

**Unaudited Condensed Consolidated Statement of Income and Other Comprehensive Income
For the First Quarter Ended 31 July 2024 ("Q1-FYR 2025")**

	Q1-FYR 2025		Changes %	Financial Period - first 3 Months to		
	RM'000	RM'000		31-7-2024	31-7-2023	Changes %
Revenue	437,596	324,376	34.9%	437,596	324,376	34.9%
Operating expenses	(388,775)	(291,571)	33.3%	(388,775)	(291,571)	33.3%
Other operating income						
(Loss)/Gain on foreign exchange	(188)	3,376	-105.6%	(188)	3,376	-106%
Others	390	942	-58.6%	390	942	-59%
Profit from operations	49,023	37,123	32.1%	49,023	37,123	32.1%
Investment related income	9,536	6,006	58.8%	9,536	6,006	58.8%
Finance costs	(151)	(157)	-3.8%	(151)	(157)	-3.8%
Share of profit/(loss) of an associate	62	(9)	788.9%	62	(9)	788.9%
Profit before tax	58,470	42,963	36.1%	58,470	42,963	36.1%
Tax expense	(13,828)	(10,237)	35.1%	(13,828)	(10,237)	35.1%
Profit / total comprehensive Income for the period	<u>44,642</u>	<u>32,726</u>	36.4%	<u>44,642</u>	<u>32,726</u>	36.4%
Total comprehensive Income attributable to:						
Owners of the Company	44,641	32,726	36.4%	44,641	32,726	36.4%
Non-controlling interests	1	-		1	-	
	<u>44,642</u>	<u>32,726</u>	36.4%	<u>44,642</u>	<u>32,726</u>	36.4%
Basic / diluted earnings per share (Sen)	<u>10.30</u>	<u>7.55</u>	92.0%	<u>10.30</u>	<u>7.55</u>	35.0%
Dividends per share (Sen)						
- Interim dividend (Q1)	<u>5.0</u>	<u>2.8</u>	78.6%	<u>5.0</u>	<u>2.8</u>	78.6%

**Unaudited Condensed Consolidated Statement of Financial Position
as at 31 July 2024**

ASSETS	Unaudited @ 31-7-2024	Audited @ 30-4-2024
Non-current assets	RM'000	RM'000
Property, plant and equipment	54,731	53,964
Investment properties	1,014	1,019
Investment in Associate - Unquoted shares	684	622
Investment securities - Unquoted shares	38,269	20,115
	<u>94,698</u>	<u>75,720</u>
Current assets		
Inventories	294,416	316,333
Receivables	89,914	123,529
Current tax receivable	1,030	872
Bank deposits and cash balances	634,806	538,692
	<u>1,020,166</u>	<u>979,426</u>
TOTAL ASSETS	<u>1,114,864</u>	<u>1,055,146</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	216,975	216,975
Reserves	708,822	678,485
Treasury shares	(686)	(686)
Net equity funds	925,111	894,774
Non-controlling Interests	27	26
Total equity	<u>925,138</u>	<u>894,800</u>
Non-current liability		
Deferred tax liabilities	7,480	7,646
Current liabilities		
Payables	168,794	144,461
Current tax payable	13,452	8,239
	<u>182,246</u>	<u>152,700</u>
Total liabilities	<u>189,726</u>	<u>160,346</u>
TOTAL EQUITY AND LIABILITIES	<u>1,114,864</u>	<u>1,055,146</u>
Net assets per share (RM)	2.13	2.06

Notes :

- (1) The net assets per share is calculated based on the net equity funds divided by 433,450,579 being the no. of shares in issue with voting rights.
- (2) The annexed notes form an integral part of this interim financial report.

Condensed Consolidated Statement of Changes in Equity**For the First Quarter Ended 31 July 2024**

	- - - - Attributable to Owners of the Parent Company - - - -							
	Share Capital	Treasury Shares	Fair Value Reserve	Distributable Retained Profits	Total Reserves	Net Equity Funds	Non controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>For the financial period to 31 July 2024</u>								
Balance as at 1 May 2024	216,975	(686)	2,296	676,189	678,485	894,774	26	894,800
Profit for the year	-	-	-	44,641	44,641	44,641	1	44,642
Total comprehensive Income	-	-	-	44,641	44,641	44,641	1	44,642
<u>Transaction with owners</u>								
Dividend in respect of FYR 2024	-	-	-	(14,304)	(14,304)	(14,304)	-	(14,304)
Balance as at 31 July 2024	<u>216,975</u>	<u>(686)</u>	<u>2,296</u>	<u>706,526</u>	<u>708,822</u>	<u>925,111</u>	<u>27</u>	<u>925,138</u>

(^) Available-for-sale

For the financial period to 31 July 2023

Balance as at 1 May 2022	216,975	(686)	407	595,459	595,866	812,155	26	812,181
Profit for the year	-	-	-	32,726	32,726	32,726	-	32,726
Total comprehensive Income	-	-	-	32,726	32,726	32,726	-	32,726
<u>Transaction with owners</u>								
Dividends in respect of FYR 2023	-	-	-	(10,836)	(10,836)	(10,836)	-	(10,836)
Balance as at 30 April 2023	<u>216,975</u>	<u>(686)</u>	<u>407</u>	<u>617,349</u>	<u>617,756</u>	<u>834,045</u>	<u>26</u>	<u>834,071</u>

The annexed notes form an integral part of this interim financial report.

Condensed Consolidated Statement of Cash Flows
For the First Quarter Ended 31 July 2024

	Unaudited 31-7-2024 RM'000	Unaudited 31-7-2023 RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	58,470	42,963
Adjustments for :		
Depreciation	1,539	1,480
Dividend income	(1,834)	(2,071)
Interest income	(7,702)	(3,935)
(Gain)/Loss on disposal of properties, plant and equipment	(318)	6
Net unrealised loss on foreign exchange	522	1,320
Property, plant and equipment written off	2	-
Share of result of an associate	(62)	9
Operating profit before working capital changes	50,617	39,772
Decrease in inventories	21,917	6,664
Decrease/(Increase) in receivables	31,000	(23,539)
Increase in payables	26,435	26,945
Cash generated from operations	129,969	49,842
Net income tax paid	(8,939)	(5,586)
Net cash from operating activities	121,030	44,256
<u>Cash flows from investing activities</u>		
Net dividends received	1,834	2,071
Interest received	7,702	3,935
Investment on financial asset in Associate Co.	-	(709)
Investment of Unquoted share Investments	(18,154)	-
Proceeds from disposal of property, plant and equipment	319	30
Purchase of plant and equipment	(2,313)	(1,169)
Placement of fixed deposits	(109,645)	(72,345)
Withdrawal of fixed deposits	7,010	105,000
Net cash (used in)/from investing activities	(113,247)	36,813
<u>Cash flows from financing activities</u>		
Dividends paid to shareholders of the Company	(14,304)	(10,836)
Net cash used in financial activities	(14,304)	(10,836)
Net (decrease)/increase in cash and cash equivalents	(6,521)	70,233
Effects of changes in exchange rates on cash and cash equivalents	-	-
Cash and cash equivalents at beginning	126,280	74,857
Cash and cash equivalents at end	119,759	145,090
Cash and cash equivalents comprise the followings:-		
Fixed deposits with licensed banks	612,839	397,070
Cash and bank balances	21,967	65,745
	634,806	462,815
Less: Fixed deposits with maturity more than three months	(515,047)	(317,725)
	119,759	145,090

Notes :

- (1) Investment in money market funds is classified as part of cash and cash equivalents as these investments are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.
- (2) Fixed deposits with maturity of more than three months be deemed as cash flows from investing activities.

The annexed notes form an integral part of this interim financial report.

Notes to the Interim Financial Report for 1st Quarter 31 July 2024

1) Basis of preparation

The condensed consolidated interim financial report is unaudited and has been prepared in accordance with Malaysian Financial reporting Standards ("MFRS") 134 - Interim Financial Reporting and the requirements of paragraph 9.22 of 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 2024 ("FYR 2024"). These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the change in the financial position and performance of the Group since FYR 2024.

Changes in accounting policies

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for FYR 2024. The Group has neither early adopted nor applied any new MFRSs, Amendments to MFRSs, IC Interpretations and annual Improvements to MFRSs that are issued but not yet effective for the Group's accounting period beginning 1 May 2024.

The adoption of newly effective MFRSs, Amendments to MFRSs, IC Interpretations and Annual Improvements to MFRSs are expected to have no significant financial impacts to the financial statements of the Group upon their initial application except for changes in presentation and additional disclosures of financial information.

2) Audit report of preceding annual financial statements

The auditors' report of the Company's most recent annual financial statements for FYR 2024 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 three months ended 31 July 2024 ("Q1-FYR 2025 or financial period").

5) Material changes in estimates

There were no material changes in the estimates of amounts reported in Q1-FYR 2025.

6) Change in composition of the Group

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

7) Share capital and treasury shares

There were no issuances and repayment of debts and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period except for the following:

	No. of shares ('000)	Average price per share (RM)	Amount RM'000
Total treasury shares as at 1 May 2024 / 31 July 2024	<u>500</u>	<u>1.37</u>	<u>686</u>

The cumulative shares bought back are being held as treasury shares with none of the shares being cancelled or resold during the financial period.

As at 31 July 2024, the Company's no. of outstanding shares in issue with voting rights was 433,450,579 ordinary shares excluding 500,000 treasury shares (30 April 2024: 433,450,579 ordinary shares).

8) Dividends paid

The 4th interim dividend of 3.3 Sen per share for Q4-FYR 2024 of RM14.304 million was paid on 23 July 2024.

9) Subsequent events

There were no material subsequent events occurred from the end of the reporting period up to the date of this announcement which requires disclosure.

Notes to the Interim Financial Report for 1st Quarter 31 July 2024

10) Segment information

	Financial period	
	RM'000	%
<u>Revenue</u>		
Garment manufacturing	416,946	95.3%
Packaging	20,650	4.7%
Total revenue - external	<u>437,596</u>	<u>100.0%</u>
<u>Results</u>	RM'000	
Garment manufacturing	48,769	
Packaging manufacturing and miscellaneous	481	
	<u>49,250</u>	
Unallocated corporate expenses	<u>(227)</u>	
Profit from operations	49,023	
Investment related Income :		
Dividend income	1,834	
Interest income	7,702	
	<u>9,536</u>	
Finance costs (Non-interest)	(151)	
Share of results of associate	62	
Profit before tax ("PBT")	58,470	
Taxation expenses	<u>(13,828)</u>	
Net profit after tax ("PAT")	<u>44,642</u>	

11) Analysis of performance

The Group's businesses are principally divided into two business segments, namely the manufacturing and sale of (i) garments, and (ii) flexible plastic packaging goods and corrugated cartons.

The Garment segment accounted for about 95.3% and 99.0% all of the Group's revenue and profit from operations (before unallocated corporate expenses) respectively for the financial period.

The key factors that affect the performance of garment business include mainly the labour costs, other operating costs, foreign currency 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, operating costs, demand for the packaging products and the ability of management to cope with change. Raw materials consist of kraft liner, test liner, medium papers, white papers, polyethylene resins and etc.

Summary of the Group's results:

	Q1-FYR 2025	Q1-FYR 2024	
	RM'000	RM'000	%
Revenue	<u>437,596</u>	<u>324,376</u>	34.9%
Profit from operations	<u>49,023</u>	<u>37,123</u>	32.1%
PBT	<u>58,470</u>	<u>42,963</u>	36.1%
PAT	<u>44,642</u>	<u>32,726</u>	36.4%

Q1-FYR 2025 vs Preceding Year Corresponding Quarter (Q1-FYR 2024)

Revenue for Q1-FYR 2025 increased by 34.9% to RM437.596 million from RM324.376 million in Q1-FYR 2024.

Garment revenue for Q1-FYR 2025 increased by 37.9% to RM416.946 million from RM302.303 million in Q1-FYR 2024 mainly resulted from higher sale orders received.

Packaging revenue for Q1-FYR 2025 decreased by 6.4% to RM20.650 million from RM22.073 million in Q1-FYR 2024 mainly due to lower sale orders received.

Notes to the Interim Financial Report for 1st Quarter 31 July 2024

PBT for Q1-FYR 2025 increased by 36.1% to RM58.470 million compared to RM42.963 million in Q1-FYR 2024 mainly due to the following changes in the PBT of garment and packaging segments, and higher interest income generated by the holding company by RM3.035 million.

Garment PBT for Q1-FYR 2025 increased by 37.6% to RM54.288 million compared to RM39.465 million in Q1-FYR 2024 mainly due to higher revenue despite higher foreign exchange loss by RM3.558 million (net loss of RM0.218 million in Q1-FYR 2025 versus net gain of RM3.340 million in Q1-FYR 2024).

Packaging PBT for Q1-FYR 2025 fell 72.6% mainly due to lower revenue and lower other income.

12) Variation of Results of Q1-FYR 2025 vs Preceding Quarter (Q4-FYR 2024)

	Q1-FYR 2025 RM'000	Q4-FYR 2024 RM'000	%
Revenue	<u>437,596</u>	<u>336,925</u>	29.9%
Profit from operations	<u>49,023</u>	<u>40,263</u>	21.8%
PBT	<u>58,470</u>	<u>45,934</u>	27.3%
PAT	<u>44,642</u>	<u>34,524</u>	29.3%

Revenue for Q1-FYR 2025 increased by 29.9% to RM437.596 million from RM336.925 million in Q4-FYR 2024.

Garment revenue for Q1-FYR 2025 increased by 30.9% to RM416.946 million from RM318.454 million in Q4-FYR 2024 mainly due to higher sale orders received.

Packaging revenue for Q1-FYR 2025 increased by 11.8% to RM20.650 million from RM18.471 million in Q4-FYR 2024 mainly due to higher sale orders received.

PBT of the Group for Q1-FYR 2025 increased by 27.3% to RM58.470 million compared to RM45.934 million in Q4-FYR 2024.

Garment PBT for Q1-FYR 2025 increased by 29.6% to RM54.288 million from RM41.894 million in Q4-FYR 2024 mainly due to higher revenue despite higher foreign exchange loss by RM3.105 million (net loss of RM0.218 million in Q1-FYR 2025 versus net gain of RM2.887 million in Q4-FYR 2024).

Packaging PBT for Q1-FYR 2025 decreased by 68.5% mainly due to higher overhead costs despite higher revenue.

13) Future prospects

The global economic outlook remains uncertain but resilient despite the current geopolitical tension, cautious consumer spending, and other economic challenges.

However, the Group is cautiously optimistic over the business outlook for the remaining quarters of FYR 2025 and is committed to stay vigilant to navigate through the potential challenges and risks to ensure sustainability in the Group's operations.

14) Tax expense

Tax expenses for Q1-FYR 2025 or financial period are made up as follows:

	Q1-FYR 2025 RM'000	Financial period RM'000
Provision for current tax	13,994	13,994
Deferred tax	<u>(166)</u>	<u>(166)</u>
	<u>13,828</u>	<u>13,828</u>

The Group's effective tax rate for Q1-FYR 2025 or financial period was lower than the Malaysian statutory tax rate of 24% mainly due to certain non-taxable income.

15) Profit forecast or profit guarantee

There was no profit forecast made in any public document and no profit guarantee was received during the financial period.

Notes to the Interim Financial Report for 1st Quarter 31 July 2024

16) Corporate proposals

There were no corporate proposals announced but not completed as at the date of this announcement.

17) Group borrowings and debts securities

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

18) Material litigation

There were no material litigations during the financial period.

19) Contingent liabilities

There were no material changes in contingent liabilities since the end of the last annual reporting year.

20) Capital commitments

There were capital commitments of RM12.182 million as at the end of the financial period in respect of factory renovation and expansion, and acquisition of equipments (last annual reporting date: RM12.410 million).

21) Earnings per share (EPS)

The basic EPS has been calculated by dividing the Group's profit attributable to owners of the Company by the weighted average no. of ordinary shares in issue with voting rights:

		Q1-FYR 2025	Q1-FYR 2024	Financial periods	
				to 31-7-2024	to 31-7-2023
Profit attributable to owners of the Company	(RM'000)	44,641	32,726	44,641	32,726
Weighted average of no. of issued shares with voting rights at end		433,451	433,451	433,451	433,451
Basic EPS	(Sen)	10.30	7.55	10.30	7.55

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

22) Dividends Declared

	Dividend Per Share		Payout Ratio		Dividend Amount	
	FYR 2025	FYR 2024	FYR 2025	FYR 2024	FYR 2025 RM'000	FYR 2024 RM'000
Q1 - Single tier interim dividend (no. 50)	5.0 Sen	2.8 Sen	48.5%	37.1%	21,673	12,136

The entitlement and payment dates of the interim dividend no. 50 of 5 Sen per share for Q1-FYR 2025 are fixed on 19 September 2024 and 10 October 2024 respectively.

23) Profit before tax

	Q1-FYR 2025 RM'000	Q1-FYR 2024 RM'000
PBT is arrived at after charging/(crediting) the following items:-		
Interest income	(7,702)	(3,935)
Dividend income	(1,834)	(2,071)
Depreciation and amortisation	1,539	1,480
Net unrealised loss on foreign exchange	522	1,321
Net realised gain on foreign exchange	(334)	(4,697)
Net loss/(gain) on foreign exchange - all segments	188	(3,376)
(Gain)/Loss on disposal of properties, plant and equipment	(318)	6

Magni-Tech Industries Berhad

Registration No. 199701007089 (422585-V)

(Q1-FYR 2025)

Notes to the Interim Financial Report for 1st Quarter 31 July 2024

By Order of the Board

Tan Sri Dato' Seri Tan Kok Ping

Chairman

Date: 3 September 2024