

Magni-Tech Industries Berhad

(Incorporated in Malaysia ; Company No. 422585-V)

Unaudited Condensed Consolidated Statement of Financial Position as at 31 July 2013

	Unaudited @ 31-7-2013	Audited @ 30-4-2013
ASSETS		
	RM'000	RM'000
Non-current Assets		
Property, Plant and Equipment	60,803	61,613
Investment Properties	123	124
Quoted Investments	1,374	1,380
Other Investments	22,936	21,415
	<u>85,236</u>	<u>84,532</u>
Current Assets		
Inventories	53,722	61,946
Receivables	64,450	75,651
Tax Recoverable	276	253
Deposits with Licensed Banks	68,223	46,674
Cash and Bank Balances	3,419	2,605
	<u>190,090</u>	<u>187,129</u>
TOTAL ASSETS	<u><u>275,326</u></u>	<u><u>271,661</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital (Par value per share RM1)	108,488	108,488
Reserves	107,596	98,442
	<u>216,084</u>	<u>206,930</u>
Non-controlling Interests	32	31
Total Equity	<u>216,116</u>	<u>206,961</u>
Non-current Liability		
Deferred Taxation	7,634	7,650
Current Liabilities		
Payables	49,862	55,081
Tax Payables	1,714	1,969
	<u>51,576</u>	<u>57,050</u>
Total Liabilities	<u>59,210</u>	<u>64,700</u>
TOTAL EQUITY AND LIABILITIES	<u><u>275,326</u></u>	<u><u>271,661</u></u>
Net Assets per share (RM)	1.99	1.91

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial statements.

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(Incorporated in Malaysia ; Company No. 422585-V)

Condensed Consolidated Income Statement

Unaudited Interim Financial Report For The First Quarter Ended 31 July 2013

	1st Quarter		Year to Date - 3 Months	
	31.7.2013	31.7.2012	31.7.2013	31.7.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	150,995	131,808	150,995	131,808
Operating Expenses	(141,795)	(122,512)	(141,795)	(122,512)
Other Operating Income	1,275	1,201	1,275	1,201
Profit from Operations	10,475	10,497	10,475	10,497
Investment Related Income	1,855	815	1,855	815
Finance Costs	(136)	(132)	(136)	(132)
Profit before Taxation	12,194	11,180	12,194	11,180
Taxation	(3,054)	(2,798)	(3,054)	(2,798)
Net Profit	9,140	8,382	9,140	8,382
Profit attributable to:				
Equity holders of the parent	9,139	8,381	9,139	8,381
Non-controlling interests	1	1	1	1
	9,140	8,382	9,140	8,382
Basic Earnings Per Share (Sen)	8.42	7.73	8.42	7.73

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial statements.

Magni-Tech Industries Berhad

(Incorporated in Malaysia ; Company No. 422585-V)

Condensed Consolidated Statement of Comprehensive Income

Unaudited Interim Financial Report For The First Quarter Ended 31 July 2013

	1st Quarter		Year to Date - 3 Months	
	31.7.2013	31.7.2012	31.7.2013	31.7.2012
	RM'000	RM'000	RM'000	RM'000
Net Profit	9,140	8,382	9,140	8,382
Other Comprehensive Income				
Gain / (Loss) on changes in fair value of available-for-sale financial assets	15	(13)	15	(13)
Total Comprehensive Income	<u>9,155</u>	<u>8,369</u>	<u>9,155</u>	<u>8,369</u>
Total Comprehensive Income attributable to :				
Equity holders of the parent	9,154	8,368	9,154	8,368
Non-controlling interests	1	1	1	1
	<u>9,155</u>	<u>8,369</u>	<u>9,155</u>	<u>8,369</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Changes in Equity

Unaudited Interim Financial Report For The First Quarter Ended 31 July 2013

	Attributable to equity holders of the Parent								Non-controlling Interests	Total Equity
	Share Capital	Non-distributable			Distributable		Total Reserves	Total		
		Share Premium	AFS ^(^) Reserves	Other Reserves	Retained Profits	Total				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>For the financial period ended 31 July 2013</u>										
Balance as at 1 May 2013	108,488	3,766	113	-	94,563	98,442	206,930	31	206,961	
Total Comprehensive Income for the financial period	-	-	15	-	9,139	9,154	9,154	1	9,155	
Balance as at 31 July 2013	<u>108,488</u>	<u>3,766</u>	<u>128</u>	<u>-</u>	<u>103,702</u>	<u>107,596</u>	<u>216,084</u>	<u>32</u>	<u>216,116</u>	
(^) Available-for-sale										
<u>For the financial period ended 31 July 2012</u>										
Balance as at 1 May 2012	108,488	3,766	58	-	73,978	77,802	186,290	29	186,319	
Total Comprehensive Income for the period	-	-	(13)	-	8,381	8,368	8,368	1	8,369	
Balance as at 31 July 2012	<u>108,488</u>	<u>3,766</u>	<u>45</u>	<u>-</u>	<u>82,359</u>	<u>86,170</u>	<u>194,658</u>	<u>30</u>	<u>194,688</u>	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial statements.

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Condensed Consolidated Statement of Cash Flows

Unaudited Interim Financial Report For The First Quarter Ended 31 July 2013

	(Unaudited) 3 months to 31.7.2013 RM'000	(Unaudited) 3 months to 31.7.2012 RM'000
Cash flows from operating activities		
Profit before tax	12,194	11,180
Adjustments for :		
Depreciation	1,343	1,365
Dividend income	(1,487)	(646)
Gain on disposal of property, plant and equipment	(6)	(1)
Interest income	(368)	(169)
Net fair value gain arising on financial assets classified as held for trading	-	(23)
Operating profit before working capital changes	11,676	11,706
Increase in inventories and receivables	19,425	(12,816)
(Decrease)/ Increase in payables	(5,219)	11,974
Cash generated from operations	25,882	10,864
Net Income tax paid	(3,349)	(1,872)
Net cash generated from operating activities	22,533	8,992
Cash flows from investing activities		
Dividend received	1,487	646
Interest received	368	169
Proceeds from disposal of property, plant and equipment	9	1
Purchase of property, plant and equipment	(534)	(2,637)
Purchase of other investments	(1,500)	-
Net cash used in investing activities	(170)	(1,821)
Net increase in cash and cash equivalents	22,363	7,171
Cash and cash equivalents at beginning	49,279	40,376
Cash and cash equivalents at end	71,642	47,547
Cash & Cash Equivalents comprise the following :-		
Cash and bank balances	3,419	2,656
Deposits with licensed banks	68,223	44,891
	71,642	47,547

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 30 April 2013 and the accompanying explanatory notes attached to the interim financial statements.

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Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The First Quarter Ended 31 July 2013

1) Basis of Preparation

(a) Adoption of new MFRSs, Amendments/Improvements to MFRSs and IC Interpretation ("IC Int")

The condensed consolidated interim financial statements has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 :- Interim Financial Reporting, paragraph 9.22 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad. This Report also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board ("IASB")

The significant accounting policies adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 30 April 2013, except for the adoption of the following standards, where applicable :

MFRSs, Amendments/Improvements to MFRSs and IC Interpretation

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 101 Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income

MFRS 119 Employee Benefits (International Accounting Standard ("IAS") 19 as amended by International Accounting Standards Board ("IASB") in June 2011)

MFRS 127 Separate Financial Statements (IAS 27 as amended by IASB in May 2011)

MFRS 128 Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)

IC Int 20 Stripping Costs in the Production of A Surface Mine

Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards - Government Loans

Amendments to MFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, 11 and 12 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in other Entities: Transition Guidance

Annual Improvements 2009 – 2011 Cycle issued in July 2012

The adoption of the above standards does not have significant financial impact on the Company's financial statements.

(b) Standards issued but not yet effective

At the date of authorisation of this Report, the following MFRSs and Amendments to MFRSs were issued but not yet effective and have not been applied by the Group:

<u>MFRSs and Amendments to MFRSs</u>		<u>Effective date</u>
Amendments to MFRS 10,12 and 127	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014
MFRS 7	Financial Instruments: Disclosures - Mandatory Date of MFRS 9 and Transition Disclosures	1 January 2015
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015

2) The auditors' report of the Company's most recent annual financial statements for the financial year ended 30 April 2013 was not subject to any qualification.

3) Seasonal or Cyclical Factors

The operations of the Group were not materially affected by seasonal or cyclical factors.

4) Unusual Items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the period ended 31 July 2013 ("financial period").

5) Material Changes in Estimates

There were no material changes in the estimates of amounts reported in the first quarter ended 31 July 2013 ("current quarter").

6) Change in Composition of the Group

There were no changes in the composition of the Group during the financial period.

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Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The First Quarter Ended 31 July 2013

- 7) Debts and Equity Securities
There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period.
- 8) Dividend Paid
No dividend was paid during the financial period.
- 9) Revaluation of Property, Plant and Equipment
There was no revaluation of property, plant and equipment during the financial period.
- 10) Subsequent Events
There were no material subsequent events for the financial period, up to the date of this announcement.

11) Segment Information

The segmental analysis of the Group's operations for the financial period is as follows :

	External RM'000	Inter -segment RM'000	3 months to 31-7-2013 RM'000
<u>Revenue</u>			
Packaging	31,476	104	31,580
Garment Manufacturing	119,519	-	119,519
Elimination - Inter-segment Revenue	-	(104)	(104)
Total Revenue	<u>150,995</u>	<u>-</u>	<u>150,995</u>

Results

	RM'000
Packaging	1,937
Garment manufacturing	<u>8,593</u>
	10,530
Unallocated corporate expenses	<u>(55)</u>
Profit from operations	10,475
Investment Related Income :	
Dividend income	1,487
Interest income	368
	1,855
Finance costs	<u>(136)</u>
Profit before taxation	12,194
Taxation	<u>(3,054)</u>
Net Profit	<u>9,140</u>

12) Analysis of Performance

The Group is primarily engaged in the manufacturing of garments for export (about 79% of Group's revenue for the financial period) and a wide range of flexible plastic packaging, corrugated packaging products and display boxes.

The key factors that affect the performance of garment business include mainly the labour costs, other operating costs, foreign currency fluctuations and demand for the garments.

For the packaging segment, the key factors that affect its performance include mainly raw material costs (Kraft liner, test liner, medium papers, paper boards, polyethylene resins and etc.), operating costs and demand for the packaging products.

Current Quarter vs Preceding Year Corresponding Quarter

Revenue for the current quarter increased by 14.6% as compared to the preceding year corresponding quarter as a result of the increase in sales orders received from both garment and packaging businesses by 15.7% and 10.3% respectively.

Profit before taxation (PBT) for the current quarter increased by 9.1% mainly due to higher investment related income.

13) Material Variance of Results vs Preceding Quarter

Revenue for the current quarter increased by 10.5% mainly due to increase in sales orders received from both garment and packaging businesses by 10.8% and 10.3% respectively.

PBT for the current quarter increased by 22.7% mainly due to increase in both revenue and investment related income.

14) Future Prospects

The manufacturing and sale of garment will still be the Group's major revenue contributor. The Group maintains a cautiously positive outlook for the remaining quarters of the financial year ending 30 April 2014 amid the global economic uncertainty. Both the garment and packaging businesses are expected to remain profitable for the remaining quarters of the current financial year.

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Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The First Quarter Ended 31 July 2013

15) Taxation

The tax charge for the current quarter or financial period is made up as follows :

	31-7-2013 RM'000
Provision for taxation	3,070
Deferred taxation	(16)
	<u>3,054</u>

The effective tax rate for the current quarter is marginally higher than the statutory rate due to certain expenses being disallowed for tax purposes.

16) Profit Forecast or Profit Guarantee

This is not applicable.

17) Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement.

18) Group Borrowings

The Group does not have any borrowings and debt securities as at the end of the financial period.

19) Material Litigation

There were no material litigations for the financial period.

20) Contingent Liabilities and Assets

There were no material changes in contingent liabilities or contingent assets since the last audited statement of financial position date.

21) Capital Commitments

There were no capital commitments for the purchase of property, plant and equipment not provided for in this quarterly financial report.

22) Dividend

The Board of Directors had earlier recommended, for approval at the forthcoming annual general meeting (AGM), a final tax exempt dividend of 3 Sen per share and a special single tier dividend of 5 Sen per share for the financial year ended 30 April 2013 (2012 : 8 Sen franked dividend less tax of 25% and 3 Sen special tax exempt dividend per share) and the date of AGM, and relevant entitlement and payment dates will be notified in due course.

23) Earnings Per Share (EPS)

(a) Basic EPS

		Quarter Ended 31-7-2013	Quarter Ended 31-7-2012	Period to 31-7-2013	Period to 31-7-2012
Profit attributable to equity holders of the parent	(RM'000)	9,139	8,381	9,139	8,381
Issued ordinary shares at beginning of the quarter / period	('000)	108,488	108,488	108,488	108,488
Effect of shares Issued during the quarter / period	('000)	-	-	-	-
Weighted average no. of ordinary shares in issue	('000)	108,488	108,488	108,488	108,488
Basic EPS	(Sen)	8.42	7.73	8.42	7.73

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the financial period.

24) Profit Before Tax

Profit before tax is arrived at after charging/(crediting) the following items :-

	Quarter Ended 31-7-2013 RM'000
(a) Interest Income	(368)
(b) Other income including investment income	(1,513)
(c) Interest Expenses	-
(d) Depreciation and Amortisation	1,343
(e) Net Foreign exchange loss / (gain)	(1,243)
(f) Gain or loss on disposal of quoted or unquoted investments or properties	(6)
(g-h) Provision for and write off of receivables / Inventories	-
(i-j) Plant and Equipment written off / Impairment of assets	-
(k-l) Gain or loss on derivatives / Exceptional items	-

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Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The First Quarter Ended 31 July 2013

25) Realised and Unrealised Profits

Breakdown of the retained profits of the Group as at end of the financial period, into realised and unrealised profits :

	As at 31-7-2013	As at 30-4-2013
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries :		
- realised	141,113	131,490
- unrealised	(8,134)	(7,650)
	<u>132,979</u>	<u>123,840</u>
Less : Consolidated adjustments	(29,277)	(29,277)
	<u><u>103,702</u></u>	<u><u>94,563</u></u>

By Order of the Board

Tan Sri Dato' Seri Tan Kok Ping

Chairman

17 September 2013

c.c. Securities Commission