

Magni-Tech Industries Berhad

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

Condensed Consolidated Income Statement

Unaudited Interim Financial Report For The Second Quarter Ended 31 October 2013

	2nd Quarter		Year to Date - 6 Months	
	31-10-2013 RM'000	31-10-2012 RM'000	31-10-2013 RM'000	31-10-2012 RM'000
Revenue	150,765	135,129	301,760	266,937
Operating Expenses	(139,188)	(121,148)	(280,983)	(243,660)
Other Operating Income / (expenses)	777	(323)	2,052	878
Profit from Operations	12,354	13,658	22,829	24,155
Investment Related Income	439	198	2,294	1,013
Finance Costs	(140)	(128)	(276)	(260)
Profit before Taxation	12,653	13,728	24,847	24,908
Taxation	(3,176)	(3,451)	(6,230)	(6,249)
Net Profit	<u>9,477</u>	<u>10,277</u>	<u>18,617</u>	<u>18,659</u>
Profit attributable to:				
Equity holders of the parent	9,477	10,277	18,616	18,658
Non-controlling interests	-	-	1	1
	<u>9,477</u>	<u>10,277</u>	<u>18,617</u>	<u>18,659</u>
Basic Earnings Per Share (Sen)	<u>8.74</u>	<u>9.47</u>	<u>17.16</u>	<u>17.20</u>

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 Second Quarter Ended 31 October 2013

	2nd Quarter		Year to Date - 6 Months	
	31-10-2013 RM'000	31-10-2012 RM'000	31-10-2013 RM'000	31-10-2012 RM'000
Net Profit	9,477	10,277	18,617	18,659
Other Comprehensive Income				
Gain on changes in fair value of available-for-sale financial assets	2	51	17	38
Total Comprehensive Income	<u>9,479</u>	<u>10,328</u>	<u>18,634</u>	<u>18,697</u>
Total Comprehensive Income attributable to :				
Equity holders of the parent	9,479	10,328	18,633	18,696
Non-controlling interests	-	-	1	1
	<u>9,479</u>	<u>10,328</u>	<u>18,634</u>	<u>18,697</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.

Magni-Tech Industries Berhad

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

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

	Unaudited @ 31-10-2013	Audited @ 30-4-2013
ASSETS		
	RM'000	RM'000
Non-current Assets		
Property, Plant and Equipment	61,169	61,613
Investment Properties	121	124
Quoted Investments	1,337	1,380
Other Investments	22,975	21,415
	<u>85,602</u>	<u>84,532</u>
Current Assets		
Inventories	59,371	61,946
Receivables	74,365	75,651
Tax Recoverable	209	253
Deposits with Licensed Banks	69,388	46,674
Cash and Bank Balances	3,162	2,605
	<u>206,495</u>	<u>187,129</u>
TOTAL ASSETS	<u>292,097</u>	<u>271,661</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital (Par value per share RM1)	108,488	108,488
Reserves	108,396	98,442
	<u>216,884</u>	<u>206,930</u>
Non-controlling Interests	32	31
Total Equity	<u>216,916</u>	<u>206,961</u>
Non-current Liability		
Deferred Taxation	7,634	7,650
Current Liabilities		
Payables	56,442	55,081
Tax Payables	2,426	1,969
Dividend Payable	8,679	-
	<u>67,547</u>	<u>57,050</u>
Total Liabilities	<u>75,181</u>	<u>64,700</u>
TOTAL EQUITY AND LIABILITIES	<u>292,097</u>	<u>271,661</u>
Net Assets per share (RM)	2.00	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.

Magni-Tech Industries Berhad

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

Condensed Consolidated Statement of Changes in Equity

Unaudited Interim Financial Report For The Second Quarter Ended 31 October 2013

	Attributable to equity holders of the Parent								
	Share Capital	Non-distributable			Distributable		Total Reserves	Non-controlling Interests	Total Equity
		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	
For the financial period ended 31 October 2013									
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	-	-	17	-	18,616	18,633	18,633	1	18,634
	108,488	3,766	130	-	113,179	117,075	225,563	32	225,595
Transaction with Owners									
Dividends in respect of year ended 30 April 2013	-	-	-	-	(8,679)	(8,679)	(8,679)	-	(8,679)
Balance as at 31 October 2013	108,488	3,766	130	-	104,500	108,396	216,884	32	216,916
 (^) Available-for-sale									
For the financial period ended 31 October 2012									
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	-	-	38	-	18,658	18,696	18,696	1	18,697
	108,488	3,766	96	-	92,636	96,498	204,986	30	205,016
Transaction with Owners									
Dividends in respect of year ended 30 April 2012	-	-	-	-	(9,764)	(9,764)	(9,764)	-	(9,764)
Balance as at 31 October 2012	108,488	3,766	96	-	82,872	86,734	195,222	30	195,252

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.

Magni-Tech Industries Berhad

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

Condensed Consolidated Statement of Cash Flows

Unaudited Interim Financial Report For The Second Quarter Ended 31 October 2013

	(Unaudited) 6 months to 31-10-2013 RM'000	(Unaudited) 6 months to 31-10-2012 RM'000
Cash flows from operating activities		
Profit before tax	24,847	24,908
Adjustments for :		
Depreciation	2,711	2,747
Dividend income	(1,513)	(683)
Gain on disposal of property, plant and equipment	(96)	(130)
Property, plant and equipment written off	24	-
Interest income	(781)	(330)
Net fair value gain arising on financial assets classified as held for trading	-	(38)
Operating profit before working capital changes	25,192	26,474
Decrease /(Increase) in inventories and receivables	3,861	(18,193)
Increase in payables	1,361	17,610
Cash generated from operations	30,414	25,891
Net Income tax paid	(5,746)	(3,766)
Net cash generated from operating activities	24,668	22,125
Cash flows from investing activities		
Dividend received	1,513	683
Interest received	781	330
Proceeds from disposal of property, plant and equipment	107	131
Purchase of property, plant and equipment	(2,298)	(2,833)
Purchase of other investments	(1,500)	-
Net cash used in investing activities	(1,397)	(1,689)
Net increase in cash and cash equivalents	23,271	20,436
Cash and cash equivalents at beginning	49,279	40,376
Cash and cash equivalents at end	72,550	60,812
Cash & Cash Equivalents comprise the following :-		
Cash and bank balances	3,162	3,268
Deposits with licensed banks	69,388	57,544
	72,550	60,812

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.

Magni-Tech Industries Berhad

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

Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The Second Quarter Ended 31 October 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 Phase 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 October 2013 ("financial period").

5) Material Changes in Estimates

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

6) Change in Composition of the Group

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

Magni-Tech Industries Berhad

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

Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The Second Quarter Ended 31 October 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	6 months to 31-10-2013 RM'000
<u>Revenue</u>			
Packaging	61,268	228	61,496
Garment Manufacturing	240,492	-	240,492
Elimination - Inter-segment Revenue	-	(228)	(228)
Total Revenue	<u>301,760</u>	<u>-</u>	<u>301,760</u>
<u>Results</u>			RM'000
Packaging			3,462
Garment manufacturing			<u>19,438</u>
			22,900
Unallocated corporate expenses			<u>(71)</u>
Profit from operations			22,829
Investment Related Income :			
Dividend income			1,513
Interest income			<u>781</u>
			2,294
Finance costs			<u>(276)</u>
Profit before taxation			24,847
Taxation			<u>(6,230)</u>
Net Profit			<u>18,617</u>

12) Analysis of Performance

The Group is primarily engaged in the manufacturing of garments for export and a wide range of flexible plastic packaging, corrugated packaging products and display boxes. The garment segment accounted for about 79.7% of Group's revenue for the financial period.

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

Group revenue for the current quarter increased by 11.6% 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 12.1% and 9.6% respectively.

Profit before taxation (PBT) for the current quarter decreased by 7.8% mainly due to higher operating expenses incurred.

Financial Period vs Preceding Year Corresponding Period

Group revenue for the financial period increased by 13.0%.

Revenue for the financial period for garment and packaging segments increased by 13.9% and 10.0% respectively mainly due to higher sale orders received.

However, PBT for the financial period decreased by 0.2% mainly attributed to higher operating expenses incurred.

Magni-Tech Industries Berhad

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

Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The Second Quarter Ended 31 October 2013

13) Material Variance of Results vs Preceding Quarter

Group revenue for the current quarter decreased by 0.2% mainly due to decrease in sales orders received from the packaging business.

PBT for the current quarter increased by 3.8% mainly due to mainly due to lower operating expenses.

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.

15) Taxation

The tax charges for the current quarter and financial period are made up as follows :

	Quarter to 31-10-2013	Period to 31-10-2013
	RM'000	RM'000
Provision for taxation	3,176	6,246
Deferred taxation	-	(16)
	<u>3,176</u>	<u>6,230</u>

The effective tax rates for the current quarter and financial period are slightly 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

No interim dividend has been declared for the financial period.

23) Earnings Per Share (EPS)

(a) Basic EPS		Quarter to 31-10-2013	Quarter to 31-10-2012	Period to 31-10-2013	Period to 31-10-2012
Profit attributable to equity holders of the parent	(RM'000)	<u>9,477</u>	<u>10,277</u>	<u>18,616</u>	<u>18,658</u>
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)	<u>108,488</u>	<u>108,488</u>	<u>108,488</u>	<u>108,488</u>
Basic EPS	(Sen)	8.74	9.47	17.16	17.20

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.

Magni-Tech Industries Berhad

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

Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The Second Quarter Ended 31 October 2013

24) Profit Before Tax

	Quarter to 31-10-2013 RM'000	Period to 31-10-2013 RM'000
Profit before tax is arrived at after charging/(crediting) the following items :-		
(a) Interest Income	(413)	(781)
(b) Other income including investment income	(91)	(1,604)
(c) Interest Expenses	-	-
(d) Depreciation and Amortisation	1,368	2,711
(e) Net Foreign exchange loss / (gain)	(622)	(1,865)
(f) Gain or loss on disposal of quoted or unquoted investments or properties or plant or equipment	(90)	(96)
(g-h) Provision for and write off of receivables / Inventories	-	-
(i-j) Plant and Equipment written off / Impairment of assets	24	24
(k-l) Gain or loss on derivatives / Exceptional items	-	-

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 31-10-2013 RM'000	As at 30-4-2013 RM'000
Total retained earnings of the Company and its subsidiaries :		
- realised	141,993	131,490
- unrealised	(8,216)	(7,650)
	133,777	123,840
Less : Consolidated adjustments	(29,277)	(29,277)
	<u>104,500</u>	<u>94,563</u>

By Order of the Board

Tan Sri Dato' Seri Tan Kok Ping

Chairman

9 December 2013

c.c. Securities Commission