           |
| Effect of adoption on MFRS 16         | -                         | 331,710             | 487,962                | 162,654    | 7,468,736                | 8,541,305   |
| At 1 April 2019, as restated          | -                         | 331,710             | 487,962                | 162,654    | 7,468,736                | 8,541,305   |
| Additions                             | -                         | -                   | 593,795                | -          | 33,491                   | 627,286     |
| At 31 March 2020                      | -                         | 331,710             | 1,081,757              | 162,654    | 7,502,227                | 9,168,591   |
| <b>Accumulated amortisation</b>       |                           |                     |                        |            |                          |             |
| At 1 April 2019, as previously stated | -                         | -                   | -                      | -          | -                        | -           |
| Effect of adoption on MFRS 16         | -                         | 180,455             | 257,535                | 91,267     | 83,217                   | 648,571     |
| At 1 April 2019, as restated          | -                         | 180,455             | 257,535                | 91,267     | 83,217                   | 648,571     |
| Charge for the financial year         | -                         | 82,185              | 360,585                | 54,218     | 94,381                   | 609,417     |
| At 31 March 2020                      | -                         | 262,640             | 618,120                | 145,485    | 177,598                  | 1,257,988   |
| <b>Carrying amount</b>                |                           |                     |                        |            |                          |             |
| At 31 March 2020                      | -                         | 69,070              | 463,637                | 17,169     | 7,324,629                | 7,910,603   |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 11. RIGHT-OF-USE ASSETS (CONT'D)

### Company

|                                       | Office<br>RM | Office<br>equipment<br>RM | Total<br>RM |
|---------------------------------------|--------------|---------------------------|-------------|
| <b>2021</b>                           |              |                           |             |
| <b>Cost</b>                           |              |                           |             |
| At 1 April 2020                       | 593,795      | 90,243                    | 684,038     |
| Additions                             | 60,152       | –                         | 60,152      |
| At 31 March 2021                      | 653,947      | 90,243                    | 744,190     |
| <b>Accumulated amortisation</b>       |              |                           |             |
| At 1 April 2020                       | 197,931      | 54,145                    | 252,076     |
| Charge for the financial year         | 228,008      | 18,050                    | 246,058     |
| At 31 March 2021                      | 425,939      | 72,195                    | 498,134     |
| <b>Carrying amount</b>                |              |                           |             |
| At 31 March 2021                      | 228,008      | 18,048                    | 246,056     |
| <b>2020</b>                           |              |                           |             |
| <b>Cost</b>                           |              |                           |             |
| At 1 April 2019, as previously stated | –            | –                         | –           |
| Effect of adoption on MFRS 16         | –            | 90,243                    | 90,243      |
| At 1 April 2019, as restated          | –            | 90,243                    | 90,243      |
| Additions                             | 593,795      | –                         | 593,795     |
| At 31 March 2020                      | 593,795      | 90,243                    | 684,038     |
| <b>Accumulated amortisation</b>       |              |                           |             |
| At 1 April 2019, as previously stated | –            | –                         | –           |
| Effect of adoption on MFRS 16         | –            | 36,097                    | 36,097      |
| At 1 April 2019, as restated          | –            | 36,097                    | 36,097      |
| Charge for the financial year         | 197,931      | 18,048                    | 215,979     |
| At 31 March 2020                      | 197,931      | 54,145                    | 252,076     |
| <b>Carrying amount</b>                |              |                           |             |
| At 31 March 2020                      | 395,864      | 36,098                    | 431,962     |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 12. INVESTMENT PROPERTIES

|                                 | Group      |            |
|---------------------------------|------------|------------|
|                                 | 2021<br>RM | 2020<br>RM |
| At 1 April / 31 March           | 11,141,329 | 11,141,329 |
| <b>Accumulated depreciation</b> |            |            |
| At 1 April                      | 197,536    | 69,784     |
| Charge for the financial year   | 127,752    | 127,752    |
| At 31 March                     | 325,288    | 197,536    |
| <b>Carrying amount</b>          |            |            |
| At 31 March                     | 10,816,041 | 10,943,793 |
| <b>Fair value</b>               |            |            |
| At 31 March                     | 16,125,450 | 11,961,481 |

(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 75 to 80 years (2020: 76 to 81 years).

(b) Fair value basis of investment properties

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

There were no transfers between levels during current and previous financial year.

(c) Income and expenses recognised in profit or loss

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

|   | Group      |            |
|---|------------|------------|
|   | 2021<br>RM | 2020<br>RM |
| Rental income                             | 126,365    | 173,100    |
| Direct operating expenses                 |            |            |
| – Income generating Investment properties | 90,646     | 103,524    |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 13. INVENTORIES

|                            | Note | Group      |                          | Company    |                          |
|----------------------------|------|------------|--------------------------|------------|--------------------------|
|                            |      | 2021<br>RM | 2020<br>RM<br>(restated) | 2021<br>RM | 2020<br>RM<br>(restated) |
| <b>Non-current</b>         |      |            |                          |            |                          |
| Land held for development  |      | 6,000,000  | 6,000,000                | 6,000,000  | 6,000,000                |
| <b>Current</b>             |      |            |                          |            |                          |
| Property development costs | (a)  | –          | –                        | –          | –                        |
| Others inventories         | (b)  | 2,019,213  | 8,388,513                | –          | –                        |
|                            |      | 2,019,213  | 8,388,513                | –          | –                        |
|                            |      | 8,019,213  | 14,388,513               | 6,000,000  | 6,000,000                |

(a) Property development costs

|  | Group      |             |
|--|------------|-------------|
|  | 2021<br>RM | 2020<br>RM  |
| <b>Current</b>                           |            |             |
| <b>Property development costs</b>        |            |             |
| At 1 April                               | –          | 6,556,546   |
| Additions                                | –          | 578,089     |
| Transfer from land held for development  | –          | –           |
| Disposal of subsidiary companies         | –          | (7,134,635) |
| At 31 March                              | –          | –           |
| <b>Cost recognised in profit or loss</b> |            |             |
| At 1 April                               | –          | 1,518,630   |
| Additions                                | –          | 149,375     |
| Disposal of subsidiary companies         | –          | (1,668,005) |
| At 31 March                              | –          | –           |
| <b>Carrying amount</b>                   |            |             |
| At 31 March                              | –          | –           |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 13. INVENTORIES (CONT'D)

(b) Other inventories

|   | 2021<br>RM       | 2020<br>RM       |
|---|------------------|------------------|
| Raw materials and packaging materials   | 1,196,098        | 1,128,397        |
| Spare parts and consumables             | 823,115          | 1,466,844        |
| Quarry and bituminous products          | –                | 5,793,272        |
|   | <u>2,019,213</u> | <u>8,388,513</u> |
| <b>Recognised in profit or loss:</b>    |                  |                  |
| Inventories recognised in cost of sales | 8,009,366        | 10,987,416       |

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

## 14. QUARRY DEVELOPMENT EXPENDITURE

|  | 2021<br>RM    | Group<br>2020<br>RM |
|--|---------------|---------------------|
| <b>Cost</b>                                |               |                     |
| At 1 April                                 | 11,160,465    | 16,494,675          |
| Additions                                  | 86,859        | 7,260               |
| Disposal of subsidiary companies           | –             | (5,341,470)         |
| Transfer to assets held for sale (Note 25) | (11,160,465)  | –                   |
| At 31 March                                | <u>86,859</u> | <u>11,160,465</u>   |
| <b>Accumulated amortisation</b>            |               |                     |
| At 1 April                                 | 2,662,978     | 5,411,483           |
| Charge for the financial year              | 59,124        | 118,247             |
| Transfer to assets held for sale (Note 25) | (2,722,102)   | –                   |
| Disposal of subsidiary companies           | –             | (2,866,752)         |
| At 31 March                                | <u>–</u>      | <u>2,662,978</u>    |
| <b>Accumulated impairment losses</b>       |               |                     |
| At 1 April                                 | 8,141,295     | 8,141,295           |
| Transfer to assets held for sale (Note 25) | (8,141,295)   | –                   |
| At 31 March                                | <u>–</u>      | <u>8,141,295</u>    |
| <b>Carrying amount</b>                     |               |                     |
| At 31 March                                | <u>86,859</u> | <u>356,192</u>      |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 15. INVESTMENT IN SUBSIDIARY COMPANIES

|                                     | Company      |              |
|-------------------------------------|--------------|--------------|
|                                     | 2021<br>RM   | 2020<br>RM   |
| <b>Unquoted shares, at cost</b>     |              |              |
| In Malaysia                         | 86,096,871   | 81,193,972   |
| Outside Malaysia                    | –            | 2            |
|                                     | 86,096,871   | 81,193,974   |
| Less: Accumulated impairment losses | (41,499,617) | (41,499,719) |
|                                     | 44,597,254   | 39,694,255   |

Movements in the allowance for impairment losses of investment in subsidiary companies are as follows:

|             | Company    |             |
|-------------|------------|-------------|
|             | 2021<br>RM | 2020<br>RM  |
| At 1 April  | 41,499,719 | 40,677,431  |
| Addition    | –          | 6,600,049   |
| Reversal    | (102)      | (5,777,761) |
| At 31 March | 41,499,617 | 41,499,719  |

Details of the subsidiary companies are as follows:

| Name of company                           | Place of business/<br>Country of incorporation | Effective interest (%) |      | Principal activities   |
|---|--|------------------------|------|--|
|   |  | 2021                   | 2020 |  |
| <b>Direct holding:</b>                    |  |                        |      |  |
| K. S. Chin Minerals Sdn. Bhd.<br>("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  |
| Minetech International (L) Ltd. ("MILL")  | Malaysia                                       | 100                    | –    | Inactive   |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 15. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows: (Cont'd)

| Name of company  | Place of business/<br>Country of incorporation | Effective interest (%) |      | Principal activities  |
|--|--|------------------------|------|---|
|  |  | 2021                   | 2020 |   |
| <b>Direct holding: (Cont'd)</b>  |  |                        |      |   |
| Minetech Asphalt Man International Sdn. Bhd. ("MAMI")  | Malaysia                                       | 85                     | 85   | Manufacturing and trading of bituminous products                                  |
| Minetech Heavy Malaysia Machineries Sdn. Bhd. ("MHMSB")                                      | Malaysia                                       | –                      | 100  | Inactive and strike off on 23 October 2020  |
| Harapan Iringan Sdn. Bhd. ("HISB")   | Malaysia                                       | 100                    | 100  | Property investment holding   |
| Medium Visa Sdn. Bhd. ("MVSB")   | Malaysia                                       | 100                    | 100  | Investment holding  |
| Coral Energy Sdn. Bhd. ("CESB")  | Malaysia                                       | 100                    | 100  | Property development  |
| Coral Power Sdn. Bhd. ("CPSB")   | Malaysia                                       | 70                     | 70   | Solar Farm Operator   |
| Bertam Capital Sdn. Bhd. ("BCSB")  | Malaysia                                       | 60                     | 60   | Quarry operator   |
| MRB Property Sdn. Bhd. ("MRBP")  | Malaysia                                       | 100                    | 100  | Investment holding, wholesale of construction and civil engineering and equipment |
| Techmile Resources Sdn. Bhd. ("TRSB")  | Malaysia                                       | 100                    | –    | Investment holding, provision of specialised civil engineering services           |
| Uniqa (M) Sdn. Bhd. * ("UMSB")   | Malaysia                                       | 60                     | –    | Business of information technology and software development                       |
| <b>Subsidiary companies of KSCM:</b>   |  |                        |      |   |
| Advance Solar Sdn. Bhd. ("ASSB")<br>(Formerly known as Minetech Quarries Sdn. Bhd. ("MQSB")) | Malaysia                                       | 100                    | 100  | Inactive  |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 15. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows: (Cont'd)

|  | Place of<br>business/<br>Country of<br>incorporation | Effective interest (%) |      | Principal activities   |
|--|--|------------------------|------|--|
|  |  | 2021                   | 2020 |  |
| <b>Subsidiary companies of MQSB:</b>                     |  |                        |      |  |
| Optimis Dinamik Sdn. Bhd.<br>("ODSB")                    | Malaysia   | 100                    | 100  | Inactive   |
| Minetech Pavement<br>Technologies Sdn. Bhd.<br>("MPTSB") | Malaysia   | –                      | 100  | Inactive and strike off on<br>23 October 2020                                |
| Minetech Bidor Quarry<br>Sdn. Bhd. ("MBQSB")             | Malaysia   | 100                    | 100  | Extraction, processing,<br>manufacturing and marketing<br>of quarry products |
| <b>Subsidiary company of MPSB:</b>                       |  |                        |      |  |
| Minetech Quarries Sabah<br>Sdn. Bhd. ("MQSSB")           | Malaysia   | –                      | 100  | Inactive and strike off on<br>24 December 2020                               |
| Subsidiary companies of MRBP:                            |  |                        |      |  |
| Integral Housing Development<br>Sdn. Bhd. ("IHDSB")      | Malaysia   | –                      | 100  | Dormant and strike off on<br>18 September 2020                               |
| <b>Subsidiary companies of MCSB:</b>                     |  |                        |      |  |
| Coral Evergreen Sdn. Bhd.<br>("CEGSB")                   | Malaysia   | 100                    | 100  | Civil engineering construction   |
| MRB Maju Construct Sdn. Bhd.<br>("MMCSB")                | Malaysia   | 80                     | 80   | Civil engineering construction   |

\* Audited by a firm other than Al Jafree Salihin Kuzaimi PLT



## Notes To The Financial Statements

31 March 2021 (Cont'd)

### 15. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(a) Acquisition of subsidiary company – Uniqa (M) Sdn. Bhd.

On 12 March 2021, Techmile Resources Sdn. Bhd., a subsidiary of Minetech Resources Berhad has acquired 300,000 ordinary shares in Uniqa (M) Sdn. Bhd. ("UMSB"), representing 60% of the equity interests in UMSB for a cash consideration of RM2,829,472. Consequently, UMSB became an indirect 60% owned subsidiary company of the Company.

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

| Group   | 2021<br>RM         |
|---|--------------------|
| <u>Fair value of identifiable assets acquired and liabilities assumed</u> |                    |
| Property, plant and equipment   | 343,434            |
| Trade debtors   | 3,514              |
| Other receivables & deposit   | 63,487             |
| Work in progress  | 1,201,030          |
| Amount owing to Director  | (839,185)          |
| Other payables and accruals   | (9,530)            |
| Bank borrowing  | (2,723,044)        |
| Cash and cash equivalents   | 44,005             |
| Non-controlling interest  | 766,515            |
| Total identifiable net liabilities  | <u>(1,149,774)</u> |
| <u>Total fair value of consideration transferred</u>                      |                    |
| Cash consideration  | 2,829,472          |
| Total consideration recognised as payable, as at 31 March 2021            | <u>2,829,472</u>   |
| <u>Net cash inflows arising from acquisition of subsidiary company</u>    |                    |
| Purchase consideration, recognised as payable                             | –                  |
| Less: Cash and bank balances acquired                                     | 44,005             |
| Net cash inflows  | <u>44,005</u>      |
| <u>Goodwill arising from business combination</u>                         |                    |

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

|  |                  |
|--|------------------|
| Fair value of consideration transferred    | 2,829,472        |
| Fair value of identifiable net liabilities | 1,149,774        |
| Goodwill on consolidation (Note 17)        | <u>3,979,246</u> |

The goodwill recognised on the acquisition is attributable mainly to the license of its remittance services and technical talent of the acquired business's work force and the synergies expected to be achieved from integrating the subsidiary companies into the Group's existing business.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 15. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

### (b) Strike off of subsidiaries companies

During the financial year, the Company and its wholly-owned subsidiary companies had completed the strike off of some wholly owned subsidiaries and the details are as the following:

- (i) Strike off of Minetech Pavement Technologies Sdn. Bhd. which was a wholly owned subsidiary of Minetech Quarries Sdn. Bhd.;
- (ii) Strike off of Integral Housing Development Sdn. Bhd. which was a wholly owned subsidiary of MRB Property Sdn. Bhd.;
- (iii) Strike off of Minetech Quarries Sabah Sdn. Bhd. which was a wholly owned subsidiary of Mintech Premix Sdn. Bhd.;
- (iv) Strike off of Minetech Heavy Machineries Sdn. Bhd. which was a wholly owned subsidiary of Mintech Resources Berhad;

### (c) Material partly-owned subsidiary companies

Set out below are the Group's subsidiary companies that have material non-controlling interests:

| Name of company   | Proportion of ownership interests and voting rights held by non-controlling interests |      | Profit allocated to non-controlling interests |           | Accumulated non-controlling interests |           |
|---|---|------|---|-----------|---------------------------------------|-----------|
|   | 2021  | 2020 | 2021  | 2020      | 2021                                  | 2020      |
|   | %   | %    | RM  | RM        | RM                                    | RM        |
| MAMI  | 15  | 15   | 19,917  | 60,236    | 934,328                               | 914,411   |
| BCSB  | 40  | 40   | (276,148)                                     | (655,540) | 981,255                               | 1,257,403 |
|   |   |      |   |           | 1,915,583                             | 2,171,814 |
| Individually immaterial subsidiary companies with non-controlling interests |   |      |   |           | (656,343)                             | (20,105)  |
|   |   |      |   |           | 1,259,240                             | 2,151,709 |

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 15. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(c) Material partly-owned subsidiary companies (Cont'd)

(i) Summarised of Statements of Financial Position

|                         | <b>MAMI</b>      | <b>BCSB</b>      |
|-------------------------|------------------|------------------|
|                         | <b>RM</b>        | <b>RM</b>        |
| <b>2021</b>             |                  |                  |
| Non-current assets      | 4,767,618        | 4,406,618        |
| Current assets          | 5,268,257        | 18,959,865       |
| Non-current liabilities | (364,500)        | (2,040,125)      |
| Current liabilities     | (3,444,264)      | (18,902,433)     |
| Net assets              | <u>6,227,111</u> | <u>2,423,925</u> |
| <b>2020</b>             |                  |                  |
| Non-current assets      | 5,071,751        | 3,168,310        |
| Current assets          | 6,721,115        | 17,741,335       |
| Non-current liabilities | (364,500)        | (1,511,978)      |
| Current liabilities     | (5,334,035)      | (16,283,366)     |
| Net assets              | <u>6,094,331</u> | <u>3,114,301</u> |

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

|  | <b>MAMI</b>       | <b>BCSB</b>        |
|--|-------------------|--------------------|
|  | <b>RM</b>         | <b>RM</b>          |
| <b>2021</b>  |                   |                    |
| Revenue  | <u>11,400,394</u> | <u>15,019,763</u>  |
| Total comprehensive income/(loss) for the financial year | <u>132,779</u>    | <u>(597,241)</u>   |
| <b>2020</b>  |                   |                    |
| Revenue  | <u>15,199,244</u> | <u>17,093,614</u>  |
| Total comprehensive income/(loss) for the financial year | <u>401,571</u>    | <u>(1,651,837)</u> |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 15. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(c) Material partly-owned subsidiary companies (Cont'd)

(iii) Summarised of Statements of Cash Flows

|  | <b>MAMI<br/>RM</b> | <b>BCSB<br/>RM</b> |
|--|--------------------|--------------------|
| <b>2021</b>  |                    |                    |
| Net cash from operating activities                     | 624,581            | 2,294,497          |
| Net cash used in investing activities                  | –                  | (1,940,459)        |
| Net cash generated from/(used in) financing activities | (695,793)          | 754,743            |
| Net (decrease)/increase in cash and cash equivalents   | <u>(71,212)</u>    | <u>1,108,781</u>   |
| <b>2020</b>  |                    |                    |
| Net cash from operating activities                     | 1,613,892          | 1,826,084          |
| Net cash used in investing activities                  | (270,410)          | (172,687)          |
| Net cash generated from/(used in) financing activities | 412,261            | (1,440,669)        |
| Net increase in cash and cash equivalents              | <u>1,755,743</u>   | <u>212,728</u>     |

(d) Disposal of subsidiary companies

In previous financial year, the Group disposed its entire shareholdings of the following subsidiaries for a total cash consideration of RM7,355,000 to third parties:

|                         | <b>Date of<br/>disposal</b> | <b>Share-<br/>holdings prior<br/>to disposal</b> | <b>Group<br/>2020<br/>RM</b> |
|-------------------------|-----------------------------|--|------------------------------|
| Gebeng Quarry Sdn. Bhd. | 18 Nov 2019                 | 51%  | 7,000,000                    |
| Minetech PQ Sdn. Bhd    | 15 Nov 2019                 | 51%  | 255,000                      |
| MRB Land Sdn. Bhd.      | 15 Nov 2019                 | 100%   | 100,000                      |
|                         |                             |  | <u>7,355,000</u>             |

## Notes To The Financial Statements

31 March 2021 (Cont'd)

### 15. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(d) Disposal of subsidiary companies (Cont'd)

The effect of the above disposals on the financial results of the Group in respect of the financial year are as follows:

| <b>Group</b>                    | <b>2020<br/>RM</b> |
|---------------------------------|--------------------|
| Revenue                         | 5,238,984          |
| Cost of sales                   | (4,900,662)        |
| Other operating incomes         | 322,551            |
| Operating expenses              | (315,224)          |
| Profit from operation           | 345,649            |
| Finance costs                   | (136,270)          |
| Profit before taxation          | 209,379            |
| Taxation                        | (227,304)          |
| Net loss for the financial year | <u>(17,925)</u>    |

The assets and liabilities arising from the disposal are as follows :

|   |                    |
|---|--------------------|
| Property, plant and equipment                                       | 9,825,033          |
| Property development cost   | 5,466,630          |
| Quarry development expenditure                                      | 2,474,718          |
| Inventories   | 7,249,601          |
| Trade receivables   | 7,281,763          |
| Other receivables   | 5,394,479          |
| Amount due from related company                                     | 1,389,879          |
| Cash and bank balances  | 705,559            |
| Tax recoverable   | 167,117            |
| Trade payables  | (4,635,328)        |
| Other payables  | (4,177,314)        |
| Amount due to related company                                       | (11,053,419)       |
| Finance lease   | (4,794,078)        |
| Tax payables  | (465,486)          |
| Deferred tax liabilities  | (146,300)          |
| Net assets disposed off   | <u>14,682,854</u>  |
| Less : Non-controlling interests                                    | <u>(6,173,000)</u> |
|   | 8,509,854          |
| Loss on disposal of investment in subsidiary companies              | <u>(1,154,854)</u> |
| Disposal proceeds settled by cash                                   | 7,355,000          |
| Less: Cash and cash equivalents of subsidiary companies disposed    | (705,559)          |
| Net cash inflow from disposal of investment in subsidiary companies | <u>6,649,441</u>   |

- (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.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 16. INVESTMENT IN ASSOCIATES

|                                   | Group      |            | Company    |            |
|-----------------------------------|------------|------------|------------|------------|
|                                   | 2021<br>RM | 2020<br>RM | 2021<br>RM | 2020<br>RM |
| <b>In Malaysia</b>                |            |            |            |            |
| Unquoted shares, at cost          | 120,049    | 120,049    | 120,000    | 120,000    |
| Share of post-acquisition reserve | (120,049)  | (1,750)    | –          | –          |
|                                   | –          | 118,299    | 120,000    | 120,000    |

Details of the associates are as follows:

|                                       | Place of<br>business/<br>Country of<br>incorporation | Effective interest (%) |      | Principal activities                                   |
|---------------------------------------|--|------------------------|------|--|
|                                       |  | 2021                   | 2020 |  |
| <b>Associate company of MRB:</b>      |  |                        |      |  |
| Konsep Khas Sdn. Bhd.<br>("KKSBB")    | Malaysia   | 30                     | 30   | Wholesale of variety of goods                          |
| <b>Associate company of KSCM:</b>     |  |                        |      |  |
| Hebat Asset Sdn. Bhd.<br>("HASB")     | Malaysia   | –                      | 49   | Dormant and strike off on<br>4 December 2020           |
| <b>Associate company of KKSBB:</b>    |  |                        |      |  |
| Mitcom Services Sdn. Bhd.<br>("MMSB") | Malaysia   | 50                     | –    | Provision of media and outdoor<br>advertising services |

### (a) Acquisition of associates

In the current financial year, Konsep Khas Sdn. Bhd., an associate of Minetech Resources Berhad has acquired 125,000 ordinary shares in Mitcom Services Sdn. Bhd. ("MSSB"), representing 50% of the equity interests in MSSB for a cash consideration of RM125. Consequently, MSSB became an indirect 15% owned associate company of the Company.

In the previous financial year, the Company's wholly-owned subsidiary company Konsep Khas Sdn. Bhd. ("KKSBB") had increase their share capital to 400,000. Consequently, KKSBB became an associate company of the Company.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 16. INVESTMENT IN ASSOCIATES (CONT'D)

(b) The summarised financial information of the associates are as follows:

|                                      | Group      |            |
|--------------------------------------|------------|------------|
|                                      | 2021<br>RM | 2020<br>RM |
| Total assets                         | 13,516,549 | 448,844    |
| Total liabilities                    | 14,115,406 | 76,240     |
| Profit/(Loss) for the financial year | (753,929)  | 17,736     |

(c) The unrecognised share of losses of the associates are as follows:

|                                    | Group      |            |
|------------------------------------|------------|------------|
|                                    | 2021<br>RM | 2020<br>RM |
| At 1 April                         | 22,934     | 33,297     |
| Addition during the financial year | 48,612     | (10,363)   |
| At 31 March                        | 71,546     | 22,934     |

## 17. INTANGIBLE ASSETS

|  | Goodwill on<br>consolidation<br>RM | Intangible<br>assets<br>RM | Total<br>RM  |
|--|------------------------------------|----------------------------|--------------|
| <b>Group</b>                               |                                    |                            |              |
| <b>Cost</b>                                |                                    |                            |              |
| At 1 April 2020                            | 3,510,777                          | 12,585,600                 | 16,096,377   |
| Addition                                   | 3,979,246                          | –                          | 3,979,246    |
| Transfer to assets held for sale (Note 25) | (3,510,777)                        | (12,585,600)               | (16,096,377) |
| At 31 March 2021                           | 3,979,246                          | –                          | 3,979,246    |
| <b>Accumulated amortisation</b>            |                                    |                            |              |
| At 1 April 2020                            | –                                  | 1,006,848                  | 1,006,848    |
| Charge for the financial year              | –                                  | 251,712                    | 251,712      |
| Transfer to assets held for sale (Note 25) | –                                  | (1,258,560)                | (1,258,560)  |
| At 31 March 2021                           | –                                  | –                          | –            |
| <b>Accumulated impairment losses</b>       |                                    |                            |              |
| At 1 April 2020                            | 3,510,777                          | 4,259,163                  | 7,769,940    |
| Charge for the financial year              | –                                  | –                          | –            |
| Transfer to assets held for sale (Note 25) | (3,510,777)                        | (4,259,163)                | (7,769,940)  |
| At 31 March 2021                           | –                                  | –                          | –            |
| <b>Carrying amount</b>                     |                                    |                            |              |
| At 31 March 2021                           | 3,979,246                          | –                          | 3,979,246    |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 17. INTANGIBLE ASSETS (CONT'D)

|                                      | <b>Goodwill on<br/>consolidation<br/>RM</b> | <b>Intangible<br/>assets<br/>RM</b> | <b>Total<br/>RM</b> |
|--------------------------------------|---|-------------------------------------|---------------------|
| <b>Group</b>                         |   |                                     |                     |
| <b>Cost</b>                          |   |                                     |                     |
| At 1 April 2019 / 31 March 2020      | 3,510,777                                   | 12,585,600                          | 16,096,377          |
| <b>Accumulated amortisation</b>      |   |                                     |                     |
| At 1 April 2019                      | –   | 461,472                             | 461,472             |
| Charge for the financial year        | –   | 545,376                             | 545,376             |
| At 31 March 2020                     | –   | 1,006,848                           | 1,006,848           |
| <b>Accumulated impairment losses</b> |   |                                     |                     |
| At 1 April 2019                      | 2,169,940                                   | –                                   | 2,169,940           |
| Charge for the financial year        | 1,340,837                                   | 4,259,163                           | 5,600,000           |
| At 31 March 2020                     | 3,510,777                                   | 4,259,163                           | 7,769,940           |
| <b>Carrying amount</b>               |   |                                     |                     |
| At 31 March 2020                     | –   | 7,319,589                           | 7,319,589           |

(a) Goodwill on consolidation

In the previous financial year, the recoverable amount of the property development unit was determined based on a value in use by discounting future cash flow to be generated by the unit. The carrying amount of the unit was determined to be higher than its recoverable amount and an impairment loss of RM1,340,837 was recognised. The impairment loss was recorded within administrative expenses in the statements of profit or loss and other comprehensive income.

During the financial year, goodwill previously arising from the property development unit had been classified as held for sale, as a result of the sale of Bertam Capital Sdn. Bhd.

In the current financial year, the Company has completed the acquisition of Uniqa (M) Sdn. Bhd. and RM3,979,246 is recognised as goodwill, in accordance with MFRS 3, Business Combinations.

For the purpose of impairment testing, the recoverable amount of goodwill as at the end of this financial year was determined based on a value in use calculation by discounting the future cash flows generated from the continuing use of the cash generating unit ("CGU") and was based on the following assumptions:

- (i) Pre-tax cash flows projections based on the most recent financial budgets covering a five (5) years period.
- (ii) The anticipated annual revenue growth rate used in the financial budgets and plans of the CGU is 10% for the second and third financial year, and 15% for the subsequent two financial years.
- (iii) Pre-tax discount rate of 10% 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.



# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 17. INTANGIBLE ASSETS (CONT'D)

### (a) Goodwill on consolidation (Cont'd)

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.

### (b) Intangible assets

During the financial year, the carrying amount of the intangible assets have been classified as held for sale, as a result of the sale of Bertam Capital Sdn. Bhd.

In the previous financial year, the carrying amount of the unit was determined to be higher than its recoverable amount and an impairment loss of RM4,259,163 was recognised. The impairment loss was recorded within administrative expenses in the statements of profit or loss and other comprehensive income.

## 18. OTHER INVESTMENTS

|  | Group      |            | Company    |            |
|--|------------|------------|------------|------------|
|  | 2021<br>RM | 2020<br>RM | 2021<br>RM | 2020<br>RM |
| <b>Non-current</b>                         |            |            |            |            |
| At cost:                                   |            |            |            |            |
| Investment in club memberships             | 64,464     | 64,464     | –          | –          |
| Transfer to assets held for sale (Note 25) | (64,464)   | –          | –          | –          |
|  | –          | 64,464     | –          | –          |
| <b>Current</b>                             |            |            |            |            |
| Financial assets at FVTPL:                 |            |            |            |            |
| Unit trust, quoted in Malaysia             | 466,078    | 155,013    | 57,200     | 3,433      |

The investment in club memberships is unquoted and the management are of the view that under such circumstances, it is not possible to disclose the range estimates within which a fair value is unlikely to be estimated. This has been reclassified to assets held for sale during the financial year.

The fair value of the quoted investment in units were determined by reference to the quoted price in the financial market.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 19. OTHER RECEIVABLES

|                                     | Group       |             | Company |         |
|-------------------------------------|-------------|-------------|---------|---------|
|                                     | 2021        | 2020        | 2021    | 2020    |
|                                     | RM          | RM          | RM      | RM      |
|                                     |             | (restated)  |         |         |
| <b>Non-current</b>                  |             |             |         |         |
| Other receivables                   | 582,617     | 342,000     | –       | –       |
| <b>Current</b>                      |             |             |         |         |
| Other receivables                   | 2,331,375   | 5,727,021   | –       | 403,571 |
| Less: Accumulated impairment losses | (1,268,528) | (2,374,760) | –       | –       |
|                                     | 1,062,847   | 3,352,261   | –       | 403,571 |
| Deposits                            | 848,105     | 1,203,994   | 48,212  | 48,212  |
| Prepayments                         | 1,522,297   | 2,503,921   | 150,263 | 60,628  |
| GST receivables                     | –           | 72,688      | –       | –       |
|                                     | 3,433,249   | 7,132,864   | 198,475 | 512,411 |

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

|                              | Group       |           | Company |      |
|------------------------------|-------------|-----------|---------|------|
|                              | 2021        | 2020      | 2021    | 2020 |
|                              | RM          | RM        | RM      | RM   |
| At 1 April                   | 2,374,760   | 2,789,492 | –       | –    |
| Impairment losses recognised | 53,443      | 8,310     | –       | –    |
| Reversal of impairment loss  | (1,062,697) | (825,513) | –       | –    |
| Written off                  | (96,978)    | (812,614) | –       | –    |
| Prior year adjustment        | –           | 1,215,085 | –       | –    |
| At 31 March                  | 1,268,528   | 2,374,760 | –       | –    |

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.

## 20. CONTRACT ASSETS/(LIABILITIES)

The Group's contract assets and contract liabilities relating to construction contracts and property development activities at the end of the reporting period are as follows:

|                                 | Note | Group      |           |
|---------------------------------|------|------------|-----------|
|                                 |      | 2021       | 2020      |
|                                 |      | RM         | RM        |
| <b>Contract assets</b>          |      |            |           |
| Construction contracts          | (a)  | 36,221,907 | 3,327,364 |
| <b>Contract liabilities</b>     |      |            |           |
| Construction contracts          | (a)  | –          | –         |
| Property development activities | (b)  | –          | –         |

## Notes To The Financial Statements

31 March 2021 (Cont'd)

### 20. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(a) Construction contracts

|   | <b>Group</b>       |                   |
|---|--------------------|-------------------|
|   | <b>2021</b>        | <b>2020</b>       |
|   | <b>RM</b>          | <b>RM</b>         |
| Contracts costs incurred to-date        | 123,106,045        | 74,488,807        |
| Attributable profits recognised to-date | 16,894,045         | 5,019,530         |
|   | <u>140,000,090</u> | <u>79,508,337</u> |
| Less: Progress billings                 | (103,778,183)      | (76,180,973)      |
|   | <u>36,221,907</u>  | <u>3,327,364</u>  |
| Presented as:                           |                    |                   |
| Contract assets                         | 36,221,907         | 3,327,364         |
| Contract liabilities                    | -                  | -                 |
|   | <u>36,221,907</u>  | <u>3,327,364</u>  |

The contract assets represent the unbilled amount for work completed as at the reporting date. This amount will be transferred to trade receivables when the right to bill becomes unconditional.

The contract liabilities consist of advance billings in excess of revenue recognised over time during the construction period.

(b) Property development activities

|   | <b>Group</b> |             |
|---|--------------|-------------|
|   | <b>2021</b>  | <b>2020</b> |
|   | <b>RM</b>    | <b>RM</b>   |
| At 1 April  | -            | (78,911)    |
| Property development revenue recognised during the financial year | -            | -           |
| Less: Progress billing during the financial year                  | -            | -           |
| Less: Disposal of subsidiary company                              | -            | 78,911      |
| At 31 March   | <u>-</u>     | <u>-</u>    |
| Presented as:   |              |             |
| Contract liabilities  | <u>-</u>     | <u>-</u>    |

Contract liabilities consist of billings in excess of revenue recognised, this amount is expected to be recognised as revenue over a period.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 20. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(c) Transaction price allocated to the remaining performance obligations

The following table shows revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date. The disclosure is only providing information for contracts that have a duration of more than one year.

|                       | Under 1 year<br>RM | 1 – 5 years<br>RM | Total<br>RM |
|-----------------------|--------------------|-------------------|-------------|
| <b>Group</b>          |                    |                   |             |
| Construction contract | 48,694,703         | 99,953,769        | 148,648,472 |

## 21. TRADE RECEIVABLES

|   | Group      |            |
|---|------------|------------|
|   | 2021<br>RM | 2020<br>RM |
| Trade receivables                       | 18,629,947 | 29,435,021 |
| Less: Accumulated for impairment losses | (342,611)  | (454,853)  |
|   | 18,287,336 | 28,980,168 |

The Group's normal trade credit terms range from 30 to 90 days (2020: 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 RM3,726,255 (2020: RM2,562,434).

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

|  | Lifetime<br>allowance<br>RM | Credit<br>impaired<br>RM | Loss<br>allowance<br>RM |
|--|-----------------------------|--------------------------|-------------------------|
| <b>Group</b>                               |                             |                          |                         |
| At 1 April 2020                            | 130,696                     | 324,157                  | 454,853                 |
| Transfer to assets held for sale (Note 25) | (25,300)                    | –                        | (25,300)                |
| Impairment losses recognised               | 33,460                      | –                        | 33,460                  |
| Reversal of impairment losses              | (120,402)                   | –                        | (120,402)               |
| At 31 March 2021                           | 18,454                      | 324,157                  | 342,611                 |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 21. TRADE RECEIVABLES (CONT'D)

Movements in the allowance for impairment losses of trade receivables are as follows: (Cont'd)

|   | <b>Lifetime<br/>allowance<br/>RM</b> | <b>Credit<br/>impaired<br/>RM</b> | <b>Loss<br/>allowance<br/>RM</b> |
|---|--------------------------------------|-----------------------------------|----------------------------------|
| <b>Group</b>                                  |                                      |                                   |                                  |
| At 1 April 2019                               | 373,448                              | 1,658,867                         | 2,032,315                        |
| Arising from disposal of subsidiary companies | (40,874)                             | 20,429                            | (20,445)                         |
| Impairment losses recognised                  | –                                    | 252,981                           | 252,981                          |
| Reversal of impairment losses                 | (201,878)                            | (1,258,001)                       | (1,459,879)                      |
| Write off of impairment losses                | –                                    | (350,119)                         | (350,119)                        |
| At 31 March 2020                              | <u>130,696</u>                       | <u>324,157</u>                    | <u>454,853</u>                   |

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the trade receivable directly.

The aged analysis of trade receivables as at the end of the reporting period are as follows:

|                        | <b>Gross<br/>amount<br/>RM</b> | <b>Loss<br/>allowance<br/>RM</b> | <b>Net<br/>amount<br/>RM</b> |
|------------------------|--------------------------------|----------------------------------|------------------------------|
| <b>Group</b>           |                                |                                  |                              |
| <b>2021</b>            |                                |                                  |                              |
| Neither past due       | 7,322,256                      | –                                | 7,322,256                    |
| Past due               |                                |                                  |                              |
| Less than 30 days      | 3,361,001                      | –                                | 3,361,001                    |
| 31 to 60 days          | 1,038,015                      | –                                | 1,038,015                    |
| 61 to 90 days          | 1,175,714                      | –                                | 1,175,714                    |
| More than 90 days      | 5,537,200                      | (146,850)                        | 5,390,350                    |
|                        | <u>11,111,930</u>              | <u>(146,850)</u>                 | <u>10,965,080</u>            |
| <b>Credit impaired</b> |                                |                                  |                              |
| Individually impaired  | 195,761                        | (195,761)                        | –                            |
|                        | <u>18,629,947</u>              | <u>(342,611)</u>                 | <u>18,287,336</u>            |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 21. TRADE RECEIVABLES (CONT'D)

The aged analysis of trade receivables as at the end of the reporting period are as follows: (Cont'd)

|                        | <b>Gross<br/>amount<br/>RM</b> | <b>Loss<br/>allowance<br/>RM</b> | <b>Net<br/>amount<br/>RM</b> |
|------------------------|--------------------------------|----------------------------------|------------------------------|
| <b>Group</b>           |                                |                                  |                              |
| <b>2020</b>            |                                |                                  |                              |
| Neither past due       | 8,526,321                      | (1,486)                          | 8,524,835                    |
| Past due               |                                |                                  |                              |
| Less than 30 days      | 6,058,404                      | (7,849)                          | 6,050,555                    |
| 31 to 60 days          | 4,731,954                      | (18,865)                         | 4,713,089                    |
| 61 to 90 days          | 2,113,223                      | (8,056)                          | 2,105,167                    |
| More than 90 days      | 7,577,485                      | (94,440)                         | 7,483,045                    |
|                        | 20,481,066                     | (129,210)                        | 20,351,856                   |
| <b>Credit impaired</b> |                                |                                  |                              |
| Individually impaired  | 427,634                        | (324,157)                        | 103,477                      |
|                        | 29,435,021                     | (454,853)                        | 28,980,168                   |

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

As at 31 March 2021, the Group has trade receivables amounting to RM10,965,080 (2020: RM20,351,856) were past due but not impaired. These relate to a number of independent customers with slower repayment records.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM195,761 (2020: RM427,634), relate to customers that are in financial difficulties, and have defaulted on payment. These balances are expected to be recovered through the debt's recovery process.

## 22. AMOUNT DUE FROM AN ASSOCIATE

Amount due from an associate are unsecured, non-interest bearing advances and repayable on demand.

## Notes To The Financial Statements

31 March 2021 (Cont'd)

### 23. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

(a) Amount due from subsidiary companies

|                                      | Company      |              |
|--------------------------------------|--------------|--------------|
|                                      | 2021         | 2020         |
|                                      | RM           | RM           |
| Amount due from subsidiary companies | 54,282,349   | 45,365,234   |
| Less: Accumulated impairment losses  | (39,435,183) | (40,812,489) |
|                                      | 14,847,166   | 4,552,745    |

Movements in the allowance for impairment losses on amount due from subsidiary companies are as follows:

|                              | Company     |             |
|------------------------------|-------------|-------------|
|                              | 2021        | 2020        |
|                              | RM          | RM          |
| At 1 April                   | 40,812,489  | 47,105,896  |
| Impairment losses recognised | 1,211,858   | 5,007,727   |
| Impairment losses reversed   | (2,589,164) | (9,643,921) |
| Impairment written off       | –           | (1,657,213) |
| At 31 March                  | 39,435,183  | 40,812,489  |

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.

### 24. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group amounting to RM7,481,568 (2020: RM7,378,496) are pledged to licensed banks as securities for credit facilities granted to a subsidiary company as disclosed in Note 29.

The interest rates of fixed deposits at the end of the reporting period are ranging from 1.50% to 3.10% (2020: 1.80% to 3.35%) per annum and the maturities of deposits are ranging from 30 to 365 days (2020: 30 to 365 days).

### 25. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

In June 2020, the management committed to a plan to sell part of the quarry division – Bertam Capital Sdn. Bhd (“BCSB”). Accordingly, BCSB is presented as a disposal group held for sale. The Company has entered into a Shares Sale Agreement with Bertam Roadbase Sdn Bhd for the purpose of disposing of the entire investment of 1,200,000 ordinary shares in BCSB, representing 60% equity interest in BCSB for a total consideration of RM10,200,000.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 25. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 March 2021:

|  | <b>Group<br/>2021<br/>RM</b> |
|--|------------------------------|
| <b>Assets classified as held for sale</b>      |                              |
| Property, plant & equipment                    | 4,013,391                    |
| Right-of-use assets                            | 791,909                      |
| Quarry development expenditure                 | 297,068                      |
| Intangible assets on combination               | 7,067,877                    |
| Other investments                              | 64,464                       |
| Inventories                                    | 8,176,034                    |
| Trade receivable                               | 5,433,668                    |
| Other receivables, deposits and prepayments    | 3,435,387                    |
| Fixed deposits                                 | 1,912,875                    |
| Cash and bank balances                         | 61,842                       |
|  | <u>31,254,515</u>            |
| <b>Liabilities classified as held for sale</b> |                              |
| Trade payables                                 | 7,348,422                    |
| Other payables                                 | 4,396,291                    |
| Lease and Borrowings                           | 9,014,649                    |
| Tax payable                                    | 168,476                      |
|  | <u>20,927,838</u>            |

Financial information relating to the discontinued operation for the period to the financial year end is set out below.

|   | <b>Group<br/>2021<br/>RM</b> |
|---|------------------------------|
| Revenue                                       | 15,019,763                   |
| Cost of Sales                                 | (12,579,984)                 |
| Gross profit                                  | 2,439,779                    |
| Other income                                  | 1,097,409                    |
| Admin expenses                                | (3,355,172)                  |
| Finance cost                                  | (270,751)                    |
| Loss from discontinued operations             | (88,735)                     |
| Tax expenses                                  | (93,130)                     |
| Loss from discontinued operations, net of tax | <u>(181,865)</u>             |



# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 26. SHARE CAPITAL

|  | Group/Company    |             |             |             |
|--|------------------|-------------|-------------|-------------|
|  | Number of shares |             | Amount      |             |
|  | 2021             | 2020        | 2021        | 2020        |
|  | Units            | Units       | RM          | RM          |
| <b>Issued and fully paid ordinary shares</b> |                  |             |             |             |
| At 1 April                                   | 921,574,900      | 921,574,900 | 132,526,862 | 132,526,862 |
| Shares issued during financial year          | 244,038,900      | –           | 34,285,830  | –           |
| At 31 March                                  | 1,165,613,800    | 921,574,900 | 166,812,692 | 132,526,862 |

In the current financial year,

- (a) the Company issued 38,200,000 new ordinary shares at an issue price of RM0.05 each for a total cash consideration of RM1,910,000 via exercise of options under scheme for working capital purposes;
- (b) the Company issued 40,000,000 new ordinary shares at an issue price of RM0.05 each for a total cash consideration of RM2,000,000 via exercise of options under scheme for working capital purposes;
- (c) the Company issued 59,900,000 new ordinary shares at an issue price of RM0.05 each for a total consideration of RM2,995,000 via exercise of options under scheme for working capital purposes;
- (d) the Company issued 48,000,000 new ordinary shares at an issue price of RM0.235 each for a total consideration of RM11,280,000 via private placement for working capital purposes;
- (e) the Company issued 30,000,000 new ordinary shares at an issue price of RM0.275 each for a total consideration of RM8,250,000 via private placement for working capital purposes; and
- (f) the Company issued 27,938,900 new ordinary shares at an issue price of RM0.281 each for a total consideration of RM7,850,830 via private placement for working capital purposes.

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

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 27. RESERVES

|                                      | Note | Group        |              | Company      |              |
|--------------------------------------|------|--------------|--------------|--------------|--------------|
|                                      |      | 2021<br>RM   | 2020<br>RM   | 2021<br>RM   | 2020<br>RM   |
| <b>Non distributable</b>             |      |              |              |              |              |
| Foreign currency translation reserve | (a)  | 39,933       | –            | –            | –            |
| Warrant reserve                      | (b)  | –            | –            | –            | –            |
| Accumulated losses                   |      | (76,027,147) | (77,060,109) | (93,023,469) | (86,561,898) |
|                                      |      | (75,987,214) | (77,060,109) | (93,023,469) | (86,561,898) |

(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) Warrant reserve

Warrants 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 share 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 thereafter 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 2020, the total number of Warrants that remain unexercised was 332,404,500 and hence, became invalid. The exercise of warrants expired on 27 November 2019 and removal of the warrants from the Official List of Bursa Malaysia Securities Berhad is effective from 28 November 2019.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 28. TREASURY SHARES

|                       | Group/Company    |         |        |        |
|-----------------------|------------------|---------|--------|--------|
|                       | Number of shares |         | Amount |        |
|                       | 2021             | 2020    | 2021   | 2020   |
|                       | Units            | Units   | RM     | RM     |
| At 1 April / 31 March | 285,000          | 285,000 | 47,990 | 47,990 |

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or re-issuance.

The Company does not repurchase any of its issued shares from the open market during the financial year.

The Directors of the Company are committed 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.

## 29. LOANS AND BORROWINGS

|                              | Group             |                   | Company        |                |
|------------------------------|-------------------|-------------------|----------------|----------------|
|                              | 2021              | 2020              | 2021           | 2020           |
|                              | RM                | RM                | RM             | RM             |
| <b>Secured</b>               |                   |                   |                |                |
| Term loans (Note a)          | 27,061,735        | 10,218,565        | –              | –              |
| Bank overdrafts (Note a)     | 4,225,435         | 6,147,005         | –              | –              |
| Bankers' acceptance (Note a) | 827,456           | 2,324,000         | –              | –              |
| Hire purchase (Note b)       | 611,604           | 3,111,291         | 27,096         | 61,361         |
| Lease liabilities (Note c)   | 4,405,910         | 630,927           | 259,807        | 444,342        |
|                              | <u>37,132,140</u> | <u>22,431,788</u> | <u>286,903</u> | <u>505,703</u> |
| <b>Non-current</b>           |                   |                   |                |                |
| Term loans                   | 12,492,822        | 9,187,466         | –              | –              |
| Hire purchase                | 286,536           | 1,275,098         | –              | 27,096         |
| Lease liabilities            | 4,165,690         | 270,276           | –              | 227,525        |
|                              | <u>16,945,048</u> | <u>10,732,840</u> | <u>–</u>       | <u>254,621</u> |
| <b>Current</b>               |                   |                   |                |                |
| Term loans                   | 14,568,913        | 1,031,099         | –              | –              |
| Bank overdrafts              | 4,225,435         | 6,147,005         | –              | –              |
| Bankers' acceptance          | 827,456           | 2,324,000         | –              | –              |
| Hire purchase                | 325,068           | 1,836,193         | 27,096         | 34,265         |
| Lease liabilities            | 240,220           | 360,651           | 259,807        | 216,817        |
|                              | <u>20,187,092</u> | <u>11,698,948</u> | <u>286,903</u> | <u>251,082</u> |
|                              | <u>37,132,140</u> | <u>22,431,788</u> | <u>286,903</u> | <u>505,703</u> |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 29. LOANS AND BORROWINGS (CONT'D)

### (a) Bank borrowings

The term loans, bankers' acceptance, bills payables, trust receipts and bank overdrafts are secured by the following:

- (i) first legal charge over freehold land and buildings and improvements of a subsidiary company as disclosed in Note 10(b);
- (ii) fixed and floating charge over certain property, plant and equipment of a subsidiary company;
- (iii) pledge of fixed deposits of the Group as disclosed in Note 24;
- (iv) debenture over all the fixed and floating assets of a subsidiary company;
- (v) guarantee provided by the Government of Malaysia; and
- (vi) corporate guarantee provided by the Company.

Maturity of bank borrowings (excluding lease liabilities and hire purchase) are as follows:

|                           | <b>Group</b> |             |
|---------------------------|--------------|-------------|
|                           | <b>2021</b>  | <b>2020</b> |
|                           | <b>RM</b>    | <b>RM</b>   |
| Within one year           | 19,621,804   | 9,502,104   |
| Between one to two years  | 2,865,722    | 1,094,835   |
| Between two to five years | 3,469,871    | 3,101,826   |
| After five years          | 6,157,229    | 4,990,805   |
|                           | 32,114,626   | 18,689,570  |

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

|                     | <b>Group</b> |             |
|---------------------|--------------|-------------|
|                     | <b>2021</b>  | <b>2020</b> |
|                     | <b>%</b>     | <b>%</b>    |
| Term loans          | 3.27 – 12.00 | 8.06 – 8.70 |
| Bank overdrafts     | 7.25 – 7.31  | 4.02 – 7.95 |
| Bankers' acceptance | 3.03         | 3.29 – 3.78 |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 29. LOANS AND BORROWINGS (CONT'D)

(b) Hire purchase

|   | Group       |             | Company    |            |
|---|-------------|-------------|------------|------------|
|   | 2021<br>RM  | 2020<br>RM  | 2021<br>RM | 2020<br>RM |
| At 1 April  | 3,111,291   | 6,370,323   | 61,361     | 188,944    |
| Additions   | 1,744,000   | 583,200     |            |            |
| Interest expenses                                     | 138,390     | 282,996     | 2,754      | 6,863      |
| Payments  | (2,014,246) | (4,125,228) | (37,019)   | (134,446)  |
| Transfer to liabilities held for sale<br>(Note 25)    | (2,367,831) | –           | –          | –          |
| At 31 March   | 611,604     | 3,111,291   | 27,096     | 61,361     |
| Presented as:   |             |             |            |            |
| Current   | 325,068     | 1,836,193   | 27,096     | 34,265     |
| Non-current   | 286,536     | 1,275,098   | –          | 27,096     |
| <b>Minimum lease payments</b>                         |             |             |            |            |
| Within one year                                       | 345,764     | 1,960,488   | 27,762     | 37,020     |
| Later than one year and not later than<br>two years   | 168,930     | 750,583     | –          | 27,762     |
| Later than two years and not later than<br>five years | 132,150     | 600,094     | –          | –          |
|   | 646,844     | 3,311,165   | 27,762     | 64,782     |
| Less: Future finance charges                          | (35,240)    | (199,874)   | (666)      | (3,421)    |
| Present value of minimum lease<br>payments            | 611,604     | 3,111,291   | 27,096     | 61,361     |
| <b>Present value of minimum lease<br/>payments</b>    |             |             |            |            |
| Within one year                                       | 325,068     | 1,836,193   | 27,096     | 34,265     |
| Later than one year and not later than<br>two years   | 160,017     | 699,587     | –          | 27,096     |
| Later than two years and not later than<br>five years | 126,519     | 575,511     | –          | –          |
|   | 611,604     | 3,111,291   | 27,096     | 61,361     |
| <b>Analysed as:</b>                                   |             |             |            |            |
| Repayables within twelve months                       | 325,068     | 1,836,193   | 27,096     | 34,265     |
| Repayables after twelve months                        | 286,536     | 1,275,098   | –          | 27,096     |
|   | 611,604     | 3,111,291   | 27,096     | 61,361     |

The effective interest rates of hire purchase are ranging from 2.60% to 4.14% (2020: 4.05% to 9.23%) per annum.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 29. LOANS AND BORROWINGS (CONT'D)

### (b) Hire purchase (Cont'd)

The Group and the Company lease motor vehicles and plant and machinery under hire purchase Note 10(a). There are no restrictive covenants imposed by the lease agreement and no arrangements have been entered into for contingent rental payments.

### (c) Lease liabilities

|  | Group      |            | Company    |            |
|--|------------|------------|------------|------------|
|  | 2021<br>RM | 2020<br>RM | 2021<br>RM | 2020<br>RM |
| At 1 April   | 630,927    | –          | 444,342    | –          |
| Effect of adoption of MFRS 16                      | –          | 529,718    | –          | 57,164     |
| At 1 April   | 630,927    | 529,718    | 444,342    | 57,164     |
| Additions  | 5,081,507  | 627,286    | 60,152     | 593,795    |
| Payments   | (687,966)  | (526,077)  | (244,687)  | (206,617)  |
| Transfer to liabilities held for sale<br>(Note 25) | (618,558)  | –          | –          | –          |
| At 31 March  | 4,405,910  | 630,927    | 259,807    | 444,342    |
| Presented as:                                      |            |            |            |            |
| Current  | 240,220    | 360,651    | 259,807    | 216,817    |
| Non-current  | 4,165,690  | 270,276    | –          | 227,525    |

The maturity analysis of lease liabilities of the Group and the Company at the end of the reporting period:

|  | Group       |            | Company    |            |
|--|-------------|------------|------------|------------|
|  | 2021<br>RM  | 2020<br>RM | 2021<br>RM | 2020<br>RM |
| Within one year                                  | 484,160     | 381,519    | 266,640    | 233,520    |
| Later than one year not later than five<br>years | 6,851,520   | 277,019    | –          | 233,520    |
|  | 7,335,680   | 658,538    | 266,640    | 467,040    |
| Less: Future finance charges                     | (2,929,770) | (27,611)   | (6,833)    | (22,698)   |
| Present value of lease liabilities               | 4,405,910   | 630,927    | 259,807    | 444,342    |

## Notes To The Financial Statements

31 March 2021 (Cont'd)

### 30. DEFERRED TAX LIABILITIES

|   | Group      |            | Company    |            |
|---|------------|------------|------------|------------|
|   | 2021<br>RM | 2020<br>RM | 2021<br>RM | 2020<br>RM |
| At 1 April                                    | 2,329,520  | 2,372,075  | –          | –          |
| Recognised in profit or loss (Note 7)         | (54,250)   | 65,615     | –          | –          |
| Under provision in prior year                 | 114,393    | 38,130     | –          | –          |
| Arising from disposal of subsidiary companies | –          | (146,300)  | –          | –          |
| At 31 March                                   | 2,389,663  | 2,329,520  | –          | –          |

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

|                          | Group      |            | Company    |            |
|--------------------------|------------|------------|------------|------------|
|                          | 2021<br>RM | 2020<br>RM | 2021<br>RM | 2020<br>RM |
| Deferred tax liabilities | 3,166,823  | 3,106,680  | –          | –          |
| Deferred tax assets      | (777,160)  | (777,160)  | –          | –          |
|                          | 2,389,663  | 2,329,520  | –          | –          |

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

| Group   | Unutilised<br>capital<br>allowances<br>RM | Unutilised<br>tax<br>losses<br>RM | Unutilised<br>reinvestment<br>allowances<br>RM | Others<br>RM | Total<br>RM |
|---|---|-----------------------------------|--|--------------|-------------|
| <b>Deferred tax assets</b>                            |   |                                   |  |              |             |
| At 1 April 2019                                       | (325,431)                                 | (752,202)                         | –  | (14,716)     | (1,092,349) |
| Recognised in profit or loss                          | 205,554                                   | 190,904                           | –  | –            | 396,458     |
| Arising from disposal of subsidiary companies         | 3,126                                     | 39,307                            | –  | –            | 42,433      |
| Over provision in prior years                         | (123,702)                                 | –                                 | –  | –            | (123,702)   |
| At 31 March 2020 / At 1 April 2020 / At 31 March 2021 | (240,453)                                 | (521,991)                         | –  | (14,716)     | (777,160)   |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 30. DEFERRED TAX LIABILITIES (CONT'D)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (Cont'd)

|   | <b>Accelerated<br/>capital<br/>allowances<br/>RM</b> |  |              |
|---|--|--|--------------|
| <b>Group</b>                                  |  |  |              |
| <b>Deferred tax liabilities</b>               |  |  |              |
| At 1 April 2020                               |  | 3,106,680                                    |              |
| Recognised in profit or loss                  |  | (54,250)                                     |              |
| Over provision in prior years                 |  | 114,393                                      |              |
| At 31 March 2021                              |  | <u>3,166,823</u>                             |              |
| <b>Deferred tax liabilities</b>               |  |  |              |
| At 1 April 2019                               |  | 3,464,424                                    |              |
| Arising from disposal of subsidiary companies |  | (188,733)                                    |              |
| Recognised in profit or loss                  |  | (330,843)                                    |              |
| Over provision in prior years                 |  | 161,832                                      |              |
| At 31 March 2020                              |  | <u>3,106,680</u>                             |              |
|   | <b>Deferred tax<br/>liabilities</b>                  | <b>Deferred tax<br/>assets</b>               |              |
|   | <b>Accelerated<br/>capital<br/>allowances</b>        | <b>Unutilised<br/>capital<br/>allowances</b> | <b>Total</b> |
|   | <b>RM</b>  | <b>RM</b>                                    | <b>RM</b>    |
| <b>Company</b>                                |  |  |              |
| At 1 April 2020                               | -  | -  | -            |
| Recognised in profit or loss                  | -  | -  | -            |
| At 31 March 2021                              | <u>-</u>   | <u>-</u>                                     | <u>-</u>     |
| At 1 April 2019                               | 115  | (115)  | -            |
| Recognised in profit or loss                  | (115)  | 115  | -            |
| At 31 March 2020                              | <u>-</u>   | <u>-</u>                                     | <u>-</u>     |



## Notes To The Financial Statements

31 March 2021 (Cont'd)

### 30. DEFERRED TAX LIABILITIES (CONT'D)

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

|                                    | Group             |                   | Company           |                   |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                    | 2021<br>RM        | 2020<br>RM        | 2021<br>RM        | 2020<br>RM        |
| Unutilised capital allowances      | 10,275,081        | 9,218,596         | 1,121,707         | 1,013,838         |
| Unutilised tax losses              | 45,206,749        | 38,392,866        | 18,743,872        | 12,507,538        |
| Unutilised reinvestment allowances | 38,093            | 38,093            | –                 | –                 |
| Others                             | 142,113           | 142,113           | 142,113           | 142,113           |
|                                    | <u>55,662,036</u> | <u>47,791,668</u> | <u>20,007,692</u> | <u>13,663,489</u> |

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

The amounts of unutilised tax losses for which no deferred tax asset is recognised in the statements of financial position are as follows:

|                                      | Group             |                   | Company           |                   |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                      | 2021<br>RM        | 2020<br>RM        | 2021<br>RM        | 2020<br>RM        |
| Unutilised tax losses                |                   |                   |                   |                   |
| – expiring not more than six years   | 38,392,866        | 31,694,540        | 12,507,538        | 9,113,637         |
| – expiring not more than seven years | 6,813,883         | 6,698,326         | 6,236,334         | 3,393,901         |
|                                      | <u>45,206,749</u> | <u>38,392,866</u> | <u>18,743,872</u> | <u>12,507,538</u> |

Deferred tax assets have not been recognised on the unutilised tax losses as the realisation of the tax benefits accruing to these tax losses is uncertain.

- (a) With effect from year of assessment 2019, unutilised tax losses are allowed to be carried forward up to a maximum of seven consecutive years of assessment under the current tax legislation. The other temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future profits will be available against which the Group and the Company can utilise the benefits therefrom.

### 31. TRADE PAYABLES

The Group's normal trade credit terms range from 30 to 90 days (2020: 30 to 150 days), depending on the terms of contracts.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 32. OTHER PAYABLES

|                | Group     |            | Company   |         |
|----------------|-----------|------------|-----------|---------|
|                | 2021      | 2020       | 2021      | 2020    |
|                | RM        | RM         | RM        | RM      |
| Other payables | 2,927,588 | 7,137,720  | 180       | 65,159  |
| Deposits       | 1,105,285 | 4,131,221  | 192,500   | 192,500 |
| Accruals       | 2,002,937 | 244,800    | 1,095,483 | 211,166 |
|                | 6,035,810 | 11,513,741 | 1,288,163 | 468,825 |

## 33. CONTINGENCIES

|   | Group     |            | Company    |            |
|---|-----------|------------|------------|------------|
|   | 2021      | 2020       | 2021       | 2020       |
|   | RM        | RM         | RM         | RM         |
| <b>Secured</b>  |           |            |            |            |
| Bank guarantee issued in favour of third parties by certain subsidiary companies                                | 5,064,400 | 10,752,581 | –          | –          |
| <b>Unsecured</b>  |           |            |            |            |
| Corporate guarantee given to financial institution for credit facilities granted to subsidiary companies        | –         | –          | 16,105,681 | 13,322,182 |
| Corporate guarantee given to suppliers of subsidiary companies for credit terms granted to subsidiary companies | –         | –          | 12,575,574 | 245,429    |
|   | 5,064,400 | 10,752,581 | 28,681,255 | 13,567,611 |

## 34. RELATED PARTIES DISCLOSURES

### (a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 34. RELATED PARTIES DISCLOSURES (CONT'D)

### (b) Significant related party transactions

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

|  | <b>2021</b> | <b>2020</b> |
|--|-------------|-------------|
|  | <b>RM</b>   | <b>RM</b>   |
| <b>Group</b>   |             |             |
| <b>Transaction with Directors</b>                            |             |             |
| Acquisition of shares in Uniqa previously held by a director | 1,556,210   | –           |
| Rental expenses  | 64,000      | 60,000      |
| <b>Company</b>   |             |             |
| <b>Transactions with subsidiary companies</b>                |             |             |
| Management fees received                                     | 1,764,000   | 456,000     |
| Rental expenses  | 142,280     | 206,792     |
| Professional fee   | –           | 33,600      |

### (c) Compensation of key management personnel

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

|                                      | <b>Group</b>     |                  | <b>Company</b>   |                  |
|--------------------------------------|------------------|------------------|------------------|------------------|
|                                      | <b>2021</b>      | <b>2020</b>      | <b>2021</b>      | <b>2020</b>      |
|                                      | <b>RM</b>        | <b>RM</b>        | <b>RM</b>        | <b>RM</b>        |
| Fees                                 | 235,333          | 691,629          | 191,833          | 212,629          |
| Salaries, wages and other emoluments | 7,317,116        | 4,066,462        | 5,722,063        | 1,855,139        |
| Defined contribution plans           | 788,388          | 507,082          | 598,174          | 254,852          |
| Others benefits                      | 52,513           | 92,091           | 37,713           | 54,275           |
|                                      | <b>8,393,350</b> | <b>5,357,264</b> | <b>6,549,783</b> | <b>2,376,895</b> |

## Notes To The Financial Statements

31 March 2021 (Cont'd)

### 35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

| Group                 | Note | At<br>1 April | Effect of<br>adopting<br>MFRS 16 | Financing<br>cash flows<br>(i) | Non-cash changes |             |            | At<br>31 March |
|-----------------------|------|---------------|----------------------------------|--------------------------------|------------------|-------------|------------|----------------|
|                       |      |               |                                  |                                | RM               | RM          | RM         |                |
| <b>2021</b>           |      |               |                                  |                                |                  |             |            |                |
| Hire purchase         | 29   | 3,111,291     | -                                | (1,875,856)                    | 1,744,000        | (2,367,831) | 611,604    |                |
| Lease liabilities     | 29   | 630,927       | -                                | (687,966)                      | 5,081,507        | (618,558)   | 4,405,910  |                |
| Term loans            | 29   | 10,218,565    | -                                | 15,297,847                     | 1,545,323        | -           | 27,061,735 |                |
| Short-term borrowings | 29   | 2,324,000     | -                                | (1,496,544)                    | -                | -           | 827,456    |                |
|                       |      | 16,284,783    | -                                | 11,237,481                     | 8,370,830        | (2,986,389) | 32,906,705 |                |
| <b>2020</b>           |      |               |                                  |                                |                  |             |            |                |
| Hire purchase         | 29   | 6,370,323     | -                                | (3,842,232)                    | 583,200          | -           | 3,111,291  |                |
| Lease liabilities     | 29   | -             | 529,718                          | (526,077)                      | 627,286          | -           | 630,927    |                |
| Term loans            | 29   | 11,179,219    | -                                | (960,654)                      | -                | -           | 10,218,565 |                |
| Short-term borrowings | 29   | 3,094,556     | -                                | (770,556)                      | -                | -           | 2,324,000  |                |
|                       |      | 20,644,098    | 529,718                          | (6,099,519)                    | 1,210,486        | -           | 16,284,783 |                |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

| Company           | Note | At<br>1 April<br>RM | Effect of<br>adopting<br>MFRS 16<br>RM | Financing<br>cash flows<br>(i)<br>RM | Non-cash changes |                          |   | At<br>31 March<br>RM |
|-------------------|------|---------------------|--|--------------------------------------|------------------|--------------------------|---|----------------------|
|                   |      |                     |  |                                      | Addition<br>RM   | De-<br>recognition<br>RM |   |                      |
| <b>2021</b>       |      |                     |  |                                      |                  |                          |   |                      |
| Hire purchase     | 29   | 61,361              | -                                      | (34,265)                             | -                | -                        | - | 27,096               |
| Lease liabilities | 29   | 444,342             | -                                      | (244,687)                            | 60,152           | -                        | - | 259,807              |
|                   |      | 505,703             | -                                      | (278,952)                            | 60,152           | -                        | - | 286,903              |
| <b>2020</b>       |      |                     |  |                                      |                  |                          |   |                      |
| Hire purchase     | 29   | 188,944             | -                                      | (127,583)                            | -                | -                        | - | 61,361               |
| Lease liabilities | 29   | -                   | 57,164                                 | (206,617)                            | 593,795          | -                        | - | 444,342              |
|                   |      | 188,944             | 57,164                                 | (334,200)                            | 593,795          | -                        | - | 505,703              |

(i) The cash flows from hire purchase, lease liabilities and bank borrowings make up the net amount of proceeds from or repayments of hire purchase, lease liabilities and bank borrowings in the statements of cash flows.

# Notes To The Financial Statements

## 31 March 2021 (Cont'd)

### 36. SEGMENT INFORMATION

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

|                     |   |   |
|---------------------|---|---|
| Quarry products     | : | Provision of turnkey and specialised quarry services and sales and marketing of quarry products                           |
| Civil engineering   | : | Specialised civil engineering works   |
| 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 and trading of industrial machinery spare parts |

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

#### Segment assets

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Chief Executive Officer. Segment total asset is used to measure the return of assets of each segment.

#### Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment, as include in the internal management reports that are reviewed by the Chief Executive Officer.

#### Segment capital expenditure

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

#### Allocation basis and inter-segment pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial years.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 36. SEGMENT INFORMATION (CONT'D)

Allocation basis and inter-segment pricing (Cont'd)

| Group                       | Quarry products |            | Civil engineering |            | Premix products |             | Bituminous products |             | Services    |             | Others      |    | Con-solidation adjustment |    | Total |    | Quarry products (dis-continued) |    | Con-solidation |    |  |
|-----------------------------|-----------------|------------|-------------------|------------|-----------------|-------------|---------------------|-------------|-------------|-------------|-------------|----|---------------------------|----|-------|----|---------------------------------|----|----------------|----|--|
|                             | RM              | RM         | RM                | RM         | RM              | RM          | RM                  | RM          | RM          | RM          | RM          | RM | RM                        | RM | RM    | RM | RM                              | RM | RM             | RM |  |
| <b>2021</b>                 |                 |            |                   |            |                 |             |                     |             |             |             |             |    |                           |    |       |    |                                 |    |                |    |  |
| <b>Revenue</b>              |                 |            |                   |            |                 |             |                     |             |             |             |             |    |                           |    |       |    |                                 |    |                |    |  |
| External customers          | 3,768,201       | 54,935,555 | -                 | -          | 11,400,019      | 24,332,231  | 584,824             | -           | 95,020,830  | 15,019,763  | 110,040,593 |    |                           |    |       |    |                                 |    |                |    |  |
| Inter-segment               | -               | -          | -                 | -          | 1,764,000       | (1,764,000) |                     |             |             |             |             |    |                           |    |       |    |                                 |    |                |    |  |
| Total revenue               | 3,768,201       | 54,935,555 | -                 | -          | 11,400,019      | 24,332,231  | 2,348,824           | (1,764,000) | 95,020,830  | 15,019,763  | 110,040,593 |    |                           |    |       |    |                                 |    |                |    |  |
| <b>Results</b>              |                 |            |                   |            |                 |             |                     |             |             |             |             |    |                           |    |       |    |                                 |    |                |    |  |
| Segment results             | 1,014,779       | 9,166,731  | (326,241)         | 375,329    | 3,676,855       | (7,221,848) | 182,016             | 4,975,763   |             |             |             |    |                           |    |       |    |                                 |    |                |    |  |
| Interest income             |                 |            |                   |            |                 |             |                     |             | 307,527     |             |             |    |                           |    |       |    |                                 |    |                |    |  |
| Finance costs               |                 |            |                   |            |                 |             |                     |             | (1,085,305) |             |             |    |                           |    |       |    |                                 |    |                |    |  |
| Loss before tax             |                 |            |                   |            |                 |             |                     |             | 4,015,969   |             |             |    |                           |    |       |    |                                 |    |                |    |  |
| Taxation                    |                 |            |                   |            |                 |             |                     |             | (3,118,724) |             |             |    |                           |    |       |    |                                 |    |                |    |  |
| Loss for the financial year |                 |            |                   |            |                 |             |                     |             | 897,245     |             |             |    |                           |    |       |    |                                 |    |                |    |  |
| <b>Assets</b>               |                 |            |                   |            |                 |             |                     |             |             |             |             |    |                           |    |       |    |                                 |    |                |    |  |
| Segment assets              | 6,542,164       | 52,190,840 | 2,234,594         | 10,035,875 | 28,648,107      | 121,607,753 | (58,895,772)        | 162,363,561 | 31,254,515  | 193,618,076 |             |    |                           |    |       |    |                                 |    |                |    |  |
| <b>Liabilities</b>          |                 |            |                   |            |                 |             |                     |             |             |             |             |    |                           |    |       |    |                                 |    |                |    |  |
| Segment liabilities         | 21,488,468      | 28,338,227 | 12,407,266        | 3,808,764  | 22,853,768      | 52,970,594  | (61,517,664)        | 80,349,423  | 20,927,838  | 101,277,261 |             |    |                           |    |       |    |                                 |    |                |    |  |

## Notes To The Financial Statements

31 March 2021 (Cont'd)

## 36. SEGMENT INFORMATION (CONT'D)

Allocation basis and inter-segment pricing (Cont'd)

| Group  | Quarry products |         | Civil engineering | Premix products | Bituminous products | Services | Others      | Con-solidation adjustment | Total     | Quarry products (dis-continued) | Con-solidation |
|--|-----------------|---------|-------------------|-----------------|---------------------|----------|-------------|---------------------------|-----------|---------------------------------|----------------|
|  | RM              | RM      | RM                | RM              | RM                  | RM       | RM          | RM                        | RM        | RM                              | RM             |
| <b>2021</b>                                    |                 |         |                   |                 |                     |          |             |                           |           |                                 |                |
| <b>Other non-cash items</b>                    |                 |         |                   |                 |                     |          |             |                           |           |                                 |                |
| Amortisation of right-of-use assets            | 11,164          | 130,981 | –                 | –               | –                   | –        | 537,248     | (267,477)                 | 411,916   | 30,808                          | 442,724        |
| Amortisation of quarry development expenditure | –               | –       | –                 | –               | –                   | –        | –           | –                         | –         | 59,124                          | 59,124         |
| Depreciation of property, plant and equipment  | 28,722          | 621,070 | 523,400           | 304,133         | –                   | –        | 128,126     | –                         | 1,605,451 | 484,288                         | 2,089,739      |
| Depreciation of investment properties          | –               | 3,363   | –                 | –               | –                   | –        | 124,388     | –                         | 127,751   | –                               | 127,751        |
| Amortisation of intangible assets              | –               | –       | –                 | –               | –                   | –        | –           | –                         | –         | 251,712                         | 251,712        |
| Impairment losses on:                          |                 |         |                   |                 |                     |          |             |                           |           |                                 |                |
| – other receivables                            | 53,443          | –       | –                 | –               | –                   | –        | –           | –                         | 53,443    | –                               | 53,443         |
| – amount due from subsidiary companies         | –               | –       | –                 | –               | –                   | –        | 1,211,858   | (1,211,858)               | –         | –                               | –              |
| Unrealised foreign exchange loss/(gain)        | –               | –       | –                 | 23,582          | –                   | –        | (120,084)   | –                         | (96,502)  | –                               | (96,502)       |
| Reversal of:                                   |                 |         |                   |                 |                     |          |             |                           |           |                                 |                |
| – Amount owing by subsidiary companies         | –               | –       | –                 | –               | –                   | –        | (2,589,164) | 2,589,164                 | –         | –                               | –              |



# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 36. SEGMENT INFORMATION (CONT'D)

Allocation basis and inter-segment pricing (Cont'd)

| Group                       | Quarry     | Civil       | Premix     | Bituminous | Others       | Consolidation | Consolidation |
|-----------------------------|------------|-------------|------------|------------|--------------|---------------|---------------|
|                             | products   | engineering | products   | products   | RM           | adjustment    |               |
| 2020                        | RM         | RM          | RM         | RM         | RM           | RM            | RM            |
| <b>Revenue</b>              |            |             |            |            |              |               |               |
| External customers          | 23,187,402 | 43,389,589  | 39,912     | 15,199,244 | 419,960      | –             | 82,236,107    |
| Inter-segment               | 20,000     | 3,355,477   | –          | –          | 456,000      | (3,831,477)   | –             |
| Total revenue               | 23,207,402 | 46,745,066  | 39,912     | 15,199,244 | 875,960      | (3,831,477)   | 82,236,107    |
| <b>Results</b>              |            |             |            |            |              |               |               |
| Segment results             | 2,186,062  | 1,195,724   | 29,669     | 848,414    | (11,668,048) | (10,721,878)  | (18,130,057)  |
| Interest income             |            |             |            |            |              |               | 321,887       |
| Finance costs               |            |             |            |            |              |               | (1,646,038)   |
| Loss before tax             |            |             |            |            |              |               | (19,454,208)  |
| Taxation                    |            |             |            |            |              |               | (1,539,364)   |
| Loss for the financial year |            |             |            |            |              |               | (20,993,572)  |
| <b>Assets</b>               |            |             |            |            |              |               |               |
| Segment assets              | 30,796,991 | 46,895,741  | 2,854,388  | 11,792,866 | 70,013,943   | (41,910,940)  | 120,442,989   |
| <b>Liabilities</b>          |            |             |            |            |              |               |               |
| Segment liabilities         | 42,399,686 | 32,273,637  | 12,663,260 | 5,498,535  | 26,483,535   | (56,446,136)  | 62,872,517    |

## Notes To The Financial Statements

31 March 2021 (Cont'd)

## 36. SEGMENT INFORMATION (CONT'D)

Allocation basis and inter-segment pricing (Cont'd)

| Group  | Quarry         | Civil             | Premix         | Bituminous     | Others    | Consolidation    | Consolidation       |
|--|----------------|-------------------|----------------|----------------|-----------|------------------|---------------------|
|  | products<br>RM | engineering<br>RM | products<br>RM | products<br>RM | RM        | adjustment<br>RM | Consolidation<br>RM |
| <b>2020</b>  |                |                   |                |                |           |                  |                     |
| <b>Other non-cash items</b>                              |                |                   |                |                |           |                  |                     |
| Bad debts written off                                    | 30,330         | -                 | 201,339        | -              | 1,764,547 | -                | 1,996,216           |
| Amortisation of right-of-use assets                      | 815,123        | 426,908           | 523,400        | -              | 339,196   | -                | 2,104,627           |
| Amortisation of quarry development expenditure           | 118,247        | -                 | -              | -              | -         | -                | 118,247             |
| Depreciation of property, plant and equipment            | 1,461,900      | 274,134           | 70,996         | 327,596        | 258,210   | (89,171)         | 2,303,665           |
| Depreciation of investment properties                    | -              | 3,364             | -              | -              | 124,388   | -                | 127,752             |
| Deposits written off                                     | -              | -                 | -              | -              | (800)     | -                | (800)               |
| Amortisation of intangible assets                        | -              | -                 | -              | -              | -         | 543,376          | 543,376             |
| Fair value adjustment on other receivables               | (14,604)       | -                 | -              | -              | -         | -                | (14,604)            |
| Property, plant and equipment written off                | 2,216          | -                 | -              | -              | 8,961     | -                | 11,177              |
| (Gain)/Loss on disposal of property, plant and equipment | (797,352)      | 51,355            | (76,796)       | -              | 9,723     | (477,522)        | (1,290,592)         |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 36. SEGMENT INFORMATION (CONT'D)

Allocation basis and inter-segment pricing (Cont'd)

| Group   | Quarry products<br>RM | Civil engineering<br>RM | Premix products<br>RM | Bituminous products<br>RM | Others<br>RM | Consolidation adjustment<br>RM | Consolidation<br>RM |
|---|-----------------------|-------------------------|-----------------------|---------------------------|--------------|--------------------------------|---------------------|
| <b>2020</b>   |                       |                         |                       |                           |              |                                |                     |
| <b>Other non-cash items</b>                           |                       |                         |                       |                           |              |                                |                     |
| Impairment losses on:                                 |                       |                         |                       |                           |              |                                |                     |
| – trade receivables                                   | –                     | –                       | 252,981               | –                         | –            | –                              | 252,981             |
| – other receivables                                   | 8,310                 | –                       | –                     | –                         | –            | –                              | 8,310               |
| – amount due from subsidiary companies                | 5,007,727             | –                       | –                     | –                         | –            | (5,007,727)                    | –                   |
| – intangible assets                                   | –                     | –                       | –                     | –                         | –            | 4,804,539                      | 4,804,539           |
| – goodwill on consolidation                           | –                     | –                       | –                     | –                         | –            | 1,340,837                      | 1,340,837           |
| Unrealised foreign exchange (loss)/gain               | –                     | –                       | –                     | (30,943)                  | 20,330       | –                              | (10,613)            |
| Reversal of:  |                       |                         |                       |                           |              |                                |                     |
| – Impairment loss on investment in subsidiary company | –                     | –                       | –                     | –                         | (5,777,761)  | 5,777,761                      | –                   |
| – Amount owing by subsidiary companies                | –                     | –                       | –                     | –                         | (9,643,921)  | 9,643,921                      | –                   |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 36. SEGMENT INFORMATION (CONT'D)

### Adjustment and eliminations

Interest income and finance costs are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Inter-segment revenues and balances are eliminated on consolidation.

### Geographic information

No disclosure on geographical segment information as the Group operates predominantly in Malaysia.

### Major customer

No disclosure on major customer information as no customer represents equal or more than ten percent of the Group's revenue.

## 37. 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.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 37. FINANCIAL INSTRUMENTS (CONT'D)

### (a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis:

|                                    | Financial<br>assets at<br>FVTPL<br>RM | Financial<br>assets at<br>amortised<br>cost<br>RM | Financial<br>liabilities<br>measured at<br>amortised<br>cost<br>RM | Total<br>RM |
|------------------------------------|---------------------------------------|---|--|-------------|
| <b>Group</b>                       |                                       |   |  |             |
| <b>2021</b>                        |                                       |   |  |             |
| <b>Financial Assets</b>            |                                       |   |  |             |
| Trade receivables                  | –                                     | 18,287,336  | –  | 18,287,336  |
| Other receivables                  | –                                     | 2,493,569   | –  | 2,493,569   |
| Amount due from an associate       | –                                     | 9,790,537   | –  | 9,790,537   |
| Other investments                  | 466,078                               | –   | –  | 466,078     |
| Fixed deposits with licensed banks | –                                     | 7,492,841   | –  | 7,492,841   |
| Cash and bank balances             | –                                     | 15,054,613  | –  | 15,054,613  |
|                                    | 466,078                               | 53,118,896  | –  | 53,584,974  |
| <b>Financial Liabilities</b>       |                                       |   |  |             |
| Trade payables                     | –                                     | –   | 32,463,711   | 32,463,711  |
| Other payables                     | –                                     | –   | 6,035,810  | 6,035,810   |
| Loans and borrowings               | –                                     | –   | 37,132,140   | 37,132,140  |
|                                    | –                                     | –   | 75,631,661   | 75,631,661  |
| <b>2020</b>                        |                                       |   |  |             |
| <b>Financial Assets</b>            |                                       |   |  |             |
| Trade receivables                  | –                                     | 28,980,168  | –  | 28,980,168  |
| Other receivables                  | –                                     | 4,898,255   | –  | 4,898,255   |
| Other investments                  | 155,013                               | –   | –  | 155,013     |
| Fixed deposits with licensed banks | –                                     | 7,389,596   | –  | 7,389,596   |
| Cash and bank balances             | –                                     | 10,390,085  | –  | 10,390,085  |
|                                    | 155,013                               | 51,658,104  | –  | 51,813,117  |
| <b>Financial Liabilities</b>       |                                       |   |  |             |
| Trade payables                     | –                                     | –   | 26,351,573   | 26,351,573  |
| Other payables                     | –                                     | –   | 11,513,741   | 11,513,741  |
| Loans and borrowings               | –                                     | –   | 22,431,788   | 22,431,788  |
|                                    | –                                     | –   | 60,297,102   | 60,297,102  |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 37. FINANCIAL INSTRUMENTS (CONT'D)

### (a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis: (Cont'd)

|                                      | Financial<br>assets at<br>FVTPL<br>RM | Financial<br>assets at<br>amortised<br>cost<br>RM | Financial<br>liabilities<br>measured at<br>amortised<br>cost<br>RM | Total<br>RM |
|--------------------------------------|---------------------------------------|---|--|-------------|
| <b>Company</b>                       |                                       |   |  |             |
| <b>2021</b>                          |                                       |   |  |             |
| <b>Financial Assets</b>              |                                       |   |  |             |
| Other receivables                    | –                                     | 48,212  | –  | 48,212      |
| Amount due from an associate         | –                                     | 9,790,537   | –  | 9,790,537   |
| Amount due from subsidiary companies | –                                     | 14,847,166  | –  | 14,847,166  |
| Other investments                    | 57,200                                | –   | –  | 57,200      |
| Cash and bank balances               | –                                     | 1,599,831   | –  | 1,599,831   |
|                                      | 57,200                                | 26,285,746  | –  | 26,342,946  |
| <b>Financial Liabilities</b>         |                                       |   |  |             |
| Other payables                       | –                                     | –   | 1,288,163  | 1,288,163   |
| Amount due to subsidiary companies   | –                                     | –   | 2,820,300  | 2,820,300   |
| Loans and borrowings                 | –                                     | –   | 286,903  | 286,903     |
|                                      | –                                     | –   | 4,395,366  | 4,395,366   |
| <b>2020</b>                          |                                       |   |  |             |
| <b>Financial Assets</b>              |                                       |   |  |             |
| Other receivables                    | –                                     | 451,783   | –  | 451,783     |
| Amount due from subsidiary companies | –                                     | 4,552,745   | –  | –           |
| Other investments                    | 3,433                                 | –   | –  | 3,433       |
| Cash and bank balances               | –                                     | 170,312   | –  | 170,312     |
|                                      | 3,433                                 | 5,174,840   | –  | 625,528     |
| <b>Financial Liabilities</b>         |                                       |   |  |             |
| Other payables                       | –                                     | –   | 468,825  | 468,825     |
| Amount due to subsidiary companies   | –                                     | –   | 5,354,649  | 5,354,649   |
| Loans and borrowings                 | –                                     | –   | 505,703  | 505,703     |
|                                      | –                                     | –   | 6,329,177  | 6,329,177   |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 37. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management objectives and policies

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

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks:

### (i) Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, amount due from associates and deposits with banks. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies. There are no significant changes as compared to prior periods.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

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

At each reporting date, the Group and the Company assess whether any of the receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 37. FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management objectives and policies (Cont'd)

#### (i) Credit risk (Cont'd)

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 RM28,681,255 (2020: RM13,567,611). There was no indication that any subsidiary companies would default on repayment as at the end of the reporting period.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credit risks except for loans and advances to its subsidiary companies where risks of default have been assessed to be low.

There are no significant changes as compared to previous financial year.

#### (ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.



# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 37. FINANCIAL INSTRUMENTS (CONT'D)

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

(ii) Liquidity risk (Cont'd)

| Group                                       | On demand or within |              |              |            |    | After 5 years | Total contractual cash flows | Total carrying amount |
|---|---------------------|--------------|--------------|------------|----|---------------|------------------------------|-----------------------|
|   | 1 year              | 1 to 2 years | 2 to 5 years | 5 years    |    |               |                              |                       |
|   | RM                  | RM           | RM           | RM         | RM | RM            | RM                           |                       |
| <b>2021</b>                                 |                     |              |              |            |    |               |                              |                       |
| <b>Non-derivative financial liabilities</b> |                     |              |              |            |    |               |                              |                       |
| Trade payables                              | 32,463,711          | -            | -            | -          | -  | 32,463,711    | 32,463,711                   |                       |
| Other payables                              | 6,035,810           | -            | -            | -          | -  | 6,035,810     | 6,035,810                    |                       |
| Hire purchase                               | 345,764             | 168,930      | 132,150      | -          | -  | 646,844       | 611,604                      |                       |
| Lease liabilities                           | 484,160             | 371,520      | 1,080,000    | 5,400,000  | -  | 7,335,680     | 4,405,910                    |                       |
| Bank borrowings                             | 19,621,804          | 2,865,722    | 3,469,871    | 6,157,229  | -  | 32,114,626    | 32,114,626                   |                       |
|   | 58,951,249          | 3,406,172    | 4,682,021    | 11,557,229 | -  | 78,596,671    | 75,631,661                   |                       |
| <b>2020</b>                                 |                     |              |              |            |    |               |                              |                       |
| <b>Non-derivative financial liabilities</b> |                     |              |              |            |    |               |                              |                       |
| Trade payables                              | 26,351,573          | -            | -            | -          | -  | 26,351,573    | 26,351,573                   |                       |
| Other payables                              | 11,513,741          | -            | -            | -          | -  | 11,513,741    | 11,513,741                   |                       |
| Hire purchase                               | 1,960,488           | 750,583      | 600,094      | -          | -  | 3,311,165     | 3,111,291                    |                       |
| Lease liabilities                           | 381,519             | 277,019      | -            | -          | -  | 658,538       | 630,927                      |                       |
| Bank borrowings                             | 6,620,786           | 1,562,256    | 4,071,940    | 6,923,576  | -  | 19,178,558    | 18,689,570                   |                       |
|   | 46,828,107          | 2,589,858    | 4,672,034    | 6,923,576  | -  | 61,013,575    | 60,297,102                   |                       |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 37. FINANCIAL INSTRUMENTS (CONT'D)

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

(ii) Liquidity risk (Cont'd)

| Company                                     | On demand<br>or within |         | 1 to 2 years<br>RM | 2 to 5 years<br>RM | After<br>5 years<br>RM | Total<br>contractual<br>cash flows<br>RM | Total<br>carrying<br>amount<br>RM |
|---|------------------------|---------|--------------------|--------------------|------------------------|--|-----------------------------------|
|   | 1 year<br>RM           |         |                    |                    |                        |  |                                   |
| <b>2021</b>                                 |                        |         |                    |                    |                        |  |                                   |
| <b>Non-derivative financial liabilities</b> |                        |         |                    |                    |                        |  |                                   |
| Other payables                              | 1,288,163              | -       | -                  | -                  | -                      | 1,288,163                                | 1,288,163                         |
| Amount due to subsidiary companies          | 2,820,300              | -       | -                  | -                  | -                      | 2,820,300                                | 2,820,300                         |
| Hire purchase                               | 27,762                 | -       | -                  | -                  | -                      | 27,762                                   | 27,096                            |
| Lease liabilities                           | 266,640                | -       | -                  | -                  | -                      | 266,640                                  | 259,807                           |
| Corporate guarantee *                       | 28,681,256             | -       | -                  | -                  | -                      | 28,681,256                               | -                                 |
|   | 33,084,121             | -       | -                  | -                  | -                      | 33,084,121                               | 4,395,366                         |
| <b>2020</b>                                 |                        |         |                    |                    |                        |  |                                   |
| <b>Non-derivative financial liabilities</b> |                        |         |                    |                    |                        |  |                                   |
| Other payables                              | 468,825                | -       | -                  | -                  | -                      | 468,825                                  | 468,825                           |
| Amount due to subsidiary companies          | 5,354,649              | -       | -                  | -                  | -                      | 5,354,649                                | 5,354,649                         |
| Hire purchase                               | 37,020                 | 27,762  | -                  | -                  | -                      | 64,782                                   | 61,361                            |
| Lease liabilities                           | 233,520                | 233,520 | -                  | -                  | -                      | 467,040                                  | 444,342                           |
| Corporate guarantee *                       | 13,567,611             | -       | -                  | -                  | -                      | 13,567,611                               | -                                 |
|   | 19,661,625             | 261,282 | -                  | -                  | -                      | 19,922,907                               | 6,329,177                         |

\* The corporate guarantee are financial guarantees given to banks and suppliers for banking facilities and credit terms granted to certain subsidiary companies.

## Notes To The Financial Statements

31 March 2021 (Cont'd)

### 37. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risks

(a) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in foreign currencies other than the respective functional currencies of group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD").

The Group and the Company have not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. Where possible, the Group and the Company will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

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

| Denominated in USD                 | Group  |                  |  |         |  |  |            |            |                                  |                  |          |
|------------------------------------|--|------------------|--|---------|--|--|------------|------------|----------------------------------|------------------|----------|
|                                    | 2021<br>RM   | 2020<br>RM       |  |         |  |  |            |            |                                  |                  |          |
| Trade receivables                  | 526,369  | 194,205          |  |         |  |  |            |            |                                  |                  |          |
| Fixed deposits with licensed banks | –  | 2,056,614        |  |         |  |  |            |            |                                  |                  |          |
| Cash and bank balances             | 246,993  | 4,004,708        |  |         |  |  |            |            |                                  |                  |          |
| Trade payables                     | (121,485)  | –                |  |         |  |  |            |            |                                  |                  |          |
| Other payables                     | (12,262)   | (6,752,071)      |  |         |  |  |            |            |                                  |                  |          |
|                                    | <u>639,615</u>   | <u>(496,544)</u> |  |         |  |  |            |            |                                  |                  |          |
|                                    | <table> <thead> <tr> <th></th> <th colspan="2">Company</th> </tr> <tr> <th></th> <th>2021<br/>RM</th> <th>2020<br/>RM</th> </tr> </thead> <tbody> <tr> <td>Amount due to subsidiary company</td> <td><u>(958,496)</u></td> <td><u>–</u></td> </tr> </tbody> </table> |                  |  | Company |  |  | 2021<br>RM | 2020<br>RM | Amount due to subsidiary company | <u>(958,496)</u> | <u>–</u> |
|                                    | Company  |                  |  |         |  |  |            |            |                                  |                  |          |
|                                    | 2021<br>RM   | 2020<br>RM       |  |         |  |  |            |            |                                  |                  |          |
| Amount due to subsidiary company   | <u>(958,496)</u>   | <u>–</u>         |  |         |  |  |            |            |                                  |                  |          |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 37. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

### Foreign currency sensitivity analysis

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.

The following table demonstrates the sensitivity of the Group's and of the Company's loss before tax to a reasonably possible change in the USD exchange rates against RM, with all other variables held constant.

|              | <b>Changes in<br/>currency rate<br/>RM</b> | <b>2021<br/>Effect on<br/>loss before<br/>tax<br/>RM</b> | <b>Changes in<br/>currency rate<br/>RM</b> | <b>2020<br/>Effect on<br/>loss before<br/>tax<br/>RM</b> |
|--------------|--|--|--|--|
| <b>Group</b> |  |  |  |  |
| USD          | Strengthened                               |  | Strengthened                               |  |
|              | 10%  | (63,962)   | 10%  | 49,654   |
|              | Weakened                                   |  | Weakened                                   |  |
|              | 10%  | <u>63,962</u>  | 10%  | <u>(49,654)</u>  |

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manage the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group and the Company manage its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 37. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

|                                    | 2021<br>RM | 2020<br>RM |
|------------------------------------|------------|------------|
| <b>Group</b>                       |            |            |
| <b>Fixed rate instruments</b>      |            |            |
| <b>Financial asset</b>             |            |            |
| Fixed deposits with licensed banks | 7,492,841  | 7,389,596  |
| <b>Financial liability</b>         |            |            |
| Hire purchase                      | 611,604    | 3,111,291  |
| Lease liabilities                  | 4,405,910  | 630,927    |
|                                    | 12,510,355 | 11,131,814 |
| <b>Floating rate instruments</b>   |            |            |
| <b>Financial liabilities</b>       |            |            |
| Term loans                         | 27,061,735 | 10,218,565 |
| Bank overdrafts                    | 4,225,435  | 6,147,005  |
| Bankers' acceptance                | 827,456    | 2,324,000  |
|                                    | 32,114,626 | 18,689,570 |
| <b>Company</b>                     |            |            |
| <b>Fixed rate instruments</b>      |            |            |
| <b>Financial liability</b>         |            |            |
| Hire purchase                      | 27,096     | 61,361     |
| Lease liabilities                  | 259,807    | 444,342    |
|                                    | 286,903    | 505,703    |

### 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.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 37. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

### Interest rate risk sensitivity analysis (Cont'd)

#### 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 RM321,146 (2020: RM186,896) 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.

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term loans and borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and/or insignificant impact of discounting.

The carrying amount of long-term floating rate loans and borrowings approximately their fair value as the loans and borrowings will be re-paid to market interest rate on or near reporting date.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

|                            | Fair value of financial instruments<br>not carried at fair value |         |         | Carrying<br>amount |
|----------------------------|--|---------|---------|--------------------|
|                            | Level 1  | Level 2 | Level 3 |                    |
|                            | RM   | RM      | RM      | RM                 |
| <b>Group</b>               |  |         |         |                    |
| <b>2021</b>                |  |         |         |                    |
| <b>Financial liability</b> |  |         |         |                    |
| Finance lease payables     | –  | 611,604 | –       | 611,604            |
| <b>Company</b>             |  |         |         |                    |
| <b>2021</b>                |  |         |         |                    |
| <b>Financial liability</b> |  |         |         |                    |
| Finance lease payables     | –  | 27,096  | –       | 27,096             |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 37. FINANCIAL INSTRUMENTS (CONT'D)

### (c) Fair value of financial instruments (Cont'd)

#### (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).

#### Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

#### (iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.

## 38. CAPITAL MANAGEMENT

The Group's and the Company's objectives when managing capital are to safeguard the Group's and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 38. CAPITAL MANAGEMENT (CONT'D)

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

|  | Group        |              | Company     |            |
|--|--------------|--------------|-------------|------------|
|  | 2021<br>RM   | 2020<br>RM   | 2021<br>RM  | 2020<br>RM |
| Total loans and borrowings                                 | 37,132,140   | 22,431,788   | 286,903     | 505,703    |
| Less: Cash and cash equivalents (excluded bank overdrafts) | (15,054,613) | (10,401,185) | (1,599,831) | (170,312)  |
| Net debts  | 22,077,527   | 12,030,603   | (1,312,928) | 335,391    |
| Total equity   | 92,340,815   | 57,570,472   | 73,741,233  | 45,916,974 |
| Gearing ratio (times)                                      | 0.24         | 0.21         | -           | 0.01       |

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

## 39. LITIGATION AND CLAIMS MATTERS

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

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

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

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

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

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

ODSB had filed a Notice of Direction to the High Court for the assessment of damages, and on 5<sup>th</sup> July 2018, the Judge, by consent, ordered that the assessment of damages proceedings be stayed pending the disposal of SMGQ's Appeal.

Hearing of the appeals was done on 31<sup>st</sup> March 2021. The court has rejected ODSB's appeals as well as SMGQ's appeal. Briefly, they have upheld the High Court's decision in deciding that SMGQ has unlawfully terminated ODSB's contract and the damages should only be given to ODSB.

Hearing for assessment of damages will be resumed at the HC. The hearing of SMGQ's application for leave to appeal to the Federal Court is fixed on 15<sup>th</sup> September 2021 via Zoom.



## Notes To The Financial Statements

31 March 2021 (Cont'd)

### 39. LITIGATION AND CLAIMS MATTERS (CONT'D)

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

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

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

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

Hearing of the appeals was done on 31<sup>st</sup> March 2021. The court has rejected this appeal as well as SMGQ's appeal.

The estimated legal fees to be incurred by the Group in the engagement of solicitors to litigate the above-mentioned litigation cases are approximately RM1 million.

### 40. SIGNIFICANT EVENTS

#### (a) Outbreak of coronavirus pandemic

On 11<sup>th</sup> March 2020, the World Health Organisation declared the Coronavirus ("Covid-19") outbreak as a global pandemic. On 18<sup>th</sup> March 2020, the Government imposed the Movement Control Order ("MCO") to curb the spread of the Covid-19 outbreak in Malaysia.

The MCO was lifted on 12<sup>th</sup> May 2020 and was replaced with less restrictive forms of MCO. On 13<sup>rd</sup> January 2021, following the start of a second wave of infections into Malaysia, the Government re-imposed the MCO in various phases until the date of issuance of these financial statements. The emergence of the Covid-19 outbreak in early 2020 has brought about significant economic uncertainties in Malaysia within which the Group operates.

Like any other businesses, certain segments within the Group's operations have been affected by the pandemic as a result of travel restrictions, lockdowns, quarantines, social distancing and closures of non-essential services throughout the financial year. The Group has considered the impact of Covid-19 in the application of significant judgements and estimates to determine amounts recognised in the financial statements. As the pandemic continues to evolve, there is uncertainty over its duration and the potential effects it may affect have on the Group's operations and financial performance.

Given the fluidity of the situation, the Group will continue to monitor the impact of the pandemic and take appropriate and timely measures to minimise any impact on the Group's business and focus on delivering long-term value to the shareholders.

#### (b) Declaration of a state emergency

A state of emergency has been declared in Malaysia by the King, Yang Maha Mulia Seri Paduka Baginda Yang Di-Pertuan Agong XVI Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah Ibni Almarhum Sultan Haji Ahmad Shah Al-Musta'in Billah, effective from 11<sup>st</sup> January 2021 to 01<sup>st</sup> August 2021, to tackle the Covid-19 pandemic.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 41. COMPARATIVE FIGURES AND PRIOR YEAR ADJUSTMENTS

During the financial year, the Company made comparative adjustments to adjust and reclass the following:

- Reclassification of motor vehicles and plant and machinery to property, plant and equipment which was previously recognised as right-of-use assets; and
- Adjustments in relation the write off of property development cost and other debtors.

|  | As previously<br>reported<br>RM | Re-<br>classification/<br>Adjustments<br>RM | As restated<br>RM |
|--|---------------------------------|---|-------------------|
| <b>GROUP – 31 March 2020</b>   |                                 |   |                   |
| <b>Consolidated statement of profit or loss and other comprehensive income</b> |                                 |   |                   |
| Administrative expenses  | (32,260,441)                    | (9,275,545)                                 | (41,535,986)      |
| <b>Consolidated statement of financial position</b>                            |                                 |   |                   |
| <u>Non-current assets</u>  |                                 |   |                   |
| Inventories – land held for development  | 8,065,000                       | (2,065,000)                                 | 6,000,000         |
| Right-of-use assets  | 13,003,678                      | (5,093,075)                                 | 7,910,603         |
| Property, plant and equipment  | 16,272,717                      | 5,093,075                                   | 21,365,792        |
| <u>Current assets</u>  |                                 |   |                   |
| Other receivables  | 14,343,409                      | (7,210,545)                                 | 7,132,864         |
| <u>Non-current liabilities</u>   |                                 |   |                   |
| Loans and borrowings – hire purchase   | –                               | 1,275,098                                   | 1,275,098         |
| Loans and borrowings – lease liabilities                                       | 1,514,242                       | (1,243,966)                                 | 270,276           |
| <u>Current liabilities</u>   |                                 |   |                   |
| Loans and borrowings – hire purchase   | –                               | 1,836,193                                   | 1,836,193         |
| Loans and borrowings – lease liabilities                                       | 2,227,976                       | (1,867,325)                                 | 360,651           |
| Reserves   | (67,784,564)                    | (9,275,545)                                 | (77,060,109)      |
| <b>Consolidated statement of cash flows</b>                                    |                                 |   |                   |
| Depreciation of property, plant and equipment                                  | 2,303,665                       | 1,537,926                                   | 3,841,591         |
| Depreciation of property, plant and equipment (right-of-use assets)            | 2,147,343                       | (1,537,926)                                 | 609,417           |

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 41. COMPARATIVE FIGURES AND PRIOR YEAR ADJUSTMENTS (CONT'D)

During the financial year, the Company made comparative adjustments to adjust and reclass the following: (Cont'd)

(b) Adjustments in relation the write off of property development cost and other debtors. (Cont'd)

|   | As previously<br>reported<br>RM | Re-<br>classification/<br>Adjustments<br>RM | As restated<br>RM |
|---|---------------------------------|---|-------------------|
| <b>COMPANY – 31 March 2020</b>                                      |                                 |   |                   |
| <b>Statement of financial position</b>                              |                                 |   |                   |
| <u>Non-current assets</u>   |                                 |   |                   |
| Inventories – land held for development                             | 8,065,000                       | (2,065,000)                                 | 6,000,000         |
| Right-of-use assets   | 505,294                         | (73,332)                                    | 431,962           |
| Property, plant and equipment                                       | 684,886                         | 73,332                                      | 758,218           |
| <u>Non-current liabilities</u>                                      |                                 |   |                   |
| Loans and borrowings – hire purchase                                | –                               | 27,096                                      | 27,096            |
| Loans and borrowings – lease liabilities                            | 254,621                         | (27,096)                                    | 227,525           |
| <u>Current liabilities</u>  |                                 |   |                   |
| Loans and borrowings – hire purchase                                | –                               | 34,265                                      | 34,265            |
| Loans and borrowings – lease liabilities                            | 251,082                         | (34,265)                                    | 216,817           |
| Reserves  | (84,496,898)                    | (2,065,000)                                 | (86,561,898)      |
| <b>Statement of profit or loss and other comprehensive income</b>   |                                 |   |                   |
| Administrative expenses   | (10,376,563)                    | (2,065,000)                                 | (12,441,563)      |
| <b>Statement of cash flows</b>                                      |                                 |   |                   |
| Depreciation of property, plant and equipment                       | 315,726                         | 40,000                                      | 355,726           |
| Depreciation of property, plant and equipment (right-of-use assets) | 255,979                         | (40,000)                                    | 215,979           |

The comparative figures have been audited by a firm of chartered accountants other than Al Jafree Salihin Kuzaimi PLT.

# Notes To The Financial Statements

31 March 2021 (Cont'd)

## 42. SUBSEQUENT EVENT

On 18 May 2021, the Company has entered into a Shares Sale Agreement ("SSA") with Bertam Roadbase Sdn Bhd ("BRSB") for the purpose of disposing of the entire investment of 1,200,000 ordinary shares in Bertam Capital Sdn Bhd ("BCSB"), representing 60% equity interest in BCSB to BRSB for a total consideration of RM10,200,000.

## 43. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 August 2021.

# LIST OF PROPERTIES

AS AT 31 MARCH 2021

| No   | Name of Registered Owner/<br>Postal Address/Title<br>Identification  | Approximate Age<br>of Building/ Tenure/<br>Date of Expiry of<br>Lease | Description and<br>Existing Use/Date<br>of Acquisition                                      | Approximate<br>Land Area/<br>Built Up<br>Area (square<br>metres) | Net Book<br>Value @ 31<br>March 2021<br>(RM) |
|--|--|---|---|--|--|
| <b>Minetech Resources Berhad</b>   |  |   |   |  |  |
| 1  | Lot 345761 (formerly known<br>as PT 183213) held under<br>Master Title No. PN 349139                         | 99 years leasehold/<br>Expiring on<br>16 June 2101                    | Vacant residential<br>development land<br><br>30 November 2016                              | 7,924  | 6,000,000                                    |
| <b>Mukim of Hulu Kinta<br/>District of Kinta<br/>Perak Darul Ridzuan</b>   |  |   |   |  |  |
| <b>Medium Visa Sdn Bhd</b>   |  |   |   |  |  |
| 1  | Lot PT 17209 held under Title<br>No. HSD 15403   | 99 years leasehold/<br>Expiring on<br>8 December 2107                 | Vacant industrial<br>lands<br><br>21 April 2016   | 7,001.7  | 519,794                                      |
| <b>Mukim Hulu Bernam Timur<br/>District Batang Padang<br/>Perak Darul Ridzuan</b>  |  |   |   |  |  |
| 2  | Lot PT 17211 held under Title<br>No. HSD 15405   | 99 years leasehold/<br>Expiring on<br>8 December 2107                 | Vacant industrial<br>lands<br><br>21 April 2016   | 117,135  | 8,695,888                                    |
| <b>Mukim Hulu Bernam Timur<br/>District Batang Padang<br/>Perak Darul Ridzuan</b>  |  |   |   |  |  |
| <b>Harapan Iringan Sdn Bhd</b>   |  |   |   |  |  |
| 1  | Lot PT 17210 held under Title<br>No. HSD 15404   | 99 years leasehold/<br>Expiring on<br>8 December 2107                 | Vacant industrial<br>lands<br><br>4 April 2016  | 99,730   | 7,219,084                                    |
| <b>Mukim Hulu Bernam Timur<br/>District Batang Padang<br/>Perak Darul Ridzuan</b>  |  |   |   |  |  |
| <b>Minetech Construction Sdn Bhd</b>   |  |   |   |  |  |
| 1  | Unit A6-02 and A6-04<br>Plaza Dwitasik<br>No. 21 Jalan 5/106<br>Bandar Seri Permaisuri<br>56000 Kuala Lumpur | 19 years/99 years<br>leasehold/Expiring on<br>11 January 2095         | 2 commercial<br>office units<br>currently rented to<br>third parties<br><br>18 January 1996 | –<br>879   | 256,471                                      |
| <b>Phase 1, Level 6<br/>Unit No. 13.2 and 14.2<br/>Storey Level 6<br/>Block A Plaza Dwitasik<br/>PN 27024 Lot 51975<br/>Mukim Kuala Lumpur<br/>Daerah Kuala Lumpur</b> |  |   |   |  |  |

## List Of Properties

31 March 2021 (Cont'd)

| No  | Name of Registered Owner/<br>Postal Address/Title<br>Identification  | Approximate Age<br>of Building/ Tenure/<br>Date of Expiry of<br>Lease | Description and<br>Existing Use/Date<br>of Acquisition  | Approximate<br>Land Area/<br>Built Up<br>Area (square<br>metres) | Net Book<br>Value @ 31<br>March 2021<br>(RM) |
|---|--|---|---|--|--|
| <b>Minetech Construction Sdn Bhd</b>              |  |   |   |  |  |
| 2.  | Unit 123-523, Unit 223A-523A<br>FAS Business Avenue<br>Jalan Perbandaran<br>47301 Petaling Jaya<br>Selangor Darul Ehsan<br><br><b>Unit 12A-12I HS (D) 85220<br/>PT 14532 Mukim Damansara<br/>Daerah Petaling*</b>  | 23 years/99 years<br>leasehold/ Expiring on<br>6 December 2092        | 9 units 5 storeys<br>commercial shop<br>lots<br><br>22 November 1994  | –<br>720   | 987,185                                      |
| 3.  | D-G-5 – D-5-5 & M-5, Ground<br>Floor to Fifth Floor, Block D<br>Parklane, Commercial Hub<br>@ Kelana Jaya<br>Selangor Darul Ehsan<br><br><b>HS(D) 259689, P.T. No. 14532<br/>Mukim of Damansara<br/>Daerah Petaling<br/>Negeri Selangor Darul Ehsan*</b> | 8 years/99 years<br>leasehold/Expiring on<br>6 December 2092          | 6 ½ units<br>commercial shop<br>office<br><br>2 February 2016   | –<br>1,178   | 7,006,901                                    |
| <b>Minetech Realty Sdn Bhd</b>                    |  |   |   |  |  |
| 1.  | SA-SM23, SA-SG23, SA-SG25,<br>SA-SG26, SA-SG29<br>Ukay Perdana<br><br><b>HS(M) 12614 PT 643 and<br/>HS(M) 12615 PT 644<br/>both in Bandar Ulu Kelang<br/>Tempat Batu 7 Ulu Kelang<br/>(Ukay Perdana)<br/>Daerah Gombak<br/>Negeri Selangor*</b>          | 10 years/99 years<br>leasehold/Expiring on<br>4 October 2100          | 3 units commercial<br>shoplots currently<br>rented to third<br>parties<br><br>4 units were<br>acquired on<br>30 April 2004<br><br>SA-SG26 was<br>acquired on<br>10 May 2004 | –<br>731   | 1,343,888                                    |
| <b>Minetech Asphalt Man International Sdn Bhd</b> |  |   |   |  |  |
| 1.  | Lot 1414 Mukim Ulu Yam<br>District of Hulu Selangor<br>Selangor Darul Ehsan<br>Title: GM 5739  | Freehold land and<br>factory building                                 | Freehold land/<br>factory building<br><br>27 February 2007  | 14,416.9   | 3,606,692                                    |
| <b>Grand Total</b>                                |  |   |   |  | <b>35,635,903</b>                            |

Note:–

\* The land title particulars disclosed are the particulars of the master titles registered under the names of the respective developers. The respective strata titles of properties in Ukay Perdana, FAS Business Avenue and Parklane to the individual commercial shop lots/offices have yet to be issued.

# ANALYSIS OF SHAREHOLDINGS

AS AT 30 JULY 2021

|                 |   |  |
|-----------------|---|--|
| Issued Shares   | : | 1,165,613,800 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                                   | 10                              | 0.140                         | 202                  | 0.000                |
| 100 – 1,000                              | 689                             | 9.636                         | 383,775              | 0.033                |
| 1,001 – 10,000                           | 2,285                           | 31.958                        | 15,744,103           | 1.351                |
| 10,001 – 100,000                         | 3,306                           | 46.238                        | 131,065,100          | 11.247               |
| 100,001 to less than 5% of issued shares | 857                             | 11.986                        | 665,394,020          | 57.099               |
| 5% and above of issued shares            | 3                               | 0.042                         | 352,741,600          | 30.270               |
| <b>Total</b>                             | <b>7,150</b>                    | <b>100.00</b>                 | <b>1,165,328,800</b> | <b>100.00</b>        |

\* 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 30 July 2021.

## SUBSTANTIAL SHAREHOLDERS

(As per Register of Substantial Shareholders)

| Name of Shareholder                         | <----- Direct -----> |                      | <----- Indirect ----->    |                      |
|---|----------------------|----------------------|---------------------------|----------------------|
|   | No. of Shares held   | % of Issued Capital# | No. of Shares held        | % of Issued Capital# |
| Dato' (Dr). Ts. Awang Daud Bin Awang Putera | 311,582,800          | 26.738               | 642,000 <sup>(1)</sup>    | 0.055                |
| Choy Sen @ Chin Kim Sang                    | 164,631,420          | 14.127               | 48,056,100 <sup>(2)</sup> | 4.124                |

Notes:

(1) Deemed interested by virtue of the shares held by children.

(2) Deemed interested by virtue of the shares held by spouse and child.

# Excluding a total of 285,000 shares bought-back by the Company and retained as treasury shares.

## SHAREHOLDINGS OF DIRECTORS

(As per Register of Directors' Shareholdings)

| Name of Shareholder                         | <----- Direct -----> |                      | <----- Indirect ----->    |                      |
|---|----------------------|----------------------|---------------------------|----------------------|
|   | No. of Shares held   | % of Issued Capital# | No. of Shares held        | % of Issued Capital# |
| Dato' (Dr). Ts. Awang Daud Bin Awang Putera | 311,582,800          | 26.738               | 642,000 <sup>(1)</sup>    | 0.055                |
| Choy Sen @ Chin Kim Sang                    | 164,631,420          | 14.127               | 48,056,100 <sup>(2)</sup> | 4.124                |
| Chin Leong Choy                             | 47,456,100           | 4.072                | –                         | –                    |
| Awgku Mohd Reza Farzak Bin Awg Daud         | 1,150,000            | 0.099                | –                         | –                    |
| Azlan Shah Bin Zainal Arif                  | 4,170,000            | 0.358                | –                         | –                    |
| Ahmad Ruslan Zahari Bin Zakaria             | –                    | –                    | –                         | –                    |
| Ahmad Rahizal Bin Dato' Ahmad Rasidi        | –                    | –                    | –                         | –                    |
| Datin Feridah Binti Bujang Ismail           | 150,000              | 0.013                | –                         | –                    |
| Siti Aishah Binti Othman                    | –                    | –                    | –                         | –                    |

Notes:

(1) Deemed interested by virtue of the shares held by children.

(2) Deemed interested by virtue of the shares held by spouse and child.

# Excluding a total of 285,000 shares bought-back by the Company and retained as treasury shares.

# Analysis of Shareholdings

30 July 2021 (Cont'd)

## THIRTY (30) LARGEST SHAREHOLDERS

| No. | Name of Shareholders   | No. of Shares Held | % of Issued Capital# |
|-----|--|--------------------|----------------------|
| 1.  | AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD.<br>PLEDGED SECURITIES ACCOUNT FOR AWANG DAUD BIN AWANG PUTERA (M05)            | 187,729,900        | 16.110               |
| 2.  | KENANGA NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR CHOY SEN @ CHIN KIM SANG                           | 99,200,000         | 8.513                |
| 3.  | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR AWANG DAUD BIN AWANG PUTERA (7006114)        | 65,811,700         | 5.647                |
| 4.  | KENANGA NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR AWANG DAUD BIN AWANG PUTERA                        | 55,041,200         | 4.723                |
| 5.  | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR CHIN LEONG CHOY                                    | 45,973,200         | 3.945                |
| 6.  | AMSEC NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHOY SEN @ CHIN KIM SANG (SMART) | 45,431,420         | 3.899                |
| 7.  | KENANGA NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR CHOY SEN @ CHIN KIM SANG (THIRD PARTY)             | 20,000,000         | 1.716                |
| 8.  | CIMSEC NOMINEES (TEMPATAN) SDN BHD<br>CIMB FOR TEW BOON TEIK (PB)  | 17,709,400         | 1.520                |
| 9.  | HONG FOH NYOK  | 14,445,700         | 1.240                |
| 10. | YEK NAI HWAT   | 11,300,000         | 0.970                |
| 11. | WC REALTY I SDN. BHD.  | 8,500,000          | 0.729                |
| 12. | PUBLIC NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR LIEW TEK KUAN (E-TSA/MSI)                           | 7,195,900          | 0.617                |
| 13. | DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD<br>EXEMPT AN FOR AFFIN HWANG ASSET MANAGEMENT BERHAD (TSTAC/CLNT-T)    | 7,000,000          | 0.601                |
| 14. | TOH PIK CHAI   | 6,976,200          | 0.599                |
| 15. | TEW BOON TEIK  | 6,877,300          | 0.590                |
| 16. | CHIN SET FAH   | 6,535,600          | 0.561                |
| 17. | EMMA YAZMEEN YIP BINTI MOHD JEFFREY YIP  | 6,000,000          | 0.515                |
| 18. | TA NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR HENG TENG KUANG   | 5,000,000          | 0.429                |
| 19. | TONG SIEW KHEY @ TONG SIEW KHENG   | 4,400,000          | 0.378                |
| 20. | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR AZLAN SHAH BIN ZAINAL ARIF                         | 4,170,000          | 0.358                |
| 21. | SAHROI BIN LAARI   | 3,800,000          | 0.326                |
| 22. | HO BAN FATT  | 3,750,000          | 0.322                |
| 23. | ROBERT TANG ENG HUI  | 3,509,600          | 0.301                |
| 24. | YAP MEI LIAN   | 3,500,000          | 0.300                |
| 25. | LIM BONG KHAI @ LIM BOON KHAI  | 3,252,600          | 0.279                |
| 26. | LAU KON HING   | 3,200,000          | 0.275                |
| 27. | RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR TEW BOON TEIK                                  | 3,088,900          | 0.265                |
| 28. | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR AWANG DAUD BIN AWANG PUTERA (7006982)        | 3,000,000          | 0.257                |
| 29. | HELEN TAN MIANG KIENG  | 3,000,000          | 0.257                |
| 30. | SHAHROM BIN HARUN  | 3,000,000          | 0.257                |
|     | <b>Total</b>   | <b>658,398,620</b> | <b>56.499</b>        |

Notes:

# Excluding a total of 285,000 shares bought-back by the Company and retained as treasury shares.



# NOTICE OF NINETEENTH ANNUAL GENERAL MEETING



Registration No. 200201007880 (575543-X)  
(Incorporated in Malaysia)

**NOTICE IS HEREBY GIVEN THAT** the Nineteenth (“**19th**”) Annual General Meeting of **MINETECH RESOURCES BERHAD** (the “**Company**” or “**Minetech**”) will be conducted as a fully virtual meeting through live streaming and online remote voting using Remote Participation and Voting (“**RPV**”) facilities via the online meeting platform of TIIH Online website at <https://tiih.online> (Domain registration no. with MYNIC: D1A282781) on Tuesday, 28 September 2021 at 10.00 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 2021 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note 1 of the Explanatory Notes)**
2. To approve the payment of Directors’ Fees and Benefits Payable to the Directors up to an aggregate amount of RM700,000.00 from this Annual General Meeting (“**AGM**”) until the next AGM in 2022. **Ordinary Resolution 1**
3. To re-elect the following Directors of the Company who are retiring pursuant to Clause 97 of the Constitution of the Company:–
  - (i) Mr Chin Leong Choy **Ordinary Resolution 2**
  - (ii) Encik Ahmad Ruslan Zahari Bin Zakaria **Ordinary Resolution 3**
  - (iii) Encik Ahmad Rahizal Bin Dato’ Ahmad Rasidi **Ordinary Resolution 4**
4. To re-appoint Messrs. Al Jafree Salihin Kuzaimi PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

### As Special Business

To consider and, if thought fit, to pass the following resolutions:

#### 5. Authority under Section 76 of the Companies Act 2016 for the Directors to allot and issue shares

“THAT pursuant to Section 76 of the Companies Act 2016 (“**the Act**”), the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM 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.”

**Ordinary Resolution 6**

## Notice Of Nineteenth Annual General Meeting (Cont'd)

### 6. Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT") ("Proposed Renewal of RRPT Mandate")

"THAT approval be and is hereby given to the Company and its subsidiaries ("**Minetech Group**") to enter into RRPT of a revenue or trading nature as set out in Section 2.4 of Part A of the Circular to Shareholders dated 30 August 2021 ("**Circular**") which are necessary for the Minetech Group's day-to-day operations subject to the following:-

#### Ordinary Resolution 7

- (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 Renewal of RRPT Mandate during the financial year on the type of RRPT made, the names of the related parties involved in each type of RRPT and their relationships with the Company.

THAT the authority conferred shall continue to be in force until:-

- i) the conclusion of the next AGM of the Company following the forthcoming AGM at which the Proposed Renewal of 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 Renewal of RRPT Mandate."

### 7. Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares

"THAT subject to the Act, the Constitution 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:-

#### Ordinary Resolution 8

## Notice Of Nineteenth Annual General Meeting (Cont'd)

### 7. Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares (Cont'd)

- (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 Renewal of Share Buy-Back Authority 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.

## Notice Of Nineteenth Annual General Meeting (Cont'd)

### 8. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143) (SSM PC No.: 202008001023)  
TAN AI NING (MAICSA 7015852) (SSM PC No.: 202008000067)  
Company Secretaries

Selangor Darul Ehsan  
Date: 30 August 2021

### NOTES

1. The 19<sup>th</sup> AGM will be conducted on a fully virtual basis via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for the 19<sup>th</sup> AGM for the procedures to register, participate and vote remotely through the RPV facilities.

The Administrative Guide on the conduct of the fully virtual 19<sup>th</sup> AGM of the Company is available at the Company's website at <https://minetech.com.my/reports/>.

2. The conduct of a fully virtual 19<sup>th</sup> AGM is in line with the revised Guidance Note and Frequently Asked Questions on the conduct of General Meetings for Listed Issuers issued by Securities Commission of Malaysia on 16 July 2021. Physical gatherings no matter how small are prohibited. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is located in Malaysia and all meeting participants including Chairman of the meeting, board members, senior management and shareholders are to participate in the meeting online.
3. A member entitled to attend, participate and vote remotely at the meeting is entitled to appoint a proxy(ies) to attend and vote for his/her behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
4. A member may appoint up to two (2) proxies to attend and vote at the meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
5. Where a member 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.
6. The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

## Notice Of Nineteenth Annual General Meeting (Cont'd)

### NOTES (CONT'D)

7. The appointment of proxy may be made in a hardcopy form or by electronic means, not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof, as follows:–

(i) In Hardcopy Form

The instrument appointing a proxy or proxies and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited with Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

(ii) By Electronic Means

The instrument appointing a proxy or proxies can be submitted electronically, via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for the 19th AGM for further information on electronic submission of proxy form via TIIH Online.

The appointment of the proxy(ies) will be **INVALID** if the Proxy Form/ e-Proxy Form is not completed correctly in accordance with the instructions stated in the form.

8. The members may submit questions in relation to the resolutions to be tabled at the 19th AGM at <https://tiih.online> prior to the 19th AGM or to use the query box to transmit questions by typed texts via RPV facilities during live streaming of the 19th AGM of the Company.
9. The Board wishes to highlight that the 19th AGM may be re-scheduled and/or adjourned subject to the development of the COVID-19 pandemic and the Malaysian Government's announcements or guidelines to be issued from time to time. Rest assured, all participants including invitees shall be kept informed of any unexpected changes.
10. Pursuant to Paragraph 8.29(A) of Main Market Listing Requirements of Bursa Securities, all the resolutions at the 19th AGM of the Company shall be put to vote by way of poll.
11. In respect of deposited securities, only members whose names appear on the Record of Depositors on 21 September 2021 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

### EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS

#### 1. To receive the Audited Financial Statements

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Act for discussion only under Agenda 1. They do not require shareholders' approval and hence, will **not be put for voting**.

## Notice Of Nineteenth Annual General Meeting (Cont'd)

### EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS (CONT'D)

#### 2. Ordinary Resolution 2, 3 and 4 on Re-election of Directors

Pursuant to Malaysian Code of Corporate Governance 2021, the profiles of the Directors who are standing for re-election as per Agenda items are as follow:

| Description   | Ordinary Resolution 2  |
|---|--|
| Name  | Chin Leong Choy<br><i>(Executive Director)</i>   |
| Age   | 38   |
| Gender  | Male   |
| Present Directorship(s)   | (1) Minetech Resources Berhad  |
| Family relationship with any Director and/or major shareholder of the Company | He is the son of Mr Choy Sen @ Chin Kim Sang, the Executive Director as well as a major shareholder of the Company.  |
| Working experience  | Mr Chin Leong Choy is presently assuming the position of Executive Director of Business Development and Operations of the Company. He has over 18 years of experience in sales and marketing, quarrying and civil engineering. He was also involved in multiple strategic business development ventures. |

The Board based on the recommendation of Nomination and Remuneration Committee, supports the re-election of Mr Chin Leong Choy as Executive Director of the Company based on the following justifications:-

- a. He has been actively involved in the sales and marketing, quarrying and civil engineering industries for more than 18 years. He is familiar with the Company's business operations and able to provide valuable input to steer the Company forward.
- b. He has exercised his due care and carried out his professional duties proficiently during his tenure as Executive Director of the Company.

| Description   | Ordinary Resolution 3   |
|---|---|
| Name  | Ahmad Ruslan Zahari Bin Zakaria<br><i>(Independent Non-Executive Director)</i>  |
| Age   | 60  |
| Gender  | Male  |
| Present Directorship(s)   | (1) Minetech Resources Berhad<br>(2) KTG Berhad   |
| Family relationship with any Director and/or major shareholder of the Company | Nil   |
| Working experience  | Encik Ahmad Ruslan Zahari Bin Zakaria has more than 35 years experience in accounting and finance industries.<br><br>Presently, he is the founder and principal of Connoisseur Consult Sdn Bhd.<br><br>He is also the Chairman of the Audit and Risk Management Committee and member of the Nomination and Remuneration Committee of the Company. |

## Notice Of Nineteenth Annual General Meeting (Cont'd)

### EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS (CONT'D)

#### 2. Ordinary Resolution 2, 3 and 4 on Re-election of Directors (Cont'd)

The Board based on the recommendation of Nomination and Remuneration Committee, supports the re-election of Encik Ahmad Ruslan Zahari Bin Zakaria as Independent Non-Executive Director of the Company based on the following justifications:–

- a. He has been actively making independent assessment of the information, reports or statements to constructively challenge management's proposals and contribute to the development of business strategy and direction of the Company.
- b. He has exercised his due care and carried out his professional duties proficiently and independently during his tenure as Independent Non-Executive Director of the Company.

| Description   | Ordinary Resolution 4  |
|---|--|
| Name  | Ahmad Rahizal Bin Dato' Ahmad Rasidi<br><i>(Executive Director)</i>  |
| Age   | 38   |
| Gender  | Male   |
| Present Directorship(s)   | (1) Minetech Resources Berhad<br>(2) Acoustech Berhad  |
| Family relationship with any Director and/or major shareholder of the Company | Nil  |
| Working experience  | Encik Ahmad Rahizal Bin Dato' Ahmad Rasidi has over 13 years of experience in corporate and business ventures. He involves in several business ventures including coconut plantation, sand quarry, waste-management and edible oil business. |

The Board based on the recommendation of Nomination and Remuneration Committee, supports the re-election of Encik Ahmad Rahizal Bin Dato' Ahmad Rasidi as Executive Director of the Company based on the following justifications:–

- a. His extensive industry knowledge and experience in various industries provide optimum planning for the Company.
- b. He has exercised his due care and carried out his professional duties proficiently and during his tenure as Executive Director of the Company.

#### 3. Ordinary Resolution 6 on the Authority under Section 76 of the Act for the Directors to allot and issue shares

The Company had, during its Eighteenth AGM held on 29 September 2020, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to the Section 76 of the Act. 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.

## Notice Of Nineteenth Annual General Meeting (Cont'd)

### EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS (CONT'D)

#### 3. Ordinary Resolution 6 on the Authority under Section 76 of the Act for the Directors to allot and issue shares (Cont'd)

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.

The Company did not allot and issue any shares pursuant to the general mandate granted by the shareholders at the previous AGM.

#### 4. Ordinary Resolution 7 on Proposed Renewal of RRPT Mandate

The proposed Ordinary Resolution 7, 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 7, please refer to Part A of the Circular to Shareholders dated 30 August 2021 accompanying the Annual Report of the Company for the financial year ended 31 March 2021.

#### 5. Ordinary Resolution 8 on Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares

The Ordinary Resolution 8, 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 8, please refer to the Statement to Shareholders in Part B of the Circular to Shareholders dated 30 August 2021 accompanying the Annual Report of the Company for the financial year ended 31 March 2021.

#### *Personal data privacy:*

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*



This page has been intentionally left blank

|                             |                           |
|-----------------------------|---------------------------|
| No. of ordinary shares held | CDS account no. of holder |
|                             |                           |

I/We, \_\_\_\_\_ NRIC No./ Passport No./ Company No. \_\_\_\_\_  
 (name of shareholder as per NRIC/Passport, in capital letters)

\_\_\_\_\_ of \_\_\_\_\_  
 \_\_\_\_\_ (full address) being a member or members of **MINETECH RESOURCES BERHAD**

**[Registration No. 200201007880 (575543-X)]** hereby appoint\* THE CHAIRMAN OF THE MEETING or failing him/her

| Full Name                    | NRIC No./Passport No. | Proportion of Shareholdings |   |
|------------------------------|-----------------------|-----------------------------|---|
|                              |                       | No. of Shares               | % |
| Address                      |                       |                             |   |
| Telephone no./ Email address |                       |                             |   |

And

| Full Name                    | NRIC No./Passport No. | Proportion of Shareholdings |   |
|------------------------------|-----------------------|-----------------------------|---|
|                              |                       | No. of Shares               | % |
| Address                      |                       |                             |   |
| Telephone no./ Email address |                       |                             |   |

as my/our proxy(ies) to vote for me/us on my/our behalf at the Nineteenth Annual General Meeting of the Company which will be conducted as a fully virtual meeting through live streaming and online remote voting using Remote Participation and Voting (“RPV”) facilities via the online meeting platform of TIIH Online website at <https://tiih.online> on Tuesday, 28 September 2021 at 10.00 a.m. or at any adjournment thereof.

\* if you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words “the Chairman of the Meeting or failing him/her” and insert the name(s) of the person(s) desired.

My/our proxy/proxies is/are to vote as indicated below.

|    | Resolutions  |                       | For | Against |
|----|--|-----------------------|-----|---------|
| 1. | To approve the payment of Directors’ Fees and Benefits Payable to the Directors up to an aggregate amount of RM700,000 from this Annual General Meeting until the next Annual General Meeting in 2022. | Ordinary Resolution 1 |     |         |
| 2. | To re-elect Mr Chin Leong Choy who is retiring pursuant to Clause 97 of the Constitution of the Company.   | Ordinary Resolution 2 |     |         |
| 3. | To re-elect Encik Ahmad Ruslan Zahari Bin Zakaria who is retiring pursuant to Clause 97 of the Constitution of the Company.  | Ordinary Resolution 3 |     |         |
| 4. | To re-elect Encik Ahmad Rahizal Bin Dato’ Ahmad Rasidi who is retiring pursuant to Clause 97 of the Constitution of the Company.   | Ordinary Resolution 4 |     |         |
| 5. | To re-appoint Messrs. Al Jafree Salihin Kuzaimi PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.   | Ordinary Resolution 5 |     |         |
| 6. | Authority under Section 76 of the Companies Act 2016 for the Directors to allot and issue shares.  | Ordinary Resolution 6 |     |         |
| 7. | Proposed Renewal of RRPT Mandate.  | Ordinary Resolution 7 |     |         |
| 8. | Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares.   | Ordinary Resolution 8 |     |         |

(Please indicate with an “X” in the appropriate box against the resolutions on how you wish your proxy to vote. The proxy is to vote on the resolutions set out in the Notice of Meeting as you have indicated. If no specific instruction as to voting is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

\_\_\_\_\_  
 Signature/Common Seal of Shareholder

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. The 19th AGM will be conducted on a fully virtual basis via TIH Online website at <https://tjih.online>. Please refer to the Administrative Guide for the 19th AGM for the procedures to register, participate and vote remotely through the RPV facilities.  
The Administrative Guide on the conduct of the fully virtual 19th AGM of the Company is available at the Company's website at <https://minetech.com.my/reports/>.
2. The conduct of a fully virtual 19th AGM is in line with revised Guidance Note and Frequently Asked Questions on the conduct of General Meetings for Listed Issuers issued by Securities Commission of Malaysia on 16 July 2021. Physical gatherings no matter how small are prohibited. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is located in Malaysia and all meeting participants including Chairman of the meeting, board members, senior management and shareholders are to participate in the meeting online.
3. A member entitled to attend, participate and vote remotely at the meeting is entitled to appoint a proxy(ies) to attend and vote for his/her behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
4. A member may appoint up to two (2) proxies to attend and vote at the meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
5. Where a member 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.
6. The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
7. The appointment of proxy may be made in a hardcopy form or by electronic means, not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof, as follows:-
  - (i) In Hardcopy Form  
The instrument appointing a proxy or proxies and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited with Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.
  - (ii) By Electronic Means  
The instrument appointing a proxy or proxies can be submitted electronically, via TIH Online website at <https://tjih.online>. Please refer to the Administrative Guide for the 19th AGM for further information on electronic submission of proxy form via TIH Online.  
The appointment of the proxy(ies) will be **INVALID** if the Proxy Form/ e-Proxy Form is not completed correctly in accordance with the instructions stated in the form.
8. The members may submit questions in relation to the resolutions to be tabled at the 19th AGM at <https://tjih.online> prior to the 19th AGM or to use the query box to transmit questions by typed texts via RPV facilities during live streaming of the 19th AGM of the Company.
9. The Board wishes to highlight that the 19th AGM may be re-scheduled and/or adjourned subject to the development of the COVID-19 pandemic and the Malaysian Government's announcements or guidelines to be issued from time to time. Rest assured, all participants including invitees shall be kept informed of any unexpected changes.
10. Pursuant to Paragraph 8.29(A) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions at the 19th AGM of the Company shall be put to vote by way of poll.
11. In respect of deposited securities, only members whose names appear on the Record of Depositors on 21 September 2021 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

*Personal Data Privacy:*

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Nineteenth Annual General Meeting dated 30 August 2021.

Then fold here



**MINETECH RESOURCES BERHAD**

Registration No. 200201007880 (575543-X)

c/o Tricor Investor & Issuing House Services Sdn Bhd  
Unit 32-01, Level 32  
Tower A, Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Wilayah Persekutuan Kuala Lumpur

Then fold here

**MINETECH RESOURCES BERHAD**

Registration No. 200201007880 (575543-X)

D-G-5, Block D, Parklane Commercial Hub

No. 21, Jalan SS7/26

Kelana Jaya

47301 Petaling Jaya

Selangor Darul Ehsan

Tel: (603) 7886 7848

Fax: (603) 7886 3370

[www.minetech.com.my](http://www.minetech.com.my)