



SAMURAI 2K AEROSOL LIMITED
(Company Registration Number 201606168C)
(Incorporated in the Republic of Singapore)

MEDIA RELEASE

**Samurai 2K Aerosol reported weaker FY2019
net profit of RM10.4 million**

- FY2019 Group's revenue was impacted by lower exports to Indonesia due to inventory building by customers in FY2018.
- Sales in all other markets rose in FY2019 and improvement in overall average selling prices.
- Looking ahead, the management will focus on new innovative products after successfully secured patents for a unique single head 2K aerosol system in US, EU and other key jurisdictions during FY2019.
- The Group has started marketing in India and is also studying how best to enter the US market.

(RM'000)	FY2019	FY2018	% Change
Revenue	72,605	90,014	-19.3
Gross profit	31,683	38,673	-18.1
Net profit attributable to shareholders	10,441	11,703	-10.8

SINGAPORE, 30 May 2019 – Samurai 2K Aerosol Limited (the “**Company**” or “**Samurai**” and together with its subsidiaries, the “**Group**”), a producer of automotive aerosol paints, announced today that net profit attributable to shareholders declined by 10.8% year-on-year to RM10.4 million for the financial year ended 31 March 2019 (“**FY2019**”).

Revenue weakened by 19.3% year-on-year to RM72.6 million on the back of slower exports to Indonesia. However, all other markets recorded higher sales and overall profit margins improved compared to FY2018. Samurai sold 12.3 million aerosol spray cans in FY2019, 3.5 million cans fewer than the preceding financial year (“**FY2018**”).

Exports to Indonesia were slower as concerns over currency volatility and expectations of stronger two-wheeler sales prompted some inventory building by the Group's customers in FY2018. The Group's second half of FY2018 strong sales to Indonesia was thus not repeated in second half of FY2019.

Nevertheless, performance of the other markets in the region continued to expand in FY2019. Average selling price (“**ASP**”) also inched up in FY2019 as export prices to Indonesia was raised which helped improved overall gross profit margins for the year.

Commenting on the results, **Mr Ong Yoke En, Executive Director and Chief Executive Officer of Samurai**, said: “Although FY2019 saw weaker financial performances, during that financial year our patents for the single head 2K aerosol system was granted by the US, EU, Canada, Russia, Singapore, South Korea and New Zealand. As such we hope to see sales from these new and innovative products in the near future.”

The Group achieved an improved gross profit margin of 43.6% in FY2019, compared with 43% in FY2018 largely on the back of better selling mix and prices.

“In view of prevailing global trade sentiment, Samurai is expecting a challenging operating environment over the next 12 months. However, Samurai will continue to develop not only new products but also new markets, especially where there is a large population of two-wheelers. To this effect the Group has commenced marketing activities in India, a market with potentially sizeable untapped demand for aerosol spray paint,” Mr Ong added.

To help broaden its future product range and expand into more markets, the Group invested RM7 million in a new production facility during FY2019. The Group recorded a net cash of RM16 million as at 31 March 2019 and would like to declare a final dividend of S\$0.005 per share as a reward to all shareholders.

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This news release is to be read in conjunction with the Company’s results announcement for FY2019 posted on the SGX website on 30 May 2019.

About Samurai 2K Aerosol Limited

The Group is a leading aerosol coating specialist with a focus on high performance coating solutions for the automotive refinishing and refurbishing industry. We are principally engaged in the manufacturing, distribution and marketing of our products under our own brands, including “Samurai 2K”, “Samurai”, “Kurobushi”, “Khameleon”, “Canbrush”, “Ninjutsu”, “Geigi”, “CanArt” and “Bushido”. In addition to the two-wheelers in the emerging markets, the Group is making foray into the North American automotive market.

Issued by **Samurai 2K Aerosol Limited**

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