



SAM ENGINEERING & EQUIPMENT (M) BERHAD

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR QUARTER ENDED 30 SEPTEMBER 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
 30 SEPTEMBER 2023**

(The figures have not been audited)

	Note	As at 30-Sep-23 RM'000	As at 31-Mar-23 RM'000 (Audited)
Assets			
Property, plant and equipment		503,615	476,786
Right-of-use assets		36,362	38,003
Intangible assets		14,746	12,311
Deferred tax assets		21,782	13,310
Prepayments		27,138	23,570
Total non-current assets		<u>603,643</u>	<u>563,980</u>
Inventories		469,795	481,113
Contract assets		231,198	191,841
Trade and other receivables		405,224	342,067
Derivative financial assets	24	28	2,370
Current tax assets		4,966	5,221
Cash and bank balances		39,443	21,045
Total current assets		<u>1,150,654</u>	<u>1,043,657</u>
Total assets		<u>1,754,297</u>	<u>1,607,637</u>
Equity			
Share capital		214,784	214,784
Reserves		674,356	600,080
Equity attributable to owners of the Company		<u>889,140</u>	<u>814,864</u>
Liabilities			
Loans and borrowings	23	22,549	74,920
Lease liabilities		19,804	19,267
Deferred income		544	627
Provisions		84	812
Deferred tax liabilities		18,891	17,523
Total non-current liabilities		<u>61,872</u>	<u>113,149</u>
Loans and borrowings	23	487,514	404,601
Lease liabilities		8,383	10,885
Deferred income		220	207
Trade and other payables		269,701	241,177
Derivative financial liabilities	24	2,668	959
Provisions		7,681	8,151
Current tax liabilities		27,118	13,644
Total current liabilities		<u>803,285</u>	<u>679,624</u>
Total liabilities		<u>865,157</u>	<u>792,773</u>
Total equity and liabilities		<u>1,754,297</u>	<u>1,607,637</u>
Net assets per share (sen)		<u>164</u>	<u>150</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 2023.

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 2023

(The figures have not been audited)

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30-Sep-23 RM'000	30-Sep-22 RM'000	30-Sep-23 RM'000	30-Sep-22 RM'000
Revenue	428,616	406,524	736,506	760,491
Cost of sales	(357,886)	(354,017)	(628,478)	(669,395)
Gross profit	70,730	52,507	108,028	91,096
Other operating income	7,650	4,955	21,043	10,613
Distribution and administrative expenses	(21,697)	(14,364)	(36,019)	(27,436)
Net (loss)/gain on impairment of financial instruments and contract assets	(429)	(164)	(818)	785
Other operating expenses	(2,965)	(4,320)	(7,525)	(5,492)
Net finance costs	(8,996)	(2,241)	(15,342)	(3,384)
Profit before tax	44,293	36,373	69,367	66,182
Income tax expense	21 (11,665)	(9,431)	(16,205)	(15,712)
Profit for the year	9 32,628	26,942	53,162	50,470
Items that are or may be reclassified subsequently to profit and loss				
Cash flow hedge	(2,010)	959	(2,195)	(1,935)
Foreign currency translation differences	11,607	17,662	35,952	54,016
	9,597	18,621	33,757	52,081
Total comprehensive income for the period	42,225	45,563	86,919	102,551
Profit attributable to:				
Owners of the Company	32,628	26,942	53,162	50,470
Total comprehensive income attributable to:				
Owners of the Company	42,225	45,563	86,919	102,551
Earnings per share				
Basic/Diluted earnings per ordinary share (sen)	27 6.02	4.98	9.82	9.32

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2023.
 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 2023

(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
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
At 1 April 2023	214,784	106	1,333	125,209	473,432	814,864
Total comprehensive (expense)/income for the period	-	-	(2,195)	35,952	53,162	86,919
Transactions with owners of the Company						
- Issuance of shares pursuant to Employees' Share Grant Scheme	-	-	-	-	-	-
- Dividends to owners of the Company (Note 8)	-	-	-	-	(13,540)	(13,540)
- Share-based payment transactions	-	897	-	-	-	897
	-	897	-	-	(13,540)	(12,643)
At 30 September 2023	214,784	1,003	(862)	161,161	513,054	889,140

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 2023.

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 30 SEPTEMBER 2023

(The figures have not been audited)

	Period Ended	
	30-Sep-23 RM'000	30-Sep-22 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	69,367	66,182
Adjustments for:		
Accretion of interest on lease liabilities	274	767
Amortisation of intangible assets	1,533	1,351
Amortisation of government grants	(105)	(930)
Depreciation of property, plant and equipment	30,042	26,870
Depreciation of right-of-use assets	5,646	5,218
Employees' Share Grant Scheme expenses	897	125
Fair value loss on derivatives	1,856	1,717
Gain on disposal of plant and equipment	(50)	(62)
Interest expenses	15,113	2,632
Interest income	(45)	(15)
Net loss/(gain) on impairment on		
- trade receivables	363	(415)
- contract assets	455	(370)
Property, plant and equipment written off	2	-
Provision for warranties	34	417
Reversal of provision for onerous contract	(2,270)	-
Reversal of provision for warranties	(471)	(408)
Operating profit before changes in working capital	122,641	103,079
Changes in working capital:		
Trade and other receivables	(64,212)	(83,505)
Inventories	10,263	(55,671)
Contract assets	(31,514)	(11,590)
Trade and other payables	25,228	5,256
Contract liabilities	-	1,872
Provisions	34	417
Cash generated from/(used in) operations	62,440	(40,142)
Income tax paid	(10,521)	(10,127)
Net cash generated from/(used in) operating activities	51,919	(50,269)

SAM ENGINEERING & EQUIPMENT (M) BERHAD

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2023 (CONT'D)

(The figures have not been audited)

	Period Ended	
	30-Sep-23 RM'000	30-Sep-22 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(37,117)	(84,756)
Purchase of intangible assets	(3,522)	(1,041)
Interest received	45	15
Proceeds from disposal of plant and equipment	57	66
Net cash used in investing activities	<u>(40,537)</u>	<u>(85,716)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(13,540)	(18,949)
Interest paid	(15,387)	(3,399)
Repayment of term loans	(900)	(6,291)
Drawdown of other borrowings	31,442	126,823
Repayment of lease liabilities	(5,790)	(4,140)
Net cash (used in)/generated from financing activities	<u>(4,175)</u>	<u>94,044</u>
Net increase/(decrease) in cash and cash equivalents	7,207	(41,941)
Cash and cash equivalents at beginning of year	21,045	31,063
Effect of exchange rate fluctuations	11,191	35,675
Cash and cash equivalents at end of period	<u>39,443</u>	<u>24,797</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2023.

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 2023. 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 2023.

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 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 and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

MFRSs and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

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 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 2023 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

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities for the financial period ended 30 September 2023.

8. Dividends

A single tier first interim dividend of 2.50 sen per ordinary share totaling RM13.5 million for the financial year ended 31 March 2023 was paid on 8 August 2023.

In preceding year, 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.

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-23 RM'000	30-Sep-22 RM'000	30-Sep-23 RM'000	30-Sep-22 RM'000
Accretion of interest on lease liabilities	261	376	274	767
Amortisation of intangible assets	771	716	1,533	1,351
Depreciation of property, plant and equipment	15,395	13,557	30,042	26,870
Depreciation of right-of-use assets	2,768	2,607	5,646	5,218
Fair value (gain)/loss on derivatives	(1,130)	1,362	1,856	1,717
Foreign exchange loss	1,980	1,966	2,322	2,519
Gain on disposal of property, plant and equipment	(1)	(62)	(50)	(62)
Government grants and subsidies	(173)	(1,110)	(9,239)	(2,824)
Interest expense	8,767	1,880	15,113	2,632
Interest income	(32)	(15)	(45)	(15)
Net loss/(gain) on impairment of financial instruments and contract assets	429	164	818	(785)
Other income	(7,476)	(3,860)	(11,754)	(7,804)
Property, plant and equipment written off	2	-	2	-
Write (back)/down of inventories	(592)	591	1,508	(610)

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	212,281	524,225	-	736,506
Inter-segment revenue	893	80	(973)	-
	<u>213,174</u>	<u>524,305</u>	<u>(973)</u>	<u>736,506</u>
Results				
Profit before tax (segment profit)	<u>10,997</u>	<u>58,370</u>	-	69,367
Included in the measure of segment profit are:				
- Write down of inventories	(374)	(1,134)	-	(1,508)
- Depreciation and amortisation	(25,758)	(11,463)	-	(37,221)
- Amortisation of government grants	105	-	-	105
- Gain on disposal of property, plant and equipment	-	50	-	50
- Net loss on impairment of financial instruments and contract assets	(683)	(135)	-	(818)

11. Property, plant and equipment

Property, plant and equipment amounting to RM37.1 million were acquired during the financial period ended 30 September 2023 (financial period ended 30 September 2022: RM84.8 million).

There were disposals of property, plant and equipment with net book value of RM7,000 during the financial period ended 30 September 2023 (financial period ended 30 September 2022: RM4,000).

12. Subsequent events

There were no material events subsequent to the end of the current quarter except for the corporate proposals disclosed in Note 22.

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 material contingent liability since the date of the last annual statement of financial position.

15. Capital commitments

	30-Sep-23 RM'000	30-Sep-22 RM'000
Contracted but not provided for	56,681	157,974

16. Significant related party transaction

Significant transactions with related parties are as follows:

	6 months ended 30-Sep-23 RM'000
<u>Provision of goods/ services to related parties</u>	
Sale of aerospace parts and other precision tools	7,122
Sale of fabrication, machining services and special process services	2,515
Provision of corporate management services, engineering and administrative services	880
<u>Purchase of goods/ services from related parties</u>	
Rental of office, factory premises and machines	3,352
Purchase of fabrication/ machining services/ special process services	8,530
Purchase of corporate management services, engineering & administrative services	3,927

17. Review of performance

	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes
	30-Sep-23	30-Jun-23	
	RM'000	RM'000	RM'000
Revenue	428,616	307,890	120,726
Operating profit	53,289	31,420	21,869
Profit before interest and tax	53,321	31,433	21,888
Profit before tax	44,293	25,074	19,219
Profit for the period	32,628	20,534	12,094
Profit attributable to Owners of the Company	32,628	20,534	12,094

The increase in Group revenue of RM120.7 million was due to the increase in revenue from Equipment and Aerospace segment of RM100.5 million and RM20.2 million respectively. The higher revenue from Equipment segment was mainly due to increase in demand from the semiconductor and data storage customers. For the Aerospace segment, the revenue was higher mainly due to increase in sales of casing products.

The increase in Group profit before tax of RM19.2 million was attributable to higher profit contribution from the Equipment segment of RM25.2 million offset with lower profit contribution from the Aerospace segment of RM6.0 million. The higher profit contribution from the Equipment segment was mainly due to higher sales and increase in sales of higher margin products. For the Aerospace segment, the profit contribution was lower mainly due to lower government grant in the current quarter.

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-23	30-Sep-22	Changes	30-Sep-23	30-Sep-22	Changes
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	428,616	406,524	22,092	736,506	760,491	(23,985)
Operating profit	53,289	38,614	14,675	84,709	69,566	15,143
Profit before interest and tax	53,321	38,629	14,692	84,754	69,581	15,173
Profit before tax	44,293	36,373	7,920	69,367	66,182	3,185
Profit for the period/year	32,628	26,942	5,686	53,162	50,470	2,692
Profit attributable to Owners of the Company	32,628	26,942	5,686	53,162	50,470	2,692

Current quarter compared with immediate preceding year's corresponding quarter

The increase in Group revenue of RM22.1 million was due to the increase in revenue from the Aerospace segment of RM33.8 million offset with the decrease in revenue from Equipment segment of RM11.7 million. The higher revenue from Aerospace segment was mainly due to increase in sales of casing products. For the Equipment segment, the lower revenue was mainly due to decrease in demand from the data storage customers.

The increase in Group profit before tax of RM7.9 million was attributable to the higher profit from Aerospace and Equipment segment of RM5.0 million and RM2.9 million respectively. The higher profit contribution from the Aerospace segment was mainly due to higher sales. For the Equipment segment, the higher profit contribution was mainly due to higher sales of higher margin products and favourable foreign exchange translation offset with higher interest expenses.

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

The decrease in Group revenue of RM24.0 million was due to the decrease in revenue from Equipment segment of RM89.1 million offset with the increase in revenue from Aerospace segment of RM65.1 million. The lower revenue from the Equipment segment was mainly due to decrease in demand from the data storage customers offset with favourable foreign exchange translation. For the Aerospace segment, the higher revenue was mainly due to increase in sales of casing and aerostructures products and favourable foreign exchange translation.

The increase in Group profit before tax of RM3.2 million was attributable to the higher profit contribution from the Aerospace segment of RM15.2 million offset with lower profit from the Equipment segment of RM12.0 million. The higher profit contribution from Aerospace segment was mainly due to higher sales and government grants. The profit from Equipment segment was lower mainly due to lower sales and higher finance cost.

19. Current year prospects

The International Air Transport Association (IATA) reported that air passenger travel has recovered to about 97% of pre-pandemic (2019) level as of September 2023. Net orders for commercial aircraft received by Airbus and Boeing have been growing steadily over the past few months with order backlogs stretching to 10 years and 7 years respectively. Our products are being used in these aircraft and we expect recovery of our aerospace business to pre-pandemic levels.

The Semiconductor Equipment and Materials International (SEMI), in its September 2023 report, forecasted that global sales of fab equipment by OEMs would bounce back to USD 97 billion in 2024 from a projected contraction of USD 84 billion in 2023. The optimism assumes that the semiconductor inventory correction will end by 2023 and demand for such semiconductors will commence to recover in 2024. Our new production facilities in Thailand is well-positioned to support this projected ramp.

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-23 RM'000	30-Sep-22 RM'000	30-Sep-23 RM'000	30-Sep-22 RM'000
Current period				
- income tax	15,105	12,345	23,286	20,045
- deferred tax	(3,215)	(2,937)	(6,366)	(4,395)
	<u>11,890</u>	<u>9,408</u>	<u>16,920</u>	<u>15,650</u>
Prior period				
- deferred tax	(225)	23	(715)	62
	<u>11,665</u>	<u>9,431</u>	<u>16,205</u>	<u>15,712</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 losses recognised for a subsidiary is at lower statutory tax rate.

22. Corporate proposal

On 25 September 2023, the Company announced that it had entered into a conditional share sale agreement with Singapore Aerospace Manufacturing Pte Ltd, the holding company of the Company, to acquire the entire equity interest in Aviatron (M) Sdn Bhd for a cash consideration of USD43,400,000 (“Proposed Acquisition”). In conjunction with the Proposed Acquisition, the Company proposed to undertake a renounceable rights issue of 135,397,357 new ordinary shares in the Company (“SAMEE Shares” or “Shares”) (“Rights Shares”) at an issue price to be determined and announced by the board of directors of the Company at a later date on the basis of one (1) Rights Share for every four (4) existing SAMEE Shares held on an entitlement date to be determined and announced later (“Proposed Rights Issue”), to finance the Proposed Acquisition, repay the bank borrowings of the Company and its subsidiaries and defray the expenses relating to the Proposed Acquisition and Proposed Rights Issue.

On 16 November 2023, the Company announced that Bursa Malaysia Securities Berhad (“Bursa Securities”) had, vide its letter dated 16 November 2023, approved the listing and quotation of the 135,397,357 Rights Shares on the Main Market of Bursa Securities

On 21 November 2023, the Company had announced the Notice of Extraordinary General Meeting to be held on 7 December 2023 pertaining to the Proposed Acquisition and Proposed Rights Issue.

Save for the above, there was no other corporate proposal announced as at the date of this interim report but pending completion.

23. Borrowings and debt securities

The Group's total bank borrowings as at 30 September 2023 are as follows: -

	As at 30-Sep-23		As at 30-Sep-22	
	Unsecured RM'000	Total RM'000	Unsecured RM'000	Total RM'000
Short term borrowings				
Revolving credits	422,024	422,024	325,275	325,275
Term loan - variable rate	65,490	65,490	3,622	3,622
Long term borrowings				
Term loan - variable rate	22,549	22,549	2,675	2,675
Total borrowings	<u>510,063</u>	<u>510,063</u>	<u>331,572</u>	<u>331,572</u>

	As at 30-Sep-23			As at 30-Sep-22		
		Foreign Currency '000	RM Equivalent RM'000		Foreign Currency '000	RM Equivalent RM'000
Short Term Borrowings						
Unsecured	USD	104,103	487,514	USD	72,652	328,897
Long term borrowings						
Unsecured	USD	4,815	22,549	USD	591	2,675
Total borrowings			<u>510,063</u>			<u>331,572</u>

The Group's total borrowings increased to RM510.1 million as at 30 September 2023 as compared to RM331.6 million as at 30 September 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	
	30-Sep-23	
	Contract/ Notional RM'000	Fair value RM'000
Foreign exchange contracts		
- Less than 1 year	159,497	(2,640)

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-23	30-Sep-22	30-Sep-23	30-Sep-22
Net profit attributable to ordinary shareholders (RM'000)	32,628	26,942	53,162	50,470
Weighted average no. of ordinary shares ('000)	541,589	541,451	541,589	541,426
Basic earnings per ordinary share (sen)	<u>6.02</u>	<u>4.98</u>	<u>9.82</u>	<u>9.32</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)

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

22 November 2023