



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

(Incorporated in Malaysia)

## **UNAUDITED INTERIM FINANCIAL REPORT**

**FOR QUARTER ENDED 31 MARCH 2024**

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024**

(The figures have not been audited)

	Note	As at 31-Mar-24 RM'000	As at 31-Mar-23 RM'000 (Audited)
<b>Assets</b>			
Property, plant and equipment		668,981	476,786
Right-of-use assets		34,782	38,003
Intangible assets		111,241	12,311
Deferred tax assets		26,660	13,310
Prepayments		27,550	23,570
<b>Total non-current assets</b>		<u>869,214</u>	<u>563,980</u>
Inventories		399,625	481,113
Contract assets		296,903	191,841
Trade and other receivables		460,969	342,067
Derivative financial assets	24	209	2,370
Current tax assets		4,052	5,221
Cash and bank balances		36,244	21,045
<b>Total current assets</b>		<u>1,198,002</u>	<u>1,043,657</u>
<b>Total assets</b>		<u>2,067,216</u>	<u>1,607,637</u>
<b>Equity</b>			
Share capital		702,215	214,784
Reserves		731,177	600,080
<b>Equity attributable to owners of the Company</b>		<u>1,433,392</u>	<u>814,864</u>
<b>Liabilities</b>			
Loans and borrowings	23	19,040	74,920
Lease liabilities		12,708	19,267
Deferred income		434	627
Other payables		3,817	-
Provisions		38	812
Deferred tax liabilities		24,657	17,523
<b>Total non-current liabilities</b>		<u>60,694</u>	<u>113,149</u>
Loans and borrowings	23	278,434	404,601
Lease liabilities		7,350	10,885
Deferred income		220	207
Trade and other payables		252,657	241,177
Contract liabilities		3,945	-
Derivative financial liabilities	24	1,472	959
Provisions		8,063	8,151
Current tax liabilities		20,989	13,644
<b>Total current liabilities</b>		<u>573,130</u>	<u>679,624</u>
<b>Total liabilities</b>		<u>633,824</u>	<u>792,773</u>
<b>Total equity and liabilities</b>		<u>2,067,216</u>	<u>1,607,637</u>
Net assets per share (sen)		212	150

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 YEAR ENDED 31 MARCH 2024**

(The figures have not been audited)

	Note	Current Quarter 3 months ended		Cumulative Quarter 12 months ended	
		31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
<b>Revenue</b>		<b>373,616</b>	<b>337,655</b>	<b>1,497,400</b>	<b>1,445,358</b>
Cost of sales		(308,622)	(299,225)	(1,265,977)	(1,277,305)
<b>Gross profit</b>		<b>64,994</b>	<b>38,430</b>	<b>231,423</b>	<b>168,053</b>
Other operating income		6,307	17,113	32,015	27,679
Distribution and administrative expenses		(27,436)	(17,177)	(82,562)	(60,762)
Net gain/(loss) on impairment of financial instruments and contract assets		142	(87)	(871)	596
Other operating expenses		(882)	(4,916)	(5,478)	(5,545)
Net finance costs		(8,433)	(7,636)	(30,718)	(15,050)
<b>Profit before tax</b>		<b>34,692</b>	<b>25,727</b>	<b>143,809</b>	<b>114,971</b>
Income tax expense	21	(8,592)	(6,534)	(35,228)	(26,122)
<b>Profit for the year</b>	9	<b>26,100</b>	<b>19,193</b>	<b>108,581</b>	<b>88,849</b>
<b>Items that are or may be reclassified subsequently to profit and loss, net of tax</b>					
Cash flow hedge		2,386	(15)	(2,873)	2,588
Foreign currency translation differences		2,922	17,103	37,175	47,461
		<u>5,308</u>	<u>17,088</u>	<u>34,302</u>	<u>50,049</u>
<b>Total comprehensive income for the year</b>		<b>31,408</b>	<b>36,281</b>	<b>142,883</b>	<b>138,898</b>
<b>Profit attributable to:</b>					
Owners of the Company		<u>26,100</u>	<u>19,193</u>	<u>108,581</u>	<u>88,849</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		<u>31,408</u>	<u>36,281</u>	<u>142,883</u>	<u>138,898</u>
<b>Earnings per share</b>					
Basic/Dilluted earnings per ordinary share (sen)	27	<u>4.35</u>	<u>3.54</u>	<u>19.53</u>	<u>16.41</u>

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 YEAR ENDED 31 MARCH 2024**

(The figures have not been audited)

	←	Non-distributable	→			
	Share Capital	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
<b>At 1 April 2022</b>	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	817	(817)	-	-	-	-
- Dividends to owners of the Company (Note 8)	-	-	-	-	(18,949)	(18,949)
- Share-based payment transactions	-	230	-	-	-	230
	817	(587)	-	-	(18,949)	(18,719)
<b>At 31 March 2023</b>	214,784	106	1,333	125,209	473,432	814,864
<b>At 1 April 2023</b>	214,784	106	1,333	125,209	473,432	814,864
Total comprehensive income for the year	-	-	(2,873)	37,175	108,581	142,883
Transactions with owners of the Company						
- Issue of new ordinary shares via rights issue	487,431	-	-	-	-	487,431
- Dividends to owners of the Company (Note 8)	-	-	-	-	(13,540)	(13,540)
- Share-based payment transactions	-	1,754	-	-	-	1,754
	487,431	1,754	-	-	(13,540)	475,645
<b>At 31 March 2024</b>	702,215	1,860	(1,540)	162,384	568,473	1,433,392

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 YEAR ENDED 31 MARCH 2024**

(The figures have not been audited)

	Year Ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	143,809	114,971
Adjustment for:		
Accretion of interest on lease liabilities	605	1,502
Amortisation of intangible assets	3,307	2,849
Amortisation of government grants	(217)	(9,604)
Depreciation of property, plant and equipment	62,629	55,513
Depreciation of right-of-use assets	10,276	10,597
Employees' Share Grant Scheme expenses	1,754	230
Fair value (gain)/loss on derivatives	(352)	452
Gain on disposal of plant and equipment	(19)	(125)
Gain on derecognition of right-of-use assets	(388)	-
Interest expenses	30,892	13,659
Interest income	(779)	(111)
Net loss/(gain) on impairment on		
- trade and other receivables	649	(463)
- contract assets	222	(133)
Property, plant and equipment written off	161	251
Provision for warranties	645	686
(Reversal of)/provision for onerous contract	(1,184)	920
Reversal of provision for warranties	(1,792)	(1,276)
Operating profit before changes in working capital	250,218	189,918
Changes in working capital:		
Trade and other receivables	(41,680)	(25,095)
Inventories	119,237	(147,307)
Contract assets	(42,749)	(31,346)
Trade and other payables	(6,420)	11,224
Contract liabilities	(68)	(615)
Cash generated from/(used in) operations	278,538	(3,221)
Income tax paid	(40,225)	(29,215)
Net cash generated from/(used in) operating activities	238,313	(32,436)

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024 (CONT'D)**

(The figures have not been audited)

	Year Ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(93,872)	(219,159)
Purchase of intangible assets	(2,444)	(3,749)
Acquisition of subsidiary, net of cash and cash equivalents	(191,429)	-
Interest received	779	111
Proceeds from disposal of plant and equipment	53	364
Net cash used in investing activities	<u>(286,913)</u>	<u>(222,433)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from rights issue of new ordinary shares	487,431	-
Dividends paid	(13,540)	(18,949)
Interest paid	(31,497)	(15,161)
(Repayment)/drawdown of term loans	(6,029)	19,234
(Repayment)/drawdown of other borrowings	(176,018)	249,247
Repayment of loan to immediate holding company	(197,848)	-
Payment of lease liabilities	(12,323)	(9,819)
Net cash generated from financing activities	<u>50,176</u>	<u>224,552</u>
Net increase/(decrease) in cash and cash equivalents	1,576	(30,317)
Cash and cash equivalents at beginning of year	21,045	31,063
Effect of exchange rate fluctuations	13,623	20,299
Cash and cash equivalents at end of year	<u>36,244</u>	<u>21,045</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 except for the completion of corporate proposals disclosed in note 7 and 13.

### **6. Changes in estimates**

There were no changes in estimates that have material effect in the current quarter.

### **7. Debt and equity securities**

The Company issued 135,397,357 new ordinary shares pursuant to a rights issue on the basis of 1 Right Share for every 4 existing shares, at an issue price of RM3.60 per rights share. The Rights Shares were allotted on 22 February 2024 and listed on the Main Market of Bursa Securities on 26 February 2024.

Saved as disclosed above, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review.

### **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 12 months ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
Accretion of interest on lease liabilities	73	378	605	1,502
Amortisation of intangible assets	968	768	3,307	2,849
Depreciation of property, plant and equipment	17,191	13,965	62,629	55,513
Depreciation of right-of-use assets	2,217	2,625	10,276	10,597
Fair value loss/(gain) on derivatives	649	2,424	(352)	452
Foreign exchange loss/(gain)	1,617	(4,867)	5,315	(513)
Loss/(gain) on disposal of property, plant and equipment	31	(40)	(19)	(125)
Government grants and subsidies	(106)	(8,611)	(9,549)	(11,843)
Interest expense	9,070	7,327	30,892	13,659
Interest income	(710)	(69)	(779)	(111)
Net (gain)/loss on impairment of financial instruments and contract assets	(142)	87	871	(596)
Other income	(5,913)	(3,595)	(21,416)	(15,198)
Property, plant and equipment written off	149	241	161	251
Write down of inventories	2,601	5,119	3,357	6,031

**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	431,340	1,066,060	-	1,497,400
Inter-segment revenue	3,478	80	(3,558)	-
	<u>434,818</u>	<u>1,066,140</u>	<u>(3,558)</u>	<u>1,497,400</u>
<b>Results</b>				
Profit before tax (segment profit)	<u>14,095</u>	<u>129,714</u>	-	<u>143,809</u>
Included in the measure of segment profit are:				
- Write back/(down) of inventories	84	(3,441)	-	(3,357)
- Depreciation and amortisation	(51,780)	(24,432)	-	(76,212)
- Amortisation of government grants	217	-	-	217
- Gain on disposal of property, plant and equipment	-	19	-	19
- Net loss on impairment of financial instruments and contract assets	(237)	(634)	-	(871)

**11. Property, plant and equipment**

Property, plant and equipment amounting to RM93.9 million were acquired during the financial year ended 31 March 2024 (financial year ended 31 March 2023: RM219.2 million).

There were disposals of property, plant and equipment with net book value of RM34,000 during the financial year ended 31 March 2024 (financial year ended 31 March 2023: RM239,000).

**12. Subsequent events**

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

**13. Changes in the composition of the Group**

The Company has completed the acquisition of the entire equity interest in Aviatron (M) Sdn Bhd ("Aviatron") on 26 February 2024. Aviatron is now a wholly-owned subsidiary of the Company.

**14. Contingent liabilities**

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

**15. Capital commitments**

	31-Mar-24 RM'000	31-Mar-23 RM'000
Contracted but not provided for	51,467	68,339

**16. Significant related party transaction**

Significant transactions with related parties are as follows:

	12 months ended 31-Mar-24 RM'000
<u>Provision of goods/ services to related parties</u>	
Sale of aerospace parts and other precision tools	14,708
Sale of fabrication, machining services and special process services	5,436
Provision of corporate management services, engineering and administrative services	2,006
<u>Purchase of goods/ services from related parties</u>	
Rental of office, factory premises and machines	5,737
Purchase of fabrication/ machining services/ special process services	13,736
Purchase of corporate management services, engineering & administrative services	7,107

**17. Review of performance**

	Current Quarter Ended	Immediate Preceding Quarter Ended	Changes
	31-Mar-24	31-Dec-23	
	RM'000	RM'000	RM'000
Revenue	373,616	387,278	(13,662)
Operating profit	43,125	46,693	(3,568)
Profit before interest and tax	43,835	46,717	(2,882)
Profit before tax	34,692	39,750	(5,058)
Profit for the period	26,100	29,319	(3,219)
Profit attributable to Owners of the Company	26,100	29,319	(3,219)

The decrease in Group revenue of RM13.7 million was due to the decrease in revenue from Equipment of RM33.2 million and increase in revenue from Aerospace segment of RM19.5 million. The lower revenue from Equipment segment was mainly due to lower demand from the semiconductor customers. For the Aerospace segment, the higher revenue was due to the increase in demand and sales contribution from the newly acquired subsidiary.

The decrease in Group profit before tax of RM5.0 million was attributable to lower profit contribution from the Equipment and Aerospace segments of RM4.9 million and RM0.1 million respectively. The lower profit contribution from the Equipment segment was mainly due to lower sales. For Aerospace segment, the lower profit was mainly due to start-up cost in Thailand offset with profit contribution from the newly acquired subsidiary.

**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-24	31-Mar-23	Changes	31-Mar-24	31-Mar-23	Changes
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	373,616	337,655	35,961	1,497,400	1,445,358	52,042
Operating profit	43,125	33,363	9,762	174,527	130,021	44,506
Profit before interest and tax	43,835	33,432	10,403	175,306	130,132	45,174
Profit before tax	34,692	25,727	8,965	143,809	114,971	28,838
Profit for the period/year	26,100	19,193	6,907	108,581	88,849	19,732
Profit attributable to Owners of the Company	26,100	19,193	6,907	108,581	88,849	19,732

Current quarter compared with immediate preceding year's corresponding quarter

The increase in Group revenue of RM36.0 million was due to the increase in revenue from the Equipment and Aerospace segments of RM11.5 million and RM24.5 million respectively. The revenue was higher mainly due to the increase in demand from the customers and favourable foreign exchange translation.

The increase in Group profit before tax of RM9.0 million was attributable to the higher profit from Equipment of RM11.4 million offset with lower profit from Aerospace segment of RM2.4 million. The higher profit contribution from the Equipment segment was mainly due to higher sales of higher margin products. For the Aerospace segment, the lower profit contribution was mainly due to lower government grants and start-up cost in Thailand offset with higher sales and profit contribution from the newly acquired subsidiary.

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

The increase in Group revenue of RM52.0 million was due to the increase in revenue from Aerospace segment of RM102.2 million offset with decrease in revenue from Equipment segment of RM50.2 million. The higher revenue from the Aerospace segment was mainly due to the increase in demand from customers and favourable foreign exchange translation. For the Equipment segment, the lower revenue was mainly due to decrease in demand from the data storage customers offset with 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 segments of RM16.0 million and RM12.8 million respectively. The higher profit contribution from Aerospace segment was mainly due to higher sales. For the Equipment segment, the higher profit was mainly due to higher sales of higher margin products.

## 19. Current year prospects

The International Air Transport Association (IATA) reported that global air passenger travel in February 2024, has surpassed pre-pandemic (February 2019) levels. This resulted in more new aircraft orders from airlines and increased order backlogs to 14,885 aircraft for both Airbus and Boeing as at 31 March 2024, representing 10.8 years and 7.7 years of production backlogs respectively. Airbus has announced its plan to increase its aircraft production rates amid the supply chain constraints. Boeing has reported that it is working towards bolstering its quality assurance and control processes. We are engaging closely with our customers to manage any changes to their delivery plans.

Semiconductor Equipment and Material International (SEMI) in March 2024 reported modest improvement in wafer fab utilisation from 66% in 4Q2023 to 70% in 1Q2024. Wafer fab equipment spending is forecasted to remain relatively flat in 2024, but is expected to rise to USD116.5 billion in 2025.

Notwithstanding the relatively optimistic reports from IATA and SEMI, ongoing regional conflicts and supply chain constraints could affect the overall business climate and outlook.

## 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-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
Current period				
- income tax	11,214	6,520	48,685	31,977
- deferred tax	(3,350)	223	(11,136)	(3,349)
	<u>7,864</u>	<u>6,743</u>	<u>37,549</u>	<u>28,628</u>
Prior period				
- income tax	(172)	664	(860)	(850)
- deferred tax	900	(873)	(1,461)	(1,656)
	<u>8,592</u>	<u>6,534</u>	<u>35,228</u>	<u>26,122</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 certain subsidiaries are at lower statutory tax rate.

## 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 2024 are as follows: -

	As at 31-Mar-24		As at 31-Mar-23	
	Unsecured RM'000	Total RM'000	Unsecured RM'000	Total RM'000
<b>Short term borrowings</b>				
Revolving credits, promissory notes and trust receipts	271,681	271,681	392,971	392,971
Term loan – variable rate	6,753	6,753	11,630	11,630
<b>Long term borrowings</b>				
Term loan – variable rate	19,040	19,040	20,192	20,192
Trust receipts	-	-	54,728	54,728
<b>Total borrowings</b>	<u>297,474</u>	<u>297,474</u>	<u>479,521</u>	<u>479,521</u>

		As at 31-Mar-24			As at 31-Mar-23	
		Foreign Currency '000	RM Equivalent RM'000		Foreign Currency '000	RM Equivalent RM'000
<b>Short term borrowings</b>						
Unsecured	USD	59,285	278,434	USD	90,172	404,601
<b>Long term borrowings</b>						
Unsecured	USD	4,054	19,040	USD	16,697	74,920
<b>Total borrowings</b>			<u>297,474</u>			<u>479,521</u>

The Group's total borrowings decreased to RM297.5 million as at 31 March 2024 as compared to RM479.5 million as at 31 March 2023 mainly due to the net cash generated from operations and proceeds from rights issue.

**24. Derivative financial instruments**

	As at 31-Mar-24	
	Contract/ Notional RM'000	Fair value RM'000
Foreign exchange contracts		
- Less than 1 year	140,413	(1,263)

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**

For the financial year ended 31 March 2024, an interim single tier dividend of 3.30 sen per ordinary share has been declared on 29 May 2024 and will be paid on 8 August 2024 to depositors who are registered in the Records of Depositors at the close of business on 18 July 2024 (In respect of financial year ended 31 March 2023: 2.50 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 3 months ended		Cumulative Quarter 12 months ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
Net profit attributable to ordinary shareholders (RM'000)	26,100	19,193	108,581	88,849
Weighted average no. of ordinary shares ('000)	599,617	541,589	556,017	541,507
Basic earnings per ordinary share (sen)	<u>4.35</u>	<u>3.54</u>	<u>19.53</u>	<u>16.41</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

29 May 2024