

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 2016

	3rd Quarter		Year to Date - 9 Months	
	31-1-2016	31-1-2015	31-1-2016	31-1-2015
	RM'000	RM'000	RM'000	RM'000
Revenue	268,921	200,376	660,081	539,652
Operating Expenses	(235,690)	(180,425)	(592,509)	(497,909)
Other Operating Income	264	2,710	11,601	2,435
Profit from Operations	33,495	22,661	79,173	44,178
Investment Related Income	777	541	4,484	3,535
Finance Costs	(121)	(112)	(349)	(352)
Profit before Taxation	34,151	23,090	83,308	47,361
Taxation	(8,085)	(5,597)	(20,038)	(11,781)
Net Profit after Taxation	26,066	17,493	63,270	35,580
Profit attributable to:				
Owners of the Company	26,066	17,492	63,270	35,578
Non-controlling interests	-	1	-	2
	26,066	17,493	63,270	35,580
Basic earnings per share (Sen)	16.02	10.75	38.88	21.86

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 January 2016

	Unaudited @ 31-01-2016	Audited @ 30-04-2015
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	55,688	58,111
Investment Properties	105	110
Quoted Shares	1,052	1,096
Unquoted Shares	17,820	17,820
Other Investments	43,600	44,218
	<u>118,265</u>	<u>121,355</u>
Current Assets		
Inventories	71,474	64,051
Receivables	141,827	82,722
Current Tax Assets	140	19
Deposits with Licensed Banks	81,764	66,088
Cash and Bank Balances	4,359	2,951
	<u>299,564</u>	<u>215,831</u>
TOTAL ASSETS	<u>417,829</u>	<u>337,186</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share Capital (Par value per share RM1)	162,732	108,488
Reserves	149,438	164,276
	<u>312,170</u>	<u>272,764</u>
Non-controlling Interests	<u>32</u>	<u>32</u>
Total Equity	<u>312,202</u>	<u>272,796</u>
Non-current Liability		
Deferred Taxation	6,592	6,547
Current Liabilities		
Payables	86,962	52,446
Current Tax Liabilities	12,073	5,397
	<u>99,035</u>	<u>57,843</u>
Total Liabilities	<u>105,627</u>	<u>64,390</u>
TOTAL EQUITY AND LIABILITIES	<u>417,829</u>	<u>337,186</u>
Net Assets per share (RM)	Footnote (i) 1.92	1.68

Footnotes :

- (i) 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 Statement of Comprehensive Income

Unaudited Interim Financial Report For The Third Quarter Ended 31 January 2016

	3rd Quarter		Year to Date - 9 Months	
	31-1-2016	31-1-2015	31-1-2016	31-1-2015
	RM'000	RM'000	RM'000	RM'000
Net Profit	26,066	17,493	63,270	35,580
Other Comprehensive Income				
Gain/(Loss) on changes in fair value of available-for-sale financial assets	5	(269)	3	(427)
Total Comprehensive Income	<u>26,071</u>	<u>17,224</u>	<u>63,273</u>	<u>35,153</u>
Total Comprehensive Income attributable to :				
Owners of the Company	26,071	17,223	63,273	35,151
Non-controlling interests	-	1	-	2
	<u>26,071</u>	<u>17,224</u>	<u>63,273</u>	<u>35,153</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 Third Quarter Ended 31 January 2016

	- - - - - Attributable to Owners of the Company - - - - -							Non-controlling Interests	Total Equity
	Share Capital	Non-distributable		Distributable		Total Reserves	Total		
		Share Premium	AFS (^) Reserves	Retained Profits	Total Reserves				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Financial period ended 31 January 2016									
Balance as at 1 May 2015	108,488	3,766	-	160,510	164,276	272,764	32	272,796	
Bonus Issue	54,244	(3,766)	-	(50,478)	(54,244)	-	-	-	
Total Comprehensive Income for the financial period	-	-	3	63,270	63,273	63,273	-	63,273	
	<u>162,732</u>	<u>-</u>	<u>3</u>	<u>173,302</u>	<u>173,305</u>	<u>336,037</u>	<u>32</u>	<u>336,069</u>	
Transaction with Owners									
Dividends in respect of year ended 30 April 2015	-	-	-	(10,849)	(10,849)	(10,849)	-	(10,849)	
Dividends in respect of year ending 30 April 2016	-	-	-	(13,018)	(13,018)	(13,018)	-	(13,018)	
Balance as at 31 January 2016	<u>162,732</u>	<u>-</u>	<u>3</u>	<u>149,435</u>	<u>149,438</u>	<u>312,170</u>	<u>32</u>	<u>312,202</u>	
(^) Available-for-sale									
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	
	<u>108,488</u>	<u>3,766</u>	<u>(207)</u>	<u>157,988</u>	<u>161,547</u>	<u>270,035</u>	<u>34</u>	<u>270,069</u>	
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	<u>108,488</u>	<u>3,766</u>	<u>(207)</u>	<u>149,309</u>	<u>152,868</u>	<u>261,356</u>	<u>34</u>	<u>261,390</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 Third Quarter Ended 31 January 2016

	(Unaudited) 9 months to 31-1-2016 RM'000	(Unaudited) 9 months to 31-1-2015 RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	83,308	47,361
Adjustments for :		
Depreciation	4,217	4,332
Dividend income	(3,325)	(2,141)
Gain on disposal of other investment	(144)	(297)
Interest income	(1,015)	(1,097)
(Gain)/Loss on disposal of property, plant and equipment	(178)	144
Property, plant and equipment written off	898	306
Operating profit before working capital changes	83,761	48,608
(Increase)/decreased in inventories	(7,423)	3,980
Increase in receivables	(59,104)	(8,214)
Increase in payables	34,516	2,114
Cash generated from operations	51,750	46,488
Net Income tax paid	(13,440)	(9,925)
Net cash from operating activities	38,310	36,563
<u>Cash flows from investing activities</u>		
Net dividend received	3,325	2,141
Interest received	1,015	1,097
Proceeds from disposal of property, plant and equipment	178	760
Proceeds from disposal of other investments	32,130	14,304
Purchase of property, plant and equipment	(2,686)	(2,289)
Purchase of other investments	(31,321)	(40,151)
Net cash from / (used in) investing activities	2,641	(24,138)
<u>Cash flows from financing activities</u>		
Dividends paid	(23,867)	(8,679)
Net increase in cash and cash equivalents	17,084	3,746
Cash and cash equivalents at beginning	69,039	70,987
Cash and cash equivalents at end	86,123	74,733
Cash & Cash Equivalents comprise the following :-		
Cash and bank balances	4,359	3,674
Deposits with licensed banks	81,764	71,059
	<u>86,123</u>	<u>74,733</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)

Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The Third Quarter Ended 31 January 2016

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 9 months ended 31 January 2016 ("financial period").

5) Material Changes in Estimates

There were no material changes in the estimates of amounts reported in the second quarter ended 31 January 2016 ("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

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

(i) The single tier final dividend of 3 Sen per share and single tier special dividend of 7 Sen per share for the financial year ended 30 April 2015 had been paid on 20 November 2015.

(ii) Single tier interim dividend of 5 Sen per share and single tier special dividend of 3 Sen per share in respect of the financial year ending 30 April 2016 had been paid on 26 January 2016.

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	Inter	Financial period
	RM'000	-segment	to 31-1-2016
		RM'000	RM'000
<u>Revenue</u>			
Packaging	90,365	58	90,423
Garment Manufacturing	569,716	-	569,716
Elimination - Inter-segment Revenue	-	(58)	(58)
Total Revenue	<u>660,081</u>	<u>-</u>	<u>660,081</u>

Magni-Tech Industries Berhad

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

Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The Third Quarter Ended 31 January 2016

11) Segment Information (Cont'd)	Financial period to 31-1-2016
	RM'000
<u>Results</u>	
Packaging	4,303
Garment manufacturing	75,056
	79,359
Unallocated corporate expenses	(186)
Profit from operations	79,173
Investment Related Income :	
Dividend income	3,325
Interest income	1,015
Gain on disposal of other investment	144
	4,484
Finance costs	(349)
Profit before taxation	83,308
Taxation	(20,038)
Net Profit after Taxation	63,270

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 86.3% 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 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 34.2% as compared to the preceding year corresponding quarter.

Revenue for the current quarter for garment business increased by 40.6% mainly due to the favourable effects of USD against Ringgit and higher sales orders. However, revenue for packaging business dropped slightly by 0.6%.

Profit before taxation (PBT) for the current quarter increased by 47.9% mainly due to higher garment revenue but was offset by lower operating income arising from lower currency exchange gain.

Financial Period vs Preceding Year Corresponding Period

Revenue for the financial period increased by 22.3% as compared to the preceding year corresponding period.

Revenue for the financial period for garment business increased by 27.1% mainly due to the favourable effects of USD against Ringgit and higher sale orders. However, revenue for packaging business dropped slightly by 1.0%.

PBT for the financial period increased by 75.9% 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 36.3% as compared to the preceding quarter.

Revenue for the current quarter for garment and packaging segments increased by 42.2% and 3.2% mainly due to higher sales orders received.

PBT for the current quarter increased by 19.1% mainly due to higher revenue but was offset by lower other operating income arising from lower currency exchange gain.

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

	Current quarter to 31-1-2016	Financial period to 31-1-2016
	RM'000	RM'000
Provision for current tax	8,227	20,022
Provision for deferred tax	(126)	44
Over provision of prior year's current tax	(16)	(28)
	8,085	20,038

There is no significant variance in the effective tax rate for the current quarter and financial period as compared to the statutory rate.

Magni-Tech Industries Berhad

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

Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The Third Quarter Ended 31 January 2016

16) Profit Forecast or Profit Guarantee

There was no profit forecast made in any public document.

17) Corporate Proposals

As announced earlier, 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.

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 January 2016, the Group had a capital commitment of approximately RM2.278 million in respect of the acquisition of commercial properties.

22) Dividend

Dividends for the current financial year ending 30 April 2016 are as follows:

- (a) (i) first single tier interim dividend of 5 sen per share and single tier special dividend of 3 Sen per share totalling RM13.019 million (2015 : nil) which were approved by the Directors on 22 December 2015 and paid on 26 January 2016;
- (b) (ii) the Directors has on even date approved the second single tier interim dividend of 3 Sen per share (2015 : single tier interim dividend of 3.33 Sen per share - adjusted due to bonus issue) and single tier special dividend of 2 Sen (2015 : Nil) totalling RM8.137 million). The entitlement and payment dates will be separately announced today.

Total dividends approved to date for the current financial year amount to 13 Sen per share (2015 : 3.33 Sen single tier interim dividend per share - adjusted due to bonus issue). Based on the no. of ordinary shares in issue on even date, the total dividends paid and payable for the financial year ending 30 April 2016 are RM21.155 million, representing 33.4% of the Group's attributable profits for the financial period.

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 in issue of 162,731,842 as at 31 January 2016 :

		Current quarter to 31-1-2016	Quarter to 31-1-2015	Financial period to 31-1-2016	Financial period 31-1-2015
Profit attributable to Owners of the Company	(RM'000)	26,066	17,492	63,270	35,578
No. of ordinary shares (Note 17)	('000)	162,732	162,732	162,732	162,732
Basic EPS	(Sen)	16.02	10.75	38.88	21.86

There is no diluted EPS as the Company does not have any convertible financial instruments as at the end of the financial period.

24) Profit Before Tax

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

	Current quarter to 31-1-2016 RM'000	Quarter to 31-1-2015 RM'000	Financial period to 31-1-2016 RM'000	Financial period to 31-1-2015 RM'000
Interest income	(313)	(234)	(1,015)	(1,097)
Dividend income	(458)	(174)	(3,325)	(2,141)
Interest expenses	-	-	-	-
Depreciation and amortisation	1,390	1,469	4,217	4,332
Net unrealised (gain)/loss on foreign exchange	(1,274)	950	3,811	819
Net realised (gain)/loss on foreign exchange	1,146	(3,598)	(14,845)	(3,146)
Impairment loss on quoted investments	-	-	-	-
Gain on disposal of other investment	(6)	(133)	(144)	(297)
Fair value gain reclassified from equity upon disposal of available-for-sale investments	-	-	-	-
Gain / (Loss) on disposal of property, plant and equipment	-	-	(178)	144
Provision for and write off of Inventories / receivables	-	-	-	-
Plant and equipment written off	-	23	898	306
(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 Third Quarter Ended 31 January 2016

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 31-1-2016 RM'000	As at 30-04-2015 RM'000
Total retained earnings of the Company and its subsidiaries :		
- realised	189,116	197,143
- unrealised	(10,403)	(7,355)
	178,713	189,788
Less : Consolidated adjustments	(29,278)	(29,278)
	<u>149,435</u>	<u>160,510</u>

By Order of the Board

Tan Sri Dato' Seri Tan Kok Ping

Chairman

18 March 2016

c.c. Securities Commission