

# Magni-Tech Industries Berhad

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

## Unaudited Condensed Consolidated Statement of Financial Position as at 31 October 2015

	Unaudited @ 31-10-2015	Audited @ 30-04-2015
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	56,005	58,111
Investment Properties	107	110
Quoted Shares	1,076	1,096
Unquoted Shares	17,820	17,820
Other Investments	53,389	44,218
	<u>128,397</u>	<u>121,355</u>
<b>Current Assets</b>		
Inventories	88,867	64,051
Receivables	127,199	82,722
Current Tax Assets	72	19
Deposits with Licensed Banks	63,659	66,088
Cash and Bank Balances	5,589	2,951
	<u>285,386</u>	<u>215,831</u>
<b>TOTAL ASSETS</b>	<u>413,783</u>	<u>337,186</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Owners of the Company</b>		
Share Capital (Par value per share RM1)	108,488	108,488
Reserves	190,629	164,276
	299,117	272,764
<b>Non-controlling Interests</b>	32	32
<b>Total Equity</b>	<u>299,149</u>	<u>272,796</u>
<b>Non-current Liability</b>		
Deferred Taxation	6,717	6,547
<b>Current Liabilities</b>		
Payables	86,478	52,446
Current Tax Liabilities	10,590	5,397
Dividend payable	10,849	-
	<u>107,917</u>	<u>57,843</u>
<b>Total Liabilities</b>	<u>114,634</u>	<u>64,390</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>413,783</u>	<u>337,186</u>
<b>Net Assets per share before Bonus Issue</b> (RM)	Footnote (i) 2.76	2.51
<b>Net Assets per share after Bonus Issue</b> (RM)	Footnote (ii) 1.84	1.68

Footnotes :

- (i) The computation for Net Assets per share is based on 108,487,900 issued shares, before the Bonus Issue.
- (ii) The computation for Net Assets per share is based on 162,731,842 issued shares, after the Bonus Issue which was completed on 12 November 2015 (Note 17).

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 Income Statement

Unaudited Interim Financial Report For The Second Quarter Ended 31 October 2015

	2nd Quarter		Year to Date - 6 Months	
	31-10-2015	31-10-2014	31-10-2015	31-10-2014
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	197,342	162,036	391,160	339,276
Operating Expenses	(178,141)	(152,070)	(356,819)	(317,484)
Other Operating Income	8,478	231	11,337	(275)
<b>Profit from Operations</b>	27,679	10,197	45,678	21,517
Investment Related Income	1,118	732	3,707	2,994
Finance Costs	(122)	(107)	(228)	(240)
<b>Profit before Taxation</b>	28,675	10,822	49,157	24,271
Taxation	(7,044)	(2,819)	(11,953)	(6,184)
<b>Net Profit after Taxation</b>	21,631	8,003	37,204	18,087
<b>Profit attributable to:</b>				
Owners of the Company	21,631	8,002	37,204	18,086
Non-controlling interests	-	1	-	1
	21,631	8,003	37,204	18,087
<b>Basic earnings per share before Bonus Issue</b> (Sen) [Footnote (i)]	19.94	7.38	34.29	16.67
<b>Basic earnings per share after Bonus Issue</b> (Sen) [Footnote (ii)]	13.29	4.92	22.86	11.11

Footnotes :

(i) The computation for basic earnings per share is based on 108,487,900 issued shares, before the Bonus Issue.

(ii) The computation for basic earnings per share is based on 162,731,842 issued shares, after the Bonus Issue which was completed on 12 November 2015 (Note 17).

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 Second Quarter Ended 31 October 2015

	2nd Quarter		Year to Date - 6 Months	
	31-10-2015	31-10-2014	31-10-2015	31-10-2014
	RM'000	RM'000	RM'000	RM'000
<b>Net Profit</b>	21,631	8,003	37,204	18,087
Other Comprehensive Income				
Loss on changes in fair value of available-for-sale financial assets	(2)	(187)	(2)	(158)
<b>Total Comprehensive Income</b>	<u>21,629</u>	<u>7,816</u>	<u>37,202</u>	<u>17,929</u>
<b>Total Comprehensive Income attributable to :</b>				
Owners of the Company	21,629	7,815	37,202	17,928
Non-controlling interests	-	1	-	1
	<u>21,629</u>	<u>7,816</u>	<u>37,202</u>	<u>17,929</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)

## Condensed Consolidated Statement of Changes in Equity

### Unaudited Interim Financial Report For The Second Quarter Ended 31 October 2015

	- - - - - Attributable to Owners of the Company - - - - -							Total Equity RM'000
	Share Capital RM'000	Non-distributable		Distributable		Total Reserves RM'000	Non-controlling Interests RM'000	
		Share Premium RM'000	AFS (^) Reserves RM'000	Retained Profits RM'000	Total Reserves RM'000			
<b>Financial period ended 31 October 2015</b>								
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	-	-	(2)	37,204	37,202	37,202	-	37,202
	<u>108,488</u>	<u>3,766</u>	<u>(2)</u>	<u>197,714</u>	<u>201,478</u>	<u>309,966</u>	<u>32</u>	<u>309,998</u>
<b>Transaction with Owners</b>								
Dividends in respect of year ended 30 April 2015	-	-	-	(10,849)	(10,849)	(10,849)	-	(10,849)
Balance as at 31 October 2015	<u>108,488</u>	<u>3,766</u>	<u>(2)</u>	<u>186,865</u>	<u>190,629</u>	<u>299,117</u>	<u>32</u>	<u>299,149</u>
(^) Available-for-sale								
<b>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
	<u>108,488</u>	<u>3,766</u>	<u>62</u>	<u>140,496</u>	<u>144,324</u>	<u>252,812</u>	<u>33</u>	<u>252,845</u>
<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	<u>108,488</u>	<u>3,766</u>	<u>62</u>	<u>131,817</u>	<u>135,645</u>	<u>244,133</u>	<u>33</u>	<u>244,166</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)

## Condensed Consolidated Statement of Cash Flows

Unaudited Interim Financial Report For The Second Quarter Ended 31 October 2015

	(Unaudited) 6 months to 31-10-2015 RM'000	(Unaudited) 6 months to 31-10-2014 RM'000
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	49,157	24,271
Adjustments for :		
Depreciation	2,827	2,863
Dividend income	(2,867)	(1,967)
Gain on disposal of other investment	(138)	(164)
Interest income	(702)	(863)
(Gain)/Loss on disposal of property, plant and equipment	(178)	143
Property, plant and equipment written off	898	283
<b>Operating profit before working capital changes</b>	<b>48,997</b>	<b>24,566</b>
Increase in inventories	(24,816)	(2,812)
Increase in receivables	(44,477)	(2,608)
Increase in payables	34,032	16,521
<b>Cash generated from operations</b>	<b>13,736</b>	<b>35,667</b>
Net Income tax paid	(6,643)	(6,034)
<b>Net cash from operating activities</b>	<b>7,093</b>	<b>29,633</b>
<b><u>Cash flows from investing activities</u></b>		
Net dividend received	2,867	1,967
Interest received	702	863
Proceeds from disposal of property, plant and equipment	178	760
Proceeds from disposal of other investments	20,141	6,171
Purchase of property, plant and equipment	(1,615)	(2,037)
Purchase of other investments	(29,157)	(27,086)
<b>Net cash used in investing activities</b>	<b>(6,884)</b>	<b>(19,362)</b>
<b>Net increase in cash and cash equivalents</b>	<b>209</b>	<b>10,271</b>
<b>Cash and cash equivalents at beginning</b>	<b>69,039</b>	<b>70,987</b>
<b>Cash and cash equivalents at end</b>	<b>69,248</b>	<b>81,258</b>
<b>Cash &amp; Cash Equivalents comprise the following :-</b>		
Cash and bank balances	5,589	2,652
Deposits with licensed banks	63,659	78,606
	<b>69,248</b>	<b>81,258</b>

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)

## Notes To The Quarterly Financial Report

### Unaudited Interim Financial Report For The Second Quarter Ended 31 October 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 6 months ended 31 October 2015 ("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 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 other than the bonus issue that was completed on 12 November 2015.

#### 11) Segment Information

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

	External	Inter	Financial period
	RM'000	-segment	to 31-10-2015
		RM'000	RM'000
<u>Revenue</u>			
Packaging	59,457	40	59,497
Garment Manufacturing	331,703	-	331,703
Elimination - Inter-segment Revenue	-	(40)	(40)
Total Revenue	<u>391,160</u>	<u>-</u>	<u>391,160</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 2015

11) Segment Information (Cont'd)		Financial period to 31-10-2015
		RM'000
	<u>Results</u>	
	Packaging	2,665
	Garment manufacturing	<u>43,092</u>
		45,757
	Unallocated corporate expenses	<u>(79)</u>
	Profit from operations	45,678
	Investment Related Income :	
	Dividend income	2,867
	Interest income	702
	Gain on disposal of other investment	<u>138</u>
		3,707
	Finance costs	<u>(228)</u>
	Profit before taxation	49,157
	Taxation	<u>(11,953)</u>
	Net Profit after Taxation	<u><u>37,204</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 21.8% as compared to the preceding year corresponding quarter.

Revenue for the current quarter for garment business increased by 27.5% mainly due to the favourable effects of USD against Ringgit. However, revenue for packaging business dropped by 2.6%.

Profit before taxation (PBT) for the current quarter increased by 165.0% mainly due to higher garment revenue, higher other operating income arising from favourable currency exchange rate and positive results from on-going productivity improvement and cost control measures.

#### Financial Period vs Preceding Year Corresponding Period

Group revenue for the financial period increased by 15.3% as compared to the preceding year corresponding period.

Revenue for the financial period for garment business increased by 18.9% mainly due to the favourable effects of USD against Ringgit. However, revenue for packaging business dropped slightly by 1.2%.

PBT for the financial period increased by 102.5% mainly attributed to higher garment revenue, higher other operating income arising from favourable currency exchange rate and positive results from on-going productivity improvement and cost control measures.

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

Revenue for the current quarter increased by 1.8% as compared to the preceding quarter mainly due to the favourable effects of USD against Ringgit arising from export of garments.

PBT for the current quarter increased by 40.0% mainly due to favourable currency exchange rate, lower operating expenses and higher other operating income.

#### 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 31-10-2015	Financial period to 31-10-2015
	RM'000	RM'000
Provision for current tax	6,871	11,795
Provision for deferred tax	170	170
Under/(Over) provision of prior year's current tax	<u>3</u>	<u>(12)</u>
	<u>7,044</u>	<u>11,953</u>

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

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## Notes To The Quarterly Financial Report

### Unaudited Interim Financial Report For The Second Quarter Ended 31 October 2015

16) Profit Forecast or Profit Guarantee

There was no profit forecast made in any public document.

17) Corporate Proposals

The 54,243,942 Bonus Shares were issued, listed and quoted on the Main Market of Bursa Securities on 12 November 2015, marking completion of the Bonus Issue. Following the completion of Bonus Issue, the Company's issued and paid-up share capital increased from RM108,487,900 to RM162,731,842 comprising 162,731,842 ordinary shares of RM1.00 each.

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

As at 31 October 2015, the Group had a capital commitment of approximately RM2.278 million in respect of the acquisition of commercial properties.

22) Dividend

The Board has declared a single tier interim dividend of 5 Sen per share and a single tier special dividend of 3 Sen totalling RM13,018,547.36 based on the share capital after bonus issue of 162,731,842 ordinary shares of RM1.00 each (previous year corresponding quarter to 31 October 2015 : nil) in respect of the financial year ending 30 April 2016. The entitlement and payment dates will be separately announced today.

The single tier final dividend of 3 Sen per share and single tier special dividend of 7 Sen per share totalling RM10,848,790 in respect of the financial year ended 30 April 2015 was paid on 20 November 2015.

23) Earnings Per Share (EPS)

The basic EPS has been calculated by dividing the Group's profit attributable to owners of the Company during the period by the number of ordinary shares (i) in issue during the period and (ii) after the Bonus Issue :

		Current quarter to 31-10-2015	Quarter to 31-10-2014	Financial period to 31-10-2015	Financial period to 31-10-2014
Profit attributable to Owners of the Company	(RM'000)	21,631	8,002	37,204	18,086
(i) Weighted average no. of ordinary shares in issue and fully paid with voting rights during the period	('000)	108,488	108,488	108,488	108,488
Basic EPS before Bonus Issue	(Sen)	19.94	7.38	34.29	16.67
There is no diluted EPS as the Company does not have any convertible financial instruments as at the end of the financial period.					
(ii) No. of ordinary shares after Bonus Issue	('000)	162,732	162,732	162,732	162,732
Basic EPS after Bonus Issue	(Sen)	13.29	4.92	22.86	11.11

24) Profit Before Tax

Profit before tax is arrived at after charging/(crediting) the following items :-

	Current quarter to 31-10-2015	Quarter to 31-10-2014	Financial period to 31-10-2015	Financial period to 31-10-2014
	RM'000	RM'000	RM'000	RM'000
Interest income	(395)	(445)	(702)	(863)
Dividend income	(576)	(123)	(2,867)	(1,967)
Interest expenses	-	-	-	-
Depreciation and amortisation	1,417	1,459	2,827	2,863
Net unrealised (gain)/loss on foreign exchange	3,968	120	5,085	(131)
Net realised (gain)/loss on foreign exchange	(12,144)	(87)	(15,991)	452
Impairment loss on quoted investments	-	-	-	-
Gain on disposal of other investment	(147)	(164)	(138)	(164)
Fair value gain reclassified from equity upon disposal of available-for-sale investments	-	-	-	-
Gain on disposal of property, plant and equipment	(170)	-	(178)	-
Provision for and write off of Inventories / receivables	-	-	-	-
Plant and equipment written off	898	283	898	283
(Gain) / loss on derivatives / Exceptional items	-	-	-	-



# 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 2015

#### 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 31-10-2015	As at 30-04-2015
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries :		
- realised	227,945	197,143
- unrealised	(11,802)	(7,355)
	216,143	189,788
Less : Consolidated adjustments	(29,278)	(29,278)
	<u>186,865</u>	<u>160,510</u>

By Order of the Board

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

Chairman

22 December 2015

c.c. Securities Commission