

# 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 2016

	1st Quarter		Year to Date - 3 Months	
	31-7-2016	31-7-2015	31-7-2016	31-7-2015
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	271,392	193,818	271,392	193,818
Operating Expenses	(246,519)	(178,678)	(246,519)	(178,678)
Other Operating Income	3,479	2,859	3,479	2,859
<b>Profit from Operations</b>	28,352	17,999	28,352	17,999
Investment Related Income	2,777	2,589	2,777	2,589
Finance Costs	(149)	(106)	(149)	(106)
<b>Profit before Tax</b>	30,980	20,482	30,980	20,482
Tax Expense	(7,450)	(4,909)	(7,450)	(4,909)
<b>Profit for the Financial Period</b>	<u>23,530</u>	<u>15,573</u>	<u>23,530</u>	<u>15,573</u>
<b>Profit attributable to:</b>				
Owners of the Company	23,529	15,573	23,529	15,573
Non-controlling interests	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
	<u>23,530</u>	<u>15,573</u>	<u>23,530</u>	<u>15,573</u>
<b>Basic earnings per share (Sen)</b>	<u>14.46</u>	<u>9.57</u> *	<u>14.46</u>	<u>9.57</u> *
<b>Declared Interim per share (Sen)</b>	5.00	-	5.00	-

\* Re-stated due to bonus issue

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 30 April 2016 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 2016

	Unaudited @ 31-07-2016	Audited @ 30-04-2016
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	56,698	57,151
Investment Properties	102	104
Investment Securities - Quoted Shares	1,103	1,022
Investment Securities - Unquoted Shares	17,820	17,820
Investment Securities - Unit Trusts	44,030	34,817
	<u>119,753</u>	<u>110,914</u>
<b>Current Assets</b>		
Inventories	114,065	115,925
Receivables	137,013	107,690
Current Tax Assets	177	45
Deposits with Licensed Banks	85,555	59,637
Cash and Bank Balances	4,436	4,476
	<u>341,246</u>	<u>287,773</u>
<b>TOTAL ASSETS</b>	<u>460,999</u>	<u>398,687</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Owners of the Company</b>		
Share Capital (Par value per share RM1)	162,732	162,732
Reserves	183,858	160,219
	<u>346,590</u>	<u>322,951</u>
<b>Non-controlling Interests</b>	34	33
<b>Total Equity</b>	<u>346,624</u>	<u>322,984</u>
<b>Non-current Liability</b>		
Deferred Taxation	6,398	6,362
<b>Current Liabilities</b>		
Payables	101,634	63,446
Current Tax Liabilities	6,343	5,895
	<u>107,977</u>	<u>69,341</u>
<b>Total Liabilities</b>	<u>114,375</u>	<u>75,703</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>460,999</u>	<u>398,687</u>
<b>Net Assets per share (RM)</b>	2.13	1.98

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 April 2016 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 2016

	1st Quarter		Year to Date - 3 Months	
	31-7-2016	31-7-2015	31-7-2016	31-7-2015
	RM'000	RM'000	RM'000	RM'000
<b>Net Profit for the Financial Period</b>	23,530	15,573	23,530	15,573
Other Comprehensive Income, net of tax				
Net fair value gain on available-for-sale financial assets	110	-	110	-
<b>Total Comprehensive Income for the Financial Period</b>	<b>23,640</b>	<b>15,573</b>	<b>23,640</b>	<b>15,573</b>
<b>Total Comprehensive Income attributable to :</b>				
Owners of the Company	23,639	15,573	23,639	15,573
Non-controlling interests	1	-	1	-
	<b>23,640</b>	<b>15,573</b>	<b>23,640</b>	<b>15,573</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 April 2016 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 First Quarter Ended 31 July 2016

	- - - - - Attributable to Owners of the Company - - - - -							Total Equity
	Share Capital	Non-distributable		Distributable Retained Profits	Total Reserves	Total	Non-controlling Interests	
		Share Premium	AFS (^) Reserves					
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>For the financial period ended 31 July 2016</b>								
Balance as at 1 May 2016	162,732	-	77	160,142	160,219	322,951	33	322,984
Total Comprehensive Income for the financial period	-	-	110	23,529	23,639	23,639	1	23,640
Balance as at 31 July 2016	<u>162,732</u>	<u>-</u>	<u>187</u>	<u>183,671</u>	<u>183,858</u>	<u>346,590</u>	<u>34</u>	<u>346,624</u>

(^)^ Available-for-sale

<b>For the financial period ended 31 July 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	-	-	-	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>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 30 April 2016 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 First Quarter Ended 31 July 2016

	(Unaudited) 3 months to 31-7-2016 RM'000	(Unaudited) 3 months to 31-7-2015 RM'000
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	30,980	20,482
Adjustments for :		
Depreciation	1,394	1,410
Dividend income	(2,418)	(2,291)
Loss on disposal of investment securities	-	9
Interest income	(359)	(307)
Gain on disposal of property, plant and equipment	(7)	(8)
<b>Operating profit before working capital changes</b>	<b>29,590</b>	<b>19,295</b>
Decrease in inventories	1,860	3,387
Increase in receivables	(29,323)	(4,440)
Increase in payables	38,188	14,655
<b>Cash generated from operations</b>	<b>40,315</b>	<b>32,897</b>
Net Income tax paid	(7,099)	(3,645)
<b>Net cash from operating activities</b>	<b>33,216</b>	<b>29,252</b>
<b><u>Cash flows from investing activities</u></b>		
Net dividend received	2,418	2,291
Interest received	359	307
Proceeds from disposal of property, plant and equipment	7	8
Proceeds from disposal of investment securities	2,000	12,991
Purchase of property, plant and equipment	(939)	(718)
Purchase of investment securities	(11,183)	(13,066)
<b>Net cash (used in) / from investing activities</b>	<b>(7,338)</b>	<b>1,813</b>
<b>Net increase in cash and cash equivalents</b>	<b>25,878</b>	<b>31,065</b>
<b>Cash and cash equivalents at beginning</b>	<b>64,113</b>	<b>69,039</b>
<b>Cash and cash equivalents at end</b>	<b>89,991</b>	<b>100,104</b>
<b>Cash &amp; Cash Equivalents comprise the following :-</b>		
Cash and bank balances	4,436	4,170
Deposits with licensed banks	85,555	95,934
	<u>89,991</u>	<u>100,104</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 April 2016 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 First Quarter Ended 31 July 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 2016. 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 2016.

The Group has not early adopted the standards and interpretations that have been issued but not yet effective for the financial period beginning 1 May 2016.

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 2016 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 first 3 months ended 31 July 2016 ("current quarter" or "financial period").

#### 5) Material Changes in Estimates

There were no material changes in the estimates of amounts reported in the 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 :

	External RM'000	Inter -segment RM'000	Financial period to 31-7-2016 RM'000
<b>Revenue</b>			
Packaging	31,342	70	31,412
Garment Manufacturing	240,050	-	240,050
Elimination - Inter-segment Revenue	-	(70)	(70)
<b>Total Revenue</b>	<b>271,392</b>	<b>-</b>	<b>271,392</b>

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

## Notes To The Quarterly Financial Report

### Unaudited Interim Financial Report For the First Quarter Ended 31 July 2016

#### 11) Segment Information (Cont'd)

	Financial period to 31-7-2016
<u>Results</u>	<u>RM'000</u>
Packaging	1,596
Garment manufacturing	26,748
	<u>28,344</u>
Unallocated corporate expenses	8
Profit from operations	28,352
Investment Related Income :	
Dividend income	2,418
Interest income	359
	<u>2,777</u>
Finance costs (Non-interest)	(149)
Profit before tax	30,980
Tax expense	(7,450)
Profit for the Financial Year	<u>23,530</u>

#### 12) Analysis of Performance

The Group is primarily engaged in the manufacturing of garment for export and a wide range of flexible plastic, corrugated and offset printing packaging products. The garment segment accounted for about 88.5% and 94.2% of the Group's revenue and profit before tax (PBT) respectively for the financial period.

The key factors that affect the performance of garment business include mainly the labour costs, other operating costs, foreign exchange differences, 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 40.0% as compared to the preceding year corresponding quarter.

Garment revenue the current quarter soared by 46.1% mainly due to higher orders received, aided by favourable foreign exchange differences. Packaging revenue has also recorded an increase of 6.3% due to higher orders received.

PBT for the current quarter improved by 51.3%. On a segmental basis, garment PBT improved by 54.2% mainly due to higher revenue and foreign exchange gain, partially weighed down by higher operating costs. Likewise, packaging PBT increased by 14.4% mainly due to higher revenue and lower operating expenses.

#### 13) Variation of Results against Preceding Quarter

Revenue for the current quarter increased by 39.9% as compared to the immediate preceding quarter.

Garment revenue for the current quarter increased by 48.3% mainly due to higher orders received. However, packaging revenue dropped by 2.4% mainly due to lower orders received.

PBT for the current quarter increased by 29.3%. On a segmental basis, Garment PBT increased by 32.8% mainly due to higher revenue and higher currency exchange gain, partially weighed down by higher operating expenses. Packaging PBT dipped by 14.3% mainly due to the cumulative effect of lower revenue and 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.

# Magni-Tech Industries Berhad

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

## Notes To The Quarterly Financial Report

### Unaudited Interim Financial Report For the First Quarter Ended 31 July 2016

#### 15) Tax Expense

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

Provision for current tax  
Deferred Tax  
Total

Current quarter to 31-7-2016	Financial period to 31-7-2016
RM'000	RM'000
7,415	7,415
35	35
<u>7,450</u>	<u>7,450</u>

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

#### 16) Profit Forecast or Profit Guarantee

There was no profit forecast made in any public document.

#### 17) Corporate Proposals

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 commitments since the last audited statement of financial position as 30 April 2016.

#### 22) Dividend

The Board has declared a single tier interim dividend of 5 Sen per share amounting to RM8.137 million (Q1- FYR 2016 : Nil) in respect of the financial year ending 30 April 2017. This amount represents a 34.6% payout ratio.

The entitlement and payment dates will be separately announced today.

#### 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 / period by the current number of ordinary shares in issue :

	Current quarter to 31-7-2016	Quarter to 31-7-2015	Financial period to 31-7-2016	Financial period to 31-7-2015
Profit attributable to owners of the Company	(RM'000) 23,529	15,573	23,529	15,573
No. of ordinary shares as at 31 July 2016	('000) 162,732	162,732	162,732	162,732
Basic EPS	(Sen) 14.46	9.57 (Re-stated)	14.46	9.57 (Re-stated)

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 :-

	Financial Period 31-7-2016	Financial Period 31-7-2015
	RM'000	RM'000
Interest income	(359)	(307)
Dividend income	(2,418)	(2,291)
Interest expenses	-	-
Depreciation and amortisation	1,394	1,410
Net unrealised (gain)/loss on foreign exchange	(1,813)	1,117
Net realised gain on foreign exchange	(1,516)	(3,847)
Impairment loss on quoted investments	-	-
Loss on disposal of investment securities	-	9
Fair value gain reclassified from equity upon disposal of available-for-sale investments	-	-
Gain on disposal of property, plant and equipment	(7)	(8)
Provision for and write off of receivables	-	-
Plant and equipment written off	-	-
(Gain) / loss on derivatives / Exceptional items	-	-

# Magni-Tech Industries Berhad

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## Notes To The Quarterly Financial Report

### Unaudited Interim Financial Report For the First Quarter Ended 31 July 2016

#### 25) Realised and Unrealised Profits

The breakdown of retained profits of the Group as at 31 July 2016 into realised and unrealised profits are as follows:

	(Audited)	
	As at 31-7-2016	As at 30-04-2016
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries :		
- realised	217,536	196,624
- unrealised	(4,585)	(7,202)
	<u>212,951</u>	<u>189,422</u>
Less : Consolidated adjustments	<u>(29,280)</u>	<u>(29,280)</u>
	<u><u>183,671</u></u>	<u><u>160,142</u></u>

By Order of the Board

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

Chairman

15 September 2016

c.c. Securities Commission