

Magni-Tech Industries Berhad

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

Condensed Consolidated Income Statement

Unaudited Interim Financial Report For The Financial Year Ended 30 April 2016

	4th Quarter		Year ended	
	30-4-2016	30-4-2015	30-4-2016	30-4-2015
	RM'000	RM'000	RM'000	RM'000
Revenue	193,986	176,728	854,067	716,380
Operating Expenses	(167,272)	(158,341)	(759,781)	(656,250)
Other Operating (expenses)/Income	(3,997)	2,927	7,748	5,362
Profit from Operations	22,717	21,314	102,034	65,492
Investment Related Income	1,380	840	5,720	4,375
Finance Costs	(132)	(109)	(481)	(461)
Profit before Tax	23,965	22,045	107,273	69,406
Tax Expense	(5,120)	(5,421)	(25,158)	(17,202)
Profit for the Financial Period/Year	18,845	16,624	82,115	52,204
Profit attributable to:				
Owners of the Company	18,844	16,626	82,114	52,204
Non-controlling interests	1	(2)	1	-
	18,845	16,624	82,115	52,204
Basic earnings per share (Sen)	11.58	10.22	50.46	32.08

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 30 April 2016

	Unaudited @ 30-04-2016	Audited @ 30-04-2015
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	57,151	58,111
Investment Properties	104	110
Investment Securities - Quoted Shares	1,022	1,096
Investment Securities - Unquoted Shares	17,820	17,820
Investment Securities - Unit Trusts	34,817	44,218
	<u>110,914</u>	<u>121,355</u>
Current Assets		
Inventories	115,924	64,051
Receivables	107,690	82,722
Current Tax Assets	45	19
Deposits with Licensed Banks	59,637	66,088
Cash and Bank Balances	4,476	2,951
	<u>287,772</u>	<u>215,831</u>
TOTAL ASSETS	<u><u>398,686</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)	162,732	108,488
Reserves	160,219	164,276
	<u>322,951</u>	<u>272,764</u>
Non-controlling Interests	33	32
Total Equity	<u>322,984</u>	<u>272,796</u>
Non-current Liability		
Deferred Taxation	6,362	6,547
Current Liabilities		
Payables	63,445	52,446
Current Tax Liabilities	5,895	5,397
	<u>69,340</u>	<u>57,843</u>
Total Liabilities	<u>75,702</u>	<u>64,390</u>
TOTAL EQUITY AND LIABILITIES	<u><u>398,686</u></u>	<u><u>337,186</u></u>
Net Assets per share (RM)	1.98	1.68 *

* Restated due to bonus issue (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 Financial Year Ended 30 April 2016

	4th Quarter		Year ended	
	30-4-2016	30-4-2015	30-4-2016	30-4-2015
	RM'000	RM'000	RM'000	RM'000
Profit for the Financial Period/Year	18,845	16,624	82,115	52,204
Other Comprehensive Income/(loss), net of tax				
Net fair value gain/(loss) on available-for-sale financial assets	74	(13)	77	(220)
Total Comprehensive Income for the Financial Period/Year	18,919	16,611	82,192	51,984
Total Comprehensive Income attributable to :				
Owners of the Company	18,918	16,613	82,191	51,984
Non-controlling interests	1	(2)	1	-
	18,919	16,611	82,192	51,984

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 Financial Year Ended 30 April 2016

	- - - - - Attributable to Owners of the Company - - - - -							Total Equity
	Share Capital	Non-distributable		Distributable	Total Reserves	Total	Non-controlling Interests	
	Share Premium	AFS (^) Reserves	Retained Profits					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
For the financial year ended 30 April 2016								
Balance as at 1 May 2015	108,488	3,766	-	160,510	164,276	272,764	32	272,796
Bonus Issue (Note 17)	54,244	(3,766)	-	(50,478)	(54,244)	-	-	-
Total Comprehensive Income for the financial year ended 30 April 2016	-	-	77	82,114	82,191	82,191	1	82,192
	162,732	-	77	192,146	192,223	354,955	33	354,988
Transaction with Owners								
Dividends in respect of financial year ended 30 April 2015	-	-	-	(10,849)	(10,849)	(10,849)	-	(10,849)
Dividends in respect of financial year ended 30 April 2016	-	-	-	(21,155)	(21,155)	(21,155)	-	(21,155)
Balance as at 30 April 2016	162,732	-	77	160,142	160,219	322,951	33	322,984
(^) Available-for-sale								
For the financial year ended 30 April 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 year ended 30 April 2015	-	-	(220)	52,204	51,984	51,984	-	51,984
	108,488	3,766	-	174,614	178,380	286,868	32	286,900
Transaction with Owners								
Dividends in respect of financial year ended 30 April 2014	-	-	-	(8,679)	(8,679)	(8,679)	-	(8,679)
Dividends in respect of financial year ended 30 April 2015	-	-	-	(5,425)	(5,425)	(5,425)	-	(5,425)
Balance as at 30 April 2015	108,488	3,766	-	160,510	164,276	272,764	32	272,796

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 Financial Year Ended 30 April 2016

	(Unaudited) 12 months to 30-4-2016 RM'000	(Audited) 12 months to 30-4-2015 RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	107,273	69,406
Adjustments for :		
Impairment loss on trade receivables	13	41
Depreciation	5,567	5,777
Dividend income	(4,195)	(2,775)
Fair value gain reclassified from equity upon disposal of available-for sale investments	-	(291)
Gain on disposal of other investment	(114)	(6)
Impairment loss on other investments	74	212
Interest income	(1,525)	(1,303)
(Gain)/Loss on disposal of property, plant and equipment	(185)	139
Net unrealised loss on foreign exchange	827	712
Property, plant and equipment written off	961	408
Reversal of impairment losses on trade receivables	(38)	(16)
Operating profit before working capital changes	108,658	72,304
Increase in inventories	(51,873)	(1,412)
(Increase)/Decrease in receivables	(25,786)	2,103
Increase/(Decrease) in payables	10,999	(8,592)
Cash generated from operations	41,998	64,403
Net Income tax paid	(24,871)	(14,988)
Net cash from operating activities	17,127	49,415
<u>Cash flows from investing activities</u>		
Net dividend received	3,683	2,345
Interest received	1,532	1,309
Proceeds from disposal of property, plant and equipment	185	758
Proceeds from disposal of other investments	41,086	14,304
Purchase of property, plant and equipment	(5,562)	(3,182)
Purchase of other investments	(30,983)	(52,794)
Net cash from / (used in) investing activities	9,941	(37,260)
<u>Cash flows from financing activities</u>		
Dividends paid	(32,004)	(14,104)
Net decrease in cash and cash equivalents	(4,936)	(1,949)
Effect of exchange rate changes on cash and cash equivalents	10	1
Cash and cash equivalents at beginning	69,039	70,987
Cash and cash equivalents at end	64,113	69,039
Cash & Cash Equivalents comprise the following :-		
Cash and bank balances	4,476	2,951
Deposits with licensed banks	59,637	66,088
	<u>64,113</u>	<u>69,039</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 Financial Year Ended 30 April 2016

1) Basis of Preparation

Adoption of new MFRS, Amendments/Improvements to MFRS 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 financial 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 during the financial year ended 30 April 2016 ("financial year") 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 financial year.

5) Material Changes in Estimates

There were no material changes in the estimates of amounts reported in the quarter ended 30 April 2016 ("current quarter") and in the financial year under review.

6) Change in Composition of the Group

There were no changes in the composition of the Group during the financial year.

7) Debts and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial year.

8) Dividend Paid

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

- (i) Single tier final dividend of 2 Sen per share and single tier special dividend of 4.67 Sen per share - adjusted due to bonus issue for the financial year 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 paid on 26 January 2016.
- (iii) Second Single tier interim dividend of 3 Sen per share and single tier special dividend of 2 Sen per share in respect of the financial year paid on 26 April 2016.

Total dividends paid during the financial year amounted to 19.67 Sen net per share (2015: 8.7 Sen net per share - adjusted due to bonus issue).

9) Revaluation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment during the financial year.

10) Subsequent Events

There were no material subsequent events for the financial year, up to the date of this announcement.

Magni-Tech Industries Berhad

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

Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The Financial Year Ended 30 April 2016

11) Segment Information

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

<u>Revenue</u>	External RM'000	Inter -segment RM'000	Year Ended to 30-4-2016 RM'000
Packaging	122,482	85	122,567
Garment Manufacturing	731,585	-	731,585
Elimination - Inter-segment Revenue	-	(85)	(85)
Total Revenue	<u>854,067</u>	<u>-</u>	<u>854,067</u>

11) Segment Information (Cont'd)

<u>Results</u>	Year Ended to 30-4-2016 RM'000
Packaging	6,178
Garment manufacturing	<u>95,980</u>
	102,158
Unallocated corporate expenses	<u>(238)</u>
Profit from operations	101,920
Investment Related Income :	
Dividend income	4,195
Interest income	1,525
Gain on disposal of other investment	114
	5,834
Finance costs	<u>(481)</u>
Profit before tax	107,273
Tax expense	<u>(25,158)</u>
Profit for the Financial Year	<u>82,115</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 85.7% and 93.6% of the Group's revenue and Profit before Tax respectively for the financial year.

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 9.8% as compared to the preceding year corresponding quarter.

Revenue of garment business for the current quarter increased by 9.4% mainly due to the favourable effect of USD against Ringgit, partially offset by lower sales orders received. Revenue of packaging business increased by 11.9% due to higher orders received.

Profit before tax (PBT) for the current quarter increased by 8.7% mainly due to higher garment revenue, partially offset by lower other operating income arising from higher currency exchange loss.

Current Financial Year vs Preceding Financial Year

Revenue for the financial year increased by 19.2% as compared to the preceding financial year.

Revenue of garment business for the financial year under review increased by 22.7% mainly due to the favourable effects of USD against Ringgit. Revenue of packaging business increased by 2.1% due to higher orders received.

PBT for the current financial year increased by 54.6% mainly attributed to higher garment revenue, higher other operating income arising from favourable foreign exchange differences and positive results from on-going productivity improvement and cost control measures.

Magni-Tech Industries Berhad

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

Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The Financial Year Ended 30 April 2016

13) Variation of Results against Preceding Quarter

Revenue for the current quarter decreased by 27.9% as compared to the immediate preceding quarter.

Revenue of garment segment for the current quarter decreased by 32.0% mainly due to negative effects of stronger Ringgit against USD and lower sale orders received. However, revenue of packaging segment improved by 3.9% mainly due to higher orders received.

PBT for the current quarter decreased by 29.8% as compared to the immediate preceding quarter mainly due to lower revenue and lower other operating income arising from higher currency exchange loss.

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 next financial year ending 30 April 2017 amid the global economic uncertainty. Both the garment and packaging businesses are expected to remain profitable for the next financial year.

15) Tax Expense

The tax expense for the current quarter or financial year is made up as follows:

Provision for current tax

Provision for deferred tax

(Over)/ Under provision of prior year's current tax

	Current quarter to 30-4-2016	Year ended to 30-4-2016
	RM'000	RM'000
	5,170	25,192
	(33)	(61)
	(17)	27
	<u>5,120</u>	<u>25,158</u>

The effective tax rate for the current quarter is lower than the statutory rate due to lower provision of taxation in the current quarter resulting from overprovision of taxation in prior quarters of the financial year. There is no significant variance in the effective tax rate for the current quarter and financial year as compared to the statutory rate.

16) Profit Forecast or Profit Guarantee

There was no profit forecast made in any public document.

17) Corporate Proposals

As announced earlier, the 54,243,950 Bonus Shares were issued, listed and quoted on the Main Market of Bursa Securities on 12 November 2015, marking the 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 year.

19) Material Litigation

There were no material litigations during the financial year.

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 commitments as at 30 April 2016.

22) Dividend

Dividends for the financial year are as follows:

(i) 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;

(ii) 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 were approved by the Directors on 18 March 2016 and paid on 26 April 2016.

(iii) 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 single tier special dividend of 2 Sen per share in respect of the financial year (2015 : 2 Sen single tier final dividend and 4.67 Sen single tier special dividend per share - adjusted due to bonus issue). The date of AGM, and relevant entitlement and payment dates will be notified in due course.

Total dividends paid and payable in respect of the financial year (including 8 Sen pending AGM's approval as per Note 22 (iii) above) are 18 Sen per share (2015 : 10 Sen per share), amounting to RM29.292 mil and representing 35.7% of the Group's attributable profits for the financial year (2015 : 31.2%)

Magni-Tech Industries Berhad

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

Notes To The Quarterly Financial Report

Unaudited Interim Financial Report For The Financial Year Ended 30 April 2016

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 quarter / year by the number of ordinary shares in issue of 162,731,842 as at 30 April 2016 :

		Current quarter to 30-4-2016	Quarter to 30-4-2015	Year Ended 30-4-2016	Year Ended 30-4-2015
Profit attributable to owners of the Company	(RM'000)	<u>18,844</u>	<u>16,626</u>	<u>82,114</u>	<u>52,204</u>
No. of ordinary shares as at <u>30 April 2016</u> (Note 17)	('000)	<u>162,732</u>	<u>162,732</u>	<u>162,732</u>	<u>162,732</u>
Basic EPS	(Sen)	11.58	10.22	50.46	32.08

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

24) Profit Before Tax

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

	Current quarter to 30-4-2016 RM'000	Quarter to 30-4-2015 RM'000	Year Ended 30-4-2016 RM'000	Year Ended 30-4-2015 RM'000
Interest income	(510)	(206)	(1,525)	(1,303)
Dividend income	(870)	(634)	(4,195)	(2,775)
Interest expenses	-	-	-	-
Depreciation and amortisation	1,350	1,445	5,567	5,777
Net unrealised (gain)/loss on foreign exchange	(2,984)	(107)	827	712
Net realised (gain)/loss on foreign exchange	7,077	(2,745)	(7,768)	(5,891)
Impairment loss on quoted investments	-	-	-	-
Gain on disposal of other investment	(30)	-	(114)	(6)
Fair value gain reclassified from equity upon disposal of available-for-sale investments	-	(291)	-	(291)
(Gain) / Loss on disposal of property, plant and equipment	(7)	(5)	(185)	139
Provision for and write off of receivables	-	41	-	41
Plant and equipment written off	63	102	961	408
(Gain) / loss on derivatives / Exceptional items	-	-	-	-

25) Realised and Unrealised Profits

The breakdown of retained profits of the Group as at 30 April 2016 into realised and unrealised profits are as follows:

	(Audited)	
	As at 30-4-2016 RM'000	As at 30-04-2015 RM'000
Total retained earnings of the Company and its subsidiaries :		
- realised	196,621	197,143
- unrealised	<u>(7,200)</u>	<u>(7,355)</u>
	189,421	189,788
Less : Consolidated adjustments	<u>(29,279)</u>	<u>(29,278)</u>
	<u>160,142</u>	<u>160,510</u>

By Order of the Board

Tan Sri Dato' Seri Tan Kok Ping

Chairman

23 June 2016

c.c. Securities Commission