



SAM ENGINEERING & EQUIPMENT (M) BERHAD

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR QUARTER ENDED 30 SEPTEMBER 2022

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
 30 SEPTEMBER 2022**

(The figures have not been audited)

	Note	As at 30-Sep-22 RM'000	As at 31-Mar-22 RM'000 (Audited)
Assets			
Property, plant and equipment		346,117	295,907
Right-of-use assets		44,012	35,315
Intangible assets		11,185	10,706
Deferred tax assets		11,656	4,796
Prepayments		9,421	22,712
Total non-current assets		422,391	369,436
Inventories		389,385	335,095
Contract assets		185,453	150,335
Trade and other receivables		418,963	316,639
Derivative financial assets	24	-	147
Current tax assets		4,732	4,446
Cash and bank balances		24,797	31,063
Total current assets		1,023,330	837,725
Total assets		1,445,721	1,207,161
Equity			
Share capital		214,785	213,967
Reserves		563,627	480,718
Equity attributable to owners of the Company		778,412	694,685
Liabilities			
Loans and borrowings	23	2,675	5,852
Lease liabilities		22,318	20,408
Deferred income		8,054	8,266
Provisions		317	193
Deferred tax liabilities		16,401	13,471
Total non-current liabilities		49,765	48,190
Loans and borrowings	23	328,897	205,188
Lease liabilities		13,508	7,059
Deferred income		1,621	1,606
Trade and other payables		236,090	230,013
Contract liabilities		2,465	615
Derivative financial liabilities	24	4,377	872
Provisions		8,264	7,767
Current tax liabilities		22,322	11,166
Total current liabilities		617,544	464,286
Total liabilities		667,309	512,476
Total equity and liabilities		1,445,721	1,207,161
Net assets per share (sen)		144	128

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022.

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 PERIOD ENDED 30 SEPTEMBER 2022

(The figures have not been audited)

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
Note	RM'000	RM'000	RM'000	RM'000
Revenue	406,524	234,829	760,491	437,604
Cost of sales	(354,017)	(208,795)	(669,395)	(389,320)
Gross profit	52,507	26,034	91,096	48,284
Other operating income	4,955	5,604	10,613	10,438
Distribution and administrative expenses	(14,364)	(9,391)	(27,436)	(17,625)
Net (loss)/gain on impairment of financial instruments and contract assets	(164)	(23)	785	287
Other operating expenses	(4,320)	(337)	(5,492)	(2,989)
Net finance costs	(2,241)	(519)	(3,384)	(1,055)
Profit before tax	36,373	21,368	66,182	37,340
Income tax expense	21 (9,431)	(4,854)	(15,712)	(8,848)
Profit for the period	9 26,942	16,514	50,470	28,492
Items that are or may be reclassified subsequently to profit and loss				
Cash flow hedge	959	(262)	(1,935)	(212)
Foreign currency translation differences	17,662	5,972	54,016	602
	18,621	5,710	52,081	390
Total comprehensive income for the period	45,563	22,224	102,551	28,882
Profit attributable to:				
Owners of the Company	26,942	16,514	50,470	28,492
Total comprehensive income attributable to:				
Owners of the Company	45,563	22,224	102,551	28,882
Earnings per share				
Basic/Diluted earnings per ordinary share (sen) *	27 4.98	3.05	9.32	5.26

* Comparative figures are adjusted to reflect the bonus issue which was completed on 3 March 2022.

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022.
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 30 SEPTEMBER 2022

(The figures have not been audited)

	Share Capital	<----- Non Distributable -----> Employees' Share Grant Scheme Reserve	Hedging Reserve	Translation Reserve	Distributable Retained Earnings	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2021	212,731	1,483	(36)	69,260	343,006	626,444
Total comprehensive income/(expense) for the period	-	-	(212)	602	28,492	28,882
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	-	247	-	-	-	247
	1,236	(989)	-	-	(14,929)	(14,682)
At 30 September 2021	213,967	494	(248)	69,862	356,569	640,644
At 1 April 2022	213,967	693	(1,255)	77,748	403,532	694,685
Total comprehensive (expense)/income for the period	-	-	(1,935)	54,016	50,470	102,551
Transactions with owners of the Company						
- Issuance of shares pursuant to Employees' Share Grant Scheme	818	(818)	-	-	-	-
- Dividends to owners of the Company (Note 8)	-	-	-	-	(18,949)	(18,949)
- Share-based payment transactions	-	125	-	-	-	125
	818	(693)	-	-	(18,949)	(18,824)
At 30 September 2022	214,785	-	(3,190)	131,764	435,053	778,412

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 2022.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

(The figures have not been audited)

	Period Ended	
	30-Sep-22 RM'000	30-Sep-21 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	66,182	37,340
Adjustments for:		
Accretion of interest on lease liabilities	767	673
Amortisation of intangible assets	1,351	1,412
Amortisation of government grants	(930)	(225)
Depreciation of property, plant and equipment	26,870	23,510
Depreciation of right-of-use assets	5,218	4,417
Employees' Share Grant Scheme expenses	125	247
Fair value loss/(gain) on derivatives	1,717	(1,269)
Gain on disposal of plant and equipment	(62)	(128)
Interest expenses	2,632	395
Interest income	(15)	(13)
Net gain on impairment on		
- trade receivables	(415)	(120)
- contract assets	(370)	(167)
Property, plant and equipment written off	-	37
Provision for warranties	417	549
Reversal of provision for warranties	(408)	(707)
Reversal of provision for onerous contract	-	(42)
Operating profit before changes in working capital	103,079	65,909
Changes in working capital :		
Trade and other receivables	(83,505)	(9,390)
Inventories	(55,671)	(94,631)
Contract assets	(11,590)	7,679
Trade and other payables	5,256	(3,571)
Contract liabilities	1,872	669
Provisions	417	50
Cash used in operations	(40,142)	(33,285)
Income tax paid	(10,127)	(10,578)
Net cash used in operating activities	(50,269)	(43,863)

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD
 ENDED 30 SEPTEMBER 2022 (CONT'D)**

(The figures have not been audited)

	Period Ended	
	30-Sep-22 RM'000	30-Sep-21 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(84,756)	(9,451)
Purchase of intangible assets	(1,041)	(266)
Interest received	15	13
Proceeds from disposal of plant and equipment	66	129
Net cash used in investing activities	<u>(85,716)</u>	<u>(9,575)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(18,949)	(14,929)
Interest paid	(3,399)	(1,068)
Repayment of term loans	(6,291)	(3,283)
Drawdown of other borrowings	126,823	75,104
Payment of lease liabilities	(4,140)	(3,825)
Net cash generated from financing activities	<u>94,044</u>	<u>51,999</u>
Net decrease in cash and cash equivalents	(41,941)	(1,439)
Cash and cash equivalents at beginning of year	31,063	16,107
Effect of exchange rate fluctuations	35,675	313
Cash and cash equivalents at end of period	<u>24,797</u>	<u>14,981</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022.
 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, 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 2022. 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 2022.

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 17, Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- 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

MFRSs and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16 Leases- Lease Liability in a Sale and Leaseback

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 2022 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 6 September 2022, 189,840 new ordinary shares of the Company were allotted to the eligible employees of the Group pursuant to Employees' Share Grant Scheme at the issue price of RM4.3080 per share. As a result, the number of shares in issue of the Company were increased from 541,399,588 to 541,589,428 ordinary shares.

Saved as disclosed above, there were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities for the financial period ended 30 September 2022.

8. Dividends

A single tier first interim dividend of 3.50 sen per ordinary share totaling RM18.9 million for the financial year ended 31 March 2022 was paid on 18 August 2022.

In preceding year, a single tier first interim dividend of 2.76 sen per ordinary share (after adjusting for bonus issue exercise on 3 March 2022) totaling RM14.9 million for the financial year ended 31 March 2021 was paid on 18 August 2021.

9. Profit for the year

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

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30-Sep-22 RM'000	30-Sep-21 RM'000	30-Sep-22 RM'000	30-Sep-21 RM'000
Accretion of interest on lease liabilities	376	330	767	673
Amortisation of intangible assets	716	704	1,351	1,412
Depreciation of property, plant and equipment	13,557	11,910	26,870	23,510
Depreciation of right-of-use assets	2,607	2,253	5,218	4,417
Fair value loss/(gain) on derivatives	1,362	(635)	1,717	(1,269)
Foreign exchange loss/(gain)	1,966	(329)	2,519	1,075
Gain on disposal of property, plant and equipment	(62)	-	(62)	(128)
Government grants and subsidies	(1,110)	(2,233)	(2,824)	(5,122)
Interest expense	1,880	197	2,632	395
Interest income	(15)	(8)	(15)	(13)
Net loss/(gain) on impairment of financial instruments and contract assets	164	23	(785)	(287)
Other income	(3,860)	(2,773)	(7,804)	(3,956)
Property, plant and equipment written off	-	37	-	37
Write down/(back) of inventories	591	177	(610)	758

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
Revenue				
Revenue from external customers	147,161	613,330	-	760,491
Inter-segment revenue	2,148	-	(2,148)	-
	<u>149,309</u>	<u>613,330</u>	<u>(2,148)</u>	<u>760,491</u>
Results				
(Loss)/Profit before tax (segment profit)	<u>(4,203)</u>	<u>70,385</u>	<u>-</u>	<u>66,182</u>
Included in the measure of segment (loss)/profit are:				
- Write back of inventories	185	425	-	610
- Depreciation and amortisation	(25,798)	(7,641)	-	(33,439)
- Amortisation of government grants	(930)	-	-	(930)
- Gain on disposal of property, plant and equipment	4	58	-	62
- Net gain/(loss) on impairment of financial instruments and contract assets	806	(21)	-	785

11. Property, plant and equipment

Property, plant and equipment amounting to RM84.8 million were acquired during the financial period ended 30 September 2022 (financial period ended 30 September 2021: RM9.5 million).

There were disposals of property, plant and equipment with net book value of RM4,000 during the financial period ended 30 September 2022 (financial period ended 30 September 2021: RM1,000).

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

	30-Sep-22 RM'000	30-Sep-21 RM'000
Contracted but not provided for	157,974	25,410

16. Significant related party transaction

Significant transactions with related parties are as follows:

	6 months ended 30-Sep-22 RM'000
<u>Provision of goods/ services to related parties</u>	
Sale of aerospace parts and other precision tools	8,006
Sale of fabrication, machining services and special process services	2,026
Provision of corporate management services, engineering and administrative services	652
<u>Purchase of goods/ services from related parties</u>	
Rental of office, factory premises and machines	2,959
Purchase of fabrication/ machining services / special process services	2,817
Purchase of corporate management services, engineering & administrative services	2,198

17. Review of performance

	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes
	30-Sep-22	30-Jun-22	
	RM'000	RM'000	RM'000
Revenue	406,524	353,967	52,557
Operating profit	38,614	30,952	7,662
Profit before interest and tax	38,629	30,952	7,677
Profit before tax	36,373	29,809	6,564
Profit for the period	26,942	23,528	3,414
Profit attributable to Owners of the Company	26,942	23,528	3,414

The increase in Group revenue of RM52.6 million was due to the increase in revenue from Aerospace and Equipment segments of RM17.9 million and RM34.7 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 mainly due to increase in demand from the semiconductor customers and favourable foreign exchange translation.

The increase in Group profit before tax of RM6.6 million was attributable to higher profit contribution from Equipment segment of RM7.4 million offset with lower profit contribution from the Aerospace segment of RM0.8 million. The higher profit from Equipment segment was mainly due to higher sales and favourable sales mix due to higher sales of higher margin products offset with start-up cost in Thailand and escalation of manpower cost. The profit from Aerospace segment was lower mainly due to inventory provisions, provision for expected credit loss arising from trade receivables and contract assets and higher repair and maintenance expenses.

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

	Current Quarter 3 months ended			Cumulative Quarter 6 months ended		
	30-Sep-22 RM'000	30-Sep-21 RM'000	Changes RM'000	30-Sep-22 RM'000	30-Sep-21 RM'000	Changes RM'000
Revenue	406,524	234,829	171,695	760,491	437,604	322,887
Operating profit	38,614	21,887	16,727	69,566	38,395	31,171
Profit before interest and tax	38,629	21,895	16,734	69,581	38,408	31,173
Profit before tax	36,373	21,368	15,005	66,182	37,340	28,842
Profit for the period/year	26,942	16,514	10,428	50,470	28,492	21,978
Profit attributable to Owners of the Company	26,942	16,514	10,428	50,470	28,492	21,978

Current quarter compared with immediate preceding year's corresponding quarter

The increase in Group revenue of RM171.7 million was due to the increase in revenue from the Aerospace and Equipment segments of RM22.2 million and RM149.5 million respectively. The higher revenue from the Aerospace segment was mainly due to increase in sales of casing and aerostructures products and favourable foreign exchange translation. For the Equipment segment, the higher revenue was mainly due to increase in demand from the semiconductor and data storage customers and favourable foreign exchange translation.

The increase in Group profit before tax of RM15.0 million was attributable to higher profit contribution from Equipment segment of RM15.6 million offset with lower profit contribution from the Aerospace segment RM0.6 million. Profit from Equipment segment was higher mainly due to higher sales and favourable foreign exchange translation offset with start-up cost in Thailand and escalation of manpower cost. The lower profit contribution from Aerospace segment mainly due to higher utility expenses due to surge in electricity tariff and lower government grants and subsidies.

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

The increase in Group revenue of RM322.9 million was due to the increase in revenue from the Aerospace and Equipment segments of RM40.1 million and RM282.8 million respectively. The higher revenue from the Aerospace segment was mainly due to increase in sales of casing and aerostructures products and favourable foreign exchange translation. For the Equipment segment, the higher revenue was mainly due to increase in demand from the semiconductor and data storage customers and favourable foreign exchange translation.

The increase in Group profit before tax of RM28.8 million was attributable to the higher profit contribution from the Aerospace and Equipment segment of RM3.6 million and RM25.2 million respectively. The higher profit contribution from Aerospace segment was mainly due to higher sales offset by higher utility expenses due to surge in electricity tariff and lower government grants and subsidies. The profit from Equipment segment was higher mainly due to higher sales and favourable foreign exchange translation offset with start-up cost in Thailand and escalation of manpower cost.

19. Current year prospects

IATA (International Air Transport Association) reported that global air travel in September 2022 has recovered to about 74% of pre-pandemic (2019) level. It noted strong forward air ticket bookings that pointed to resilient travels for both domestic and international traffic globally, except for China which is still adhering to its zero-Covid policy. The demand for our products used in the A320neo, B737Max and A220 aircraft continue to grow stronger during this recovery period.

SEMI (Semiconductor Equipment and Materials International) estimated that fab equipment sales would grow 9% in 2022, reaching USD 99 billion but would taper off to USD 97 billion in 2023. In SEMI's October 2022 report, it highlighted surging demand from the automotive industry. The adverse effects from high energy costs, inflation and interest rates may pose recession risks in many countries.

We are closely monitoring the situation and are engaging with our customers and suppliers to mitigate any potential risks. We are glad to announce that our expansion in Thailand is on schedule.

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 6 months ended	
	30-Sep-22 RM'000	30-Sep-21 RM'000	30-Sep-22 RM'000	30-Sep-21 RM'000
Current period				
- income tax	12,345	7,104	20,045	13,199
- deferred tax	(2,937)	(1,625)	(4,395)	(3,710)
	9,408	5,479	15,650	9,489
Prior period				
- deferred tax	23	(625)	62	(641)
	9,431	4,854	15,712	8,848

The effective tax rate excluding prior period provision or reversal for 6 months ended 30 September 2022 of the Group is lower than the statutory tax rate mainly due to the non-taxable income and tax incentives.

22. Corporate proposal

The acquisition of land and buildings located in Chonburi, Thailand which was announced on 30 August 2022 is pending completion.

23. Borrowings and debt securities

The Group's total bank borrowings as at 30 September 2022 are as follows: -

	As at 30-Sep-22		As at 30-Sep-21	
	Unsecured RM'000	Total RM'000	Unsecured RM'000	Total RM'000
Short term borrowings				
Revolving credits	325,275	325,275	146,294	146,294
Term loan - variable rate	3,622	3,622	6,668	6,668
Long term borrowings				
Term loan - variable rate	2,675	2,675	9,127	9,127
Total borrowings	<u>331,572</u>	<u>331,572</u>	<u>162,089</u>	<u>162,089</u>

	As at 30-Sep-22			As at 30-Sep-21		
		Foreign Currency '000	RM Equivalent RM'000		Foreign Currency '000	RM Equivalent RM'000
Short Term Borrowings						
Unsecured	USD	72,652	328,897	USD	36,752	152,962
Long term borrowings						
Unsecured	USD	591	2,675	USD	2,193	9,127
Total borrowings			<u>331,572</u>			<u>162,089</u>

The Group's total borrowings increased to RM331.6 million as at 30 September 2022 as compared to RM162.1 million as at 30 September 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 30-Sep-22	
	Contract/ Notional RM'000	Fair value RM'000
Foreign exchange contracts		
- Less than 1 year	<u>141,215</u>	<u>(4,377)</u>

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		6 months ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
Net profit attributable to ordinary shareholders (RM'000)	26,942	16,514	50,470	28,492
Weighted average no. of ordinary shares ('000) *	541,451	541,400	541,426	541,400
Basic earnings per ordinary share (sen) *	<u>4.98</u>	<u>3.05</u>	<u>9.32</u>	<u>5.26</u>

* Comparative figures are adjusted to reflect the bonus issue which was completed on 3 March 2022.

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)

Yeoh Sze Min (SSM PC No. 201908003120, MAICSA 7065735)
Chew Peck Kheng (SSM PC No. 202008001118, LS 0009559)
Company Secretaries
Penang
29 November 2022