



SAM ENGINEERING & EQUIPMENT (M) BERHAD

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT

FOR QUARTER ENDED 31 MARCH 2023

CONTENTS

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

SAM ENGINEERING & EQUIPMENT (M) BERHAD

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

(The figures have not been audited)

	Note	As at 31-Mar-23 RM'000	As at 31-Mar-22 RM'000 (Audited)
Assets			
Property, plant and equipment		476,786	295,907
Right-of-use assets		38,003	35,315
Intangible assets		12,311	10,706
Deferred tax assets		13,310	4,796
Prepayments		23,570	22,712
Total non-current assets		563,980	369,436
Inventories		481,113	335,095
Contract assets		191,841	150,335
Trade and other receivables		342,067	316,639
Derivative financial assets	24	2,370	147
Current tax assets		5,221	4,446
Cash and bank balances		21,045	31,063
Total current assets		1,043,657	837,725
Total assets		1,607,637	1,207,161
Equity			
Share capital		214,785	213,967
Reserves		600,079	480,718
Equity attributable to owners of the Company		814,864	694,685
Liabilities			
Loans and borrowings	23	74,920	5,852
Lease liabilities		19,267	20,408
Deferred income		627	8,266
Provisions		812	193
Deferred tax liabilities		17,523	13,471
Total non-current liabilities		113,149	48,190
Loans and borrowings	23	404,601	205,188
Lease liabilities		10,885	7,059
Deferred income		207	1,606
Trade and other payables		241,177	230,013
Contract liabilities		-	615
Derivative financial liabilities	24	959	872
Provisions		8,151	7,767
Current tax liabilities		13,644	11,166
Total current liabilities		679,624	464,286
Total liabilities		792,773	512,476
Total equity and liabilities		1,607,637	1,207,161
Net assets per share (sen)		150	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 YEAR ENDED 31 MARCH 2023

(The figures have not been audited)

	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Note	RM'000	RM'000	RM'000	RM'000
Revenue	337,655	358,928	1,445,358	1,147,645
Cost of sales	(299,225)	(320,241)	(1,277,305)	(1,018,883)
Gross profit	38,430	38,687	168,053	128,762
Other operating income	17,113	10,949	27,679	25,681
Distribution and administrative expenses	(17,177)	(17,049)	(60,762)	(44,771)
Net (loss)/gain on impairment of financial and contract assets	(87)	1,130	596	537
Other operating expenses	(4,916)	(3,361)	(5,545)	(7,339)
Net finance costs	(7,636)	(705)	(15,050)	(2,419)
Profit before tax	25,727	29,651	114,971	100,451
Income tax expense	21 (6,534)	(7,889)	(26,122)	(24,996)
Profit for the year	9 19,193	21,762	88,849	75,455
Items that are or may be reclassified subsequently to profit and loss				
Cash flow hedge	(15)	(106)	2,588	(1,219)
Foreign currency translation differences	17,103	(4,556)	47,461	8,488
	17,088	(4,662)	50,049	7,269
Total comprehensive income for the year	36,281	17,100	138,898	82,724
Profit attributable to:				
Owners of the Company	19,193	21,762	88,849	75,455
Total comprehensive income attributable to:				
Owners of the Company	36,281	17,100	138,898	82,724
Earnings per share				
Basic/Diluted earnings per ordinary share (sen)	27 3.54	4.02	16.41	13.94

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 YEAR ENDED 31 MARCH 2023

(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
At 1 April 2021	212,731	1,483	(36)	69,260	343,006	626,444
Total comprehensive (expense)/income for the year	-	-	(1,219)	8,488	75,455	82,724
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	-	446	-	-	-	446
	1,236	(790)	-	-	(14,929)	(14,483)
At 31 March 2022	213,967	693	(1,255)	77,748	403,532	694,685
At 1 April 2022	213,967	693	(1,255)	77,748	403,532	694,685
Total comprehensive income for the year	-	-	2,588	47,461	88,849	138,898
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	-	230	-	-	-	230
	818	(588)	-	-	(18,949)	(18,719)
At 31 March 2023	214,785	105	1,333	125,209	473,432	814,864

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. 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 YEAR ENDED 31 MARCH 2023

(The figures have not been audited)

	Year Ended	
	31-Mar-23	31-Mar-22
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	114,971	100,451
Adjustments for:		
Accretion of interest on lease liabilities	1,502	1,256
Amortisation of intangible assets	2,849	2,733
Amortisation of government grants	(9,604)	(9,048)
Depreciation of property, plant and equipment	55,513	48,493
Depreciation of right-of-use assets	10,597	8,950
Employees' Share Grant Scheme expenses	230	446
Fair value loss/(gain) on derivatives	452	(1,695)
Gain on disposal of plant and equipment	(125)	(146)
Interest expenses	13,659	1,191
Interest income	(111)	(28)
Net gain on impairment on		
- trade receivables	(463)	(462)
- contract assets	(133)	(75)
Property, plant and equipment written off	251	38
Provision for warranties	686	1,270
Provision for onerous contract	920	-
Reversal of provision for warranties	(1,276)	(2,168)
Reversal of provision for onerous contract	-	(33)
Operating profit before changes in working capital	189,918	151,173
Changes in working capital :		
Trade and other receivables	(25,095)	(81,748)
Inventories	(147,307)	(158,828)
Contract assets	(31,346)	(15,675)
Trade and other payables	10,538	78,346
Contract liabilities	(615)	(653)
Provisions	686	209
Cash used in operations	(3,221)	(27,176)
Income tax paid	(29,215)	(25,015)
Net cash used in operating activities	(32,436)	(52,191)

SAM ENGINEERING & EQUIPMENT (M) BERHAD

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023 (CONT'D)

(The figures have not been audited)

	Year Ended	
	31-Mar-23	31-Mar-22
	RM'000	RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(219,159)	(47,708)
Purchase of intangible assets	(3,749)	(680)
Interest received	111	28
Proceeds from disposal of plant and equipment	364	147
Receipt of capital grant from government	-	13,593
Net cash used in investing activities	<u>(222,433)</u>	<u>(34,620)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(18,949)	(14,929)
Interest paid	(15,161)	(2,447)
Drawdown/(Repayment) of term loans	73,962	(6,490)
Drawdown of other borrowings	194,519	127,262
Repayment of lease liabilities	(9,819)	(8,192)
Net cash generated from financing activities	<u>224,552</u>	<u>95,204</u>
Net decrease in cash and cash equivalents	(30,317)	8,393
Cash and cash equivalents at beginning of year	31,063	16,107
Effect of exchange rate fluctuations	20,299	6,563
Cash and cash equivalents at end of year	<u>21,045</u>	<u>31,063</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 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
- Amendments to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants

2. Significant accounting policies (Cont'd)

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

The Group does 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 year ended 31 March 2023.

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		Cumulative Quarter	
	3 months ended		12 months ended	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
	RM'000	RM'000	RM'000	RM'000
Accretion of interest on lease liabilities	378	277	1,502	1,256
Amortisation of intangible assets	768	653	2,849	2,733
Depreciation of property, plant and equipment	13,965	12,610	55,513	48,493
Depreciation of right-of-use assets	2,625	2,242	10,597	8,950
Fair value loss/(gain) on derivatives	2,424	(671)	452	(1,695)
Foreign exchange (gain)/loss	(4,867)	1,295	(513)	2,556
Gain on disposal of property, plant and equipment	(40)	(1)	(125)	(146)
Government grants and subsidies	(8,611)	(6,283)	(11,843)	(13,128)
Interest expense	7,327	433	13,659	1,191
Interest income	(69)	(5)	(111)	(28)
Net loss/(gain) on impairment of financial instruments and contract assets	87	(1,130)	(596)	(537)
Other income	(3,595)	(3,963)	(15,198)	(10,712)
Property, plant and equipment written off	241	1	251	38
Write down of inventories	5,119	2,037	6,031	7,265

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	329,087	1,116,271	-	1,445,358
Inter-segment revenue	4,171	-	(4,171)	-
	<u>333,258</u>	<u>1,116,271</u>	<u>(4,171)</u>	<u>1,445,358</u>
Results				
(Loss)/Profit before tax (segment profit)	<u>(1,929)</u>	<u>116,900</u>	<u>-</u>	<u>114,971</u>
Included in the measure of segment (loss)/profit are:				
- Write down of inventories	(5,250)	(781)	-	(6,031)
- Depreciation and amortisation	(51,775)	(17,184)	-	(68,959)
- Amortisation of government grants	(9,604)	-	-	(9,604)
- Gain on disposal of property, plant and equipment	75	50	-	125
- Net gain on impairment of financial instruments and contract assets	<u>359</u>	<u>237</u>	<u>-</u>	<u>596</u>

11. Property, plant and equipment

Property, plant and equipment amounting to RM219.2 million were acquired during the financial year ended 31 March 2023 (financial year ended 31 March 2022: RM47.7million).

There were disposals of property, plant and equipment with net book value of RM239,000 during the financial year ended 31 March 2023 (financial year ended 31 March 2022: 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

	31-Mar-23 RM'000	31-Mar-22 RM'000
Contracted but not provided for	<u>68,339</u>	<u>59,523</u>

16. Significant related party transaction

Significant transactions with related parties are as follows:

	12 months ended 31-Mar-23 RM'000
<u>Provision of goods/ services to related parties</u>	
Sale of aerospace parts and other precision tools	17,080
Sale of fabrication, machining services and special process services	4,491
Provision of corporate management services, engineering and administrative services	1,527
<u>Purchase of goods/ services from related parties</u>	
Rental of office, factory premises and machines	6,293
Purchase of fabrication/ machining services/ special process services	9,642
Purchase of corporate management services, engineering & administrative services	6,294

17. Review of performance

	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes
	31-Mar-23	31-Dec-22	
	RM'000	RM'000	RM'000
Revenue	337,655	347,212	(9,557)
Operating profit	33,363	27,092	6,271
Profit before interest and tax	33,432	27,119	6,313
Profit before tax	25,727	23,062	2,665
Profit for the period	19,193	19,186	7
Profit attributable to Owners of the Company	19,193	19,186	7

The decrease in Group revenue by RM9.6 million was due to the decrease in revenue from Equipment segment by RM17.3 million offset with increase in revenue from Aerospace segment by RM7.7 million. The lower revenue from Equipment segment was mainly due to decrease in demand from the semiconductor and data storage customers. For the Aerospace segment, the higher revenue was mainly due to recovery of sales of engine casings and aerostructure products.

The increase in Group profit before tax of RM2.7 million was attributable to the higher profit contribution from Aerospace segment by RM5.5 million mainly due to higher sales and government grants. The lower profit contribution from the Equipment segment by RM2.8 million was mainly due to lower sales, start-up cost in Thailand and higher interest expenses.

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-23	31-Mar-22	Changes	31-Mar-23	31-Mar-22	Changes
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	337,655	358,928	(21,273)	1,445,358	1,147,645	297,713
Operating profit	33,363	30,356	3,007	130,021	102,870	27,151
Profit before interest and tax	33,432	30,361	3,071	130,132	102,898	27,234
Profit before tax	25,727	29,651	(3,924)	114,971	100,451	14,520
Profit for the period/year	19,193	21,762	(2,569)	88,849	75,455	13,394
Profit attributable to Owners of the Company	19,193	21,762	(2,569)	88,849	75,455	13,394

Current quarter compared with immediate preceding year's corresponding quarter

The decrease in Group revenue by RM21.3 million was due to the decrease in revenue from Equipment segment by RM42.9 million offset with increase in revenue from the Aerospace segment by RM21.6 million. For the Equipment segment, the lower revenue was mainly due to decrease in demand from the semiconductor and data storage customers offset with favourable foreign exchange translation. The higher revenue from Aerospace segment was mainly due to recovery of sales of engine casings and favourable foreign exchange translation.

The decrease in Group profit before tax by RM3.9 million was attributable to lower profit contribution from the Equipment segment by RM10.5 million mainly due to lower sales, start-up cost in Thailand and higher interest expenses. For the Aerospace segment, the higher profit contribution by RM6.6 million was mainly due to increase in sales.

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

The increase in Group revenue of RM297.7 million was due to the increase in revenue from the Aerospace and Equipment segments by RM77.3 million and RM220.4 million respectively mainly due to increase in demand from the customers and favourable foreign exchange translation.

The increase in Group profit before tax of RM14.5 million was attributable to the higher profit contribution from Equipment segment by RM9.7 million and smaller loss from Aerospace segment by RM4.8 million. The increase in Group profit before tax was mainly due to higher sales offset by start-up cost in Thailand, escalation of manpower cost, higher interest expenses and higher utility expenses.

19. Current year prospects

The International Air Transport Association (IATA) reported that air passenger travel has recovered to 88% of pre-pandemic level (2019) as of March 2023. This is largely contributed by China reopening its borders. The demand for single aisle aircraft products remains strong but supply chain issues continue to plague the Aerospace industry as materials suppliers face challenges in ramping production rate back to pre-pandemic levels.

According to Semiconductor Equipment and Material International (SEMI), global fab equipment spending has achieved a record high of USD98B in 2022. However, due to the weaker chip demand and higher inventory of consumer devices, fab equipment spending in 2023 is forecasted to decline to USD76B before projecting to recover in 2024 to USD92B. Mega trends in digitalisation and electrifications are expected to spur growth in cloud computing, high-speed network connectivity, artificial intelligence (AI) and electric vehicles. Governmental efforts and initiatives to onshore the production of semiconductor chips in the US, EU zone, Japan, Korea and Taiwan, have also triggered increased spending in semiconductor production equipment. We are expanding our production capacity in Thailand in response to our customers' demand forecasts.

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 12 months ended	
	31-Mar-23 RM'000	31-Mar-22 RM'000	31-Mar-23 RM'000	31-Mar-22 RM'000
Current period				
- income tax	6,520	2,062	31,977	25,196
- deferred tax	223	2,652	(3,349)	(2,734)
	<u>6,743</u>	<u>4,714</u>	<u>28,628</u>	<u>22,462</u>
Prior period				
- income tax	664	(4,037)	(850)	(4,037)
- deferred tax	(873)	7,212	(1,656)	6,571
	<u>6,534</u>	<u>7,889</u>	<u>26,122</u>	<u>24,996</u>

The effective tax rate exclude prior period provisions for the Group is higher than the statutory tax rate mainly due to the deferred tax assets on some tax losses and capital allowance carry-forward was not recognised because it is not probable that future taxable profits will be available and deferred tax assets on losses for certain subsidiaries are at lower statutory tax rates.

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 2023 are as follows: -

	As at 31-Mar-23		As at 31-Mar-22	
	Unsecured RM'000	Total RM'000	Unsecured RM'000	Total RM'000
Short term borrowings				
Revolving credits	392,971	392,971	198,452	198,452
Term loan - variable rate	11,630	11,630	6,736	6,736
Long term borrowings				
Term loan - variable rate	74,920	74,920	5,852	5,852
Total borrowings	<u>479,521</u>	<u>479,521</u>	<u>211,040</u>	<u>211,040</u>

	As at 31-Mar-23			As at 31-Mar-22		
		Foreign Currency '000	RM Equivalent RM'000		Foreign Currency '000	RM Equivalent RM'000
Short Term Borrowings						
Unsecured	USD	90,172	404,601	USD	48,802	205,188
Long term borrowings						
Unsecured	USD	16,697	74,920	USD	1,392	5,852
Total borrowings			<u>479,521</u>			<u>211,040</u>

The Group's total borrowings increased to RM479.5 million as at 31 March 2023 as compared to RM211.0 million as at 31 March 2022 mainly due to the increase in utilisation of banking facilities to finance the purchase of property, plant and equipment and increase in working capital.

24. Derivative financial instruments

	As at 31-Mar-23	
	Contract/ Notional RM'000	Fair value RM'000
Foreign exchange contracts		
- Less than 1 year	154,631	1,411

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 2023, an interim single tier dividend of 2.50 sen per ordinary share has been declared on 24 May 2023 and will be paid on 8 August 2023 to depositors who are registered in the Records of Depositors at the close of business on 18 July 2023 (In respect of financial year ended 31 March 2022: 3.50 sen per ordinary share).

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	3 months ended	12 months ended	12 months ended
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Net profit attributable to ordinary shareholders (RM'000)	19,193	21,762	88,849	75,455
Weighted average no. of ordinary shares ('000)	541,589	541,400	541,507	541,388
Basic earnings per ordinary share (sen)	<u>3.54</u>	<u>4.02</u>	<u>16.41</u>	<u>13.94</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)

Yeoh Sze Min (SSM PC No. 201908003120, MAICSA 7065735)
 Chew Peck Kheng (SSM PC No. 202008001118, LS 0009559)
 Company Secretaries
 Penang
 24 May 2023