

# 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 2014

	2nd Quarter		Year to Date - 6 Months	
	31-10-2014 RM'000	31-10-2013 RM'000	31-10-2014 RM'000	31-10-2013 RM'000
<b>Revenue</b>	162,036	150,765	339,276	301,760
Operating Expenses	(152,070)	(139,188)	(317,484)	(280,983)
Other Operating (expenses) / Income	231	777	(275)	2,052
<b>Profit from Operations</b>	10,197	12,354	21,517	22,829
Investment Related Income	732	439	2,994	2,294
Finance Costs	(107)	(140)	(240)	(276)
<b>Profit before Taxation</b>	10,822	12,653	24,271	24,847
Taxation	(2,819)	(3,176)	(6,184)	(6,230)
<b>Net Profit</b>	<u>8,003</u>	<u>9,477</u>	<u>18,087</u>	<u>18,617</u>
<b>Profit attributable to:</b>				
Equity holders of the parent	8,002	9,477	18,086	18,616
Non-controlling interests	1	-	1	1
	<u>8,003</u>	<u>9,477</u>	<u>18,087</u>	<u>18,617</u>
<b>Basic Earnings Per Share (Sen)</b>	<u>7.38</u>	<u>8.74</u>	<u>16.67</u>	<u>17.16</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2014 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 2014

	Unaudited @ 31-10-2014	Audited @ 30-4-2014
<b>ASSETS</b>		
	RM'000	RM'000
<b>Non-current Assets</b>		
Property, Plant and Equipment	59,997	62,006
Investment Properties	113	116
Quoted Investments	1,214	1,308
Other Investments	44,055	23,040
	<u>105,379</u>	<u>86,470</u>
<b>Current Assets</b>		
Inventories	65,451	62,639
Receivables	87,466	84,858
Tax Recoverable	89	144
Deposits with Licensed Banks	78,606	65,866
Cash and Bank Balances	2,652	5,121
	<u>234,264</u>	<u>218,628</u>
<b>TOTAL ASSETS</b>	<u><u>339,643</u></u>	<u><u>305,098</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital (Par value per share RM1)	108,488	108,488
Reserves	135,645	126,396
	<u>244,133</u>	<u>234,884</u>
<b>Non-controlling Interests</b>	33	32
<b>Total Equity</b>	<u>244,166</u>	<u>234,916</u>
<b>Non-current Liability</b>		
Deferred Taxation	7,214	7,101
<b>Current Liabilities</b>		
Payables	76,847	60,326
Tax Payables	2,737	2,755
Dividend Payable	8,679	-
	<u>88,263</u>	<u>63,081</u>
<b>Total Liabilities</b>	<u>95,477</u>	<u>70,182</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>339,643</u></u>	<u><u>305,098</u></u>
<b>Net Assets per share (RM)</b>	2.25	2.17

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# 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 2014

	2nd Quarter		Year to Date - 6 Months	
	31-10-2014	31-10-2013	31-10-2014	31-10-2013
	RM'000	RM'000	RM'000	RM'000
<b>Net Profit</b>	8,003	9,477	18,087	18,617
Other Comprehensive Income				
(Loss)/ Gain on changes in fair value of available-for-sale financial assets	(187)	2	(158)	17
<b>Total Comprehensive Income</b>	<u>7,816</u>	<u>9,479</u>	<u>17,929</u>	<u>18,634</u>
<b>Total Comprehensive Income attributable to :</b>				
Equity holders of the parent	7,815	9,478	17,928	18,633
Non-controlling interests	1	1	1	1
	<u>7,816</u>	<u>9,479</u>	<u>17,929</u>	<u>18,634</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2014 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 2014

	Attributable to equity holders of the Parent							
	Share Capital	Non-distributable		Distributable		Total Reserves	Non-controlling Interests	Total Equity
		Share Premium	AFS (^)	Retained Profits	Total Reserves			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>For the financial period ended 31 October 2014</b>								
Balance as at 1 May 2014	108,488	3,766	220	122,410	126,396	234,884	32	234,916
Total Comprehensive Income for the financial period	-	-	(158)	18,086	17,928	17,928	1	17,929
	108,488	3,766	62	140,496	144,324	252,812	33	252,845
<b>Transaction with Owners</b>								
Dividends in respect of year ended 30 April 2014	-	-	-	(8,679)	(8,679)	(8,679)	-	(8,679)
Balance as at 31 October 2014	108,488	3,766	62	131,817	135,645	244,133	33	244,166
 (^) Available-for-sale								
<b>For the financial period ended 31 October 2013</b>								
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
<b>Transaction with Owners</b>								
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

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2014 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 2014

	(Unaudited) 6 months to 31-10-2014 RM'000	(Unaudited) 6 months to 31-10-2013 RM'000
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	24,271	24,847
Adjustments for :		
Depreciation	2,863	2,711
Dividend income	(1,967)	(1,513)
Loss / (gain) on disposal of property, plant and equipment	143	(96)
Gain on disposal of investments	(164)	-
Interest income	(863)	(781)
Property, plant and equipment written off	283	24
<b>Operating profit before working capital changes</b>	<b>24,566</b>	<b>25,192</b>
(Increase)/ decrease in inventories and receivables	(5,420)	3,861
Increase in payables	16,521	1,361
<b>Cash generated from operations</b>	<b>35,667</b>	<b>30,414</b>
Net Income tax paid	(6,034)	(5,746)
<b>Net cash generated from operating activities</b>	<b>29,633</b>	<b>24,668</b>
<b><u>Cash flows from investing activities</u></b>		
Net dividend received	1,967	1,513
Interest received	863	781
Proceeds from disposal of property, plant and equipment	760	107
Purchase of property, plant and equipment	(2,037)	(2,298)
Proceeds from disposal of other investments	6,171	-
Purchase of other investments	(27,086)	(1,500)
<b>Net cash used in investing activities</b>	<b>(19,362)</b>	<b>(1,397)</b>
<b>Net increase in cash and cash equivalents</b>	<b>10,271</b>	<b>23,271</b>
<b>Cash and cash equivalents at beginning</b>	<b>70,987</b>	<b>49,279</b>
<b>Cash and cash equivalents at end</b>	<b>81,258</b>	<b>72,550</b>
<b>Cash &amp; Cash Equivalents comprise the following :-</b>		
Cash and bank balances	2,652	3,162
Deposits with licensed banks	78,606	69,388
	<b>81,258</b>	<b>72,550</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2014 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 2014

1) Basis of Preparation

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

The condensed consolidated interim financial report is unaudited and has been prepared in accordance with Malaysian Accounting Standards Board ("MFRS") 134 - Interim Financial Reporting Standards in Malaysia and International Accounting Standards ("IAS") 34 - Interim Financial Reporting and applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 April 2014. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 April 2014.

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 2014.

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 2014 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 6 months ended 31 October 2014 ("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 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 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 31-10-2014 RM'000
<u>Revenue</u>			
Packaging	60,187	365	60,552
Garment Manufacturing	279,089	-	279,089
Elimination - Inter-segment Revenue	-	(365)	(365)
Total Revenue	<u>339,276</u>	<u>-</u>	<u>339,276</u>

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

## Notes To The Quarterly Financial Report

### Unaudited Interim Financial Report For The Second Quarter Ended 31 October 2014

11) Segment Information (Cont'd)	6 months to 31-10-2014
	RM'000
<u>Results</u>	
Packaging	2,395
Garment manufacturing	19,200
	<u>21,595</u>
Unallocated corporate expenses	(78)
Profit from operations	21,517
Investment Related Income :	
Dividend income	1,967
Interest income	863
Gain on disposal of investment	164
	2,994
Finance costs	(240)
Profit before taxation	24,271
Taxation	(6,184)
Net Profit	<u><u>18,087</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 offset printing packaging products. The garment segment accounted for about 82.3% 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, 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 7.5% as compared to the preceding year corresponding quarter mainly due to higher sales orders received from the garment business by 8.5%.

Profit before taxation (PBT) for the current quarter decreased by 14.5% mainly due to higher operating expenses incurred. Included in operating expenses was the old plant and equipment written off amounting to RM0.283 million.

#### Financial Period vs Preceding Year Corresponding Period

Group revenue for the financial period increased by 12.4%.

Revenue for the financial period for garment business increased by 16.0% mainly due to higher sale orders received. However, revenue for packaging business dropped slightly by 1.8%.

PBT for the financial period decreased by 2.3% mainly attributed to lower other operating income and higher operating expenses incurred.

#### 13) Material Variance of Results vs Preceding Quarter

Revenue for the current quarter decreased by 8.6% as compared to the preceding quarter mainly due to lower sales orders received from the garment business by 11.2%.

PBT for the current quarter decreased by 19.5% mainly due to lower 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 current financial year 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 31-10-2014	6 Months to 31-10-2014
	RM'000	RM'000
Provision for taxation	2,706	6,071
Deferred Taxation	113	113
	<u>2,819</u>	<u>6,184</u>

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

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## Notes To The Quarterly Financial Report

### Unaudited Interim Financial Report For The Second Quarter Ended 31 October 2014

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 did 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 material changes in capital commitment since the last audited statement of financial position as at 30 April 2014.

22) Dividend

No interim dividend has been declared for the financial period.

23) Earnings Per Share (EPS)

		Quarter to 31-10-2014	Quarter to 31-10-2013	6 Months to 31-10-2014	6 Months to 31-10-2013
(a) Basic EPS					
Profit attributable to equity holders of the parent	(RM'000)	<u>8,002</u>	<u>9,477</u>	<u>18,086</u>	<u>18,616</u>
Weighted average no. of ordinary shares in issue & fully paid with voting rights	('000)	<u>108,488</u>	<u>108,488</u>	<u>108,488</u>	<u>108,488</u>
Basic EPS	(Sen)	7.38	8.74	16.67	17.16

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 31-10-2014	6 Months to 31-10-2014
Profit before tax is arrived at after charging/(crediting) the following items :-		RM'000	RM'000
(a) Interest income		(445)	(863)
(b) Dividend income		(123)	(1,967)
(c) Interest expenses		-	-
(d) Depreciation and amortisation		1,459	2,863
(e) Net foreign exchange loss		33	321
(f) Gain on disposal of quoted or unquoted investments or properties		(164)	(164)
(g-h) Provision for and write off of receivables / Inventories		-	-
(i-j) Plant and equipment written off / Impairment of assets		283	283
(k-l) (Gain) / 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 31-10-2014	As at 30-4-2014
Total retained earnings of the Company and its subsidiaries :	RM'000	RM'000
- realised	168,179	159,125
- unrealised	<u>(7,084)</u>	<u>(7,437)</u>
	161,095	151,688
Less : Consolidated adjustments	<u>(29,278)</u>	<u>(29,278)</u>
	<u>131,817</u>	<u>122,410</u>

By Order of the Board

**Tan Sri Dato' Seri Tan Kok Ping**

Chairman

3 December 2014

c.c. Securities Commission