



# **SAM ENGINEERING & EQUIPMENT (M) BERHAD**

(Incorporated in Malaysia)

## **UNAUDITED INTERIM FINANCIAL REPORT**

**FOR QUARTER ENDED 31 MARCH 2021**

### CONTENTS

	Page
<b>CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION .....</b>	<b>2</b>
<b>CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME .....</b>	<b>3</b>
<b>CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY .....</b>	<b>4</b>
<b>CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS .....</b>	<b>5</b>
<b>NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT .....</b>	<b>7</b>

**SAM ENGINEERING & EQUIPMENT (M) BERHAD**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021**

(The figures have not been audited)

	Note	As at 31-Mar-21 RM'000	As at 31-Mar-20 RM'000 (Audited)
<b>Assets</b>			
Property, plant and equipment		313,883	306,605
Right-of-use assets		42,770	53,179
Intangible assets		12,641	13,901
Deferred tax assets		2,132	4,104
Prepayments		2,943	15,250
<b>Total non-current assets</b>		<u>374,369</u>	<u>393,039</u>
Inventories		176,501	144,930
Contract assets		134,585	139,359
Trade and other receivables		234,386	222,371
Derivative financial assets	24	41	111
Current tax assets		11	7
Cash and bank balances		16,107	14,792
<b>Total current assets</b>		<u>561,631</u>	<u>521,570</u>
<b>Total assets</b>		<u>936,000</u>	<u>914,609</u>
<b>Equity</b>			
Share capital		212,731	212,731
Reserves		413,713	397,157
<b>Equity attributable to owners of the Company</b>		<u>626,444</u>	<u>609,888</u>
<b>Liabilities</b>			
Loans and borrowings	23	12,428	19,916
Lease liabilities		26,638	35,658
Deferred income		1,051	1,569
Derivative financial liabilities		-	48
Provisions		220	268
Deferred tax liabilities		6,904	11,308
<b>Total non-current liabilities</b>		<u>47,241</u>	<u>68,767</u>
Loans and borrowings	23	77,840	62,323
Lease liabilities		7,548	7,193
Deferred income		4,288	2,297
Trade and other payables		151,292	138,624
Contract liabilities		1,268	4,569
Derivative financial liabilities	24	1,213	3,880
Provisions		8,566	8,387
Current tax liabilities		10,300	8,681
<b>Total current liabilities</b>		<u>262,315</u>	<u>235,954</u>
<b>Total liabilities</b>		<u>309,556</u>	<u>304,721</u>
<b>Total equity and liabilities</b>		<u>936,000</u>	<u>914,609</u>
Net assets per share (sen)		<u>463</u>	<u>451</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2020.

The accompanying notes form an integral part of this interim report.

**SAM ENGINEERING & EQUIPMENT (M) BERHAD**  
 (Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR  
 THE YEAR ENDED 31 MARCH 2021**

(The figures have not been audited)

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Note	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>276,425</b>	<b>253,658</b>	<b>873,681</b>	<b>938,667</b>
Cost of sales	(246,637)	(216,191)	(786,856)	(790,850)
<b>Gross profit</b>	<b>29,788</b>	<b>37,467</b>	<b>86,825</b>	<b>147,817</b>
Other operating income	3,286	4,579	26,405	15,426
Distribution and administrative expenses	(8,739)	(11,309)	(32,290)	(42,403)
Net gain/(loss) on impairment of financial instruments and contract assets	8,001	(8,127)	8,121	(9,141)
Other operating expenses	(2,494)	(3,169)	(4,438)	(7,598)
Net finance costs	(534)	(911)	(2,775)	(4,450)
<b>Profit before tax</b>	<b>29,308</b>	<b>18,530</b>	<b>81,848</b>	<b>99,651</b>
Income tax expense	21 (4,721)	(3,612)	(22,149)	(19,828)
<b>Profit for the year</b>	<b>9 24,587</b>	<b>14,918</b>	<b>59,699</b>	<b>79,823</b>
<b>Items that are or may be reclassified subsequently to profit and loss</b>				
Cash flow hedge	(1,379)	(324)	601	756
Foreign currency translation differences	12,952	25,575	(24,612)	32,281
<b>Total comprehensive income/ (loss) for the year, net of tax</b>	<b>11,573</b>	<b>25,251</b>	<b>(24,011)</b>	<b>33,037</b>
<b>Total comprehensive income for the year</b>	<b>36,160</b>	<b>40,169</b>	<b>35,688</b>	<b>112,860</b>
<b>Profit attributable to:</b>				
Owners of the Company	24,587	14,918	59,699	79,823
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	36,160	40,169	35,688	112,860
<b>Earnings per share</b>				
Basic/Diluted earnings per ordinary share (sen)	27 18.19	11.04	44.17	59.06

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020. The accompanying notes form an integral part of this interim report.

**SAM ENGINEERING & EQUIPMENT (M) BERHAD**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021**

(The figures have not been audited)

	<----- Non Distributable ----->				Distributable	
	Share Capital	Employees' Share Grant Scheme Reserve	Hedging Reserve	Translation Reserve	Retained Earnings	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 April 2019</b>	212,731	-	(1,393)	61,591	262,701	535,630
Total comprehensive income for the period	-	-	756	32,281	79,823	112,860
Transaction with owners of the Company						
- Dividends to owners of the Company (Note 8)	-	-	-	-	(39,266)	(39,266)
- Share-based payment transactions	-	664	-	-	-	664
	-	664	-	-	(39,266)	(38,602)
<b>At 31 March 2020</b>	212,731	664	(637)	93,872	303,258	609,888
<b>At 1 April 2020</b>	212,731	664	(637)	93,872	303,258	609,888
Total comprehensive income/(loss) for the period	-	-	601	(24,612)	59,699	35,688
Transaction with owners of the Company						
- Dividends to owners of the Company (Note 8)	-	-	-	-	(19,951)	(19,951)
- Share-based payment transactions	-	819	-	-	-	819
	-	819	-	-	(19,951)	(19,132)
<b>At 31 March 2021</b>	212,731	1,483	(36)	69,260	343,006	626,444

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2020.

**SAM ENGINEERING & EQUIPMENT (M) BERHAD**  
 (Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED  
 31 MARCH 2021**

(The figures have not been audited)

	Year Ended	
	31-Mar-21 RM'000	31-Mar-20 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	81,848	99,651
Adjustments for:		
Depreciation of property, plant and equipment	43,570	42,188
Depreciation of right-of-use assets	8,211	7,704
Amortisation of intangible assets	2,769	2,771
Amortisation of government grants	(2,216)	(370)
Fair value (gain)/loss on derivatives	(2,044)	3,714
Gain on disposal of plant and equipment	(222)	(45)
Gain on derecognition of right-of-use assets	(4)	-
Interest income	(41)	(84)
Property, plant and equipment written off	15	2,143
Interest expenses	1,098	3,364
Accretion of interest on lease liabilities	1,718	1,170
Employees' Share Grant Scheme expenses	819	664
Provision for warranties	2,575	2,192
Reversal of provision for warranties	(1,970)	(924)
Reversal of provision for onerous contract	(109)	(657)
Operating profit before changes in working capital	136,017	163,481
Changes in working capital :		
Trade and other receivables	(11,950)	(21,618)
Inventories	(30,872)	(31,742)
Contract assets	4,774	(12,929)
Trade and other payables	12,977	11,608
Contract liabilities	(3,301)	4,107
Provisions	(488)	(45)
Deferred income	2,287	2,630
Cash generated from operations	109,444	115,492
Income tax paid	(22,656)	(17,428)
Net cash generated from operating activities	86,788	98,064

**SAM ENGINEERING & EQUIPMENT (M) BERHAD**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED  
 31 MARCH 2021 (CONT'D)**

(The figures have not been audited)

	Year Ended	
	31-Mar-21 RM'000	31-Mar-20 RM'000
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(48,385)	(60,997)
Purchase of intangible assets	(2,063)	(815)
Interest received	41	84
Proceeds from disposal of plant and equipment	222	49
Net cash used in investing activities	<u>(50,185)</u>	<u>(61,679)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(19,951)	(39,266)
Interest paid	(2,816)	(4,534)
Repayment of term loans	(7,780)	(5,047)
Drawdown/(Repayment) of other borrowings	15,809	(12,522)
Payment of lease liabilities	(6,848)	(6,827)
Net cash used in financing activities	<u>(21,586)</u>	<u>(68,196)</u>
Net increase/(decrease) in cash and cash equivalents	15,017	(31,811)
Cash and cash equivalents at beginning of year	14,792	23,992
Effect of exchange rate fluctuations	(13,702)	22,611
Cash and cash equivalents at end of year	<u>16,107</u>	<u>14,792</u>

Cash and cash equivalents at the end of the financial year comprise the following:

Cash and bank balances	<u>16,107</u>	<u>14,792</u>
------------------------	---------------	---------------

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2020.

The accompanying notes form an integral part of this interim report.

## **SAM ENGINEERING & EQUIPMENT (M) BERHAD**

(Incorporated in Malaysia)

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT**

(The figures have not been audited)

#### **1. Basis of preparation**

The condensed consolidated interim financial report is unaudited and has been prepared in accordance with MFRS 134, Interim Financial Reporting Standards in Malaysia and IAS 34, Interim Financial Reporting and applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2020. These explanatory notes attached to the condensed consolidated interim financial report provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2020.

#### **2. Significant accounting policies**

The interim report of the Group has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

##### **MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 June 2020**

Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions

##### **MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021**

Amendment to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2

##### **MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021**

Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions beyond 30 June 2021

## **2. Significant accounting policies (Cont'd)**

### **MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022**

Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)

Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework

Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)

Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018–2020)

Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract

Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018–2020)

### **MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023**

MFRS 17, Insurance Contracts

Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies

Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

### **MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed**

Amendments to MFRS 10, Consolidated Financial Statements and

MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture

## **3. Audit opinion**

The audit report for the audited financial statements of the Group for the financial year ended 31 March 2020 was not subject to any qualification.

## **4. Seasonality or cyclical of interim operations**

The Group's operation is dependent on the cyclical trend of the semiconductors and electronics industries.

## **5. Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter.

## **6. Changes in estimates**

There were no changes in estimates that have material effect in the current quarter and financial year-to-date.



## 7. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities for the financial year ended 31 March 2021.

## 8. Dividends paid

A single tier first interim dividend of 14.76 sen per ordinary share totaling RM20.0 million for the financial year ended 31 March 2020 was paid on 26 August 2020.

In preceding year, a single tier first interim dividend of 17.43 sen and a single tier special dividend of 11.62 sen per ordinary share totaling RM39.3 million for the financial year ended 31 March 2019 was paid on 13 August 2019.

## 9. Profit for the year

Profit for the year is arrived at after charging/ (crediting):

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	RM'000	RM'000	RM'000	RM'000
Accretion of interest on lease liabilities	326	135	1,718	1,170
Amortisation of intangible assets	918	858	2,769	2,771
Depreciation of property, plant and equipment	11,226	13,203	43,570	42,188
Depreciation of right-of-use assets	2,057	2,005	8,211	7,704
Fair value loss/(gain) on derivatives	1,247	3,688	(2,044)	3,714
Foreign exchange (gain)/loss	(779)	(2,184)	948	(1,423)
Gain on disposal of property, plant and equipment	(95)	(49)	(222)	(45)
Gain on derecognition of right-of-use assets	(4)	-	(4)	-
Government grants and subsidies	810	(350)	(17,095)	(1,056)
Interest expense	215	763	1,098	3,364
Interest income	(7)	13	(41)	(84)
Net (gain)/loss on impairment of financial instruments and contract assets	(8,001)	8,127	(8,121)	9,141
Other income	(3,218)	(3,459)	(7,040)	(12,902)
Property, plant and equipment written off	10	794	15	2,143
Write-(back)/down of inventories	(405)	236	425	3,344

## 10. Operating segments

Segment information is presented in respect of the Group's business segments, which is based on the Company's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

	Aerospace RM'000	Equipment RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>				
Revenue from external customers	171,896	701,785	-	873,681
Inter-segment revenue	2,181	-	(2,181)	-
	<u>174,077</u>	<u>701,785</u>	<u>(2,181)</u>	<u>873,681</u>
<b>Results</b>				
Profit before tax (segment profit)	<u>(22,133)</u>	<u>103,981</u>	<u>-</u>	<u>81,848</u>
Included in the measure of segment profit are:				
- Write-down of inventories	(100)	(325)	-	(425)
- Depreciation and amortisation	(45,963)	(8,587)	-	(54,550)
- Amortisation of government grants	2,216	-	-	2,216
- Gain on disposal of property, plant and equipment	-	222	-	222
- Gain on decognition of right-of-use assets	4	-	-	4
- Net gain on impairment of financial instruments and contract assets	<u>3,477</u>	<u>4,644</u>	<u>-</u>	<u>8,121</u>

## 11. Property, plant and equipment

Property, plant and equipment amounting to RM48.4 million were acquired during the financial year ended 31 March 2021 (financial year ended 31 March 2020: RM61.0 million).

There were disposals of property, plant and equipment with net book value of RM Nil during the financial year ended 31 March 2021 (financial year ended 31 March 2020: RM4k).

## 12. Subsequent events

There were no material events subsequent to the end of the current quarter.

## 13. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter.

## 14. Contingent liabilities

There is no contingent liability since the date of the last annual statement of financial position.

**15. Capital commitments**

	31-Mar-21 RM'000	31-Mar-20 RM'000
Contracted but not provided for	5,455	47,337

**16. Significant related party transaction**

Significant transactions with related parties are as follows:

	12 months ended 31-Mar-21 RM'000
<u>Provision of goods/ services to related parties</u>	
Sale of aerospace parts and other precision tools	39,015
Sale of fabrication, machining services & special services	3,027
Provision of corporate management services, engineering & administrative services	396
<u>Purchase of goods/ services from related parties</u>	
Rental of office, factory premises and machines	5,753
Purchase of fabrication/ machining services / special services	1,942
Purchase of corporate management services, engineering & administrative services	4,979

## 17. Review of performance

	Current	Immediate	Changes
	Quarter Ended	Preceding Quarter Ended	
	31-Mar-21	31-Dec-20	
	RM'000	RM'000	RM'000
Revenue	276,425	205,378	71,047
Operating profit	29,842	19,167	10,675
Profit before interest and tax	29,849	19,181	10,668
Profit before tax	29,308	18,645	10,663
Profit for the period	24,587	12,422	12,165
Profit attributable to Owners of the Company	24,587	12,422	12,165

The increase in Group revenue of RM71.0 million was due to the increase in revenue from Equipment segment of RM77.6mil. However, there was lower revenue from the Aerospace segment of RM6.6million. The higher revenue from Equipment segment was mainly due to increase in demand from the data storage and semiconductor customers. For the Aerospace segment, the lower revenue was mainly due to decrease in sales of casing products offset by increase in sales of aerostructures products for A320neo.

The increase in Group profit before tax of RM10.7 million was attributable to the higher profit contribution from the Equipment segment of RM10.8 million mainly due to higher sales. However, there was lower profit contribution from Aerospace segment of RM0.1 million mainly due to lower sales and lower government grants and subsidies offset by net gain on impairment of financial instruments and contract assets due to lower forward default rates.

**18. Variation of results against immediate preceding year's corresponding quarter and cumulative quarter**

	Current Quarter 3 months ended			Cumulative Quarter 12 months ended		
	31-Mar-21	31-Mar-20	Changes	31-Mar-21	31-Mar-20	Changes
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	276,425	253,658	22,767	873,681	938,667	(64,986)
Operating profit	29,842	19,441	10,401	84,623	104,101	(19,478)
Profit before interest and tax	29,849	19,428	10,421	84,664	104,185	(19,521)
Profit before tax	29,308	18,530	10,778	81,848	99,651	(17,803)
Profit for the period/year	24,587	14,918	9,669	59,699	79,823	(20,124)
Profit attributable to Owners of the Company	24,587	14,918	9,669	59,699	79,823	(20,124)

Current quarter compared with immediate preceding year's corresponding quarter

The increase in Group revenue of RM22.8 million was due to the increase in revenue from the Equipment segment of RM69.2mil offset by lower revenue from the Aerospace segment of RM46.4million. The higher revenue from the Equipment segment was due to increase in demand from the data storage and semiconductor customers. For Aerospace segment, the lower revenue from the Aerospace segment was due to the reduction of aircraft production rate due to the disruption and decrease in air travel as a result of COVID-19.

The increase in Group profit before tax of RM10.8 million was attributable to the higher profit contribution from the Equipment segment of RM14.8 million. However, there was lower profit contribution from Aerospace segment of RM4.0 million. The higher profit contribution from Equipment segment was due to higher sales and net gain on impairment of financial instruments and contract assets due to lower forward default rates. The lower profit contribution from Aerospace segment was due to lower sales offset by net gain on impairment of financial instruments and contract assets due to lower forward default rates.

Current cumulative quarter compared with immediate preceding year's cumulative quarter

The decrease in Group revenue of RM65.0 million was due to the decrease in revenue from the Aerospace segment of RM277.7mil offset by higher sales from Equipment segment of RM212.7million. The lower revenue from the Aerospace segment was due to the reduction of aircraft production rate due to the disruption and decrease in air travel as a result of COVID-19. For the Equipment segment, the increase in demand from the data storage and semiconductor customers contributed to the higher revenue.

The decrease in Group profit before tax of RM17.8 million was attributable to the lower profit contribution from the Aerospace segment of RM59.5 million. However, there was higher profit contribution from Equipment segment of RM41.7 million. The lower profit contribution from Aerospace segment was mainly due to lower sales offset by government grants and subsidies and net gain on impairment of financial instruments and contract assets due to lower forward default rates. The higher profit contribution from Equipment segment was mainly due to higher revenue and net gain on impairment of financial instruments and contract assets due to lower forward default rates.

## 19. Current year prospects

The commercial aerospace industry remains affected by the on-going COVID-19 pandemic. Recovery of air travel continues at gradual pace led by domestic air travel. Industry group, IATA expects global passenger traffic to return to pre-COVID-19 levels by 2024. We continue to monitor the situation and preserve the long term interest of our business.

Impact of the pandemic on lifestyle and business demands has contributed towards the growth in Cloud Computing, 5G Telecommunications, Artificial intelligence (AI) and Digitization, which in turn fuels strong demand for semiconductor chips and storage devices. The on-going global semiconductor chip shortage situation also drove demand for semiconductor equipment. The demand for our equipment products remains strong and positive. We continue to explore projects with our existing and new customers.

## 20. Profit forecast and profit guarantee

No profit forecast or profit guarantee has been issued by the Group.

## 21. Taxation

	3 months ended		12 months ended	
	31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
Current period				
- income tax	6,098	3,048	23,467	19,441
- deferred tax	(2,020)	3,058	(2,531)	1,532
	4,078	6,106	20,936	20,973
Prior period				
- provision for taxation	272	(1,683)	965	(2,116)
- deferred tax	371	(811)	248	971
	4,721	3,612	22,149	19,828

The effective tax rate for the Group is higher than the statutory tax rate mainly due to the subsidiaries which are enjoying tax incentives or lower tax rate suffered losses in the current quarter.

## 22. Corporate proposal

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

### 23. Borrowings and debt securities

The Group's total bank borrowings as at 31 March 2021 are as follows: -

	As at 31-Mar-21		As at 31-Mar-20	
	Unsecured RM'000	Total RM'000	Unsecured RM'000	Total RM'000
<b>Short term borrowings</b>				
Revolving credits	71,190	71,190	55,381	55,381
Term loan - variable rate	6,650	6,650	6,942	6,942
<b>Long term borrowings</b>				
Term loan - variable rate	12,428	12,428	19,916	19,916
<b>Total borrowings</b>	<u>90,268</u>	<u>90,268</u>	<u>82,239</u>	<u>82,239</u>

	As at 31-Mar-21			As at 31-Mar-20		
		Foreign Currency '000	RM Equivalent RM'000		Foreign Currency '000	RM Equivalent RM'000
<b>Short Term Borrowings</b>						
Unsecured	USD	18,752	77,840	USD	14,382	62,323
<b>Long term borrowings</b>						
Unsecured	USD	2,994	12,428	USD	4,596	19,916
<b>Total borrowings</b>		<u>90,268</u>			<u>82,239</u>	

The Group's total borrowings increased to RM90.3 million as at 31 March 2021 as compared to RM82.2 million as at 31 March 2020 mainly due to the increase in utilisation of banking facilities to finance the increase in working capital.

## 24. Derivative financial instruments

	As at 31-Mar-21	
	Contract/ Notional RM'000	Fair value RM'000
Foreign exchange contracts		
- Less than 1 year	65,447	(1,172)

The foreign exchange contracts were entered into to hedge exposures to currency risk on working capital and capital expenditure requirements.

There is no significant change in the associated credit, market and liquidity risks and the policies for mitigating or controlling these risks. Furthermore, there is no significant change in the cash requirement and accounting policies relating to derivative financial instruments.

The fair value of the derivative financial instruments is estimated using inputs other than quoted prices that are observable for the derivative financial instruments. The gain/loss arising from the fair value changes of the derivative financial instruments as a result of fluctuation in these inputs is as disclosed in Note 9 above.

## 25. Material litigation

There was no pending material litigation as at the date of this report.

## 26. Dividend payable and distributable

For the financial year ended 31 March 2021, an interim single tier dividend of 11.03 sen per ordinary share has been declared on 25 May 2021 and will be paid on 18 August 2021 to depositors who are registered in the Records of Depositors at the close of business on 22 July 2021 (In respect of financial year ended 31 March 2020: 14.76 per ordinary share totaling RM20.0 million).

## 27. Earnings per ordinary share

The basic earnings per ordinary share has been calculated based on the Group's net profit attributable to ordinary shareholders over the weighted average number of ordinary shares.

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Net profit attributable to ordinary shareholders (RM'000)	24,587	14,918	59,699	79,823
Weighted average no. of ordinary shares ('000)	135,167	135,167	135,167	135,167
Basic earnings per ordinary share (sen)	<u>18.19</u>	<u>11.04</u>	<u>44.17</u>	<u>59.06</u>

The diluted earnings per ordinary share is the same as basic earnings per ordinary share as there are no dilutive potential ordinary shares.



**28. Authorisation for issue**

The Board of Directors authorised the issue of this unaudited interim financial report.

By Order of the Board  
**SAM Engineering & Equipment (M) Berhad**  
**Registration No: 199401012509 (298188-A)**

Thum Sook Fun (SSM PC No. 201908000139, MIA 24701)  
Chew Peck Kheng (SSM PC No. 202008001118, LS 0009559)  
Company Secretaries  
Penang  
25 May 2021