

Magni-Tech Industries Berhad

Registration No. 199701007089 (422585-V)

Incorporated in Malaysia

(Q2-FYR 2025)

Unaudited Condensed Consolidated Statement of Income and Other Comprehensive Income For the Second Quarter Ended 31 October 2024 ("Q2-FYR 2025")

	Q2-FYR 2025		Q2-FYR 2024		Changes %	Financial Period - first 6 Months to		
	RM'000		RM'000			31-10-2024 RM'000	31-10-2023 RM'000	Changes %
Revenue	350,826		287,605		22.0%	788,422	611,981	28.8%
Operating expenses	(315,359)		(262,565)		20.1%	(704,134)	(554,136)	27.1%
Other operating income								
(Loss)/Gain on foreign exchange	(5,866)		171		-3530.4%	(6,054)	3,547	-271%
Others	83		7		1085.7%	473	949	-50%
Profit from operations	29,684		25,218		17.7%	78,707	62,341	26.3%
Investment related income	5,676		3,680		54.2%	15,212	9,686	57.1%
Finance costs	(120)		(122)		-1.6%	(271)	(279)	-2.9%
Share of profit/(loss) of an associate	97		(96)		201.0%	159	(105)	251.4%
Profit before tax	35,337		28,680		23.2%	93,807	71,643	30.9%
Tax expense	(9,469)		(6,895)		37.3%	(23,297)	(17,132)	36.0%
Profit / total comprehensive Income for the period	25,868		21,785		18.7%	70,510	54,511	29.4%
Total comprehensive Income attributable to:								
Owners of the Company	25,867		21,785		18.7%	70,509	54,511	29.3%
Non-controlling interests	1		-			1	-	
	25,868		21,785		18.7%	70,510	54,511	29.4%
Basic / diluted earnings per share (Sen)	5.97		5.03		18.7%	16.27	12.58	29.3%
Dividends per share (Sen)								
- Interim dividend (Q1)	N/A		N/A			5.0	2.8	
- Interim dividend (Q2)	3.0		2.2			3.0	2.2	
- Special dividend (Q2)	20.0		-			20.0	-	
Total dividends for the period	23.0					28.0	5.0	

Unaudited Condensed Consolidated Statement of Financial Position
as at 31 October 2024

ASSETS	Unaudited @ 31-10-2024	Audited @ 30-4-2024
Non-current assets	RM'000	RM'000
Property, plant and equipment	54,293	53,964
Investment properties	1,009	1,019
Investment in Associate - Unquoted shares	781	622
Investment securities - Unquoted shares	38,269	20,115
	<u>94,352</u>	<u>75,720</u>
Current assets		
Inventories	283,292	316,333
Receivables	126,841	123,529
Current tax receivable	1,028	872
Bank deposits and cash balances	528,303	538,692
	<u>939,464</u>	<u>979,426</u>
TOTAL ASSETS	<u><u>1,033,816</u></u>	<u><u>1,055,146</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	216,975	216,975
Reserves	713,018	678,485
Treasury shares	(686)	(686)
Net equity funds	<u>929,307</u>	<u>894,774</u>
Non-controlling Interests	<u>27</u>	<u>26</u>
Total equity	<u>929,334</u>	<u>894,800</u>
Non-current liability		
Deferred tax liabilities	<u>8,369</u>	<u>7,646</u>
Current liabilities		
Payables	81,748	144,461
Current tax payable	14,365	8,239
	<u>96,113</u>	<u>152,700</u>
Total liabilities	<u>104,482</u>	<u>160,346</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,033,816</u></u>	<u><u>1,055,146</u></u>
Net assets per share (RM)	2.14	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 Second Quarter Ended 31 October 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 October 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	-	-	-	70,509	70,509	70,509	1	70,510
Total comprehensive Income	-	-	-	70,509	70,509	70,509	1	70,510
<u>Transaction with owners</u>								
Dividend in respect of FYR 2024	-	-	-	(14,304)	(14,304)	(14,304)	-	(14,304)
Dividend in respect of FYR 2025	-	-	-	(21,672)	(21,672)	(21,672)	-	(21,672)
Balance as at 31 October 2024	216,975	(686)	2,296	710,722	713,018	929,307	27	929,334

(^) Available-for-sale

For the financial period to 31 October 2023

Balance as at 1 May 2022	216,975	(686)	407	595,459	595,866	812,155	26	812,181
Profit for the year	-	-	-	54,511	54,511	54,511	-	54,511
Total comprehensive Income	-	-	-	54,511	54,511	54,511	-	54,511
<u>Transaction with owners</u>								
Dividends in respect of FYR 2023	-	-	-	(10,836)	(10,836)	(10,836)	-	(10,836)
Dividends in respect of FYR 2024	-	-	-	(12,137)	(12,137)	(12,137)	-	(12,137)
Balance as at 31 October 2023	216,975	(686)	407	626,997	627,404	843,693	26	843,719

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

Condensed Consolidated Statement of Cash Flows
For the Second Quarter Ended 31 October 2024

	Unaudited 31-10-2024 RM'000	Unaudited 31-10-2023 RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	93,807	71,643
Adjustments for :		
Depreciation	3,074	2,956
Dividend income	(1,834)	(2,071)
Interest income	(13,378)	(7,615)
(Gain)/Loss on disposal of properties, plant and equipment	(321)	61
Net unrealised gain on foreign exchange	(3,384)	(1,156)
Property, plant and equipment written off	89	-
Share of result of an associate	(159)	105
Operating profit before working capital changes	77,894	63,923
Inventories	33,041	(3,260)
Receivables	(6,332)	7,886
Payables	(56,311)	10,485
Cash generated from operations	48,292	79,034
Net income tax paid	(16,603)	(11,258)
Net cash from operating activities	31,689	67,776
<u>Cash flows from investing activities</u>		
Net dividends received	1,834	2,071
Interest received	13,378	7,615
Investment on financial asset in Associate Co.	-	(709)
Investment of Unquoted share Investments	(18,154)	-
Proceeds from disposal of property, plant and equipment	322	56
Purchase of plant and equipment	(3,482)	(1,486)
Placement of fixed deposits	(72,645)	(73,595)
Withdrawal of fixed deposits	18,267	95,000
Net cash (used in)/from investing activities	(60,480)	28,952
<u>Cash flows from financing activities</u>		
Dividends paid to shareholders of the Company	(35,976)	(22,973)
Net cash used in financial activities	(35,976)	(22,973)
Net (decrease)/increase in cash and cash equivalents	(64,767)	73,755
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	61,513	148,612
Cash and cash equivalents comprise the followings:-		
Fixed deposits with licensed banks	519,025	411,505
Cash and bank balances	9,278	66,082
	528,303	477,587
Less: Fixed deposits with maturity more than three months	(466,790)	(328,975)
	61,513	148,612

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 2nd Quarter 31 October 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 and 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 six months ended 31 October 2024 ("financial period").

5) Material changes in estimates

There were no material changes in the estimates of amounts reported in second quarter ended 31 October 2024 ("Q2-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 October 2024	500	1.37	686

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 October 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 interim dividend of 5 Sen per share for Q1-FYR 2025 of RM21.672 million was paid on 10 October 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 2nd Quarter 31 October 2024

10) Segment information

	Financial period	
	RM'000	%
<u>Revenue</u>		
Garment manufacturing	747,300	94.8%
Packaging	41,122	5.2%
Total revenue - external	<u>788,422</u>	<u>100.0%</u>
<u>Results</u>	RM'000	
Garment manufacturing	77,717	
Packaging manufacturing and miscellaneous	<u>1,488</u>	
	79,205	
Unallocated corporate expenses	<u>(498)</u>	
Profit from operations	78,707	
Investment related Income :		
Dividend income	13,378	
Interest income	<u>1,834</u>	
	15,212	
Finance costs (Non-interest)	(271)	
Share of results of associate	<u>159</u>	
Profit before tax ("PBT")	93,807	
Taxation expenses	<u>(23,297)</u>	
Net profit after tax ("PAT")	<u>70,510</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 94.8% and 98.1% 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:

	Q2-FYR 2025	Q2-FYR 2024	%	Financial period	Financial period	%
	RM'000	RM'000		to 31-10-2024	to 31-10-2023	
Revenue	<u>350,826</u>	<u>287,605</u>	22.0%	<u>788,422</u>	<u>611,981</u>	28.8%
Profit from operations	<u>29,684</u>	<u>25,218</u>	17.7%	<u>78,707</u>	<u>62,341</u>	26.3%
PBT	<u>35,337</u>	<u>28,680</u>	23.2%	<u>93,807</u>	<u>71,643</u>	30.9%
PAT	<u>25,868</u>	<u>21,785</u>	18.7%	<u>70,510</u>	<u>54,511</u>	29.4%

Q2-FYR 2025 vs Preceding Year Corresponding Quarter (Q2-FYR 2024)

Revenue for Q2-FYR 2025 increased by 22.0% to RM350.826 million versus Q2-FYR 2024.

Garment revenue for Q2-FYR 2025 increased by 24.1% to RM330.354 million from RM266.212 million in Q2-FYR 2024 mainly resulted from higher sale orders received.

Packaging revenue for Q2-FYR 2025 decreased by 4.3% to RM20.472 million from RM21.393 million in Q2-FYR 2024 mainly due to lower sale orders received.

PBT for Q2-FYR 2025 increased by 23.2% to RM35.337 million compared to RM28.680 million in Q2-FYR 2024.

Notes to the Interim Financial Report for 2nd Quarter 31 October 2024

Garment PBT for Q2-FYR 2025 increased by 20.2% to RM32.698 million compared to RM27.209 million in Q2 -FYR 2024 mainly due to higher revenue and higher interest received by RM0.654 million despite higher loss on foreign exchange by RM6.021 million (net loss of RM5.868 million in Q2-FYR 2025 vs net gain of RM0.153 million in Q2 -FYR 2024).

Packaging PBT for Q2-FYR 2025 fell 21.4% mainly due to lower revenue and higher raw material costs.

Financial Period vs Last Year to date (Last YTD)

Revenue of the Group for the financial period increased by 28.8% to RM788.422 million from RM611.981 million in Last YTD.

Segment wise, garment revenue for the financial period surged by 31.4% to RM747.300 million from RM568.515 million in Last YTD mainly resulted from higher sale orders received.

Packaging revenue for the financial period decreased by 5.4% to RM41.122 million from RM43.466 million in Last YTD mainly due to lower sale orders received.

PBT for the financial period rose by 30.9% to RM93.807 million compared to RM71.643 million in Last YTD mainly due to the following changes in the PBT of garment and packaging segments, and higher interest income generated by the holding company by RM4.178 million.

Garment PBT for the financial period increased by 30.5% to RM86.986 million compared to RM66.674 million in Last YTD mainly due to higher revenue despite higher foreign exchange loss by RM9.579 million (net loss of RM6.086 million in the financial period vs net gain of RM3.493 million in Last YTD).

Packaging PBT for the financial period fell 52.8% mainly due to lower revenue, higher raw material costs, and lower other income.

12) Variation of Results of Q2-FYR 2025 vs Preceding Quarter (Q1-FYR 2025)

	Q2-FYR 2025	Q1-FYR 2025	%
	RM'000	RM'000	%
Revenue	350,826	437,596	-19.8%
Profit from operations	29,684	49,023	-39.4%
PBT	35,337	58,470	-39.6%
PAT	25,868	44,642	-42.1%

Revenue for Q2-FYR 2025 decreased by 19.8% to RM350.826 million from RM437.596 million in Q1-FYR 2025.

Garment revenue for Q2-FYR 2025 decreased by 20.8% to RM330.354 million from RM416.946 million in Q2-FYR 2025 mainly due to lower sale orders received.

Packaging revenue for Q2-FYR 2025 decreased by 0.9% to RM20.472 million from RM20.650 million in Q1-FYR 2025 mainly due to lower sale orders received.

PBT of the Group for Q2-FYR 2025 decreased by 39.6% to RM35.337 million compared to RM58.470 million in Q1-FYR 2025.

Garment PBT for Q2-FYR 2025 decreased by 39.8% to RM32.698 million from RM54.288 million in Q1-FYR 2025 mainly due to lower revenue and higher foreign exchange loss by RM million (net loss of RM5.868 million in Q2-FYR 2025 vs net loss of RM0.218 million in Q1-FYR 2025).

Packaging PBT for Q2-FYR 2025 increased by 80.3% mainly due to lower raw material costs.

13) Future prospects

The Group is cautiously optimistic about the business outlook for the remaining quarters of FYR 2025 despite the challenging operating environment with slow global economic recovery, supply chain disruptions in Red Sea and currency fluctuations.

The group will remain focused on cost optimisation through automation, modernisation and process enhancements to stay resilient and relevant in our businesses.

Notes to the Interim Financial Report for 2nd Quarter 31 October 2024

14) Tax expense

Tax expenses for Q2-FYR 2025 or financial period are made up as follows:

	Q2-FYR 2025 RM'000	Financial period RM'000
Provision for current tax	8,580	22,574
Deferred tax	889	723
	<u>9,469</u>	<u>23,297</u>

The Group's effective tax rate for Q2-FYR 2025 or financial period was higher than the Malaysian statutory tax rate of 24% mainly due to certain expenses being disallowed for tax deduction.

15) Corporate proposals

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

16) Group borrowings and debts securities

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

17) Material litigation

There were no material litigations during the financial period.

18) Contingent liabilities

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

19) Capital commitments

There were capital commitments of RM8.602 million as at the end of the financial period in respect of factory renovation and expansion, and acquisition of machinery and equipments (last annual reporting date: RM12.410 million).

20) 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:

		Q2-FYR 2025	Q2-FYR 2024	Financial periods	
		to 31-10-2024	to 31-10-2023		
Profit attributable to owners of the Company	(RM'000)	<u>25,867</u>	<u>21,785</u>	<u>70,509</u>	<u>54,511</u>
Weighted average of no. of issued shares with voting rights at end		<u>433,451</u>	<u>433,451</u>	<u>433,451</u>	<u>433,451</u>
Basic EPS	(Sen)	5.97	5.03	16.27	12.58

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

21) 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	5.0 Sen	2.8 Sen	48.5%	37.1%	21,672	12,137
Q2 - 2nd single tier interim dividend	3.0 Sen	2.2 Sen	50.3%	43.8%	13,004	9,536
Q2 - Single tier special dividend	<u>20.0 Sen</u>	<u>-</u>			<u>86,690</u>	<u>-</u>
	<u>28.0 Sen</u>	<u>5.0 Sen</u>			<u>121,366</u>	<u>21,673</u>
Total before special dividend	<u>8.0 Sen</u>	<u>5.0 Sen</u>	<u>49.2%</u>	<u>39.8%</u>	<u>34,676</u>	<u>21,673</u>

The entitlement and payment dates of the interim and special dividends of totalling 23 Sen per share for Q2-FYR 2025 are fixed on 18 December 2024 and 27 December 2024 respectively.

Notes to the Interim Financial Report for 2nd Quarter 31 October 2024

22) Profit before tax	Financial Period			
	Q2-FYR 2025 RM'000	Q2-FYR 2024 RM'000	to 31-10-2024 RM'000	to 31-10-2023 RM'000
PBT is arrived at after charging/(crediting) the following items:-				
Interest income	(5,676)	(3,680)	(13,378)	(7,615)
Dividend income	-	-	(1,834)	(2,074)
Depreciation and amortisation	1,535	1,477	3,074	2,956
Net unrealised gain on foreign exchange	(3,906)	(2,476)	(3,384)	(1,156)
Net realised loss/(gain) on foreign exchange	9,772	2,305	9,438	(2,391)
Net loss/(gain) on foreign exchange - all segments	5,866	(171)	6,054	(3,547)
(Gain)/Loss on disposal of properties, plant and equipment	(3)	55	(321)	61
Property, plant and equipment written off	87	-	89	-

By Order of the Board

Tan Sri Dato' Seri Tan Kok Ping

Chairman

Date: 3 December 2024