

MINTYE BERHAD

(Company No: 1177348 P)
(Incorporated In Malaysia)

1ST QUARTERLY REPORT
on Group Results ended
30 April 2018

(The figures have not been audited)

Company No.

1177348 P

1.

MINTYE BERHAD
(Incorporated in Malaysia)

Unaudited interim financial report for the 1st financial quarter ended 30 April 2018

The Directors of Mintye Berhad are pleased to announce the unaudited interim financial report for the 1st financial quarter ended 30 April 2018.

This interim financial report is prepared in accordance with MFRS 134 "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Listing Requirements and should be read in conjunction with the audited annual financial statements of Mintye for the financial year ended 31 January 2018.

There was no qualification in the audit report in the most recent audited annual financial statements.

MINTYE BERHAD
(Incorporated in Malaysia)

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	As at	As at
	<u>30 April 2018</u>	<u>31 Jan 2018</u>
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	28,631	29,026
Capital work-in-progress	1,925	1,831
Available-for-sale investments	10,264	9,558
Deferred tax assets	282	189
	<u>41,102</u>	<u>40,604</u>
Current assets		
Inventories	32,123	35,067
Trade receivables	7,867	7,273
Other receivables, deposits and prepayments	1,166	1,246
Tax recoverable	322	89
Cash and bank balances	34,470	33,620
	<u>75,948</u>	<u>77,295</u>
TOTAL ASSETS	<u><u>117,050</u></u>	<u><u>117,899</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	60,800	60,800
Fair value reserves	4,265	3,559
Retained profits	46,657	46,213
	<u>111,722</u>	<u>110,572</u>
Non-controlling interests	<u>1,189</u>	<u>1,227</u>
Total equity	<u><u>112,911</u></u>	<u><u>111,799</u></u>

	Unaudited	Audited
	As at	As at
	<u>30 April 2018</u>	<u>31 Jan 2018</u>
	RM'000	RM'000
Non-current liabilities		
Deferred tax liabilities	<u>953</u>	<u>1,045</u>
Current liabilities		
Trade payables	1,822	3,072
Other payables, deposits and accruals	1,301	1,926
Tax payable	<u>63</u>	<u>57</u>
	<u>3,186</u>	<u>5,055</u>
Total liabilities	<u>4,139</u>	<u>6,100</u>
TOTAL EQUITY AND LIABILITIES	<u>117,050</u>	<u>117,899</u>
	RM	RM
Net assets per share attributable to owners of the Company	<u>1.86</u>	<u>1.84</u>

The condensed Group statement of financial position should be read in conjunction with the audited annual financial statements for the financial year ended 31 January 2018.

MINTYE BERHAD
(Incorporated in Malaysia)

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter		Cumulative quarter	
	3 months ended		3 months ended	
	30 April		30 April	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	RM'000	RM'000	RM'000	RM'000
REVENUE				
Sales	11,552	13,654	11,552	13,654
Less:				
Cost of sales	<u>(9,369)</u>	<u>(10,698)</u>	<u>(9,369)</u>	<u>(10,698)</u>
Gross profit	2,183	2,956	2,183	2,956
Other operating income	<u>364</u>	<u>99</u>	<u>364</u>	<u>99</u>
	2,547	3,055	2,547	3,055
Less:				
EXPENSES				
Selling and distribution	(455)	(365)	(455)	(365)
Administration	(1,736)	(1,629)	(1,736)	(1,629)
Finance				
- Bank commitment and other charges	<u>(17)</u>	<u>(16)</u>	<u>(17)</u>	<u>(16)</u>
Profit from operations	339	1,045	339	1,045
Gain on disposal of equipment	-	12	-	12
Machinery and equipment written off	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(1)</u>
PROFIT BEFORE TAXATION	339	1,056	339	1,056

	Individual quarter 3 months ended 30 April		Cumulative quarter 3 months ended 30 April	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	RM'000	RM'000	RM'000	RM'000
Less:				
Taxation	<u>67</u>	<u>(266)</u>	<u>67</u>	<u>(266)</u>
Profit for the financial period	406	790	406	790
Other comprehensive income				
Items that may be recycled to profit or loss:				
Available-for-sale investments				
- Fair value gain	<u>706</u>	<u>821</u>	<u>706</u>	<u>821</u>
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	<u>1,112</u>	<u>1,611</u>	<u>1,112</u>	<u>1,611</u>
Profit/(Loss) attributable to:				
Owners of the Company	444	787	444	787
Non-controlling interests	<u>(38)</u>	<u>3</u>	<u>(38)</u>	<u>3</u>
	<u>406</u>	<u>790</u>	<u>406</u>	<u>790</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Company	1,150	1,608	1,150	1,608
Non-controlling interests	<u>(38)</u>	<u>3</u>	<u>(38)</u>	<u>3</u>
	<u>1,112</u>	<u>1,611</u>	<u>1,112</u>	<u>1,611</u>
	Sen	Sen	Sen	Sen
Earnings per share of profit attributable to owners of the Company				
- Basic and diluted	<u>0.73</u>	<u>1.29</u>	<u>0.73</u>	<u>1.29</u>

The condensed Group statement of comprehensive income should be read in conjunction with the audited annual financial statements for the financial year ended 31 January 2018.

MINTYE BERHAD
(Incorporated in Malaysia)

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

← — Attributable to owners of the Company →

	Issued share capital RM'000	Non - distributable		Sub-total RM'000	Non- controlling interests RM'000	Total equity RM'000
		Fair value reserves RM'000	Accumulated profits RM'000			
Unaudited For the financial period ended 30 April 2018 As at 1 February 2018	60,800	3,559	46,213	110,572	1,227	111,799
Profit/(loss) for the financial period	-	-	444	444	(38)	406
Other comprehensive income	-	706	-	706	-	706
Total comprehensive income for the financial period	-	706	444	1,150	(38)	1,112
As at 30 April 2018	60,800	4,265	46,657	111,722	1,189	112,911
Unaudited For the financial period ended 30 April 2017 As at 1 February 2017	60,800	1,980	46,610	109,390	1,360	110,750
Profit for the financial period	-	-	787	787	3	790
Other comprehensive income	-	821	-	821	-	821
Total comprehensive income for the financial period	-	821	787	1,608	3	1,611
As at 30 April 2017	60,800	2,801	47,397	110,998	1,363	112,361

The condensed Group statement of changes in equity should be read in conjunction with the audited annual financial statements for the financial year ended 31 January 2018.

MINTYE BERHAD
(Incorporated in Malaysia)

CONDENSED GROUP STATEMENT OF CASH FLOWS

<u>For the financial period ended</u>	Cumulative quarter 3 months ended 30 April	
	<u>2018</u>	<u>2017</u>
	RM'000	RM'000
OPERATING ACTIVITIES		
Operations		
Profit from operating activities	339	1,045
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	762	768
Unrealised (gain)/loss on translation of foreign currencies	(241)	733
Unrealised (gain)/loss on translation of foreign receivables and payables	(65)	66
Dividend income	(53)	(52)
Interest income	(163)	(152)
	<hr/>	<hr/>
Operating profit before changes in working capital	579	2,408
Changes in working capital:		
Inventories	2,944	1,113
Trade and other receivables	(449)	(486)
Trade and other payables	(1,875)	(104)
	<hr/>	<hr/>
Surplus of revenue receipts net of expense payments from revenue-producing business transactions	1,199	2,931
Dividends (net) from available-for-sale investments received	53	52
Interest income received	163	152
	<hr/>	<hr/>
Cash from operations before taxation	1,415	3,135
Income tax paid	(345)	(298)
	<hr/>	<hr/>
Net cash from operating activities	1,070	2,837

<u>For the financial period ended</u>	Cumulative quarter	
	3 months ended	
	30 April	
	<u>2018</u>	<u>2017</u>
	RM'000	RM'000
INVESTING ACTIVITIES		
Additions in capital work-in-progress	(295)	(762)
Additions to plant and equipment	(166)	(369)
Proceeds from disposal of equipment	-	12
	<u> </u>	<u> </u>
Net cash (used) in investing activities	(461)	(1,119)
CASH AND CASH EQUIVALENTS		
Increase in the financial period	609	1,718
Unrealised gain/(loss) on translation of foreign currencies	241	(733)
	<u> </u>	<u> </u>
Net increase in the financial period	850	985
As at beginning of financial period	21,460	26,069
	<u> </u>	<u> </u>
As at end of financial period	<u>22,310</u>	<u>27,054</u>
Represented by		
- Deposits with Malaysian licensed banks	19,897	10,045
- Cash in hand and at Malaysian licensed banks	14,573	26,149
	<u> </u>	<u> </u>
	34,470	36,194
Less:		
Deposits placed with maturity more than three months	(12,160)	(9,140)
	<u> </u>	<u> </u>
	<u>22,310</u>	<u>27,054</u>

The condensed Group statement of cash flows should be read in conjunction with the audited annual financial statements for the financial year ended 31 January 2018.

MINTYE BERHAD

(Incorporated in Malaysia)

**NOTES TO THE INTERIM FINANCIAL REPORT
for the 1st financial quarter ended 30 April 2018****Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with MFRS 134 “Interim Financial Reporting” and paragraph 9.22 of the Bursa Malaysia Listing Requirements. The interim financial report also complies with IAS 34 “Interim Financial Reporting” issued by the International Accounting Standards Board.

The interim financial report has been prepared on a condensed basis and as such it should be read in conjunction with the audited annual financial statements of Mintye for the financial year ended 31 January 2018. The notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the financial year ended 31 January 2018.

MFRS 134 - Paragraph 16**M1. Accounting policies and methods**

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited annual financial statements of Mintye for the financial year ended 31 January 2018, except for the adoption of the following new Malaysian Financial Reporting Standards (MFRSs), Amendments to MFRSs and IC interpretations with effect from 1 February 2018:

MFRS 9: Financial Instruments

Amendments to MFRS 15 (Revenue from Contracts with Customers)

Clarification to MFRS 15 (Revenue from Contracts with Customers)

IC Interpretation 22 (Foreign Currency Transaction and Advanced Consideration)

Amendments to MFRS 1 (Annual Improvements to MFRSs 2014-2016 Cycle)

The adoption of the above standards, amendments and interpretations did not have significant impact on the financial statements of the Group.

M2. Disclosure of audit report qualification and status of matters raised

The auditors' report of Mintye's most recent audited financial statements for the financial year ended 31 January 2018 did not contain any qualification.

M3. Seasonal or cyclical factors

The results of the operations of the Group for the current financial quarter and financial year-to-date were not significantly affected by seasonal or cyclical factors.

M4. Unusual items

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual in nature, size or incidence during the current interim period under review.

M5. Material changes in estimates of amounts reported

There were no material changes in estimates of amounts reported in prior interim period of the current financial year or in prior financial years, which have material effects on the financial position or performance in the current interim period under review.

M6. Changes in debt and equity securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial year-to-date.

M7. Dividend paid

There was no dividend paid during the current interim period under review.

M8. Segment information

The Group is principally involved in the manufacturing of automotive and industrial friction materials, namely brake linings, disc brake pads and bonded brake shoes.

Activities are all carried out in Malaysia

	Individual quarter 3 months ended 30 April 2018 RM'000	Cumulative quarter 3 months ended 30 April 2018 RM'000
REVENUE		
Manufacturing	10,320	10,320
Technical	776	776
Others	456	456
Total revenue	<u>11,552</u>	<u>11,552</u>
RESULTS		
Manufacturing	-	-
Technical	182	182
Others	157	157
Profit before taxation	339	339
Taxation	67	67
Profit for the financial period	<u>406</u>	<u>406</u>
	Unaudited as at 30 April 2018 RM'000	Audited as at 31 Jan 2018 RM'000
ASSETS		
Manufacturing	100,550	101,506
Technical	1,130	856
Others	15,370	15,537
Total assets	<u>117,050</u>	<u>117,899</u>
LIABILITIES		
Manufacturing	3,862	5,861
Technical	118	109
Others	159	130
Total liabilities	<u>4,139</u>	<u>6,100</u>

M9. Property, plant and equipment

There was no change to the valuation of property, plant and equipment brought forward from the most recent audited annual financial statements.

	Current financial quarter as at <u>30 April 2018</u> RM'000
<u>Cost</u>	
As at 1.2.2018	102,555
Additions	166
Transfer from capital work-in-progress	<u>201</u>
As at 30.4.2018	<u>102,922</u>
<u>Accumulated depreciation and amortisation</u>	
As at 1.2.2018	73,529
Charge for the financial period	<u>762</u>
As at 30.4.2018	<u>74,291</u>
<u>Net book value</u>	
As at 30.4.2018	<u><u>28,631</u></u>

M10. Material events subsequent to the end of the financial period

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the current financial quarter under review.

M11. Changes in composition of the Group

There were no significant changes in the composition of the Group for the current financial quarter under review.

M12. Contingent liabilities

The contingent liabilities as at 30 April 2018 are as follows:

Unsecured

	RM'000
Bankers' guarantees for	
- Electricity supplies	445
- Gas	12
	<hr/>
	457
	<hr/> <hr/>

No loss is anticipated.

M13. Inventories

	Current financial quarter as at <u>30 April 2018</u> RM'000
<u>Stated at cost</u>	
Held for	
- Manufacture	
Raw materials	13,733
Packing materials and loose tools	1,252
Spare parts	582
Work-in-progress	2,571
	<hr/>
	18,138
- Sale	
Finished products	13,985
	<hr/>
	32,123
	<hr/> <hr/>

M14. Capital commitments

Capital commitments authorised by the Directors and not provided for in the financial statements under review as at 30 April 2018 are as follows:

	RM'000
Authorised	
- Building, machinery and equipment	112
	<hr/> <hr/>

M15. Extraordinary item

There was no extraordinary item.

M16. Related party transactions

The related party transactions of the Group have been entered into in the normal course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

Other than intragroup transactions, the transactions with related parties of the Group are set out below:

	Individual quarter 3 months ended 30 April 2018 RM'000	Cumulative quarter 3 months ended 30 April 2018 RM'000
(Expense) transactions with:		
Minsoon Credit Corporation (M) Sdn. Bhd.		
- Upkeep of motor vehicles	(1)	(1)
Time Ventures Sdn. Bhd.		
- Printing	-	-

Bursa Malaysia Listing Requirements (Part A of Appendix 9B)**B1. Review of financial performance of the Company and its subsidiaries**

	Current Cumulative quarter 3 months ended 30 April 2018	Corresponding Cumulative quarter 3 months ended 30 April 2017	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Group turnover	11,552	13,654	(2,102)	(15)
Group profit from operations	339	1,045	(706)	(68)
Group profit before taxation	339	1,056	(717)	(68)
Group profit for the financial period	406	790	(384)	(49)

The Group's turnover for the current cumulative quarter ended 30 April 2018 was reported lower at RM11.552 million compared to previous year corresponding quarter of RM13.654 million, a drop of RM2.102 million or 15.39%. The decrease is mainly due to lower customer demand in both domestic and export markets.

The Group profit from operation for the current cumulative quarter ended 30 April 2018 dropped significantly by RM0.706 million or 67.56% to RM0.339 million only as compared to RM1.045 million reported in previous year corresponding quarter. The reason is mainly due to lower demand and increased operating cost.

B2. Comments on material changes in profit before taxation in the current financial quarter as compared with the immediate preceding financial quarter

	Current financial quarter 3 months ended 30 April 2018	Preceding financial quarter 3 months ended 31 Jan 2018	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Group turnover	11,552	10,638	914	9
Group profit/(loss) from operations	339	(308)	647	(210)
Group profit/(loss) before taxation	339	(322)	661	(205)
Group profit/(loss) for the financial period	406	(373)	779	(209)

The Group's turnover for the current financial quarter ended 30 April 2018 was at RM11.552 million as compared to RM10.638 million in the preceding financial quarter, an increase of RM0.914 million or 8.60% mainly due to higher sales in the current quarter.

The Group profit from operations for the current financial quarter was RM0.339 million compared to loss from operation RM0.308 million in the preceding quarter. This is mainly due to unrealised foreign exchange gain and higher sales for the current financial quarter.

B3. Prospects

The business environment continues to be challenging with increasing cost impacting on the Group's profit. With the implementation of new policy governed under Human Resource Ministry where the levy payments for foreign workers are to be paid by the employer itself beginning 1 January 2018, the Group's operating cost is expected to increase. Despite of that, the Group will continue its efforts to remain profitable and competitive by improving its production efficiencies and product quality.

B4. Variance of actual profit from forecast profit

This is not applicable as no profit forecast or profit guarantee had been published.

B5. Taxation

	Individual quarter 3 months ended <u>30 April 2018</u> RM'000	Cumulative quarter 3 months ended <u>30 April 2018</u> RM'000
<u>Income tax</u>		
Current		
- For the current financial period	<u>(127)</u>	<u>(127)</u>
Deferred		
- Based on income		
- For the current financial period	188	188
- Based on reserves	<u>6</u>	<u>6</u>
	<u>194</u>	<u>194</u>
Total	<u><u>67</u></u>	<u><u>67</u></u>

The Group's effective tax rate for the financial year-to-date was lower than the prevailing statutory tax rate of 24% mainly due to utilisation of tax losses not recognised previously as deferred tax assets.

B6. Profit/(Loss) on sale of unquoted investments and/or properties

There was no sale of unquoted investments and/or properties for the current quarter and financial year-to-date.

B7. Quoted investments

	Individual quarter 3 months ended 30 April 2018 RM'000	Cumulative quarter 3 months ended 30 April 2018 RM'000
(a) (i) Total purchases	-	-
(ii) Total disposals		
- Disposal proceeds	-	-
- Profit on disposal	-	-
(iii) Reclassification of fair value gain previously recognised in other comprehensive income, to profit or loss upon disposal	-	-
(iv) Fair value gain recognised in other comprehensive income	706	706
 (b) Investments in quoted securities held by the Group as at end of this reporting period, 30 April 2018 are as		
(i) Cost	5,999	5,999
(ii) Carrying value	10,264	10,264
(iii) Market value	10,264	10,264

B8. Corporate proposal

There is no corporate proposal within 7 days before the date of issue of this interim financial report.

B9. Borrowings

There was no borrowing or debt security as at the end of the current interim period.

B10. Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk within 7 days before the issue date of this interim report or entered into after the end of this interim period.

B11. Material litigation

There was no material litigation against the Group as at the reporting date.

B12. Dividends payable

No interim dividend has been declared during the current interim period under review.

B13. Earnings per share ("EPS")

	Current quarter 3 months ended 30 April		Cumulative quarter 3 months ended 30 April	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	<u>444</u>	<u>787</u>	<u>444</u>	<u>787</u>
	No.	No.	No.	No.
Number of ordinary shares in issue ('000)	60,800	60,800	60,800	60,800
	Sen	Sen	Sen	Sen
Basic and diluted EPS	<u>0.73</u>	<u>1.29</u>	<u>0.73</u>	<u>1.29</u>

Basic EPS for the current quarter and cumulative quarter are calculated by dividing the profit attributable to owners of the Company by the number of ordinary shares in issue.

Diluted EPS is the same as basic EPS as the Company does not have any dilutive potential on ordinary shares.

B14. Profit before taxation

	Individual quarter 3 months ended 30 April 2018 RM'000	Cumulative quarter 3 months ended 30 April 2018 RM'000
Profit before taxation has been arrived at after charging/(crediting):		
Interest income	(163)	(163)
Dividend income from available-for-sale investments	(53)	(53)
Depreciation and amortisation of property, plant and equipment	762	762
Loss on foreign exchange		
- Realised	236	236
- Unrealised	<u>(306)</u>	<u>(306)</u>

Company No.

1177348 P

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Date of authorisation for issue

The Board of Directors authorised this interim financial report for issue on 29 June 2018.

By order of the Board

Foong Kai Ming
Company Secretary

Kuala Lumpur,
29 June 2018

MINTYE BERHAD
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the 1st financial quarter ended 30 April 2018

The figures have not been audited

SUMMARY OF KEY FINANCIAL INFORMATION

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current year quarter <u>30 April 2018</u> RM'000	Preceding year corresponding quarter <u>30 April 2017</u> RM'000	Current year to-date <u>30 April 2018</u> RM'000	Preceding year corresponding period <u>30 April 2017</u> RM'000
1. Revenue	11,552	13,654	11,552	13,654
2. Profit before taxation	339	1,056	339	1,056
3. Profit for the financial period	406	790	406	790
4. Profit attributable to owners of the Company	444	787	444	787
5. Basic earnings per share (Sen)	0.73	1.29	0.73	1.29
6. Proposed/Declared dividend per share (Sen)	-	-	-	-
	AS AT END OF CURRENT QUARTER 30 April 2018		AS AT PRECEDING FINANCIAL YEAR END 31 January 2018	
	RM		RM	
7. Net assets per ordinary share attributable to owners of the Company	1.86		1.84	

ADDITIONAL INFORMATION

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current year quarter <u>30 April 2018</u> RM'000	Preceding year corresponding quarter <u>30 April 2017</u> RM'000	Current year to-date <u>30 April 2018</u> RM'000	Preceding year corresponding period <u>30 April 2017</u> RM'000
1. Gross interest income	163	152	163	152
2. Gross interest expense	-	-	-	-