



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

(Incorporated in Malaysia)

## **UNAUDITED INTERIM FINANCIAL REPORT FOR QUARTER ENDED 31 DECEMBER 2021**

### CONTENTS

	Page
<b>CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION .....</b>	<b>2</b>
<b>CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND 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 DECEMBER 2021**

(The figures have not been audited)

	Note	As at 31-Dec-21 RM'000	As at 31-Mar-21 RM'000 (Audited)
<b>Assets</b>			
Property, plant and equipment		300,254	313,883
Right-of-use assets		38,441	42,770
Intangible assets		11,290	12,641
Deferred tax assets		5,531	2,132
Prepayments		10,325	2,943
<b>Total non-current assets</b>		<b>365,841</b>	<b>374,369</b>
Inventories		298,905	176,501
Contract assets		138,927	134,585
Trade and other receivables		314,779	234,386
Derivative financial assets	24	87	41
Current tax assets		11	11
Cash and bank balances		14,116	16,107
<b>Total current assets</b>		<b>766,825</b>	<b>561,631</b>
<b>Total assets</b>		<b>1,132,666</b>	<b>936,000</b>
<b>Equity</b>			
Share capital		213,967	212,731
Reserves		463,528	413,713
<b>Equity attributable to owners of the Company</b>		<b>677,495</b>	<b>626,444</b>
<b>Liabilities</b>			
Loans and borrowings	23	7,586	12,428
Lease liabilities		22,455	26,638
Deferred income		902	1,051
Provisions		229	220
Deferred tax liabilities		4,242	6,904
<b>Total non-current liabilities</b>		<b>35,414</b>	<b>47,241</b>
Loans and borrowings	23	197,318	77,840
Lease liabilities		7,981	7,548
Deferred income		597	4,288
Trade and other payables		182,186	151,292
Contract liabilities		1,778	1,268
Derivative financial liabilities	24	1,348	1,213
Provisions		8,794	8,566
Current tax liabilities		19,755	10,300
<b>Total current liabilities</b>		<b>419,757</b>	<b>262,315</b>
<b>Total liabilities</b>		<b>455,171</b>	<b>309,556</b>
<b>Total equity and liabilities</b>		<b>1,132,666</b>	<b>936,000</b>
Net assets per share (sen)		501	463

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2021.

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

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2021**

(The figures have not been audited)

	Note	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
		31-Dec-21 RM'000	31-Dec-20 RM'000	31-Dec-21 RM'000	31-Dec-20 RM'000
<b>Revenue</b>		<b>351,113</b>	<b>205,378</b>	<b>788,717</b>	<b>597,256</b>
Cost of sales		(309,322)	(182,677)	(698,642)	(540,219)
<b>Gross profit</b>		<b>41,791</b>	<b>22,701</b>	<b>90,075</b>	<b>57,037</b>
Other operating income		4,294	4,704	14,732	26,763
Distribution and administrative expenses		(10,097)	(7,818)	(27,722)	(23,551)
Net (loss)/gain on impairment of financial instruments and contract assets		(880)	705	(593)	120
Other operating expenses		(989)	(1,125)	(3,978)	(5,588)
Net finance costs		(659)	(522)	(1,714)	(2,241)
<b>Profit before tax</b>		<b>33,460</b>	<b>18,645</b>	<b>70,800</b>	<b>52,540</b>
Income tax expense	21	(8,259)	(6,223)	(17,107)	(17,428)
<b>Profit for the period</b>	9	<b>25,201</b>	<b>12,422</b>	<b>53,693</b>	<b>35,112</b>
<b>Items that are or may be reclassified subsequently to profit and loss</b>					
Cash flow hedge		(901)	555	(1,113)	1,980
Foreign currency translation differences		12,442	(11,933)	13,044	(37,564)
		11,541	(11,378)	11,931	(35,584)
<b>Total comprehensive income/(expense) for the period</b>		<b>36,742</b>	<b>1,044</b>	<b>65,624</b>	<b>(472)</b>
<b>Profit attributable to:</b>					
Owners of the Company		25,201	12,422	53,693	35,112
<b>Total comprehensive income/(expense) attributable to:</b>					
Owners of the Company		36,742	1,044	65,624	(472)
<b>Earnings per share</b>					
Basic/Diluted earnings per ordinary share (sen)	27	18.62	9.19	39.67	25.98

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2021.

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 PERIOD ENDED 31 DECEMBER 2021**

(The figures have not been audited)

	<----- Non Distributable ----->				Distributable	Total Equity
	Share Capital	Employees' Share Grant Scheme Reserve	Hedging Reserve	Translation Reserve	Retained Earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 April 2020</b>	212,731	664	(637)	93,872	303,258	609,888
Total comprehensive income/(expense) for the period	-	-	1,980	(37,564)	35,112	(472)
Transactions with owners of the Company						
- Dividends to owners of the Company (Note 8)	-	-	-	-	(19,951)	(19,951)
- Share-based payment transactions	-	590	-	-	-	590
	-	590	-	-	(19,951)	(19,361)
<b>At 31 December 2020</b>	<b>212,731</b>	<b>1,254</b>	<b>1,343</b>	<b>56,308</b>	<b>318,419</b>	<b>590,055</b>
<b>At 1 April 2021</b>	212,731	1,483	(36)	69,260	343,006	626,444
Total comprehensive income/(expense) for the period	-	-	(1,113)	13,044	53,693	65,624
Transactions with owners of the Company						
- Issuance of shares pursuant to Employees' Share Grant Scheme	1,236	(1,236)	-	-	-	-
- Dividends to owners of the Company (Note 8)	-	-	-	-	(14,929)	(14,929)
- Share-based payment transactions	-	356	-	-	-	356
	1,236	(880)	-	-	(14,929)	(14,573)
<b>At 31 December 2021</b>	<b>213,967</b>	<b>603</b>	<b>(1,149)</b>	<b>82,304</b>	<b>381,770</b>	<b>677,495</b>

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 2021. The accompanying notes form an integral part of this interim report.

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD  
ENDED 31 DECEMBER 2021**

(The figures have not been audited)

	Period Ended	
	31-Dec-21 RM'000	31-Dec-20 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	70,800	52,540
Adjustments for:		
Accretion of interest on lease liabilities	979	1,392
Amortisation of intangible assets	2,080	1,851
Amortisation of government grants	(4,356)	(2,121)
Depreciation of property, plant and equipment	35,883	32,344
Depreciation of right-of-use assets	6,708	6,154
Employees' Share Grant Scheme expenses	356	590
Fair value gain on derivatives	(1,024)	(3,291)
Gain on disposal of plant and equipment	(145)	(127)
Interest expenses	758	883
Interest income	(23)	(34)
Net loss/(gain) on impairment on		
- trade receivables	630	(85)
- contract assets	(37)	205
Property, plant and equipment written off	37	5
Provision for warranties	1,157	1,385
Reversal of provision for warranties	(1,053)	(1,427)
Reversal of provision for onerous contract	(42)	-
Operating profit before changes in working capital	112,708	90,264
Changes in working capital :		
Trade and other receivables	(81,005)	26,321
Inventories	(122,747)	(42,179)
Contract assets	(4,305)	10,021
Trade and other payables	34,843	10,301
Contract liabilities	510	(4,338)
Provisions	55	862
Deferred income	470	-
Cash (used in)/generated from operations	(59,471)	91,252
Income tax paid	(14,035)	(5,243)
Net cash (used in)/generated from operating activities	(73,506)	86,009

**SAM ENGINEERING & EQUIPMENT (M) BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD  
 ENDED 31 DECEMBER 2021 (CONT'D)**

(The figures have not been audited)

	Period Ended	
	31-Dec-21 RM'000	31-Dec-20 RM'000
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(26,802)	(32,858)
Purchase of intangible assets	(540)	(329)
Interest received	23	34
Proceeds from disposal of property, plant and equipment	146	127
Net cash used in investing activities	<u>(27,173)</u>	<u>(33,026)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(14,929)	(19,951)
Interest paid	(1,737)	(2,275)
Repayment of term loans	(4,710)	(6,583)
Drawdown of other borrowings	119,346	11,365
Payment of lease liabilities	(6,096)	(4,900)
Net cash generated from/(used in) financing activities	<u>91,874</u>	<u>(22,344)</u>
Net (decrease)/increase in cash and cash equivalents	(8,805)	30,639
Cash and cash equivalents at beginning of period	16,107	14,792
Effect of exchange rate fluctuations	6,814	(18,556)
Cash and cash equivalents at end of period	<u>14,116</u>	<u>26,875</u>

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

Cash and bank balances	<u>14,116</u>	<u>26,875</u>
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The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2021.

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

**SAM ENGINEERING & EQUIPMENT (M) BERHAD**  
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**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, 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 2021. 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 2021.

**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 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)

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

### **MFRSs 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
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 17, Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information

### **MFRSs 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

The Group plan to apply the abovementioned amendments, where applicable, in the respective financial years when the abovementioned amendments become effective.

The Group do not plan to apply MFRS 17, Insurance Contracts that is effective for annual periods beginning on or after 1 January 2023 as it is not applicable to the Group.

The initial application of the amendments is not expected to have any material financial impacts to the current period and prior period financial statements of the Group.

## **3. Audit opinion**

The audit report for the audited financial statements of the Group for the financial year ended 31 March 2021 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.



## 7. Debt and equity securities

On 7 April 2021, 182,930 new ordinary shares of the Company were allotted to the eligible employees of the Company pursuant to Employees' Share Grant Scheme at the issue price of RM6.7543 per share. Consequently, the total issued share capital of the Company has increased from 135,166,967 to 135,349,897.

Saved as disclosed above, there were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities for the financial period ended 31 December 2021.

## 8. Dividends

A single tier first interim dividend of 11.03 sen per ordinary share totaling RM14.9 million for the financial year ended 31 March 2021 was paid on 18 August 2021.

In preceding year, 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.

## 9. Profit for the year

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

	Current Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	RM'000	RM'000	RM'000	RM'000
Accretion of interest on lease liabilities	306	330	979	1,392
Amortisation of intangible assets	668	657	2,080	1,851
Depreciation of property, plant and equipment	12,373	10,849	35,883	32,344
Depreciation of right-of-use assets	2,291	2,062	6,708	6,154
Fair value loss/(gain) on derivatives	245	268	(1,024)	(3,291)
Foreign exchange loss/(gain)	186	(1,022)	1,261	1,727
(Gain)/Loss on disposal of property, plant and equipment	(17)	1	(145)	(127)
Government grants and subsidies	(1,723)	(2,620)	(6,845)	(17,905)
Interest expense	363	206	758	883
Interest income	(10)	(14)	(23)	(34)
Net loss/(gain) on impairment of financial instruments and contract assets	880	(705)	593	(120)
Other income	(2,793)	(735)	(6,749)	(3,822)
Property, plant and equipment written off	-	-	37	5
Write off/(back) of inventories	4,470	(112)	5,228	830

## 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	178,599	610,118	-	788,717
Inter-segment revenue	2,164	-	(2,164)	-
	<u>180,763</u>	<u>610,118</u>	<u>(2,164)</u>	<u>788,717</u>
<b>Results</b>				
(Loss)/Profit before tax (segment profit)	<u>(8,954)</u>	<u>79,754</u>	<u>-</u>	<u>70,800</u>
Included in the measure of segment (loss)/profit are:				
- Write-down of inventories	(1,338)	(3,890)	-	(5,228)
- Depreciation and amortisation	(36,841)	(7,830)	-	(44,671)
- Amortisation of government grants	3,886	-	-	3,886
- Gain on disposal of property, plant and equipment	143	2	-	145
- Net loss on impairment of financial instruments and contract assets	<u>(338)</u>	<u>(255)</u>	<u>-</u>	<u>(593)</u>

## 11. Property, plant and equipment

Property, plant and equipment amounting to RM26.8 million were acquired during the financial period ended 31 December 2021 (financial period ended 31 December 2020: RM32.9 million).

There were disposals of property, plant and equipment with net book value of RM1,000 during the financial period ended 31 December 2021 (financial period ended 31 December 2020: Nil).

## 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-Dec-21 RM'000	31-Dec-20 RM'000
Contracted but not provided for	<u>49,136</u>	<u>20,609</u>

**16. Significant related party transactions**

Significant transactions with related parties are as follows:

	9 months ended 31-Dec-21 RM'000
<u>Provision of goods/ services to related parties</u>	
Sale of aerospace parts and other precision tools	10,165
Sale of fabrication, machining services and special process services	2,793
Provision of corporate management services, engineering and administrative services	319
<u>Purchase of goods/ services from related parties</u>	
Rental of office, factory premises and machines	4,309
Purchase of fabrication/ machining / special process services	2,232
Purchase of corporate management services, engineering & administrative services	3,614
Purchase of precision engineering parts	133

## 17. Review of performance

	Current	Immediate	Changes
	Quarter Ended	Preceding Quarter Ended	
	31-Dec-21	30-Sep-21	
	RM'000	RM'000	RM'000
Revenue	351,113	234,829	116,284
Operating profit	34,119	21,887	12,232
Profit before interest and tax	34,129	21,895	12,234
Profit before tax	33,460	21,368	12,092
Profit for the period	25,201	16,514	8,687
Profit attributable to Owners of the Company	25,201	16,514	8,687

The increase in Group revenue of RM116.3 million was due to the increase in revenue from the Aerospace and Equipment segments of RM11.2 million and RM105.1 million respectively. The higher revenue from the Aerospace segment was due to increase in sales of casing and aerostructures products. For the Equipment segment, the higher revenue was mainly due to increase in demand from the semiconductor and data storage customers.

The increase in Group profit before tax of RM12.1 million was attributable to the higher profit contribution from the Aerospace and Equipment segments of RM0.7 million and RM11.4 million respectively. The higher profit contribution from Aerospace segment was mainly due to higher sales. The profit before tax for Equipment segment was higher mainly due to higher sales offset by inventory written-off and unfavourable foreign exchange movements.

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

	Current Quarter 3 months ended			Cumulative Quarter 9 months ended		
	31-Dec-21	31-Dec-20	Changes	31-Dec-21	31-Dec-20	Changes
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	351,113	205,378	145,735	788,717	597,256	191,461
Operating profit	34,119	19,167	14,952	72,514	54,781	17,733
Profit before interest and tax	34,129	19,181	14,948	72,537	54,815	17,722
Profit before tax	33,460	18,645	14,815	70,800	52,540	18,260
Profit for the period	25,201	12,422	12,779	53,693	35,112	18,581
Profit attributable to Owners of the Company	25,201	12,422	12,779	53,693	35,112	18,581

Current quarter compared with immediate preceding year's corresponding quarter

The increase in Group revenue of RM145.7 million was due to the increase in revenue from the Aerospace and Equipment segments of RM15.4 million and RM130.3 million respectively. The higher revenue from the Aerospace segment was mainly due to increase in sales of casing and aerostructures products. For the Equipment segment, the higher revenue was mainly due to increase in demand from the semiconductor and data storage customers.

The increase in Group profit before tax of RM14.8 million was attributable to the higher profit contribution from Aerospace and Equipment segments of RM3.9 million and RM10.9 million respectively. The higher profit contribution from Aerospace segment was mainly due to higher sales offset by lower government grants and subsidies. The profit before tax for Equipment segment was higher mainly due to higher sales offset by inventory written-off.

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

The increase in Group revenue of RM191.5 million was due to the increase in revenue from the Aerospace and Equipment segments of RM56.2 million and RM135.3 million respectively. The higher revenue from the Aerospace segment was mainly due to increase in sales of casing and aerostructures products. For the Equipment segment, the higher revenue was mainly due to increase in demand from the semiconductor and data storage customers.

The increase in Group profit before tax of RM18.3 million was attributable to the higher profit contribution from Aerospace and Equipment segments of RM7.7 million and RM10.6 million respectively. The higher profit contribution from Aerospace segment was due to higher sales but offset by lower government grants and subsidies. The profit before tax for Equipment segment was higher mainly due to higher sales offset by inventory written-off.

## 19. Current year prospects

The aviation industry is recovering gradually from the impact of the COVID-19 pandemic. IATA (International Air Transport Association) reported improved air-passenger travel in December 2021 to about 55% of pre-COVID levels. Aircraft deliveries from Airbus and Boeing in 2021 have also increased 24% from 723 to 951 aircraft. We are expecting the aviation industry to continue picking up momentum as more countries open up their borders.

SEMI (Semiconductor Equipment and Materials International) estimated that the global semiconductor equipment sales in 2021 will hit new high of USD103Billion and forecasted that global semiconductor equipment sales in 2022 and 2023 will be in excess of USD110Billion. We are expecting good performance from Equipment segment arising from this.

## 20. Profit forecast and profit guarantee

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

## 21. Taxation

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31-Dec-21 RM'000	31-Dec-20 RM'000	31-Dec-21 RM'000	31-Dec-20 RM'000
Current period				
- income tax	9,935	5,472	23,134	17,369
- deferred tax	(1,676)	75	(5,386)	(511)
	<u>8,259</u>	<u>5,547</u>	<u>17,748</u>	<u>16,858</u>
Prior period				
- provision for taxation	-	693	-	693
- deferred tax	-	(17)	(641)	(123)
	<u>8,259</u>	<u>6,223</u>	<u>17,107</u>	<u>17,428</u>

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 and financial year-to-date.

## 22. Corporate proposals

On 6 January 2022, the Company announced that it proposed to undertake a proposed bonus issue of up to 406,049,691 new ordinary shares in SAM Engineering & Equipment (M) Berhad (SAMEE Share(s)) (“Bonus Shares”) on the basis of 3 Bonus Shares for every 1 existing SAMEE Share (“Proposed Bonus Issue”). On 13 January 2022, Bursa Securities had approved the listing and quotation for up to 406,049,691 Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities. On 16 February 2022, the shareholders have approved the Proposed Bonus Issue in the Extraordinary General Meeting.

Save as above, there were no other corporate proposals made for the financial period ended 31 December 2021.

## 23. Borrowings and debt securities

The Group’s total bank borrowings as at 31 December 2021 are as follows: -

	As at 31-Dec-21		As at 31-Dec-20	
	Unsecured RM’000	Total RM’000	Unsecured RM’000	Total RM’000
<b>Short term borrowings</b>				
Revolving credits	190,536	190,536	66,746	66,746
Term loan - variable rate	6,782	6,782	6,500	6,500
<b>Long term borrowings</b>				
Term loan - variable rate	7,586	7,586	13,775	13,775
<b>Total borrowings</b>	<u>204,904</u>	<u>204,904</u>	<u>87,021</u>	<u>87,021</u>

	As at 31-Dec-21			As at 31-Dec-20		
		Foreign Currency '000	RM Equivalent RM’000		Foreign Currency '000	RM Equivalent RM’000
<b>Short Term Borrowings</b>						
Unsecured	USD	46,610	197,318	USD	18,052	73,246
<b>Long term borrowings</b>						
Unsecured	USD	1,792	7,586	USD	3,395	13,775
<b>Total borrowings</b>			<u>204,904</u>			<u>87,021</u>

The Group’s total borrowings increased from RM87.0 million as at 31 December 2020 to RM204.9 million as at 31 December 2021 mainly due to the increase in utilisation of short term banking facilities to finance the increase in working capital.

## 24. Derivative financial instruments

	As at	
	31-Dec-21	
	Contract/ Notional RM'000	Fair value RM'000
Foreign exchange contracts		
- Less than 1 year	130,947	(1,261)

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. Proposed dividend

No dividend has been recommended in respect of the current quarter.

## 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		Cumulative Quarter	
	3 months ended		9 months ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Net profit attributable to ordinary shareholders (RM'000)	25,201	12,422	53,693	35,112
Weighted average no. of ordinary shares ('000)	135,350	135,167	135,346	135,167
Basic earnings per ordinary share (sen)	18.62	9.19	39.67	25.98

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  
16 February 2022