

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 2015

	3rd Quarter		Year to Date - 9 Months	
	31-1-2015 RM'000	31-1-2014 RM'000	31-1-2015 RM'000	31-1-2014 RM'000
Revenue	200,376	187,072	539,652	488,832
Operating Expenses	(180,425)	(168,593)	(497,909)	(449,576)
Other Operating Income	2,710	939	2,435	2,991
Profit from Operations	22,661	19,418	44,178	42,247
Investment Related Income	541	580	3,535	2,874
Finance Costs	(112)	(138)	(352)	(414)
Profit before Taxation	23,090	19,860	47,361	44,707
Taxation	(5,597)	(5,019)	(11,781)	(11,249)
Net Profit after Taxation	17,493	14,841	35,580	33,458
Profit attributable to:				
Equity holders of the parent	17,492	14,842	35,578	33,458
Non-controlling interests	1	(1)	2	-
	17,493	14,841	35,580	33,458
Basic Earnings Per Share (Sen)	16.12	13.68	32.79	30.84

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 January 2015

	Unaudited @ 31-01-2015	Audited @ 30-4-2014
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	58,757	62,006
Investment Properties	112	116
Quoted Investments	1,140	1,308
Other Investments	48,925	23,040
	<u>108,934</u>	<u>86,470</u>
Current Assets		
Inventories	58,659	62,639
Receivables	93,072	84,858
Tax Recoverable	112	144
Deposits with Licensed Banks	71,059	65,866
Cash and Bank Balances	3,674	5,121
	<u>226,576</u>	<u>218,628</u>
TOTAL ASSETS	<u><u>335,510</u></u>	<u><u>305,098</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	152,868	126,396
	<u>261,356</u>	<u>234,884</u>
Non-controlling Interests	34	32
Total Equity	<u>261,390</u>	<u>234,916</u>
Non-current Liability		
Deferred Taxation	6,995	7,101
Current Liabilities		
Payables	62,440	60,326
Tax Payables	4,685	2,755
	<u>67,125</u>	<u>63,081</u>
Total Liabilities	<u>74,120</u>	<u>70,182</u>
TOTAL EQUITY AND LIABILITIES	<u><u>335,510</u></u>	<u><u>305,098</u></u>
Net Assets per share (RM)	2.41	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 Third Quarter Ended 31 January 2015

	3rd Quarter		Year to Date - 9 Months	
	31-1-2015 RM'000	31-1-2014 RM'000	31-1-2015 RM'000	31-1-2014 RM'000
Net Profit	17,493	14,841	35,580	33,458
Other Comprehensive Income				
(Loss)/ Gain on changes in fair value of available-for-sale financial assets	(269)	19	(427)	36
Total Comprehensive Income	<u>17,224</u>	<u>14,860</u>	<u>35,153</u>	<u>33,494</u>
Total Comprehensive Income attributable to :				
Equity holders of the parent	17,223	14,861	35,151	33,494
Non-controlling interests	1	(1)	2	-
	<u>17,224</u>	<u>14,860</u>	<u>35,153</u>	<u>33,494</u>

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Condensed Consolidated Statement of Changes in Equity

Unaudited Interim Financial Report For The Third Quarter Ended 31 January 2015

	Attributable to equity holders of the Parent							
	Share Capital	Non-distributable		Distributable		Total	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	
For the financial period ended 31 January 2015								
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	-	-	(427)	35,578	35,151	35,151	2	35,153
	108,488	3,766	(207)	157,988	161,547	270,035	34	270,069
Transaction with Owners								
Dividends in respect of year ended 30 April 2014	-	-	-	(8,679)	(8,679)	(8,679)	-	(8,679)
Balance as at 31 January 2015	108,488	3,766	(207)	149,309	152,868	261,356	34	261,390
 (^) Available-for-sale								
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

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.

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Condensed Consolidated Statement of Cash Flows

Unaudited Interim Financial Report For The Third Quarter Ended 31 January 2015

	(Unaudited) 9 months to 31-1-2015 RM'000	(Unaudited) 9 months to 31-1-2014 RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	47,361	44,707
Adjustments for :		
Depreciation	4,332	4,114
Dividend income	(2,141)	(1,533)
Loss / (gain) on disposal of property, plant and equipment	144	(165)
Gain on disposal of investments	(297)	-
Interest income	(1,097)	(1,341)
Property, plant and equipment written off	306	24
Operating profit before working capital changes	48,608	45,806
(Increase)/ decrease in inventories and receivables	(4,234)	5,551
Increase/ (decrease) in payables	2,114	(9,054)
Cash generated from operations	46,488	42,303
Net Income tax paid	(9,925)	(8,604)
Net cash generated from operating activities	36,563	33,699
<u>Cash flows from investing activities</u>		
Net dividend received	2,141	1,533
Interest received	1,097	1,341
Proceeds from disposal of property, plant and equipment	760	176
Purchase of property, plant and equipment	(2,289)	(2,753)
Proceeds from disposal of other investments	14,304	-
Purchase of other investments	(40,151)	(1,500)
Net cash used in investing activities	(24,138)	(1,203)
<u>Cash flows from investing activities</u>		
Dividend paid	(8,679)	(8,679)
Net increase in cash and cash equivalents	3,746	23,817
Cash and cash equivalents at beginning	70,987	49,279
Cash and cash equivalents at end	74,733	73,096
Cash & Cash Equivalents comprise the following :-		
Cash and bank balances	3,674	2,734
Deposits with licensed banks	71,059	70,362
	74,733	73,096

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.

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Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The Third Quarter Ended 31 January 2015

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 9 months ended 31 January 2015 ("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 2015 ("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 2014 had been paid on 6 November 2014.

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 31-1-2015 RM'000
<u>Revenue</u>			
Packaging	91,292	443	91,735
Garment Manufacturing	448,360	-	448,360
Elimination - Inter-segment Revenue	-	(443)	(443)
Total Revenue	<u>539,652</u>	<u>-</u>	<u>539,652</u>

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Unaudited Interim Financial Report For The Third Quarter Ended 31 January 2015

11) Segment Information (Cont'd)	9 months to 31-1-2015
	RM'000
<u>Results</u>	
Packaging	4,019
Garment manufacturing	<u>40,258</u>
	44,277
Unallocated corporate expenses	(99)
Profit from operations	<u>44,178</u>
Investment Related Income :	
Dividend income	<u>2,141</u>
Interest income	1,097
Gain on disposal of investment	<u>297</u>
	3,535
Finance costs	<u>(352)</u>
Profit before taxation	47,361
Taxation	<u>(11,781)</u>
Net Profit after Taxation	<u><u>35,580</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 7.1% as compared to the preceding year corresponding quarter mainly due to higher sale orders received from garment and packaging businesses by 7.0% and 7.9% respectively.

Profit before taxation (PBT) for the current quarter increased by 16.3% mainly due to higher revenue and other operating income.

Financial Period vs Preceding Year Corresponding Period

Group revenue for the financial period increased by 10.4% as compared to the preceding year corresponding period.

Revenue for the financial period for garment and packaging segments increased by 12.4% and 1.3% respectively mainly due to higher sale orders received.

PBT for the financial period increased by 5.9% mainly attributed to higher revenue and investment related income.

13) Material Variance of Results vs Preceding Quarter

Revenue for the current quarter increased by 23.7% as compared to the preceding quarter mainly due to higher sale orders received from garment and packaging businesses by 29.0% and 1.1% respectively.

PBT for the current quarter increased by 113.4% mainly due to higher revenue and other operating 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 quarter of the current financial year 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 31-1-2015	9 Months to 31-1-2015
	RM'000	RM'000
Provision for taxation	5,924	11,995
Over-provision of prior year's taxation	(108)	(108)
Deferred Taxation	<u>(219)</u>	<u>(106)</u>
	<u>5,597</u>	<u>11,781</u>

The effective tax rates for the current quarter and the financial period are lower than the statutory rate mainly due to over-provision of prior year's taxation.

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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

The Board has declared a single tier interim dividend of 5 Sen per share amounting to RM5,424,395 (previous year corresponding quarter to 31 January 2014 : 5 Sen tax exempt) in respect of the financial year ending 30 April 2015 and payable on 20 April 2015. The entitlement date has been fixed on 1 April 2015.

23) Earnings Per Share (EPS)

		Quarter to 31-1-2015	Quarter to 31-1-2014	9 Months to 31-1-2015	9 Months to 31-1-2014
(a) Basic EPS					
Profit attributable to equity holders of the parent	(RM'000)	<u>17,492</u>	<u>14,842</u>	<u>35,578</u>	<u>33,458</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)	16.12	13.68	32.79	30.84

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 31-1-2015	9 Months to 31-1-2015
Profit before tax is arrived at after charging/(crediting) the following items :-		RM'000	RM'000
Interest income		(234)	(1,097)
Dividend income		(174)	(2,141)
Interest expenses		-	-
Depreciation and amortisation		1,469	4,332
Net foreign exchange gain		(2,648)	(2,327)
Gain on disposal of quoted or unquoted investments		(133)	(297)
Loss on disposal of property, plant and equipment		-	144
Provision for and write off of receivables / Inventories		-	-
Plant and equipment written off / Impairment of assets		23	306
(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 31-1-2015	As at 30-4-2014
Total retained earnings of the Company and its subsidiaries :	RM'000	RM'000
- realised	186,405	159,125
- unrealised	(7,816)	(7,437)
	<u>178,589</u>	<u>151,688</u>
Less : Consolidated adjustments	(29,280)	(29,278)
	<u>149,309</u>	<u>122,410</u>

By Order of the Board

Tan Sri Dato' Seri Tan Kok Ping

Chairman

16 March 2015