



Limited

Office No.10 Level 8  
139 Macquarie St  
Sydney NSW 2000  
Australia  
Ph: 61 2 8231 7085  
FAX: 61 2 9252 8960

30 April 2012

Company Announcements Office  
Australian Stock Exchange Limited  
20 Bridge Street  
Sydney, NSW, 2000

Dear Sirs,

**Appendix 4C – Quarter Ended 31 March 2012**

The above quarterly cash flow report is attached.

Yours Sincerely

A handwritten signature in black ink, appearing to read "John Talbot". The signature is fluid and cursive, with a long horizontal stroke at the end.

John Talbot  
Company Secretary.  
Magontec Limited

# QUARTERLY CASHFLOW - APPENDIX 4C

for the Period Ended 31 March 2012

## Magontec Limited

ABN: 51 010 441 666  
Registered & Principal Office:  
Office 10, Level 8,  
139 Macquarie Street,  
Sydney, NSW 2000 Australia

**Tel:** +61 2 8231 7085  
**Fax:** +61 2 9252 8960  
**Website:** [www.am-technologies.com.au](http://www.am-technologies.com.au)  
**Email:** [Corporate@magontec.com](mailto:Corporate@magontec.com)

## Independent Directors (as at 31 March 2012)

Zhongjun Li  
*Non-Executive Director*

Robert Shaw  
*Non-Executive Director*

## Management Team

Nicholas Andrews  
*Executive Chairman*

Guenter Franke  
*Executive Director and Chief Operating Officer*

John Talbot  
*Chief Financial Officer*

## Company Secretary

John Talbot

## Issued Capital (as at 31 March 2012)

Ordinary Shares (ASX Code MGL)  
369,571,890 fully paid Ordinary shares on issue

## Unlisted Securities

Unlisted Options	Number	Grant Date	Expiry Date	Exercise Price \$
Employee Share Option Plan	1,380,000	16 Aug 2010	16 Aug 2013	\$0.10

## Substantial Shareholders

Major Shareholders	No. of shares	Percent
KWE(HK)Investment Development Co Limited	55,797,298	15.10
Straits Mine Management Pty Limited	40,499,167	10.96
Citicorp Nominees Pty Limited	32,477,817	8.79

## Share Registry Services

Boardroom Pty Limited  
Level 7, 207 Kent St  
Sydney NSW 2000

**Postal:**  
GPO Box 3993  
Sydney NSW 2001

**Tel:** 1300 737 760 or  
**International:** +61 2 9290 9600  
**Fax:** 1300 653 459  
**Website:** <http://www.boardroomlimited.com.au>

The current share price can be obtained from the ASX Website

# Appendix 4C

## Quarterly Report

Introduced 31/3/2000. Amended 30/9/2001.

Name of entity

Magontec Limited

ABN

51 010 441 666

Quarter ended ("current quarter")

31-Mar-12

	Quarter Ended 31 Mar 2012	Year to date (9 months)
	\$A	\$A
<b>1.1 Operating Activities</b>		
a Sales	\$28,791,697	\$88,256,112
b Materials purchase	(\$29,494,376)	(\$78,351,464)
c Marketing	(\$28,849)	(\$711,635)
d Other income	\$396,543	\$3,021,891
e Corporate	(\$297,382)	(\$2,461,735)
f Office expense	(\$678,546)	(\$1,887,545)
g Personnel	(\$587,479)	(\$3,207,138)
h Net interest & borrowing expenses	(\$405,911)	(\$1,766,223)
i GST	\$10,831	(\$1,050)
j Taxes	(\$33,906)	\$166,728
k Other operating expense	(\$11,507)	(\$738,903)
<b>Total Operating Cash Flows</b>	<b>(\$2,338,886)</b>	<b>\$2,319,040</b>

+ See chapter 19 for defined terms

		Current quarter \$A	Year to date (9 months) \$A
1.2	<b>Financing Activities</b>		
	a Proceeds from Capital Raising net of costs	\$0	\$2,907,216
	b Reduction of loan to Straits Mine Management Pty Limited	\$0	(\$640,405)
	c Other Financing Activities	\$6,376,580	\$5,836,800
	<b>Total financing cash flows</b>	<b>\$6,376,580</b>	<b>\$8,103,610</b>
1.3	<b>Investing Activities</b>		
	a. Loan to Related Parties	\$0	\$69,919
	b. Cash acquired upon acquisition of Magontec group of companies	\$0	\$2,761,411
	c. Investment In Fixed Assets	(\$2,508,364)	(\$8,013,354)
	<b>Total investing cash flows</b>	<b>(\$2,508,364)</b>	<b>(\$5,182,025)</b>
	<b>Net increase (decrease) in cash held</b>	<b>\$1,529,330</b>	<b>\$5,240,625</b>
1.4	Cash at beginning of quarter /year to date	\$7,236,963	\$3,525,668
1.5	<b>Cash at end of quarter /year to date</b>	<b>\$8,766,293</b>	<b>\$8,766,293</b>

**Payments to directors of the entity and associates of the directors  
Payments to related entities of the entity and associates of the  
related entities**

		Current quarter \$A
1.6	Aggregate amount of payments to the relevant parties (aggregate fees paid to directors)	\$0
1.7	Aggregate amount of loans to the relevant parties	Nil

1.8 Explanation necessary for an understanding of the transactions

This Cash Flow report includes the cash flow effects of AML's 53% owned subsidiary Henan Keweier Alloy Materials Co Ltd. (HNKWE) and of AML's 100% interest in the Magontec group of companies – the latter since 4 July 2011. This Appendix 4C is required to be completed on the principles of AASB 107. However, that standard addresses a cash flow statement in the context of one incorporating the total cash flow of its subsidiaries. The standard then requires the cash flow statement to be reconciled against the profit and loss statement adjusted for minority interests. No such adjustment for minority interests is made in a stand-alone cash flow statement.

Refer Note 13 to the Company's report for the half-year ended 31 December 2011. The commencing position at 1 January 2012 and classification of cash flows to 31 December 2011 in this Appendix 4C have been adjusted to reflect the cash flow shown in the half-year report ended 31 December 2011.

Approximately \$3,300,000 of the cash held by the Company is committed to Banks who have a charge over that amount to support Bank accepted bills issued to suppliers to enable the Company to purchase supplies on a credit basis.

+ See chapter 19 for defined terms

## Non-cash financing and investing activities

2.1 Details of financing and investing transactions in the quarter which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest.

NIL

## Financing facilities available

	Amount available	Amount used
	\$A	\$A
3.1 Loan facilities	\$39,500,000	\$33,378,031
3.2 Credit standby arrangements	NIL	NIL

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter	Previous quarter
	\$A	\$A
4.1 Cash on hand and at bank	\$8,166,293	\$6,636,963
4.2 Deposits at call	—	—
4.3 Bank overdraft	—	—
4.4 Other – Bank bills & Term deposits	\$600,000	\$600,000
<b>Total: cash at end of quarter (item 1.5)</b>	<b>\$8,766,293</b>	<b>\$7,236,963</b>

## Acquisitions and disposals of business entities

	Acquisitions	Disposals
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

+ See chapter 19 for defined terms

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act 2001 (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign  
here:



Date: 30 April 2012  
Executive Chairman  
Magontec Limited

Print  
name: Mr Nicholas Andrews

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The definitions in, and provisions of, *AASB 107: Cash Flow Statements* apply to this report except for the paragraphs of the Standard set out below.
  - Aus20.1 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 39 - 42 - itemised disclosure relating to acquisitions and disposals
  - 48 - 52 - disclosure of restrictions on use of cash
- 3 Accounting Standards. ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms