

Magni-Tech Industries Berhad

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

Condensed Consolidated Income Statement

Unaudited Interim Financial Report For The First Quarter Ended 31 July 2015

	1st Quarter		Year to Date - 3 Months	
	31-7-2015 RM'000	31-7-2014 RM'000	31-7-2015 RM'000	31-7-2014 RM'000
Revenue	193,818	177,240	193,818	177,240
Operating Expenses	(178,678)	(165,414)	(178,678)	(165,414)
Other Operating Income	2,859	(506)	2,859	(506)
Profit from Operations	17,999	11,320	17,999	11,320
Investment Related Income	2,589	2,262	2,589	2,262
Finance Costs	(106)	(133)	(106)	(133)
Profit before Taxation	20,482	13,449	20,482	13,449
Taxation	(4,909)	(3,365)	(4,909)	(3,365)
Net Profit after Taxation	<u>15,573</u>	<u>10,084</u>	<u>15,573</u>	<u>10,084</u>
Profit attributable to:				
Owners of the Company	15,573	10,084	15,573	10,084
Non-controlling interests	-	-	-	-
	<u>15,573</u>	<u>10,084</u>	<u>15,573</u>	<u>10,084</u>
Basic Earnings Per Share (Sen)	<u>14.35</u>	<u>9.30</u>	<u>14.35</u>	<u>9.30</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2015 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 July 2015

	Unaudited @ 31-07-2015	Audited @ 30-04-2015
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	57,420	58,111
Investment Properties	109	110
Quoted Shares	1,096	1,096
Unquoted Shares	17,820	17,820
Other Investments	44,284	44,218
	<u>120,729</u>	<u>121,355</u>
Current Assets		
Inventories	60,664	64,051
Receivables	87,163	82,722
Current Tax Assets	32	19
Deposits with Licensed Banks	95,934	66,088
Cash and Bank Balances	4,170	2,951
	<u>247,963</u>	<u>215,831</u>
TOTAL ASSETS	<u><u>368,692</u></u>	<u><u>337,186</u></u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share Capital (Par value per share RM1)	108,488	108,488
Reserves	179,849	164,276
	<u>288,337</u>	<u>272,764</u>
Non-controlling Interests	32	32
	<u>288,369</u>	<u>272,796</u>
Non-current Liability		
Deferred Taxation	6,547	6,547
Current Liabilities		
Payables	67,101	52,446
Current Tax Liabilities	6,675	5,397
	<u>73,776</u>	<u>57,843</u>
Total Liabilities	<u>80,323</u>	<u>64,390</u>
TOTAL EQUITY AND LIABILITIES	<u><u>368,692</u></u>	<u><u>337,186</u></u>
Net Assets per share (RM)	2.66	2.51

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2015 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 First Quarter Ended 31 July 2015

	1st Quarter		Year to Date - 3 Months	
	31-7-2015	31-7-2014	31-7-2015	31-7-2014
	RM'000	RM'000	RM'000	RM'000
Net Profit	15,573	10,084	15,573	10,084
Other Comprehensive Income				
Gain on changes in fair value of available-for-sale financial assets	-	29	-	29
Total Comprehensive Income	<u>15,573</u>	<u>10,113</u>	<u>15,573</u>	<u>10,113</u>
Total Comprehensive Income attributable to :				
Owners of the Company	15,573	10,113	15,573	10,113
Non-controlling interests	-	-	-	-
	<u>15,573</u>	<u>10,113</u>	<u>15,573</u>	<u>10,113</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2015 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 First Quarter Ended 31 July 2015

	- - - - Attributable to Owners of the Company - - - -							Total Equity
	Share Capital	Non-distributable		Distributable		Total	Non-controlling Interests	
	Share Premium	AFS (^) Reserves	Retained Profits	Total Reserves	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
For the financial period ended 31 July 2015								
Balance as at 1 May 2015	108,488	3,766	-	160,510	164,276	272,764	32	272,796
Total Comprehensive Income for the financial period	-	-	-	15,573	15,573	15,573	-	15,573
Balance as at 31 July 2015	<u>108,488</u>	<u>3,766</u>	<u>-</u>	<u>176,083</u>	<u>179,849</u>	<u>288,337</u>	<u>32</u>	<u>288,369</u>
(A) Available-for-sale								
For the financial period ended 31 July 2014								
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	-	-	29	10,084	10,113	10,113	-	10,113
Balance as at 31 July 2014	<u>108,488</u>	<u>3,766</u>	<u>249</u>	<u>132,494</u>	<u>136,509</u>	<u>244,997</u>	<u>32</u>	<u>245,029</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2015 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 First Quarter Ended 31 July 2015

	(Unaudited) 3 months to 31-7-2015 RM'000	(Unaudited) 3 months to 31-7-2014 RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	20,482	13,449
Adjustments for :		
Depreciation	1,410	1,404
Dividend income	(2,291)	(1,844)
Loss on disposal of other investment	9	-
Interest income	(307)	(418)
Loss / (gain) on disposal of property, plant and equipment	(8)	317
Operating profit before working capital changes	19,295	12,908
Decrease in inventories	3,387	12,140
(Increase) / Decrease in receivables	(4,440)	9,890
Increase / (Decrease) in payables	14,655	(1,030)
Cash generated from operations	32,897	33,908
Net Income tax paid	(3,645)	(3,357)
Net cash from operating activities	29,252	30,551
<u>Cash flows from investing activities</u>		
Net dividend received	2,291	1,844
Interest received	307	418
Proceeds from disposal of property, plant and equipment	8	578
Proceeds from disposal of other investments	12,991	-
Purchase of property, plant and equipment	(718)	(783)
Purchase of other investments	(13,066)	-
Net cash from investing activities	1,813	2,057
Net increase in cash and cash equivalents	31,065	32,608
Cash and cash equivalents at beginning	69,039	70,987
Cash and cash equivalents at end	100,104	103,595
Cash & Cash Equivalents comprise the following :-		
Cash and bank balances	4,170	5,320
Deposits with licensed banks	95,934	98,275
	100,104	103,595

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2015 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 First Quarter Ended 31 July 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 paragraph 9.22 of the Main Market 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 2015. 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 2015.

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

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) Audit Report of Preceding Annual Financial Statements

The auditors' report of the Company's most recent annual financial statements for the financial year ended 30 April 2015 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 3 months ended 31 July 2015 ("financial period").

5) Material Changes in Estimates

There were no material changes in the estimates of amounts reported in the first quarter ended 31 July 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 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 :

<u>Revenue</u>	<u>External RM'000</u>	<u>Inter -segment RM'000</u>	<u>Financial period to 31-7-2015 RM'000</u>
Packaging	29,493	19	29,512
Garment Manufacturing	164,325	-	164,325
Elimination - Inter-segment Revenue	-	(19)	(19)
Total Revenue	<u>193,818</u>	<u>-</u>	<u>193,818</u>

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Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The First Quarter Ended 31 July 2015

11) Segment Information (Cont'd)	Financial period to 31-7-2015 RM'000
<u>Results</u>	
Packaging	1,363
Garment manufacturing	<u>16,640</u>
	18,003
Unallocated corporate expenses	<u>(4)</u>
Profit from operations	17,999
Investment Related Income :	
Dividend income	2,291
Interest income	307
Loss on disposal of other investment	<u>(9)</u>
	2,589
Finance costs	<u>(106)</u>
Profit before taxation	20,482
Taxation	<u>(4,909)</u>
Net Profit after Taxation	<u><u>15,573</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 84.8% 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 and the ability of management to cope with change.

For the packaging segment, the key factors that affect its performance include mainly raw material costs, such as Kraft liner, test liner, medium papers, paper boards, polyethylene resins and etc.), operating costs, demand for the packaging products and the ability of management to cope with change.

Current Quarter vs Preceding Year Corresponding Quarter

Revenue for the current quarter increased by 9.4% as compared to the preceding year corresponding quarter mainly due to higher sale orders received from the garment business by 11.2%.

Profit before taxation (PBT) for the current quarter increased by 52.3% mainly due to higher revenue and other operating income, and lower cost of sales on garment business.

13) Material Variance of Results vs Preceding Quarter

Revenue for the current quarter increased by 2.9% as compared to the preceding quarter mainly due to higher sale orders received from both garment and packaging businesses.

PBT for the current quarter decreased by 39.0% mainly due to higher operating expenses.

14) Future Prospects

The manufacturing and sales 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 current financial year.

15) Taxation

The tax charge for the current quarter or financial period is made up as follows :

	Current quarter to 31-7-2015 RM'000	Financial period to 31-7-2015 RM'000
Provision for current tax	4,924	4,924
Over provision of prior year's current tax	<u>(15)</u>	<u>(15)</u>
	<u><u>4,909</u></u>	<u><u>4,909</u></u>

The Group's effective tax rate for the current quarter or financial period under review approximate the Malaysian statutory tax rate of 24%.

16) Profit Forecast or Profit Guarantee

There was no profit forecast made in any public document.

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Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The First Quarter Ended 31 July 2015

17) Corporate Proposals

On 9 September 2015, RHB Investment Bank Berhad, on behalf of our Board, announced that our Company proposes to implement a proposed bonus issue of up to 54,243,950 new Magni Shares, to be credited as fully paid-up on the basis of 1 new Magni Share for every 2 existing Magni Shares held on an entitlement date to be determined later (Proposed Bonus Issue). The Proposed Bonus Issue is subject to the approval of shareholders at the forthcoming annual general meeting.

Other than the above, there were no corporate proposals announced but not completed as at the date of this announcement.

18) Group Borrowings and Debts Securities

The Group has no borrowings and debt securities as at the end of the financial period.

19) Material Litigation

There were no material litigations during the financial period.

20) Contingent Liabilities and Assets

There were no contingent assets or contingent liabilities since the end of the last annual reporting period.

21) Capital Commitments

There were no material capital commitment since the last audited statement of financial position as at 30 April 2015.

22) Dividend

The Board of Directors has recommended, for approval at the forthcoming annual general meeting (AGM), a single tier final dividend of 3 Sen per share and a special single tier dividend of 7 Sen per share in respect of the financial year ended 30 April 2015 (2014 : 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)

		Current quarter to 31-7-2015	Quarter to 31-7-2014	Financial period to 31-7-2015	Financial period to 31-7-2014
(a) Basic EPS					
Profit attributable to Owners of the Company	(RM'000)	15,573	10,084	15,573	10,084
Weighted average no. of ordinary shares in issue & fully paid with voting rights	('000)	108,488	108,488	108,488	108,488
Basic EPS	(Sen)	14.35	9.30	14.35	9.30

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

	Financial Period to 31-7-2015	Financial Period to 31-7-2014
	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting) the following items :-		
Interest income	(307)	(418)
Dividend income	(2,291)	(1,844)
Interest expenses	-	-
Depreciation and amortisation	1,410	1,404
Net unrealised (gain)/loss on foreign exchange	1,117	(251)
Net realised (gain)/loss on foreign exchange	(3,847)	539
Impairment loss on quoted investments	-	-
Loss on disposal of other investment	9	-
Fair value gain reclassified from equity upon disposal of available-for-sale investments	-	-
(Gain)/loss on disposal of property, plant and equipment	(8)	317
Provision for and write off of receivables	-	-
Provision for and write off of Inventories	-	-
Plant and equipment written off	-	-
(Gain) / loss on derivatives / Exceptional items	-	-

25) Realised and Unrealised Profits

The breakdown of retained profits of the Group as at end of the financial period, into realised and unrealised profits are as follows:

	As at 31-7-2015	As at 30-4-2015
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries :		
- realised	213,025	197,143
- unrealised	(7,664)	(7,355)
	205,361	189,788
Less : Consolidated adjustments	(29,278)	(29,278)
	176,083	160,510

By Order of the Board

Tan Sri Dato' Seri Tan Kok Ping

Chairman

9 September 2015

c.c. Securities Commission