

Magni-Tech Industries Berhad

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

Condensed Consolidated Income Statement

Unaudited Interim Financial Report For The Third Quarter Ended 31 January 2014

	3rd Quarter		Year to Date - 9 Months	
	31-1-2014	31-1-2013	31-1-2014	31-1-2013
	RM'000	RM'000	RM'000	RM'000
Revenue	187,072	162,193	488,832	429,130
Operating Expenses	(168,593)	(149,754)	(449,576)	(393,414)
Other Operating Income / (expenses)	939	405	2,991	1,283
Profit from Operations	19,418	12,844	42,247	36,999
Investment Related Income	580	459	2,874	1,472
Finance Costs	(138)	(138)	(414)	(398)
Profit before Taxation	19,860	13,165	44,707	38,073
Taxation	(5,019)	(3,307)	(11,249)	(9,556)
Net Profit	14,841	9,858	33,458	28,517
Profit attributable to:				
Equity holders of the parent	14,842	9,858	33,458	28,516
Non-controlling interests	(1)	-	-	1
	14,841	9,858	33,458	28,517
Basic Earnings Per Share (Sen)	13.68	9.09	30.84	26.28

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 Third Quarter Ended 31 January 2014

	3rd Quarter		Year to Date - 9 Months	
	31-1-2014 RM'000	31-1-2013 RM'000	31-1-2014 RM'000	31-1-2013 RM'000
Net Profit	14,841	9,858	33,458	28,517
Other Comprehensive Income				
Gain /(loss) on changes in fair value of available-for-sale financial assets	19	(29)	36	9
Total Comprehensive Income	<u>14,860</u>	<u>9,829</u>	<u>33,494</u>	<u>28,526</u>
Total Comprehensive Income attributable to :				
Equity holders of the parent	14,861	9,829	33,494	28,525
Non-controlling interests	(1)	-	-	1
	<u>14,860</u>	<u>9,829</u>	<u>33,494</u>	<u>28,526</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 January 2014

	Unaudited @ 31-1-2014	Audited @ 30-4-2013
ASSETS		
	RM'000	RM'000
Non-current Assets		
Property, Plant and Equipment	60,224	61,613
Investment Properties	119	124
Quoted Investments	1,331	1,380
Other Investments	23,000	21,415
	<u>84,674</u>	<u>84,532</u>
Current Assets		
Inventories	50,409	61,946
Receivables	81,637	75,651
Tax Recoverable	225	253
Deposits with Licensed Banks	70,362	46,674
Cash and Bank Balances	2,734	2,605
	<u>205,367</u>	<u>187,129</u>
TOTAL ASSETS	<u>290,041</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	123,257	98,442
	<u>231,745</u>	<u>206,930</u>
Non-controlling Interests	31	31
Total Equity	<u>231,776</u>	<u>206,961</u>
Non-current Liability		
Deferred Taxation	7,634	7,650
Current Liabilities		
Payables	46,027	55,081
Tax Payables	4,604	1,969
	<u>50,631</u>	<u>57,050</u>
Total Liabilities	<u>58,265</u>	<u>64,700</u>
TOTAL EQUITY AND LIABILITIES	<u>290,041</u>	<u>271,661</u>
Net Assets per share (RM)	2.14	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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Condensed Consolidated Statement of Changes in Equity

Unaudited Interim Financial Report For The Third Quarter Ended 31 January 2014

	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 January 2014									
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	-	-	36	-	33,458	33,494	33,494	-	33,494
	108,488	3,766	149	-	128,021	131,936	240,424	31	240,455
Transaction with Owners									
Dividends in respect of year ended 30 April 2013	-	-	-	-	(8,679)	(8,679)	(8,679)	-	(8,679)
Balance as at 31 January 2014	108,488	3,766	149	-	119,342	123,257	231,745	31	231,776
 (^) Available-for-sale									
For the financial period ended 31 January 2013									
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	-	-	9	-	28,516	28,525	28,525	1	28,526
	108,488	3,766	67	-	102,494	106,327	214,815	30	214,845
Transaction with Owners									
Dividends in respect of year ended 30 April 2012	-	-	-	-	(9,764)	(9,764)	(9,764)	-	(9,764)
Balance as at 31 January 2013	108,488	3,766	67	-	92,730	96,563	205,051	30	205,081

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 Third Quarter Ended 31 January 2014

	(Unaudited) 9 months to 31-1-2014 RM'000	(Unaudited) 9 months to 31-1-2013 RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	44,707	38,073
Adjustments for :		
Depreciation	4,114	4,104
Dividend income	(1,533)	(915)
Gain on disposal of property, plant and equipment	(165)	(211)
Property, plant and equipment written off	24	-
Interest income	(1,341)	(557)
Net fair value gain arising on financial assets classified as held for trading	-	(55)
Operating profit before working capital changes	45,806	40,439
Decrease /(Increase) in inventories and receivables	5,551	(17,609)
(Decrease)/Increase in payables	(9,054)	14,685
Cash generated from operations	42,303	37,515
Net Income tax paid	(8,604)	(7,111)
Net cash generated from operating activities	33,699	30,404
<u>Cash flows from investing activities</u>		
Dividend received	1,533	915
Interest received	1,341	557
Proceeds from disposal of property, plant and equipment	176	212
Purchase of property, plant and equipment	(2,753)	(3,851)
Purchase of quoted investments	-	(32)
Purchase of other investments	(1,500)	-
Net cash used in investing activities	(1,203)	(2,199)
<u>Cash flows from financing activities</u>		
Dividend paid	(8,679)	(9,764)
Net increase in cash and cash equivalents	23,817	18,441
Cash and cash equivalents at beginning	49,279	40,376
Cash and cash equivalents at end	73,096	58,817
Cash & Cash Equivalents comprise the following :-		
Cash and bank balances	2,734	3,513
Deposits with licensed banks	70,362	55,304
	73,096	58,817

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 Third Quarter Ended 31 January 2014

1) Basis of Preparation

Adoption of new MFRSs, Amendments/Improvements to MFRSs and IC Interpretation

The condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 :- Interim Financial Reporting, paragraph 9.22 of the Main Market Listing Requirements 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.

The Group has not early adopted the standards and interpretations that have been issued but not yet effective.

The application of the new / revised standards and interpretations is not expected to have any significant impact on the financial statements upon their initial adoption.

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 January 2014 ("financial period").

5) Material Changes in Estimates

There were no material changes in the estimates of amounts reported in the third quarter ended 31 January 2014 ("current quarter").

6) Change in Composition of the Group

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

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 interim dividend was paid during the financial period.

The final tax exempt dividend of 3 sen per share and the special single tier dividend of 5 sen per share for the financial year ended 30 April 2013 had been paid on 25 November 2013.

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	9 months to 31-1-2014 RM'000
<u>Revenue</u>			
Packaging	90,106	344	90,450
Garment Manufacturing	398,726	-	398,726
Elimination - Inter-segment Revenue	-	(344)	(344)
Total Revenue	<u>488,832</u>	<u>-</u>	<u>488,832</u>

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Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The Third Quarter Ended 31 January 2014

11) Segment Information

<u>Results</u>	RM'000
Packaging	4,695
Garment manufacturing	<u>37,696</u>
	42,391
Unallocated corporate expenses	<u>(144)</u>
Profit from operations	42,247
Investment Related Income :	
Dividend income	<u>1,533</u>
Interest income	<u>1,341</u>
	2,874
Finance costs	<u>(414)</u>
Profit before taxation	44,707
Taxation	<u>(11,249)</u>
Net Profit	<u><u>33,458</u></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 81.6% 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

Revenue for the current quarter increased by 15.3% 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 17.6% and 4.2% respectively.

Profit before taxation (PBT) for the current quarter increased by 50.9% mainly due to higher sales orders received and lower operating expenses incurred.

Financial Period vs Preceding Year Corresponding Period

Revenue for the financial period increased by 13.9%.

Revenue for the financial period for garment and packaging segments increased by 15.3% and 8.0% respectively mainly due to higher sale orders received.

PBT for the financial period increased by 17.4% mainly attributed to higher revenue, other operating income and investment related income.

13) Material Variance of Results vs Preceding Quarter

Revenue for the current quarter increased by 24.1% mainly due to increase in sales orders received from garment business.

PBT for the current quarter increased by 57.0% mainly due to higher revenue and lower operating expenses incurred.

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 quarter 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 quarter of the current financial year.

15) Taxation

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

	Quarter to 31-1-2014 RM'000	Period to 31-1-2014 RM'000
Provision for taxation	5,039	11,285
Net over-provision of taxation	(20)	(20)
Deferred taxation	-	(16)
	<u>5,019</u>	<u>11,249</u>

The effective tax rates for the current quarter and financial period are higher than the statutory rate mainly due to loss incurred by a subsidiary and certain expenses being disallowed for tax purposes respectively.

16) Profit Forecast or Profit Guarantee

This is not applicable.

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Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The Third Quarter Ended 31 January 2014

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

As at 31 January 2014, the Group has capital commitments of RM2.158 million for the purchase of leasedhold land not provided for in this quarterly report.

22) Dividend

The Board has declared a tax exempt interim dividend of 5 Sen per share amounting to RM5,424,395 (previous year corresponding quarter to 31 January 2013 : 5 Sen tax exempt) in respect of the financial year ending 30 April 2014 and payable on 30 April 2014. The entitlement date has been fixed on 11 April 2014.

23) Earnings Per Share (EPS)

		Quarter to 31-1-2014	Quarter to 31-1-2013	Period to 31-1-2014	Period to 31-1-2013
(a) Basic EPS					
Profit attributable to equity holders of the parent	(RM'000)	14,842	9,858	33,458	28,516
Weighted average no. of ordinary shares in issue and fully paid with voting rights	('000)	108,488	108,488	108,488	108,488
Basic EPS	(Sen)	13.68	9.09	30.84	26.28

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

		Quarter to 31-1-2014 RM'000	Period to 31-1-2014 RM'000
Profit before tax is arrived at after charging/(crediting) the following items :-			
(a) Interest Income		(560)	(1,341)
(b) Other income including investment income		(61)	(1,665)
(c) Interest Expenses		-	-
(d) Depreciation and Amortisation		1,403	4,114
(e) Net Foreign exchange loss / (gain)		(829)	(2,694)
(f) Gain or loss on disposal of quoted or unquoted investments or properties		(69)	(165)
(g-h) Provision for and write off of receivables / Inventories		-	-
(i-j) Plant and Equipment written off / Impairment of assets		-	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 31-1-2014 RM'000	As at 30-4-2013 RM'000
Total retained earnings of the Company and its subsidiaries :		
- realised	156,752	131,490
- unrealised	(8,133)	(7,650)
	148,619	123,840
Less : Consolidated adjustments	(29,277)	(29,277)
	<u>119,342</u>	<u>94,563</u>

By Order of the Board

Tan Sri Dato' Seri Tan Kok Ping

Chairman

26 March 2014

c.c. Securities Commission