

MINTYE BERHAD

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

**1ST QUARTERLY REPORT
on Group Results ended
30 April 2019**

(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 2019

The Directors of Mintye Berhad are pleased to announce the unaudited interim financial report for the 1st financial quarter ended 30 April 2019.

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 2019.

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 2019</u>	<u>31 Jan 2019</u>
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	26,464	26,990
Capital work-in-progress	1,983	2,002
Available-for-sale investments	9,680	9,733
Deferred tax assets	1,408	1,469
	<u>39,535</u>	<u>40,194</u>
Current assets		
Inventories	26,995	28,622
Trade receivables	6,572	5,997
Other receivables, deposits and prepayments	950	907
Tax recoverable	713	747
Cash and bank balances	40,331	39,243
	<u>75,561</u>	<u>75,516</u>
TOTAL ASSETS	<u><u>115,096</u></u>	<u><u>115,710</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	60,800	60,800
Fair value reserves	3,668	3,720
Retained profits	45,843	46,063
	<u>110,311</u>	<u>110,583</u>
Non-controlling interests	<u>1,079</u>	<u>1,107</u>
Total equity	<u><u>111,390</u></u>	<u><u>111,690</u></u>

	Unaudited As at <u>30 April 2019</u> RM'000	Audited As at <u>31 Jan 2019</u> RM'000
Non-current liabilities		
Deferred tax liabilities	1,068	1,144
Current liabilities		
Trade payables	905	1,388
Other payables, deposits and accruals	1,654	1,426
Tax payable	79	62
	<u>2,638</u>	<u>2,876</u>
Total liabilities	<u>3,706</u>	<u>4,020</u>
TOTAL EQUITY AND LIABILITIES	<u>115,096</u>	<u>115,710</u>
	RM	RM
Net assets per share attributable to owners of the Company	<u>1.83</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 2019.

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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	RM'000	RM'000	RM'000	RM'000
REVENUE				
Sales	9,784	11,552	9,784	11,552
Less:				
Cost of sales	<u>(8,330)</u>	<u>(9,369)</u>	<u>(8,330)</u>	<u>(9,369)</u>
Gross profit	1,454	2,183	1,454	2,183
Other operating income	<u>572</u>	<u>364</u>	<u>572</u>	<u>364</u>
	2,026	2,547	2,026	2,547
Less:				
EXPENSES				
Selling and distribution	(329)	(455)	(329)	(455)
Administration	(1,843)	(1,736)	(1,843)	(1,736)
Finance				
- Bank commitment and other charges	<u>(12)</u>	<u>(17)</u>	<u>(12)</u>	<u>(17)</u>
(LOSS)/PROFIT BEFORE TAXATION	(158)	339	(158)	339

	Individual quarter		Cumulative quarter	
	3 months ended		3 months ended	
	30 April		30 April	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	RM'000	RM'000	RM'000	RM'000
Less:				
Taxation	<u>(90)</u>	<u>67</u>	<u>(90)</u>	<u>67</u>
(Loss)/Profit for the financial period	(248)	406	(248)	406
Other comprehensive income				
Items that may be recycled to profit or loss:				
Available-for-sale investments				
- Fair value (loss)/gain	<u>(52)</u>	<u>706</u>	<u>(52)</u>	<u>706</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD	<u>(300)</u>	<u>1,112</u>	<u>(300)</u>	<u>1,112</u>
(Loss)/Profit attributable to:				
Owners of the Company	<u>(220)</u>	<u>444</u>	<u>(220)</u>	<u>444</u>
Non-controlling interests	<u>(28)</u>	<u>(38)</u>	<u>(28)</u>	<u>(38)</u>
	<u>(248)</u>	<u>406</u>	<u>(248)</u>	<u>406</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	<u>(272)</u>	<u>1,150</u>	<u>(272)</u>	<u>1,150</u>
Non-controlling interests	<u>(28)</u>	<u>(38)</u>	<u>(28)</u>	<u>(38)</u>
	<u>(300)</u>	<u>1,112</u>	<u>(300)</u>	<u>1,112</u>
	Sen	Sen	Sen	Sen
Earnings per share of profit attributable to owners of the Company				
- Basic and diluted	<u>(0.36)</u>	<u>0.73</u>	<u>(0.36)</u>	<u>0.73</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 2019.

MINTY BERHAD
(Incorporated in Malaysia)

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

← — Attributable to owners of the Company — →

	Issued share capital RM'000	Non - distributable		Retained profits RM'000	Sub-total RM'000	Non- controlling interests RM'000	Net/Total equity RM'000
		Fair value reserves RM'000	Distributable				
<u>Unaudited</u> <u>For the financial period ended 30 April 2019</u> As at 1 February 2019	60,800	3,720		46,063	110,583	1,107	111,690
(Loss) for the financial period	-	-	(220)	(220)	(220)	(28)	(248)
Other comprehensive (loss)	-	(52)	-	-	(52)	-	(52)
Total comprehensive (loss) for the financial period	-	(52)	(220)	(220)	(272)	(28)	(300)
As at 30 April 2019	60,800	3,668	45,843	110,311	1,079	1,107	111,390
<u>Unaudited</u> <u>For the financial period ended 30 April 2018</u> As at 1 February 2018	60,800	3,559	46,213	110,572	1,227	1,112	111,799
Profit/(loss) for the financial period	-	-	444	444	444	(38)	406
Other comprehensive income	-	706	-	706	706	-	706
Total comprehensive income/(loss) for the financial period	-	706	444	1,150	(38)	1,189	1,112
As at 30 April 2018	60,800	4,265	46,657	111,722	1,189	1,189	112,911

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 2019.

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>2019</u>	<u>2018</u>
	RM'000	RM'000
OPERATING ACTIVITIES		
Operations		
(Loss)/Profit from operating activities	(158)	339
Adjustments for:		
Depreciation and amortisation of property, plant and equipment	726	762
Impairment of trade receivables	21	-
Unrealised (gain) on translation of foreign currencies	(2)	(241)
Unrealised (gain) on translation of foreign receivables and payables	(17)	(65)
Dividend income	(53)	(53)
Interest income	(252)	(163)
	<hr/>	<hr/>
Operating profit before changes in working capital	265	579
Changes in working capital:		
Inventories	1,627	2,944
Trade and other receivables	(622)	(449)
Trade and other payables	(253)	(1,875)
	<hr/>	<hr/>
Surplus of revenue receipts net of expense payments from revenue-producing business transactions	1,017	1,199
Dividends (net) from available-for-sale investments received	53	53
Interest income received	252	163
	<hr/>	<hr/>
Cash from operations before taxation	1,322	1,415
Income tax paid	(142)	(345)
Income tax refunded	88	-
	<hr/>	<hr/>
Net cash from operating activities	1,268	1,070

<u>For the financial period ended</u>	Cumulative quarter 3 months ended 30 April	
	<u>2019</u>	<u>2018</u>
	RM'000	RM'000
INVESTING ACTIVITIES		
Additions in capital work-in-progress	(113)	(295)
Additions to plant and equipment	(68)	(166)
Placement of fixed deposits with licensed banks	(870)	-
	<u>(1,051)</u>	<u>(461)</u>
Net cash (used) in investing activities		
CASH AND CASH EQUIVALENTS		
Increase in the financial period	217	609
Unrealised gain on translation of foreign currencies	2	241
	<u>219</u>	<u>850</u>
Net increase in the financial period	219	850
As at beginning of financial period	27,223	21,460
	<u>27,442</u>	<u>22,310</u>
As at end of financial period	<u>27,442</u>	<u>22,310</u>
Represented by		
- Deposits with Malaysian licensed banks	34,795	19,897
- Cash in hand and at Malaysian licensed banks	5,536	14,573
	<u>40,331</u>	<u>34,470</u>
Less:		
Deposits placed with maturity more than three months	(12,889)	(12,160)
	<u>27,442</u>	<u>22,310</u>

The condensed Group statement of cash flows should be read in conjunction with the

MINTYE BERHAD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT
for the 1st financial quarter ended 30 April 2019

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 2019. 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 2019.

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 2019, 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 2019 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 <u>30 April 2019</u> RM'000	Cumulative quarter 3 months ended <u>30 April 2019</u> RM'000
REVENUE		
Manufacturing	8,537	8,537
Technical	902	902
Others	345	345
	<hr/>	<hr/>
Total revenue	9,784	9,784
	<hr/> <hr/>	<hr/> <hr/>
RESULTS		
Manufacturing	(501)	(501)
Technical	177	177
Others	166	166
	<hr/>	<hr/>
(Loss) before taxation	(158)	(158)
Taxation	(90)	(90)
	<hr/>	<hr/>
(Loss) for the financial period	(248)	(248)
	<hr/> <hr/>	<hr/> <hr/>
	Unaudited as at <u>30 April 2019</u> RM'000	Audited as at <u>31 Jan 2019</u> RM'000
ASSETS		
Manufacturing	98,639	99,112
Technical	1,360	1,302
Others	15,097	15,296
	<hr/>	<hr/>
Total assets	115,096	115,710
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES		
Manufacturing	3,317	3,564
Technical	202	219
Others	187	237
	<hr/>	<hr/>
Total liabilities	3,706	4,020
	<hr/> <hr/>	<hr/> <hr/>

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 2019</u> RM'000
<u>Cost</u>	
As at 1.2.2019	102,400
Additions	68
Transfer from capital work-in-progress	132
Written off	<u>(25)</u>
As at 30.4.2019	<u>102,575</u>
<u>Accumulated depreciation and amortisation</u>	
As at 1.2.2019	75,410
Charge for the financial period	726
Written off	<u>(25)</u>
As at 30.4.2019	<u>76,111</u>
<u>Net book value</u>	
As at 30.4.2019	<u><u>26,464</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 2019 are as follows:

Unsecured

Bankers' guarantees for

- Electricity supplies

- Gas

RM'000

445

12

 457

No loss is anticipated.

M13. Inventories

Current
financial
quarter
as at
30 April 2019
RM'000

Stated at cost

Held for

- Manufacture

Raw materials

Packing materials and loose tools

Spare parts

Work-in-progress

11,865

1,163

539

2,328

 15,895

- Sale

Finished products

11,100

 26,995

M14. Capital commitments

Capital commitments authorised by the Directors and not provided for in the financial statements under review as at 30 April 2019 are as follows:

Authorised

- Building, machinery and equipment

RM'000

114

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 <u>30 April 2019</u> RM'000	Cumulative quarter 3 months ended <u>30 April 2019</u> RM'000
(Expense) transactions with:		
Minsoon Credit Corporation (M) Sdn. Bhd.		
- Upkeep of motor vehicles	<u>(5)</u>	<u>(5)</u>

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 2019	Corresponding Cumulative quarter 3 months ended 30 April 2018	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Group turnover	9,784	11,552	(1,768)	(15)
Group (loss)/profit from operations	(158)	339	(497)	(147)
Group (loss)/profit before taxation	(158)	339	(497)	(147)
Group (loss)/profit for the financial period	(248)	406	(654)	(161)

The Group's turnover for the current cumulative quarter ended 30 April 2019 was reported lower at RM9.784 million as compared to previous year corresponding quarter of RM11.552 million, a drop of RM1.768 million or 15.30%. The decrease is mainly due to lower customer demand and increased competition from both local and overseas market.

The Group reported a loss from operation for the current cumulative quarter ended 30 April 2019 of RM0.158 million as compared to a profit from operation RM0.339 million in previous year corresponding quarter. The main reason to the significant drop of the operating performance was due to lower sales.

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 2019	Preceding financial quarter 3 months ended 31 Jan 2019	Increase/(Decrease)	
	RM'000	RM'000	RM'000	%
Group turnover	9,784	10,247	(463)	(5)
Group (loss)/profit from operations	(158)	577	(735)	(127)
Group (loss)/profit before taxation	(158)	629	(787)	(125)
Group (loss)/profit for the financial period	(248)	585	(833)	(142)

The Group's turnover for the current financial quarter ended 30 April 2019 was reported lower at RM9.784 million as compared to RM10.247 million in the preceding financial quarter, a drop of RM0.463 million or 4.52%. The decrease is mainly due to lower customer demand in both local and export market.

The Group reported a loss before taxation for the current cumulative quarter of RM0.158 million as compared to a profit before taxation RM0.577 million in the preceding financial quarter. This is mainly due to lower sales.

B3. Prospects

The business environment continues to be challenging and remain unclear with the ongoing US : China trade war. Despite that, with Malaysian Economic outlook forecast that Malaysian economy in year 2019 is expected to moderate between 4.8% to 4.9%. The Group will strive to be 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 2019</u> RM'000	Cumulative quarter 3 months ended <u>30 April 2019</u> RM'000
<u>Income tax</u>		
Current		
- For the current financial period	(106)	(106)
Deferred		
- Based on income		
- For the current financial period	10	10
- Based on reserves	6	6
	<u>16</u>	<u>16</u>
Total	<u>(90)</u>	<u>(90)</u>

The Group's effective tax rate for the financial year-to-date was higher than the prevailing statutory tax rates due to certain expenses not deductible for tax purposes.

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 2019 RM'000	Cumulative quarter 3 months ended 30 April 2019 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 (loss) recognised in other comprehensive income	(52)	(52)
 (b) Investments in quoted securities held by the Group as at end of this reporting period, 30 April 2019 are as		
(i) Cost	6,012	6,012
(ii) Carrying value	9,680	9,680
(iii) Market value	9,680	9,680

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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit attributable to owners of the Company	<u>(220)</u>	<u>444</u>	<u>(220)</u>	<u>444</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>(0.36)</u>	<u>0.73</u>	<u>(0.36)</u>	<u>0.73</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. (Loss)/Profit before taxation

	Individual quarter 3 months ended 30 April 2019 RM'000	Cumulative quarter 3 months ended 30 April 2019 RM'000
(Loss)/Profit before taxation has been arrived at after charging/(crediting):		
Interest income	(252)	(252)
Impairment of trade receivables	21	21
Dividend income from available-for-sale investments	(53)	(53)
Depreciation and amortisation of property, plant and equipment	726	726
(Gain) on foreign exchange		
- Realised	(18)	(18)
- Unrealised	(2)	(2)
	<u>(2)</u>	<u>(2)</u>

Company No.

1177348 P

20.

Date of authorisation for issue

The Board of Directors authorised this interim financial report for issue on 26 June 2019.

By order of the Board

Foong Kai Ming
Company Secretary

Kuala Lumpur,
26 June 2019

MINTYE BERHAD
(Incorporated in Malaysia)

QUARTERLY REPORT

Quarterly report on consolidated results for the 1st financial quarter ended 30 April 2019

The figures have not been audited

SUMMARY OF KEY FINANCIAL INFORMATION

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current year quarter 30 April 2019 RM'000	Preceding year corresponding quarter 30 April 2018 RM'000	Current year to-date 30 April 2019 RM'000	Preceding year corresponding period 30 April 2018 RM'000
1. Revenue	9,784	11,552	9,784	11,552
2. (Loss)/Profit before taxation	(158)	339	(158)	339
3. (Loss)/Profit for the financial period	(248)	406	(248)	406
4. (Loss)/Profit attributable to owners of the Company	(220)	444	(220)	444
5. Basic earnings per share (Sen)	(0.36)	0.73	(0.36)	0.73
6. Proposed/Declared dividend per share (Sen)	-	-	-	-
	AS AT END OF CURRENT QUARTER 30 April 2019 RM		AS AT PRECEDING FINANCIAL YEAR END 31 January 2019 RM	
7. Net assets per ordinary share attributable to owners of the Company	1.83		1.84	

ADDITIONAL INFORMATION

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current year quarter 30 April 2019 RM'000	Preceding year corresponding quarter 30 April 2018 RM'000	Current year to-date 30 April 2019 RM'000	Preceding year corresponding period 30 April 2018 RM'000
1. Gross interest income	252	163	252	163
2. Gross interest expense	-	-	-	-