

Magni-Tech Industries Berhad

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

Condensed Consolidated Income Statement

Unaudited Interim Financial Report For The Year Ended 30 April 2014

	4th Quarter		Year end	
	30-4-2014 RM'000	30-4-2013 RM'000	30-4-2014 RM'000	30-4-2013 RM'000
Revenue	162,440	136,687	651,272	565,817
Operating Expenses	(152,992)	(127,462)	(602,568)	(520,876)
Other Operating Income	597	312	3,588	1,595
Profit from Operations	10,045	9,537	52,292	46,536
Investment Related Income	793	523	3,667	1,995
Finance Costs	(133)	(120)	(547)	(518)
Profit before Taxation	10,705	9,940	55,412	48,013
Taxation	(2,212)	(2,625)	(13,461)	(12,181)
Net Profit	<u>8,493</u>	<u>7,315</u>	<u>41,951</u>	<u>35,832</u>
Profit attributable to:				
Equity holders of the parent	8,492	7,314	41,950	35,830
Non-controlling interests	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>
	<u>8,493</u>	<u>7,315</u>	<u>41,951</u>	<u>35,832</u>
Basic Earnings Per Share (Sen)	<u>7.83</u>	<u>6.74</u>	<u>38.67</u>	<u>33.03</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 Year Ended 30 April 2014

	4th Quarter		Year end	
	30-4-2014 RM'000	30-4-2013 RM'000	30-4-2014 RM'000	30-4-2013 RM'000
Net Profit	8,493	7,315	41,951	35,832
Other Comprehensive Income				
Gain / (loss) on changes in fair value of available-for-sale financial assets	71	10	107	(2)
Total Comprehensive Income	<u>8,564</u>	<u>7,325</u>	<u>42,058</u>	<u>35,830</u>
Total Comprehensive Income attributable to :				
Equity holders of the parent	8,563	7,324	42,057	35,828
Non-controlling interests	1	1	1	2
	<u>8,564</u>	<u>7,325</u>	<u>42,058</u>	<u>35,830</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 30 April 2014

	Unaudited @ 30-4-2014	Audited @ 30-4-2013
ASSETS		
	RM'000	RM'000
Non-current Assets		
Property, Plant and Equipment	61,751	61,613
Investment Properties	116	124
Quoted Investments	1,308	1,380
Other Investments	23,040	21,415
	<u>86,215</u>	<u>84,532</u>
Current Assets		
Inventories	62,639	61,946
Receivables	85,113	75,651
Tax Recoverable	144	253
Deposits with Licensed Banks	65,866	46,674
Cash and Bank Balances	5,121	2,605
	<u>218,883</u>	<u>187,129</u>
TOTAL ASSETS	<u><u>305,098</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	126,396	98,442
	<u>234,884</u>	<u>206,930</u>
Non-controlling Interests	32	31
Total Equity	<u>234,916</u>	<u>206,961</u>
Non-current Liability		
Deferred Taxation	7,101	7,650
Current Liabilities		
Payables	60,326	55,081
Tax Payables	2,755	1,969
	<u>63,081</u>	<u>57,050</u>
Total Liabilities	<u>70,182</u>	<u>64,700</u>
TOTAL EQUITY AND LIABILITIES	<u><u>305,098</u></u>	<u><u>271,661</u></u>
Net Assets per share (RM)	2.17	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 Year Ended 30 April 2014

	Attributable to equity holders of the Parent								
	Share Capital	Non-distributable			Distributable		Total	Non-controlling Interests	Total Equity
		Share Premium	AFS (^) Reserves	Other Reserves	Retained Profits	Total Reserves			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>For the year ended 30 April 2014</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 year	-	-	107	-	41,950	42,057	42,057	1	42,058
	108,488	3,766	220	-	136,513	140,499	248,987	32	249,019
<u>Transaction with Owners</u>									
Dividends in respect of year ended 30 April 2013	-	-	-	-	(8,679)	(8,679)	(8,679)	-	(8,679)
Dividends in respect of year ended 30 April 2014	-	-	-	-	(5,424)	(5,424)	(5,424)	-	(5,424)
Balance as at 30 April 2014	108,488	3,766	220	-	122,410	126,396	234,884	32	234,916
(^) Available-for-sale									
<u>For the year ended 30 April 2013</u>									
Balance as at 1 May 2012	108,488	3,766	115	-	73,921	77,802	186,290	29	186,319
Total Comprehensive Income for the year	-	-	(2)	-	35,830	35,828	35,828	2	35,830
	108,488	3,766	113	-	109,751	113,630	222,118	31	222,149
<u>Transaction with Owners</u>									
Dividends in respect of year ended 30 April 2012	-	-	-	-	(9,764)	(9,764)	(9,764)	-	(9,764)
Dividends in respect of year ended 30 April 2013	-	-	-	-	(5,424)	(5,424)	(5,424)	-	(5,424)
Balance as at 30 April 2013	108,488	3,766	113	-	94,563	98,442	206,930	31	206,961

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 Year Ended 30 April 2014

	(Unaudited) Year ended 30-4-2014 <u>RM'000</u>	Audited Year ended 30-4-2013 <u>RM'000</u>
<u>Cash flows from operating activities</u>		
Profit before tax	55,412	48,013
Adjustments for :		
Allowance for impairment loss on trade receivable	254	69
Bad debts written off	-	9
Depreciation	5,560	5,470
Dividend income	(1,916)	(1,069)
Gain on disposal of property, plant and equipment	(112)	(213)
Gain on disposal of other investment	-	(50)
Gain on disposal of non-current assets held for sale	-	(26)
Impairment loss on other investments	83	-
Interest income	(1,751)	(925)
Net fair value gain on available for sale financial asset relised upon disposal	-	(2)
Net unrealised loss/(gain) on foreign exchange	336	(192)
Property, plant and equipment written off	33	23
Reversal of impairment losses on trade receivables	(41)	(31)
Operating profit before working capital changes	<u>57,858</u>	<u>51,076</u>
Increase in inventories and receivables	(10,794)	(21,850)
Increase in payables	5,328	10,191
Cash generated from operations	<u>52,392</u>	<u>39,417</u>
Net Income tax paid	(13,114)	(12,134)
Net cash generated from operating activities	<u>39,278</u>	<u>27,283</u>
<u>Cash flows from investing activities</u>		
Net dividend received	1,886	1,038
Interest received	1,749	913
Proceeds from disposal of property, plant and equipment	541	213
Proceeds from disposal of other investment	-	1,185
Proceeds from disposal of non-current assets held for sale	-	284
Purchase of property, plant and equipment	(6,152)	(4,322)
Purchase of other investments	(1,500)	(2,500)
Net cash used in investing activities	<u>(3,476)</u>	<u>(3,189)</u>
<u>Cash flows from financing activities</u>		
Dividends paid	(14,103)	(15,188)
Net cash used in financing activities	<u>(14,103)</u>	<u>(15,188)</u>
Net increase in cash and cash equivalents	21,699	8,906
Effect of exchange rate changes on cash and cash equivalents	9	(3)
Cash and cash equivalents at beginning	<u>49,279</u>	<u>40,376</u>
Cash and cash equivalents at end	<u>70,987</u>	<u>49,279</u>
Cash & Cash Equivalents comprise the following :-		
Cash and bank balances	5,121	2,605
Deposits with licensed banks	65,866	46,674
	<u>70,987</u>	<u>49,279</u>

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 Year Ended 30 April 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 during the year ended 30 April 2014 ("financial year") 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 financial year.

5) Material Changes in Estimates

There were no material changes in the estimates of amounts reported in the quarter ended 30 April 2014 ("current quarter").

6) Change in Composition of the Group

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

7) Debts and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial year.

8) Dividend Paid

During the financial year, the Company paid the following dividends:

(i) Final tax exempt dividend of 3 sen per share and special single tier dividend of 5 sen per share in respect of the financial year ended 30 April 2013 paid on 25 November 2013.

(ii) Interim tax exempt dividend of 5 Sen per share in respect of the financial year paid on 30 April 2014.

Total dividends paid during the financial year amounted to 13 Sen net per share (2013 : 14 Sen net per share).

9) Revaluation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment during the financial year.

10) Subsequent Events

There were no material subsequent events for the financial year, up to the date of this announcement.

11) Segment Information

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

	External	Inter	Year Ended
	RM'000	-segment	30-4-2014
		RM'000	RM'000
<u>Revenue</u>			
Packaging	120,438	488	120,926
Garment Manufacturing	530,834	-	530,834
Elimination - Inter-segment Revenue	-	(488)	(488)
Total Revenue	<u>651,272</u>	<u>-</u>	<u>651,272</u>

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Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The Year Ended 30 April 2014

11) Segment Information

<u>Results</u>	RM'000
Packaging	5,949
Garment manufacturing	<u>46,530</u>
	52,479
Unallocated corporate expenses	<u>(187)</u>
Profit from operations	52,292
Investment Related Income :	
Dividend income	<u>1,916</u>
Interest income	<u>1,751</u>
	3,667
Finance costs	<u>(547)</u>
Profit before taxation	55,412
Taxation	<u>(13,461)</u>
Net Profit	<u><u>41,951</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 81.5% of Group's revenue for the financial year.

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 18.8% as compared to the preceding year corresponding quarter as a result of higher sales orders received from both garment and packaging businesses by 22.4% and 5.4% respectively.

Profit before taxation (PBT) for the current quarter increased by 7.7% mainly due to higher revenue, other operating income and investment related income.

Financial Year vs Preceding Financial Year

Revenue for the financial year under review increased by 15.1% as compared to the previous year.

Revenue for the financial year for garment and packaging segments increased by 17.0% and 7.3% as compared to previous year respectively mainly due to higher sale orders received.

PBT for the financial year increased by 15.4% 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 decreased by 13.2% mainly due to a 16.5% decrease in sales orders received from garment business. PBT for the current quarter decreased by 46.1% mainly due to lower revenue.

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 forthcoming financial year ending 30 April 2015 amid the global economic uncertainty. Both the garment and packaging businesses are expected to remain profitable for the forthcoming financial year.

15) Taxation

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

	Quarter ended 30-4-2014 RM'000	Year Ended 30-4-2014 RM'000
Provision for taxation	2,857	14,058
Net over-provision of taxation	(126)	(78)
Deferred taxation	(221)	(221)
Net over-provision of deferred taxation	<u>(298)</u>	<u>(298)</u>
	<u>2,212</u>	<u>13,461</u>

The effective tax rates for the current quarter and financial year are lower than the statutory rate mainly due to overprovision of taxation and deferred taxation.

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 Year Ended 30 April 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 did not have any borrowings and debt securities as at the end of the financial year.
- 19) Material Litigation
There were no material litigations for the financial year.
- 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 30 April 2014, the Group has capital commitments of RM263,019 for the purchase of plant and equipment not provided for in this quarterly report.

- 22) Dividend
The Board had declared an interim tax exempt dividend of 5 sen per share (previous year corresponding quarter - the same) in respect of the financial year and paid on 30 April 2014.
- The Board of Directors has also 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 in respect of the financial year (2013 : 3 Sen final tax exempt dividend and 5 sen special single tier dividend per share). The date of AGM and relevant entitlement and payment dates will be notified in due course.

23) Earnings Per Share (EPS)

		Quarter Ended 30-4-2014	Quarter Ended 30-4-2013	Year Ended 30-4-2014	Year Ended 30-4-2013
(a) Basic EPS					
Profit attributable to equity holders of the parent	(RM'000)	8,492	7,314	41,950	35,830
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)	7.83	6.74	38.67	33.03

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

24) Profit Before Tax

		Quarter Ended 30-4-2014	Year Ended 30-4-2014
Profit before tax is arrived at after charging/(crediting) the following items :-		RM'000	RM'000
(a) Interest Income		(410)	(1,751)
(b) Other income including investment income		(448)	(2,113)
(c) Interest Expenses		-	-
(d) Depreciation and Amortisation		1,446	5,560
(e) Net Foreign exchange gain		(585)	(3,279)
(f) (Gain) or loss on disposal of quoted or unquoted investments or properties		53	(112)
(g-h) Provision for and write off of receivables / Inventories		254	254
(i-j) Plant and Equipment written off / Impairment of assets		9	33
(k-l) Gain or loss on derivatives / Exceptional items		-	-

25) Realised and Unrealised Profits

Breakdown of the retained profits of the Group as at 30 April 2014, into realised and unrealised profits :

	As at 30-4-2014	As at 30-4-2013
Total retained earnings of the Company and its subsidiaries :	RM'000	RM'000
- realised	159,134	131,490
- unrealised	(7,446)	(7,650)
	151,688	123,840
Less : Consolidated adjustments	(29,278)	(29,277)
	<u>122,410</u>	<u>94,563</u>

By Order of the Board

Tan Sri Dato' Seri Tan Kok Ping

Chairman

26 June 2014

c.c. Securities Commission