



**WE CHANGE AEROSOL,
AEROSOL CHANGES
THE WORLD**

ANNUAL REPORT 2024

SAMURAI 2K AEROSOL LIMITED

(Company Registration No:201606168C)



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This Annual Report has been reviewed by UOB Kay Hian Private Limited (the "Sponsor").

This Annual Report has not been examined or approved by Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01- 01, Singapore 229957, telephone (65) 6590 6881.

CORPORATE PROFILE

MILESTONES



CORPORATE PROFILE

CORE VALUES

- S** **Simplify, focus & continuous** -
We are professional at work
- A** **Accountability** -
We take ownership of our words, actions and results
- M** **Mutual benefits** -
We benefit when our fans get benefits
- U** **Unity** -
We unite to gain team strength and power
- R** **Respect** -
We gain respect by achieving outstanding results
- A** **Action** -
We achieve goals with no excuses
- I** **Innovation** -
We change for a better tomorrow

FIVE PILLARS OF GROWTH

-  **Geographical expansion to 4 big markets**
-  **Four innovative patented technologies**
-  **Strategic partnerships & marketing strategies**
-  **Talent development**
-  **Value data development**

CORPORATE BELIEF, VISION & MISSION

01

Belief

WE CHANGE AEROSOL,
AEROSOL CHANGES
THE WORLD.

02

Vision

TO BE THE
WORLD'S MOST
RESPECTED
INNOVATIVE
AEROSOL SYSTEM
PROVIDER.

03

Mission

TO OFFER THE MOST
INNOVATIVE AEROSOL
SYSTEMS WITH THE BEST
USER ENJOYMENT AND
TO CREATE MORE JOB
OPPORTUNITIES FOR ALL
SPRAYERS IN THE WORLD.

ANNUAL REPORT 2024/ SAMURAI 2K AEROSOL LIMITED

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LETTER TO SHAREHOLDERS



"Business has only two basic functions – marketing and innovation."

— Peter F. Drucker

Despite the geopolitical unrest, climate extremities and food and energy crisis disruption, it is uplifting to witness our rise as reflected in our financial result. The year was not without challenges. However, through strength, resilience, along with immense effort and contribution from every employee, execution of strategies devised to revive the company's performance was feasible

MR ONG YOKE EN

(Founder, Executive Director & Chief Executive Officer)



Revenue of
RM79.82 million



Net profit of
RM1.54 million

LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Samurai 2K Aerosol Limited and its group of companies for the financial year ended 31 March 2024 ("FY2024").

OUR FINANCIAL PERFORMANCE

FY2024 continued to be a challenging year for businesses around the globe due to the emergence of new challenges such as geopolitical unrest, climate extremities and food and energy crisis disruption. Despite these uncertainties, Samurai 2K Aerosol persisted in its goal to become the world's best aerosol spray service provider. Through strength and resilience, the Group managed to capture strong financial result in FY2024.

Revenue of Samurai 2K Aerosol increased by 13.60% from RM70.27 million in FY2023 to RM79.82 million in FY2024 due to the substantial rise in demand in Malaysia, Thailand, Vietnam, Philippines, United Kingdom, Singapore, Cambodia, India and United States of America. Additional factors that contribute to the strong financial result include a decrease in raw material, packing material and ocean freight cost.

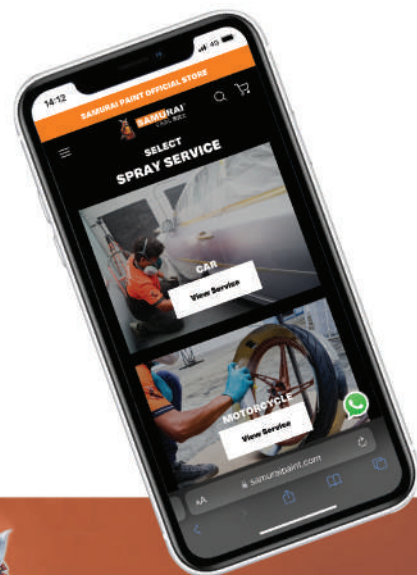
Administrative expenses increase by 14.39% mainly due to business expansion generally in USA and India market and vigorous development of O2O (Online to Offline) spray painting service that require additional workforce. Samurai 2K Aerosol continues to reinvest its profit for the development and expansion of its business.

Marketing expenses decline by 29.67%, from RM13.61 million in FY2023 to RM9.57 million in FY2024 mainly due to reduction in offline marketing activities. Priority was given to online marketing instead. The Group is committed to ensure that expenses will be continuously monitored and controlled as it devises strategies to build stronger return on investments in coming years. As a result, the Group recorded a net profit of RM1.5 million in FY2024.

EXPANSION OF O2O (ONLINE TO OFFLINE) SERVICE

Ever since the launch of Samurai O2O Service in April 2022, door-to-door spray service has been provided for rims and headlamps within Johor Bahru. In the past, full body spray painting took about five days whereas now, it takes only three days. With customers satisfaction as top priority, the outcome of every vehicle that is spray painted is closely monitored and the ones with defects will be analyzed by the R&D department to ascertain the cause of such defect and to provide a solution to prevent such defect from taking place. The analysis will then be compiled and made into a comprehensive SOP that has to be adhered by the sprayers.

The unique selling point of the O2O Service is that the price of spray-painting service is allocated in accordance to parts of a particular vehicle i.e. car rims, headlamp, touch up, cover set, full body. Today, O2O Service has expanded to Kuala Lumpur, Selangor, Kedah and Perak through collaboration with vocational colleges. With the SOP(s) being fine-tuned, O2O Service is scheduled to be rolled out in the South East Asia countries next year.



LETTER TO SHAREHOLDERS

CORPORATE SOCIAL RESPONSIBILITY

Samurai 2K Aerosol has constantly acknowledged the importance of its business in contributing to the environment, society and community. This commitment has been reflected in one of its upcoming inventions i.e. Watertek, a water based solvent product that is specifically invented for eco-conscious consumers and also its contribution to government schools to enhance technology facilities and contribution to Sultanah Aminah Hospital, Johor Bahru during Covid-19 pandemic. Keeping in mind that business has greater duty to society than just providing jobs and making profits, Samurai 2K Aerosol will not cease to strive to serve all our stakeholders, communities and environment in possible aspects of Corporate Social Responsibility as we move forward in years to come. Please refer to page 15 of our Annual Report for further information on the CSR activities that we have delved into in FY2024.



DIVIDEND

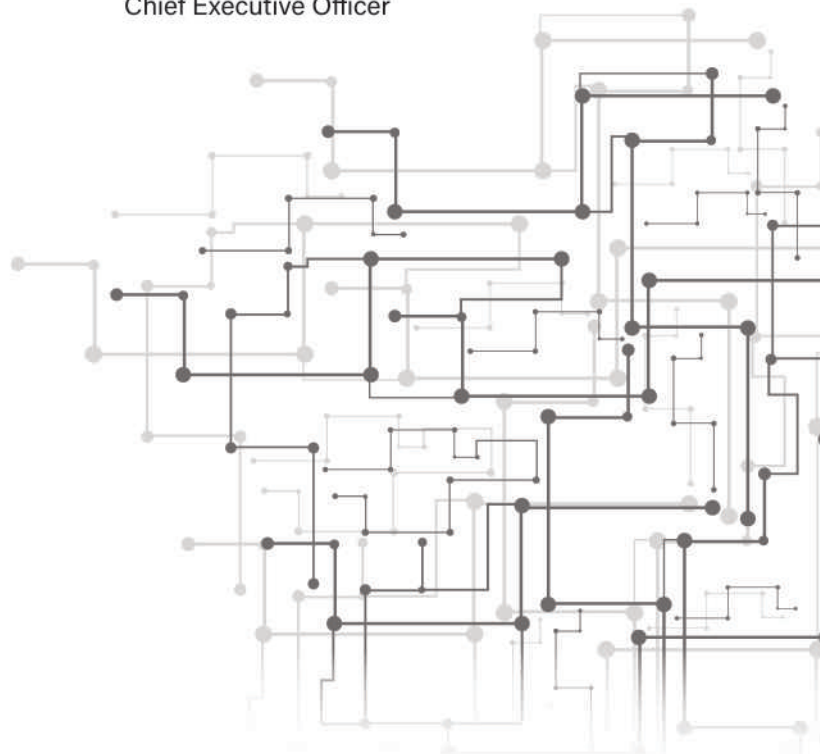
The directors do not recommend the payment of any dividend in respect of FY2024 after taking into consideration among other factors, the Group's business plans, cash flow and cash position.

ACKNOWLEDGMENT

I would like to extend my gratitude to the Board of Directors for their constant feedback and wisdom throughout the year. I wish to thank our management team as well for their effort towards effective implementation of strategies in order to achieve Samurai 2K Aerosol's goals and aspirations. I am immensely proud of our employees who have been working hard to achieve the goals set by our company. Without the collaborative effort from every department, it would have not been possible to attain resurgence. Our shareholders, suppliers, distributors and most importantly customers deserve a special acknowledgment for being the bedrock of our business operation. As Samurai 2K Aerosol navigate towards its goals, I look forward to the constant support from all our stakeholders which would ultimately lead us to becoming the world's best aerosol spray service provider.

ONG YOKE EN

Founder, Executive Director and Chief Executive Officer



OPERATIONS & FINANCIAL REVIEW

REVIEW OF INCOME STATEMENT

Revenue increased by RM9.5 million or 13.6% from RM70.3 million in FY2023 to RM79.8 million in FY2024. Overall, year-on-year sales volume increased by 0.7 million cans or 6.5% from 10.8 million cans in FY2023 to 11.5 million cans in FY2024, mainly due to higher demand from Malaysia and other markets such as Thailand, Vietnam, Philippines, Cambodia, USA, UK and India.

Gross profit margin increased from 29.8% in FY2023 to 43.4% in FY2024. The increase in the gross profit margin was mainly due to the decrease in raw material, packing material and ocean freight costs.

Other income of RM1.8 million as reported in FY2024 is mainly attributed by net foreign exchange gain and interest income.

Administrative expenses increased by RM2.5 million mainly due to additional headcount which is in line with business expansion generally in USA and India markets and for the new business development (O2O- offline to online).

Marketing and distribution expenses decreased by RM4.0 million mainly due to a decrease in offline marketing activities.

Net profit attributable to equity holders of the Company for FY2024 was RM1.5 million.

REVIEW OF FINANCIAL POSITION

Non-current assets as at 31 March 2024 rose by RM3.0 million mainly due to additions in factory upgrades, renovation works, and purchases of plant and machinery.

Current assets slightly increased by RM0.5 million mainly due to an increase in trade and other receivable.

Non-current liabilities increased by RM2.4 million mainly due to additional bank borrowings for the upgrading of new office building.

Current liabilities slightly decreased by RM0.5 million mainly due to decrease in trade and other payable which is in line with decreased in raw material and packing material cost.

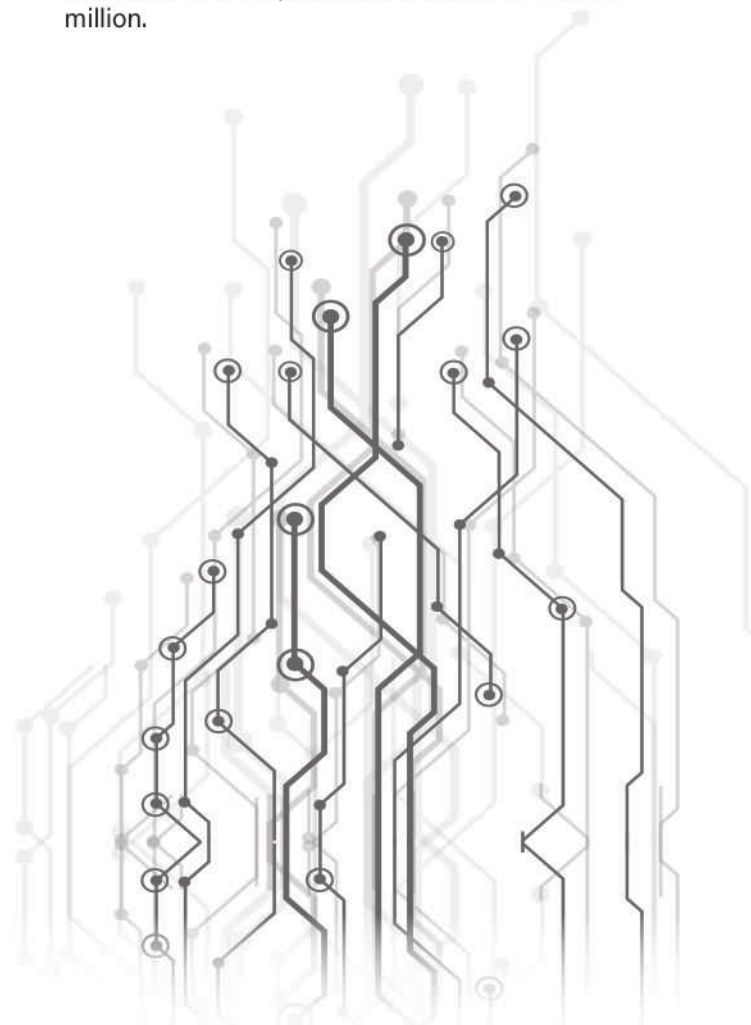
CASH FLOW STATEMENT REVIEW

In FY2024, net cash generated from operating activities amounting to RM4.6 million, mainly arising from operating cash flow before changes in working capital of RM10.8 million, changes in net working capital outflow of RM2.2 million and income tax payment of RM4.2 million.

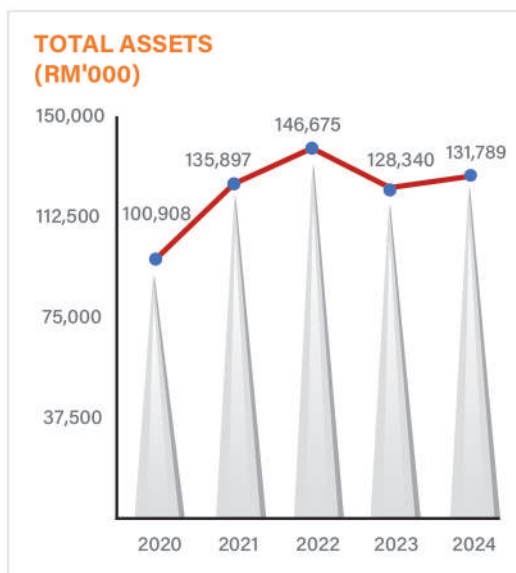
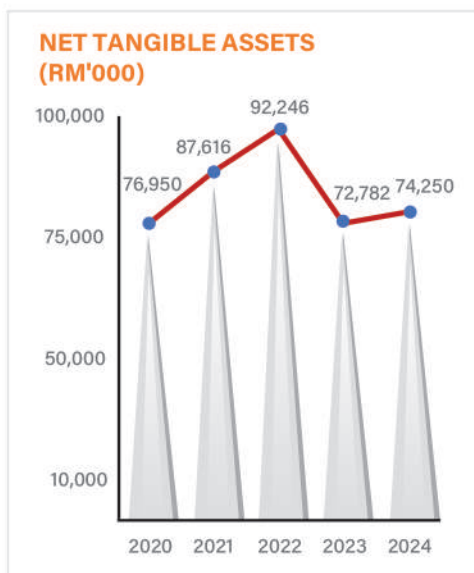
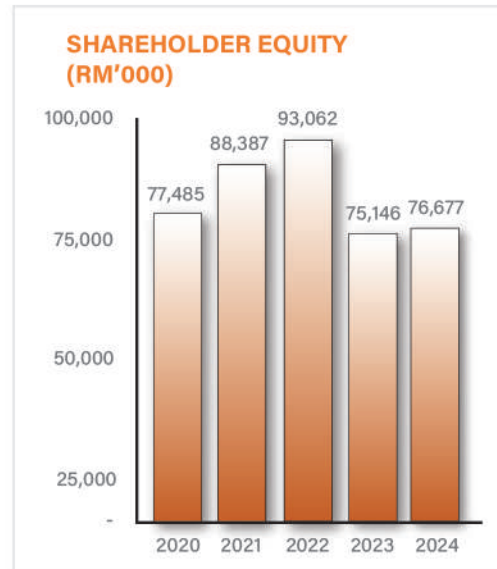
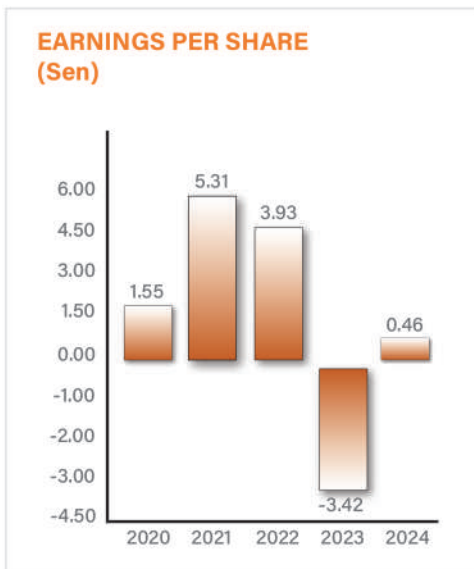
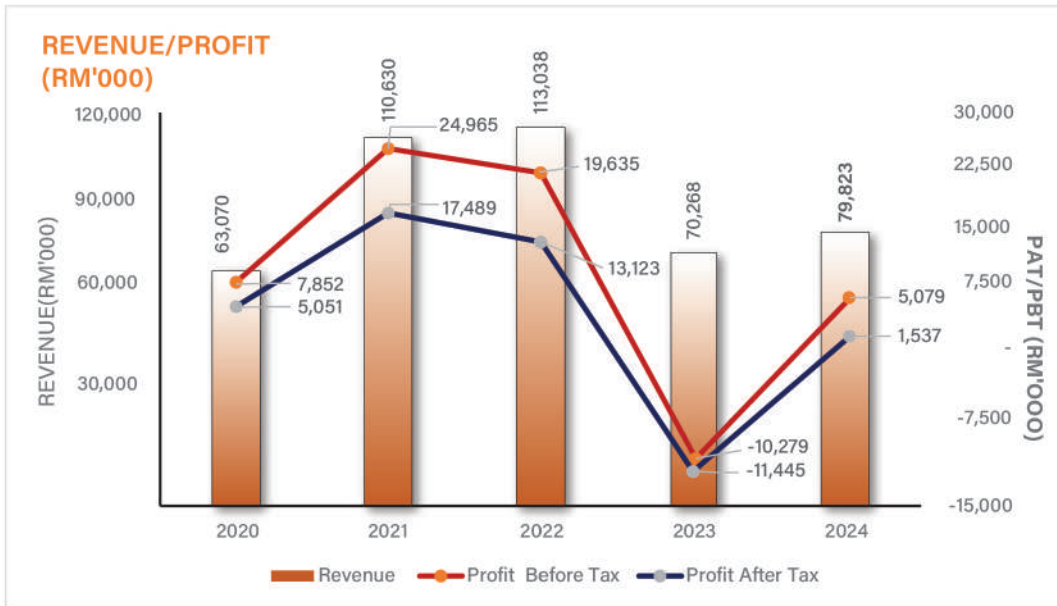
In FY2024, we recorded a net cash outflow from investing activities of approximately RM6.8 million mainly due to additional cost of upgrading and renovation of factory and purchase of plant and machinery.

In FY2024, we recorded a net cash outflow from financing activities of approximately RM1.6 million due to drawdown of bank borrowings of RM3.7 million offset by repayment of bank borrowing by RM0.8 million, repayment of banker's acceptance by RM1.6 million, repayment of lease liabilities by RM1.1 million and interest paid by RM1.7 million.

As at 31 March 2024, the Group maintained a cash and cash equivalents balance of RM29.5 million.



FINANCIAL HIGHLIGHTS



BOARD OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

BOARD OF DIRECTORS

MR ONG YOKE EN
(Founder, Executive Director & Chief Executive Officer)



MR LIM SIANG KAI
(Non-Executive Chairman and Lead Independent Director)



MS LIM LAY YONG
(Executive Director and Chief Operating Officer)



DATO' LOH SHIN SIONG
(Non-Executive Director)



DATO' CHANG CHOR CHOONG
(Non-Executive Director)



MR HAU HOCK KHUN
(Independent Director)



MR LIM CHONG HUAT
(Independent Director)



SENIOR MANAGEMENT

MR VOON KIAN WOON
(General Manager (Finance))



HANIFAH BT ABDUL HAMID
(Financial Controller)



MR PARANTAMAN E. KRISHNAN NAIDU
(Regional Operation Director)



MS LEE SIONG KIM
(General Manager Indonesia)



MR DINGBO
(Chief Technology Officer)



BOARD OF DIRECTORS



MR ONG YOKE EN

(Founder, Executive Director & Chief Executive Officer)

Mr Ong Yoke En was appointed to our Board on 9 March 2016 and was last re-elected as Director on 28 July 2023. He has more than 20 years of diverse and strong working experience in the aerosol industry holding leadership positions in various aerosol companies in Malaysia. Mr Ong builds and leads the senior executive team and sets the strategic direction of our Group. He is also actively involved in the research and development of our Group's aerosol products and has achieved a major innovation in the production of our dual head 2K system which improves on the user friendliness of an existing technology. Mr Ong also invented our Group's single head 2K system which was awarded a gold medal at the ITEX 2016 held in Kuala Lumpur, Malaysia by the Malaysian Invention and Design Society. He was also awarded a Special Innovation Award as a recognition of the same invention by The Moroccan Union of Inventors, an affiliate of the International Federation of Investor's Associations at Toronto 2016. Mr Ong graduated from the Universiti Kebangsaan Malaysia with a Bachelor of Arts in 1993.

Past directorships in listed companies (for last three years)

- None

Present directorships in listed companies (other than the Company)

- None

MR LIM SIANG KAI

(Non-Executive Chairman and Lead Independent Director)

Mr Lim Siang Kai was appointed to our Board on 3 October 2016 and was last re-elected as Director on 28 July 2023. Mr Lim has over 30 years of experience in securities, private and investment banking and fund management, having worked in and held various leadership roles in various banks and financial services companies since 1981. Mr. Lim holds a Bachelor of Arts degree and a Bachelor of Social Science (Hons) degree from the National University of Singapore obtained in 1980 and 1981 respectively. He also has a Master of Arts in Economics from the University of Canterbury, New Zealand, which he obtained in 1983.



Past directorships in listed companies (for last three years)

- Joyas International Holdings Limited
- Beijing Gas Blue Sky Power Holdings Limited
- D'nonce Technology Berhad

Present directorships in listed companies (other than the Company)

- ISDN Holdings Limited



MS LIM LAY YONG

(Executive Director and Chief Operating Officer)

Ms Lim was appointed to our Board on 3 October 2016 and was last re-elected as Director on 28 July 2023. Ms Lim has a diverse and strong working experience having served in various capacities for more than 20 years in marketing and product manufacturing. In 2001 to 2014, Ms Lim gained extensive customer relations and marketing experience in her roles of planning marketing activities including organising roadshows for the Group's aerosol products. As the COO of our Group, Ms Lim oversees daily operations of our Group, helps in designing and implementing business strategies, plans and procedures, as well as establishing policies that promote our Company's culture and vision, and managing relationships with vendors. Ms. Lim graduated from the Simon Fraser University (Canada) with a Bachelor of Science (Biochemistry) in 1994 and obtained a Graduate Diploma in Health Science (Herbal Medicine) from The University of New England (Australia) in 2007.

Past directorships in listed companies (for last three years)

- None

Present directorships in listed companies (other than the Company)

- None

BOARD OF DIRECTORS



DATO' LOH SHIN SIONG

(Non-Executive Director)

Dato' Loh Shin Siong was appointed to the Board on 16 December 2016 and was last re-elected as Director on 27 July 2022. He has business interests in various industries such as food and beverage and property development and operations and formulates strategies to continually raise the standards of quality and service. Dato' Loh is also responsible for the management and operations in a real estate company and gained experience in property investment and development.

Past directorships in listed companies (for last three years)

- None

Present directorships in listed companies (other than the Company)

- None

DATO' CHANG CHOR CHOONG

(Non-Executive Director)

Dato' Chang Chor Choong was appointed to the Board on 16 December 2016 and was last re-elected as Director on 28 July 2021. Dato' Chang is currently a director at various private companies engaged in businesses across a range of industries including telecommunications, beverages and real estate development. Over years, he has gained experience in the overall management of companies and in setting directions and implementing various business strategies. Outside of his business commitments, Dato' Chang has been an advisor of Ku-Miau Temple since 2012.



Past directorships in listed companies (for last three years)

- None

Present directorships in listed companies (other than the Company)

- None



MR HAU HOCK KHUN

(Independent Director)

Mr Hau Hock Khun was appointed to our Board on 16 December 2016 and was last re-elected as Director on 28 July 2021. Mr Hau has more than 23 years of experience in the legal industry and his practice focuses on, amongst others, banking and finance law, Islamic banking law, general corporate and commercial law, company law, conveyancing and land law, probate and administration law and intellectual property law in Malaysia. Mr Hau is currently an executive director in charge of overall management and operations in a number of private companies. Mr Hau is a member of the Bar Council of Malaysia, a member of the Chartered Institute of Arbitrators (United Kingdom) in 2009. Mr Hau graduated from Bond University, Australia with a Bachelor of Law in 1997. He later obtained a Master of Business Administration (Total Quality Management) from Newport University, USA.

Past directorships in listed companies (for last three years)

- Kumpulan H & L High-Tech Berhad

Present directorships in listed companies (other than the Company)

- None

MR LIM CHONG HUAT

(Independent Director)

Mr Lim was appointed to our Board on 21 May 2019 and was last re-elected as Director on 27 July 2022. Mr Lim has a diverse and strong working experience for more than 20 years in the accounting and audit industry. Over the years, he has also gained experience in the overall Management and operations in a number of private accounting companies. Mr Lim is currently an Audit Principal at Milant & Associates LLP and founder of Lim CH & Associates, a certified public accounting firm providing audit services. He also set up a private limited company named CoseClinic Services Pte Ltd which took over businesses of Everich Management Services.



Past directorships in listed companies (for last three years)

- None

Present directorships in listed companies (other than the Company)

- Advancer Global Limited
- Sen Yue Holdings Limited

KEY MANAGEMENT



MR VOON KIAN WOON
(General Manager (Finance))

Mr Voon Kian Woon joined our Group in September 2014. Mr Voon started his own bookkeeping business in 2012 where he provided bookkeeping services to small businesses in Malaysia. Currently, Mr Voon has been relocated to USA subsidiary and is in charge to oversee the business operation, preparing of financial statements and business activity reports of Samurai 2K USA. Mr Voon is currently an affiliate member of the Association of Chartered Certified Accountants ("ACCA"). He passed the professional level of the ACCA examinations in 2010. Mr Voon obtained a Bachelor of Science with First Class Honours in applied Accounting from Oxford Brookes University in 2010.

HANIFAH BT ABDUL HAMID
(Financial Controller)

Ms Hanifah joined our Group in 2018 as Finance Manager where she lead the finance team and in charge of preparation of monthly reporting, consolidation, preparing tax computation and financial reporting. She was promoted to Financial Controller of the Group in January 2022. Currently, Ms Hanifah oversees and manages the Group's financial, management, accounting, treasury, taxation, and other corporate compliance matters. Ms Hanifah has 18 years of experience in accountancy. She started her career in 2004 as an Account and Admin Executive. Since then, she climbed the career ladder at Scanwolf Plastic Industries Sdn Bhd to the position of Head of Account where she oversaw all financial matters such as finance and treasury planning. Ms Hanifah graduated from University Technology of MARA (UiTM) in 2004 with a Bachelor of Accounting (Hons).



MR PARANTAMAN E. KRISHNAN NAIDU
(Regional Operation Director)

Mr Parantaman E. Krishnan Naidu joined our Group in 2017 as Factory Manager in charge of monitoring and managing the whole production activities to ensure the products are meeting the specification, delivery target and company target. He was promoted to Regional Operation Director in June 2019 with responsibilities for commercial and operational excellence over South Asia countries (eg: India, Nepal, Sri Lanka, Bangladesh, and Middle East). Mr Paran has 25 years of manufacturing and safety experience and with last 15 years in middle and senior management roles mainly in Ophtalmic Industry, Electronic Management System and Aerosol Competent Safety and Health Officer. Mr Paran graduated from Universiti Kebangsaan Malaysia in Bachelor of Arts (Hons) and he also obtained Master of Business Administration (MBA) from Heriot Watt University, United Kingdom.

MS LEE SIONG KIM
(General Manager Indonesia)

Ms Lee Siong Kim joined our group in 2011. Ms Lee has more than 10 years of experience in sales and marketing. She was a marketing manager at a company engaged in furniture business, where she was involved in the expansion and development of the business and development of Samurai 2K Aerosol Sdn. Bhd. as well as the overall business operations and sales performance. Currently, she oversee the business operations and sales performance of Indonesia market.



MR DINGBO
(Chief Technology Officer)

Mr Dingbo joined our organization in year 2022 as Chief Technology Officer. He is responsible for key projects related to Information Technology such as development of Artificial Intelligence System, data transformation of the entire business operations (E-Management), enhancement of network security and other matters related to advancement of Information Technology of Samurai 2K Aerosol. Mr Dingbo has more than 22 years of experience in system development. In the past, he has collaborated with multinational organizations for computational and statistical related projects. He is currently a member of Institute of Electrical and Electronics Engineers ("IEEE"), Association for Computing Machinery ("ACM"), China Computer Federation Senior Professional ("CCF"), Natural Language Processing Group\Software Engineering Group\Computer Vision Group\Computer Algorithms Group. Mr Dingbo has dual Bachelor Degree in Computer Science & Technology and Mathematical Studies. He completed his Masters Degree in Mathematical and Statistics in year 2022.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Lim Siang Kai
(Non-Executive Chairman & Lead Independent Director)

Mr Ong Yoke En
(Founder, Executive Director & Chief Executive Officer)

Ms Lim Lay Yong
(Executive Director & Chief Operating Officer)

Dato' Loh Shin Siong
(Non-Executive Director)

Dato' Chang Chor Choong
(Non-Executive Director)

Mr Hau Hock Khun
(Independent Director)

Mr Lim Chong Huat
(Independent Director)

AUDIT AND RISK COMMITTEE

Mr Lim Siang Kai (Chairman)

Mr Hau Hock Khun

Mr Lim Chong Huat

REMUNERATION COMMITTEE

Mr Hau Hock Khun (Chairman)

Mr Lim Siang Kai

Mr Lim Chong Huat

NOMINATING COMMITTEE

Mr Lim Chong Huat (Chairman)

Mr Hau Hock Khun

Mr Lim Siang Kai

COMPANY SECRETARIES

Mr Tan Chee How (FCIS)

REGISTERED OFFICE

133, North Bridge Road,
#08-03 Chinatown Point,
Singapore 059413

PRINCIPAL PLACE OF BUSINESS

MALAYSIA

6 Jalan Dato' Yunus 1,
Taman Perindustrian Dato Yunus Sulaiman,
Lima Kedai, 81120, Skudai, Johor, Malaysia

INDONESIA

Jl. Sunter Mas Utara, Blok H1 No 17W
RT 021 RW 008, Sunter Jaya Sub-District,
Tanjung Priok District, North Jakarta
14350 Indonesia

UNITED STATES OF AMERICA

627, Montrose Avenue
South Plainfield
New Jersey 07080
United States of America

INDIA

Devar Yamjal Village Kothapet, Shamirpet Mandal,
Ranga Reddy District, Secunderabad, Hyderabad,
Telangana, 500014, India.

CONTINUING SPONSOR

UOB KAY HIAN PRIVATE LIMITED

8 Anthony Road
#01-01
Singapore 229957

AUDITORS

BAKER TILLY TFW LLP

600 North Bridge Road
#05-01
Parkview Square
Singapore 188778
Partner-in-charge: Mr Lee Chee Sum Gilbert
(a member of the Institute of Singapore Chartered
Accountants)
(Date of appointment: since financial year ended 31
March 2021)

SHARE REGISTRAR

BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD

1 Harbourfront Avenue
Keppel Bay Tower
#14-03/07, Singapore 098632

PRINCIPAL BANKER

THE HONGKONG & SHANGHAI BANKING CORPORATION LIMITED

10 Marina Boulevard, Marina Bay Financial Centre
Tower 2, #47-01 Singapore 018983

CORPORATE EVENTS & ACTIVITIES

SAMURAI 2K AEROSOL EARNS FORBES ASIA RECOGNITION: A TESTAMENT TO DISCIPLINE AND SERIES OF INNOVATIONS

Samurai 2K Aerosol celebrates major milestone as it was featured in the prestigious Forbes Asia "Best Under a Billion" list for year 2021. This accolade, was presented at an award dinner which was held on 21st November 2023 in Manila, Philippines. Companies were selected based on debt management, sales growth, earnings per share growth, and average returns on equity. With about 20,000 companies, only 200 public listed companies in the Asia Pacific region with sales between US\$10 million to US\$1 billion made it to the Forbes Asia Under A Billion list. Samurai 2K Aerosol's inclusion in this esteemed list is a reflection of its prudent financial management, unwavering focus on innovation and market expansion. Samurai 2K Aerosol will remain committed to these principles, ensuring sustainable growth and returns for its stakeholders.



SAMURAI 2K AEROSOL'S AFFILIATE PROGRAM: HARNESSING DIGITAL SYNERGY FOR GROWTH

In pursuit of global market expansion, Samurai 2K Aerosol has launched a groundbreaking affiliate program. The primary objective, as set by its visionary Chief Executive Officer, Mr Ian Ong, is to enlist 26,000 partners worldwide. This initiative is kickstarted to leverage the digital landscape, allowing both internal and external stakeholders to promote and sell its products and subsequently extend its reach beyond Malaysia.

The Affiliate Program which was launched in July 2023 has earned 657 key opinion leaders in Tiktok and 666 key opinion leaders in Shopee till date. With generation of contents and live-streaming sessions on Samurai 2K Aerosol's products by the key opinion leaders on Tiktok, the digital outreach managed to record a significant hike in sales. With about 20-30 new signups of key opinion leaders every month, the Affiliate program is set to be a strong revenue generator for Samurai 2K Aerosol in coming months.



CORPORATE EVENTS & ACTIVITIES

SAMURAI 2K AEROSOL CAREER FAIR

23rd-24th September 2023 – Samurai 2K Aerosol hosted its first career fair at its headquarters in Gelang Patah. The career fair recruitment process initiated by our Strategic Human Resource Manager, Ms. Meena which is scheduled to take place at least once a month aims to connect with potential candidates from different walks of life and at the same time, to showcase its brand, products and upcoming innovations to candidates. Due to multiple Artificial Intelligence and Digital Marketing projects being initiated, more manpower is required. On-the-spot interviews were conducted to screen through profiles that would suit the work culture. Samurai 2K Aerosol is scheduled to collaborate with State Strategic Human Capital Unit, PERKESO and other governmental organization to increase workforce and to provide information to help individuals to make the right choice in search of employment.



SAMURAI 2K AEROSOL'S FIRST WOMEN'S DAY EVENT

Samurai 2K Aerosol organized its first Women's day event on March 8th, 2024 to celebrate the contribution of female employees of Samurai. The event was kickstarted with a speech given by Ms Kelly Lim, Samurai 2K Aerosol's Chief Operating Officer that focused on the importance of providing a high quality work environment for female employees in Samurai. In September 2023, Workplace Harassment Prevention Policy was introduced to enforce its zero tolerance approach towards violence against women. Moving forward, Samurai 2K Aerosol aims to create a platform for more women to join the organization as it expands further. The event ended with a brief cake cutting ceremony followed by fun photography session.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

FEED THE POOR PROGRAM

January 13th 2024 - Employees of Samurai 2K Aerosol collaborated with Kechara Soup Kitchen Society, a local NGO to distribute food to the homeless around the streets of Johor Bahru. The activity began at 8pm where Samuraisians were first briefed on the SOP that has to be adhered to throughout the activity. The team was then split into two groups led by members of the NGO which then proceeded to walk around Jalan Wong Ah Fook to distribute food. The activity ended around 9.30pm where every employee was given a chance to share their volunteering experience. Samurai is keen to get actively involved in such activity that would contribute further to the homeless and marginalized communities in Malaysia. Special thanks to Kechara Soup Kitchen Society for helping us to kickstart this goal.



GLOBAL RECYCLING DAY

March 16th, 2024 - Samurai 2K Aerosol employees participated in Tanah Sutera Development's Global Recycling Day event at SuteraFOLO farm. The farm uses food waste from Sutera Mall as compost for vegetable growing and landscaping.

About 30 volunteers from NGOs and small businesses attended. The event included discussions on environmental collaborations, with Samurai staff managing collection and sale of second-hand items. They also engaged in pledge painting, tree planting, and workshops on sustainable living practices.

Samurai 2K Aerosol aims to continue collaborating with Tanah Sutera Development to raise environmental awareness among employees and improve sustainable waste management within the company.



CORPORATE GOVERNANCE REPORT

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2018 AND CATALIST RULES

The Board of Directors (the “**Board**”) of Samurai 2K Aerosol Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This corporate governance report, set out in tabular form, outlines the Company’s corporate governance structures and practices that were in place during the financial year ended 31 March 2024 (“**FY2024**”), with specific reference made to the principles of the Code of Corporate Governance 2018 (the “**Code**”).

The Board and Management have taken all necessary steps to align the governance framework with the recommendations of the Code, where applicable, and where deviations from the provisions of the Code, appropriate explanations are provided. This report should be read in totality, instead of being read separately under each principle of the Code.

Provision	Code Description	Company’s Compliance or Explanation																								
BOARD MATTERS																										
The Board’s Conduct of Affairs																										
	Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long term success of the Company																									
1.1	Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.	<p>The Board is involved in the supervision of the management of the Group’s operations. It reviews strategies, policies and financial performance and assesses key risks provided by Management as well as the adequacy of internal controls and risk management of the Group. Day-to-day management and implementation of business strategies are delegated to the Executive Directors. Each director is expected during the course of carrying out his duties, to act in good faith and to make decisions objectively at all times, as fiduciaries in the best interest of the Company.</p> <p>As at the date of this Annual Report, the Board comprises of seven (7) directors as follows:</p> <table border="1"> <thead> <tr> <th>Name of Director</th> <th>Designation</th> <th>Date appointed</th> </tr> </thead> <tbody> <tr> <td>Mr Lim Siang Kai</td> <td>Non-Executive Chairman and Lead Independent Director</td> <td>3 October 2016</td> </tr> <tr> <td>Mr Ong Yoke En</td> <td>Executive Director and Chief Executive Officer (“CEO”)</td> <td>9 March 2016</td> </tr> <tr> <td>Ms Lim Lay Yong</td> <td>Executive Director and Chief Operating Officer (“COO”)</td> <td>3 October 2016</td> </tr> <tr> <td>Dato’ Loh Shin Siong</td> <td>Non-Executive Director</td> <td>16 December 2016</td> </tr> <tr> <td>Dato’ Chang Chor Choong</td> <td>Non-Executive Director</td> <td>16 December 2016</td> </tr> <tr> <td>Mr Hau Hock Khun</td> <td>Independent Director</td> <td>16 December 2016</td> </tr> <tr> <td>Mr Lim Chong Huat</td> <td>Independent Director</td> <td>21 May 2019</td> </tr> </tbody> </table>	Name of Director	Designation	Date appointed	Mr Lim Siang Kai	Non-Executive Chairman and Lead Independent Director	3 October 2016	Mr Ong Yoke En	Executive Director and Chief Executive Officer (“ CEO ”)	9 March 2016	Ms Lim Lay Yong	Executive Director and Chief Operating Officer (“ COO ”)	3 October 2016	Dato’ Loh Shin Siong	Non-Executive Director	16 December 2016	Dato’ Chang Chor Choong	Non-Executive Director	16 December 2016	Mr Hau Hock Khun	Independent Director	16 December 2016	Mr Lim Chong Huat	Independent Director	21 May 2019
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CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		<p>The Board's role is to:</p> <ul style="list-style-type: none"> (a) provide entrepreneurial leadership, set strategic objectives and directs the strategic policies of the Group, while ensuring that the necessary financial and human resources are in place for the Group to meet its objectives; (b) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Group's assets; (c) review the management performance and financial performance of the Group; (d) identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation; (e) set the Group's values and standards (including ethical standards), and ensures that obligations to shareholders and other stakeholders are understood and met; and (f) consider sustainability issues (e.g. environmental and social factors), as part of its strategic formulation and assume responsibility for corporate governance. <p>All Directors are required to avoid situations where their own personal or business interests may conflict or appear to conflict with the interests of the Company. Where a director has a conflict of interest, or it appears that he/she might have a conflict of interest in relation to any matter, he/she must immediately disclose his/her interest at a meeting of the Directors or send a written notice to the Company containing details of his/her in the matter and the actual or potential conflict and recuse himself/herself from participating.</p>

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Provision	Code Description	Company's Compliance or Explanation
1.2	<p>Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.</p>	<p>All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group.</p> <p>All newly appointed Directors will undergo an orientation programme where the Director would be briefed on the Group's business as well as the expected duties of a director of a listed company and be provided with industry-relevant information. To obtain a better understanding of the Group's history and key milestones, business operations, strategic directions as well as relevant statutory and regulatory compliance issues, the Director will also be given the opportunity to visit the Group's operational, offices and facilities and together meet with the key management personnel. All newly appointed Directors will attend relevant training on the roles and responsibilities as a director of a listed company in Singapore as prescribed by the SGX-ST. There was no new Director appointed during the year under review.</p> <p>The Directors are updated, from time to time, when new laws or regulations affecting the Group are introduced. New releases issued by the SGX-ST which are applicable to the Directors are circulated to the Board. The Directors are encouraged to attend seminars, conference and training courses that will assist them in executing their obligations and responsibilities as Directors to the Company.</p> <p>During FY2024, Directors have attended the following training courses:</p> <ul style="list-style-type: none"> i) Boss Management Strategy Programme ii) M&A Course iii) Marketing and Positioning iv) Fundamental of Withholding Tax v) Update of FRS 2023 vi) Totally Transfer Pricing, MAP & APAS vii) Tax Academy Conference 2023

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
1.3	<p>The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.</p>	<p>The matters which specifically require the Board's approval or guidance are those involving:</p> <ul style="list-style-type: none"> ● material acquisitions and disposals of assets; ● major investments; ● borrowings; ● share issuances, dividends and other returns to shareholders; ● corporate strategies and objectives; ● Group's budget and business plans; ● financial and management performances; ● executive compensation; ● internal controls and risk management; ● financial results announcements; and ● commitments to banking facilities granted by financial institutions. <p>A formal document setting out the guidelines and matters (including the matters set out above) which are to be reserved for the Board's decision has also been adopted by the Board.</p>
1.4	<p>Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.</p>	<p>As at the date of this report, the Board comprises seven (7) directors, three (3) of whom are Independent Directors. The Non-Executive Chairman, Mr Lim Siang Kai, is an Independent Director and not part of the management team, and as the Independent Directors make up at least one-third (1/3) of the Board, there is a strong and independent element on the Board and no individual or small group of individuals dominate the Board's decision-making process.</p>

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Provision	Code Description	Company's Compliance or Explanation																																																																												
1.5	Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.	<p>The Board has delegated certain functions to the various Board committees, namely the Audit and Risk Committee ("ARC"), Nominating Committee ("NC") and Remuneration Committee ("RC") (the "Board Committees"). Each of the Board Committee has its own written terms of reference and whose actions are reported to and monitored by the Board. The duties, authorities and responsibilities of each Board Committee are set out in their respective terms of reference. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/ or recommendations, the ultimate responsibility on all matters lies with the Board. As at the date of this Annual Report, the respective compositions of the Board Committees are as follows:</p> <table border="1" data-bbox="475 324 643 1451"> <thead> <tr> <th></th> <th>ARC</th> <th>NC</th> <th>RC</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Lim Siang Kai</td> <td>Lim Chong Huat</td> <td>Hau Hock Khun</td> </tr> <tr> <td>Member</td> <td>Lim Chong Huat</td> <td>Lim Siang Kai</td> <td>Lim Chong Huat</td> </tr> <tr> <td>Member</td> <td>Hau Hock Khun</td> <td>Hau Hock Khun</td> <td>Lim Siang Kai</td> </tr> </tbody> </table> <p>The Board meets at least two (2) times in each financial year and as warranted by particular circumstances, as deemed appropriate by the Board members. Tele-conferencing and video conferencing at meetings is permitted under the Company's Constitution ("Constitution"). In addition to holding meetings, important matters regarding the Group are also put to the Board for decision making by way of written resolutions.</p> <p>The number of Board and Board Committee meetings and the record of attendance of each Director during FY2024 are set out below:</p> <table border="1" data-bbox="917 324 1366 1451"> <thead> <tr> <th></th> <th>Board</th> <th>ARC</th> <th>NC</th> <th>RC</th> <th>General Meeting</th> </tr> </thead> <tbody> <tr> <td>Number of meetings held</td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td colspan="6">Name of director</td> </tr> <tr> <td>Lim Siang Kai</td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Ong Yoke En</td> <td>2</td> <td>2*</td> <td>1*</td> <td>1*</td> <td>1</td> </tr> <tr> <td>Lim Lay Yong</td> <td>2</td> <td>2*</td> <td>1*</td> <td>1*</td> <td>1</td> </tr> <tr> <td>Hau Hock Khun</td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> <td>-</td> </tr> <tr> <td>Lim Chong Huat</td> <td>2</td> <td>2</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Dato' Loh Shin Siong</td> <td>2</td> <td>2*</td> <td>1*</td> <td>1*</td> <td>1</td> </tr> <tr> <td>Dato' Chang Chor Choong</td> <td>2</td> <td>2*</td> <td>1*</td> <td>1*</td> <td>1</td> </tr> </tbody> </table> <p>*By invitation</p>		ARC	NC	RC	Chairman	Lim Siang Kai	Lim Chong Huat	Hau Hock Khun	Member	Lim Chong Huat	Lim Siang Kai	Lim Chong Huat	Member	Hau Hock Khun	Hau Hock Khun	Lim Siang Kai		Board	ARC	NC	RC	General Meeting	Number of meetings held	2	2	1	1	1	Name of director						Lim Siang Kai	2	2	1	1	1	Ong Yoke En	2	2*	1*	1*	1	Lim Lay Yong	2	2*	1*	1*	1	Hau Hock Khun	2	2	1	1	-	Lim Chong Huat	2	2	1	1	1	Dato' Loh Shin Siong	2	2*	1*	1*	1	Dato' Chang Chor Choong	2	2*	1*	1*	1
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CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation															
1.6	<p>Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.</p>	<p>The following table sets out the type and information provided by key management personnel to Directors for FY2024:</p> <table border="1" data-bbox="284 322 523 1464"> <thead> <tr> <th data-bbox="284 1375 323 1464"></th> <th data-bbox="284 591 323 1375">Information</th> <th data-bbox="284 322 323 591">Frequency</th> </tr> </thead> <tbody> <tr> <td data-bbox="331 1375 363 1464">1</td> <td data-bbox="331 591 395 1375">Board papers and half yearly financial position, including the explanation on the variances</td> <td data-bbox="331 322 363 591">Half yearly</td> </tr> <tr> <td data-bbox="403 1375 435 1464">2</td> <td data-bbox="403 591 435 1375">Report on on-going or planned corporate activity</td> <td data-bbox="403 322 435 591">Half yearly</td> </tr> <tr> <td data-bbox="443 1375 475 1464">3</td> <td data-bbox="443 591 475 1375">Internal Auditors' ("IA") report</td> <td data-bbox="443 322 475 591">Yearly</td> </tr> <tr> <td data-bbox="483 1375 515 1464">4</td> <td data-bbox="483 591 515 1375">Shareholding statistics</td> <td data-bbox="483 322 515 591">Yearly</td> </tr> </tbody> </table> <p>Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</p>		Information	Frequency	1	Board papers and half yearly financial position, including the explanation on the variances	Half yearly	2	Report on on-going or planned corporate activity	Half yearly	3	Internal Auditors' ("IA") report	Yearly	4	Shareholding statistics	Yearly
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4	Shareholding statistics	Yearly															
1.7	<p>Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.</p>	<p>The Company Secretary and/or a representative of the Company Secretary attends all meetings of the Board and Board Committees of the Company and ensures that Board procedures are followed, and that applicable rules and regulations are complied with. The minutes of Board and Board Committees' meetings are circulated to the Board. The Company Secretary is also responsible for the proper maintenance of the records of Board and Board Committee meetings and records of discussions on key deliberations and decisions taken. The directors have separate and independent access to the Company Secretary. The appointment and the removal of the Company Secretary are subject to the Board's approval.</p> <p>All Directors have direct access to the Group's independent professional advisors, as and when necessary, to discharge his/her responsibilities effectively. In addition, the Directors, either individually or as a group, may seek separate independent professional advice, if necessary. The cost of all such professional advice is borne by the Company.</p>															

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Provision	Code Description	Company's Compliance or Explanation
<p>Board Composition and Guidance</p> <p>Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.</p>		
2.1	<p>An “independent” director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgement in the best interests of the company.</p>	<p>The NC had reviewed and is of the view that Mr Lim Siang Kai, Mr Lim Chong Huat and Mr Hau Hock Khun are independent. The Independent Directors had also confirmed their independence in accordance with the Code during the NC meeting held on 30 May 2024 and all the Independent Directors have provided their independence declaration.</p> <p>The Independent Directors do not have any relationship as stated in the Code that would otherwise deem any of them not to be independent.</p> <p>None of the independent Directors have served on the Board beyond 9 years.</p>
2.2	<p>Independent directors make up a majority of the Board where the Chairman is not independent.</p>	<p>The Chairman of the Board is independent.</p>
2.3	<p>Non-executive directors make up a majority of the Board.</p>	<p>The majority of the Board members are non-executive directors.</p>
2.4	<p>The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid group think and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company’s annual report.</p>	<p>The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group’s businesses, and the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the NC, believes that its current board size and the existing composition of the Board Committees effectively serve the Group. It provides sufficient diversity without interfering with efficient decision-making.</p> <p>The Board and NC take into account, <i>inter alia</i>, the Directors’ contributions, areas of expertise and scope of work on an annual basis in evaluating whether the Board’s composition is adequate.</p> <p>The Board and NC are satisfied that the current Board’s size and composition are appropriate for the Group. The Board and the NC are also of the view that the present Board has the appropriate mix of expertise, experience and competencies such as accounting or finance, legal, business or management experience and industry knowledge for the effective functioning of the Board.</p>

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Provision	Code Description	Company's Compliance or Explanation																					
		<p>The current Board composition provides a diversity of skills, experience and knowledge to the Group as follows:</p> <table border="1" data-bbox="277 331 549 1469"> <thead> <tr> <th data-bbox="277 927 309 1469">Core Competencies</th> <th data-bbox="277 636 309 927">Number of Directors</th> <th data-bbox="277 331 309 636">Proportion of Board</th> </tr> </thead> <tbody> <tr> <td data-bbox="309 927 357 1469">Accounting or finance</td> <td data-bbox="309 636 357 927">2</td> <td data-bbox="309 331 357 636">29%</td> </tr> <tr> <td data-bbox="357 927 405 1469">Business Management</td> <td data-bbox="357 636 405 927">7</td> <td data-bbox="357 331 405 636">100%</td> </tr> <tr> <td data-bbox="405 927 453 1469">Legal or corporate experience</td> <td data-bbox="405 636 453 927">3</td> <td data-bbox="405 331 453 636">43%</td> </tr> <tr> <td data-bbox="453 927 501 1469">Relevant industry knowledge or experience</td> <td data-bbox="453 636 501 927">2</td> <td data-bbox="453 331 501 636">29%</td> </tr> <tr> <td data-bbox="501 927 549 1469">Strategic planning experience</td> <td data-bbox="501 636 549 927">7</td> <td data-bbox="501 331 549 636">100%</td> </tr> <tr> <td data-bbox="549 927 596 1469">Customer based experience or knowledge</td> <td data-bbox="549 636 596 927">4</td> <td data-bbox="549 331 596 636">57%</td> </tr> </tbody> </table> <p>The Board has taken the following steps to maintain or enhance its balance and diversity:</p> <ul data-bbox="635 331 836 1469" style="list-style-type: none"> <li data-bbox="635 331 724 1469">• The NC reviews the existing attributes and competencies of the Board at least once a year in order to determine the desired expertise or experience required to strengthen or supplement the Board; and <li data-bbox="756 331 836 1469">• Evaluation by the Directors at least once a year of the skill sets the other Directors possess, with a view to understanding the range of expertise which is lacking by the Board. <p>At the recommendation of the NC, the board has adopted the board diversity policy. In terms of gender, age and ethnic diversity, the Company did not set any specific target nor timeline as it is of the view that this is largely dependent on the Company's business requirement and needs. Nonetheless, it is committed to promoting boardroom diversity, with the key objective of working towards strengthening the Board as a whole.</p> <p>The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors. Taken into account the nature and scope of the Group's business and the number of board committees, the Board believes that the current size of the Board and the Board composition provide sufficient diversity without interfering with the efficient decision making. The Board currently has one female representation on the Board and our core competencies are shown in the table above. The Board, particularly the Independent Directors, which are Non-Executive Directors, must be kept well informed of the Group's business and be knowledgeable about the industry the Group operates in. To ensure that the Independent Directors are well supported by accurate, complete and timely information, they have unrestricted access to Management, and have sufficient time and resources to discharge their oversight functions effectively.</p>	Core Competencies	Number of Directors	Proportion of Board	Accounting or finance	2	29%	Business Management	7	100%	Legal or corporate experience	3	43%	Relevant industry knowledge or experience	2	29%	Strategic planning experience	7	100%	Customer based experience or knowledge	4	57%
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2.5	Non- executive directors and/ or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.	<p>This enables the Non-Executive Directors to constructively challenge and help develop proposals on strategy and also review the performance of Management in meeting agreed goals and objectives, and extend guidance to Management. The Directors' objective judgement on corporate affairs and collective experience and knowledge are invaluable to the Group and allows for the useful exchange of ideas and views.</p> <p>The Independent Directors discuss and/or meet on a need-basis without the presence of the Management on matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development and the remuneration of the Executive Directors.</p> <p>The Independent Directors had met and discussed with the external and internal auditors one (1) time respectively in the absence of key management personnel in FY2024.</p>
	<p>Chairman and Chief Executive Officer</p> <p>Principle 3: There is a clear division of responsibilities between the Board and Management, and no one individual has unfettered powers of decision-making.</p>	
3.1	The Chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.	There is a clear division of responsibilities between the Chairman and CEO, which ensures there is a balance of power and authority, such that no one individual represents a considerable concentration of power. Mr Lim Siang Kai, the Non-Executive Chairman and Lead Independent Director, and Mr Ong Yoke En, the Executive Director and CEO, are not related to each other.
3.2	The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.	The responsibilities of Mr Ong Yoke En, the Executive Director and CEO, encompass managing the day-to-day business activities of the Group, developing and executing the Group's strategies, reporting back to the Board on the performance of the Group, and providing guidance to the Group's employees. The CEO also encourages constructive communication between Management and the Board.
3.3	The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.	Mr Lim Siang Kai, the Non-Executive Chairman and Lead Independent Director leads the Board discussion and also ensures that Board meetings are convened when necessary. He sets the Board's meeting agenda and ensures that Directors are provided with complete, adequate and timely information. He chairs the Board meetings and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues, and promotes a culture of openness and discussion at the Board. He also facilitates the effective contribution of Non-Executive Directors and promotes high standards of corporate governance. He encourages constructive relations within the Board and between the Board and the Management, as well as ensures effective communications between the Company and its shareholders. He is the contact person for shareholders in situations where there are concerns or issues which communication through normal channels with the CEO and/or Financial Controller ("FC") has no resolution or where such communication is inappropriate. He will also take the lead in ensuring compliance with the Code.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
<p>Board Membership</p>	<p>Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.</p>	
<p>4.1</p>	<p>The Board establishes a NC to make recommendations to the Board on relevant matters relating to:</p> <ul style="list-style-type: none"> (a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel; (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors; (c) the review of training and professional development programmes for the Board and its directors; and (d) the appointment and re-appointment of directors (including alternate directors, if any). 	<p>The NC comprises the Independent Directors, Mr Lim Siang Kai, Mr Hau Hock Khun and Mr Lim Chong Huat. The Chairman of the NC is Mr Lim Chong Huat.</p> <p>The NC holds at least one (1) meeting in each financial year. The terms of reference and the key roles of the NC include, <i>inter alia</i>:</p> <ul style="list-style-type: none"> (a) reviewing and approving any new employment of related persons and proposed terms of their employment; (b) recommending to the Board on Board appointments, including the re-nomination of the existing Directors for re-election in accordance with the Constitution at each annual general meeting and having regard to the Director's contribution and performance; (c) determining annually, and as and when circumstances require, whether or not a Director of the Company is independent; (d) in respect of a Director who has multiple board representations on various companies, if any, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as Director, having regard to the competing time commitments that are faced by the Director when serving on multiple Boards and discharging his duties towards other principal commitments; (e) deciding whether or not a Director of the Company is able to and has been adequately carrying out his duties as a director; (f) to decide how the Board's performance may be evaluated and propose objective performance criteria, as approved by the Board that allows comparison with its industry peers, and address how the Board has enhanced long-term shareholders' value; (g) reviewing and approving the employment of persons related to the Directors, Executive Officers or Substantial Shareholders and the proposed terms of their employment; (h) reviewing the succession plans for the Executive Directors and Executive Officers; and (i) reviewing the training and professional development programmes for the Board.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation												
4.2	The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.	<p>The NC will decide how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval of the Board, which addresses how the Board has enhanced long-term shareholders' value. The Board will also implement a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each individual Director to the effectiveness of the Board.</p> <p>Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as director of the Company. In the event that any member of the NC has an interest in a matter being deliberated upon by the NC, he will abstain from participating in the review and approval process relating to that matter.</p> <p>Please refer to provision 1.4 for the composition of the Board. All NC members are independent and the Lead Independent Director is a member of the NC.</p>												
4.3	The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.	<p>The following table sets out the process for the selection and appointment of new directors:</p> <table border="1" data-bbox="778 322 1181 1451"> <tbody> <tr> <td data-bbox="778 1375 935 1451">1.</td> <td data-bbox="778 1093 935 1375">Determination of selection criteria</td> <td data-bbox="778 322 935 1093">The NC, in consultation with the Board would identify the current needs of the Board in terms of expertise and skills that are required in the context of the strengths and weaknesses of the existing Board to complement and strengthen the Board.</td> </tr> <tr> <td data-bbox="935 1375 1038 1451">2.</td> <td data-bbox="935 1093 1038 1375">Search for suitable candidates</td> <td data-bbox="935 322 1038 1093">The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders and may engage external search consultants where necessary.</td> </tr> <tr> <td data-bbox="1038 1375 1107 1451">3.</td> <td data-bbox="1038 1093 1107 1375">Assessment of shortlisted candidates</td> <td data-bbox="1038 322 1107 1093">The NC would meet and interview the shortlisted candidates to assess their suitability.</td> </tr> <tr> <td data-bbox="1107 1375 1181 1451">4.</td> <td data-bbox="1107 1093 1181 1375">Appointment of director</td> <td data-bbox="1107 322 1181 1093">The NC would recommend the selected candidate to the Board for consideration and approval.</td> </tr> </tbody> </table>	1.	Determination of selection criteria	The NC, in consultation with the Board would identify the current needs of the Board in terms of expertise and skills that are required in the context of the strengths and weaknesses of the existing Board to complement and strengthen the Board.	2.	Search for suitable candidates	The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders and may engage external search consultants where necessary.	3.	Assessment of shortlisted candidates	The NC would meet and interview the shortlisted candidates to assess their suitability.	4.	Appointment of director	The NC would recommend the selected candidate to the Board for consideration and approval.
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CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation						
		<p>The Board is also advised by the Sponsor on the appointment of directors as required under Catalyst Rule 226(2)(d). The following table sets out the process for the re-electing directors:</p> <table border="1" data-bbox="296 322 600 1453"> <tr> <td data-bbox="296 1379 491 1453">1.</td> <td data-bbox="296 1084 491 1379">Assessment of director</td> <td data-bbox="296 322 491 1084"> <p>a) The NC would assess the contributions and performance of the Director in accordance with the performance criteria set by the Board; and</p> <p>b) The NC would also review the range of expertise, skills and attributes of current needs of the Board.</p> </td> </tr> <tr> <td data-bbox="491 1379 600 1453">2.</td> <td data-bbox="491 1084 600 1379">Re-appointment of director</td> <td data-bbox="491 322 600 1084">Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.</td> </tr> </table> <p>Our Directors have no fixed term of office.</p> <p>Pursuant to the Constitution, one third (1/3) (or the number nearest to one third) of the Directors shall retire from office by rotation and be eligible for re-election at the Company's Annual General Meeting ("AGM"), at least once every three (3) years.</p> <p>The Directors to retire in every year shall be those subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.</p> <p>The Company may by ordinary resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Additional Directors appointed by the Board after the AGM but during the financial year, shall only hold office until the next AGM and thereafter be eligible for re-election at the AGM, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.</p> <p>Pursuant to Regulation 104 of the Constitution, Mr Hau Hock Khun, and Dato' Chang Chor Choong will be retiring at the forthcoming AGM and are to be nominated for re-election.</p>	1.	Assessment of director	<p>a) The NC would assess the contributions and performance of the Director in accordance with the performance criteria set by the Board; and</p> <p>b) The NC would also review the range of expertise, skills and attributes of current needs of the Board.</p>	2.	Re-appointment of director	Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.
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2.	Re-appointment of director	Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.						

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
4.4	<p>The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.</p>	<p>Please refer to Provision 2.1 on the independence of the Independent Directors.</p>
4.5	<p>The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitment of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.</p>	<p>All newly appointed Directors will undergo an orientation programme where the Director would be briefed on the Group's business as well as the expected duties of a director of a listed company and be provided with industry-relevant information. To obtain a better understanding of the Group's history and key milestones, business operations, strategic directions as well as relevant statutory and regulatory compliance issues, the Director will also be given the opportunity to visit the Group's operational, offices and facilities and together meet with the key management personnel. All newly appointed Directors will attend relevant training on the roles and responsibilities as a Director of a listed company in Singapore as prescribed by the SGX-ST. There was no new Director appointed during the year under review.</p> <p>The key information of the Directors, including their appointment dates and directorships held in the past three (3) years, are set out on pages 9 to 10 and 16 of this annual report.</p> <p>The shareholdings of the individual directors of the Company are set out on page 53. None of the directors hold shares in the subsidiaries of the Company.</p> <p>Directors who are seeking re-appointment at the forthcoming AGM to be held on 30 July 2024 are stated in the Notice of AGM set out on pages 110 to 117 of this Annual Report.</p>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		<p>The Board, with the concurrence of the NC, has agreed that the Company shall not impose a maximum number of listed board representations on the Directors as the Board is of the opinion that setting a fixed number would not adequately take into account the varied circumstances of each Director. The NC will instead focus on whether a Director has sufficient time to adequately discharge his duties to the Company. The NC would monitor and determine annually, on a case-by-case basis, whether the Directors have given sufficient time and attention to the affairs of the Company and adequately carry out his duties as a Director of the Company. The NC is of the view that it is for each Director to assess his/her own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. All Directors have declared their board memberships as and when practicable.</p>
		<p>Board Performance</p> <p>Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.</p> <p>5.1 The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.</p> <p>NC established a process for assessing the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution of each individual Director to the effectiveness of the Board. This assessment is conducted by the NC at least once a year by way of a Board evaluation where the Directors complete a questionnaire seeking their views on various aspects of Board performance, such as Board composition, information and process. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his/her performance or re-nomination as a Director. The Board will act on the results of the performance evaluation, and in consultation with the NC, propose, where appropriate, that new members be appointed to the Board or seek the resignation of Directors.</p> <p>Objective performance criteria used to assess the performance of the Board include both quantitative and qualitative criteria.</p> <p>The Board and the NC believe that the financial indicators are mainly used to measure the Management's performance and hence are less applicable to the Non-Executive Directors.</p> <p>The NC had conducted the Board's performance evaluation as a whole subsequent to FY2024 together with the performance evaluation of the ARC, RC and NC. The performance criteria for the Board and Board Committees' evaluation, as determined by the NC, cover the following areas:</p> <ul style="list-style-type: none"> a) Composition and Size b) Conduct of Meeting c) Effectiveness and training d) Board committees e) Communication with Shareholders f) Provision of information to the Board

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
5.2	The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.	<p>g) Standards of Conduct h) Financial performance i) Board compensation</p> <p>The performance criteria for the individual director cover the following areas:</p> <p>a) Attendance in meetings b) Adequacy of preparation for meetings c) Participation in discussions d) Contribution in own specialist relevant area e) Area of expertise</p> <p>For FY2024, the NC had conducted the assessment via a questionnaire which is completed by each Director for the evaluation of the Board and Board Committees. The Company Secretary compiles Directors' responses into a consolidated summary report which was circulated to the Board via email. Each Director also completed a self-assessment form to assess each Director's contributions to the Board's effectiveness. The criteria for assessment include performance of principal functions and fiduciary duties, level of participation at meetings and individual attendance record.</p> <p>The NC has assessed the current Board's performance to-date and is of the view that the Board has met its performance objectives.</p> <p>For FY2024, no external facilitator has been engaged to perform the Board assessment process.</p>
REMUNERATION MATTERS		
Procedures for Developing Remuneration Policies		
Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.		
6.1	The Board establishes a Remuneration Committee to review and make recommendations to the Board on: (a) a framework of remuneration for the Board and key management personnel; and (b) the specific remuneration packages for each director as well as for the key management personnel.	<p>The RC comprises the Independent Directors, Mr Lim Siang Kai, Mr Hau Hock Khun and Mr Lim Chong Huat. The Chairman of the RC is Mr Hau Hock Khun.</p> <p>The terms of reference of RC include, <i>inter alia</i>, the following:</p> <ul style="list-style-type: none"> - reviewing and recommending to the Board, a framework of remuneration policies to determine the specific remuneration packages and terms of employment for each Director, the CEO and key executive of the Company; and - carrying out its duties in the manner that it deems expedient, subject always to any restrictions that may be imposed upon the RC by the Board from time to time.

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Provision	Code Description	Company's Compliance or Explanation
6.2	The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.	Please refer to provision 1.4 for the composition of the Board. All RC members are independent.
6.3	The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.	<p>The RC ensures that a formal and transparent procedure is in place for fixing the remuneration packages of individual Director and key executives. The recommendations of the RC are submitted to the Board for endorsement. All aspects of remuneration, including, but not limited to, Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind are reviewed by the RC. The Directors are not involved in deciding their own remuneration. Each member of the RC abstains from voting on any resolutions in respect of his remuneration package.</p> <p>There were no termination or retirement benefits, as well as post-employment benefits granted to the Directors.</p>
6.4	The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.	No remuneration consultants were engaged by the Company during FY2024.
<p>Level and Mix of Remuneration</p> <p>Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.</p>		
7.1	A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.	<p>In reviewing and determining the remuneration packages of the Executive Directors and the Group's key management personnel, the RC considers the Executive Directors' and key management personnel's responsibilities, skills, expertise and contribution to the Group's performance when designing their respective remuneration packages, as so ensure that the level of remuneration is appropriate to attract, retain and motivate the Executive Directors' and key management personnel to run the Company successfully.</p> <p>The RC administers the Company's Performance Share Plan (the "PSP") and the Employee Share Option Scheme ("ESOS"), which were adopted since 16 December 2016. Further details about the PSP and ESOS are set out on pages 54 to 55 of this annual report.</p>

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Provision	Code Description	Company's Compliance or Explanation
7.2	The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.	<p>The Non-Executive Directors (including the Independent Directors) do not have service agreements with the Company and accordingly do not receive any salary. They are paid Directors' fees, which are determined by the Board based on the effort, time spent and responsibilities of the Directors (including but not limited to their appointments to the various Board Committees). The Directors' fees of the Non-Executive Directors are subject to approval by shareholders at each AGM.</p> <p>There are no contractual provisions to allow the Company to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.</p> <p>Further, Executive Directors owe fiduciary duty to the Company. The Company shall be able to avail itself to remedies against the Executive Directors in the event of the breach of fiduciary duties. Notwithstanding, the foregoing, the RC does not rule out the implementation of such contractual provision in future and will review and monitor the situation regularly.</p>
7.3	Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.	<p>The Company's remuneration policy is critical to attract, retain and motivate employees so as to align with the Group's long-term business strategy, objectives, values and interest as well create value for the shareholders.</p>
<p>Disclosure on Remuneration</p> <p>Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.</p>		
8.1	<p>The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:</p> <p>(a) each individual director and the CEO; and</p>	<p>The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group in FY2024. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.</p> <p>The performance criteria used to assess the remuneration of Executive Directors and key management personnel is based on the following qualitative and quantitative components:</p> <ol style="list-style-type: none"> 1. Leadership 2. Teamwork 3. People development 4. Responsibilities and commitment 5. Profitability performance of the Group, i.e., PBT of at least RM7.5 million

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Provision	Code Description	Company's Compliance or Explanation																																																																													
	(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.	<p>After reviewing the industry practice and analysing the advantages and disadvantages in relation to the disclosure of remuneration of each Director and key management personnel, the Company is of the view that such disclosure would be prejudicial to its business interest given the highly competitive environment the Group operates in. As such, the remuneration of the Directors and key management personnel is disclosed in bands of S\$250,000.</p> <p>The breakdown for the remuneration (in percentage terms) of the Directors for FY2024 is as follows:</p> <table border="1" data-bbox="472 322 1082 1451"> <thead> <tr> <th>Name of Director</th> <th>Base Salary</th> <th>Bonus</th> <th>Allowance And Incentive</th> <th>Director Fees</th> <th>Company's Contribution on Employees' Provident Fund</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td colspan="7">Below S\$250,000</td> </tr> <tr> <td>Lim Siang Kai</td> <td>-</td> <td>-</td> <td>-</td> <td>100%</td> <td>-</td> <td>100%</td> </tr> <tr> <td>Hau Hock Khun</td> <td>-</td> <td>-</td> <td>-</td> <td>100%</td> <td>-</td> <td>100%</td> </tr> <tr> <td>Lim Chong Huat</td> <td>-</td> <td>-</td> <td>-</td> <td>100%</td> <td>-</td> <td>100%</td> </tr> <tr> <td>Dato' Loh Shin Siong</td> <td>-</td> <td>-</td> <td>-</td> <td>100%</td> <td>-</td> <td>100%</td> </tr> <tr> <td>Dato' Chang Chor Choong</td> <td>-</td> <td>-</td> <td>-</td> <td>100%</td> <td>-</td> <td>100%</td> </tr> <tr> <td colspan="7">S\$250,000 – S\$500,000</td> </tr> <tr> <td>Lim Lay Yong</td> <td>88%</td> <td>7%</td> <td>5%</td> <td>-</td> <td>-</td> <td>100%</td> </tr> <tr> <td colspan="7">S\$500,001 – S\$750,000</td> </tr> <tr> <td>Ong Yoke En</td> <td>84%</td> <td>7%</td> <td>9%</td> <td>-</td> <td>-</td> <td>100%</td> </tr> </tbody> </table> <p>The Directors' fees, as a lump sum, will be subject to the approval by shareholders at the forthcoming AGM.</p> <p>There were no termination or retirement benefits, as well as post-employment benefits granted to the Directors.</p> <p>During FY2024, the Group had six (6) top key management personnel (who are not also Directors of the Company).</p>	Name of Director	Base Salary	Bonus	Allowance And Incentive	Director Fees	Company's Contribution on Employees' Provident Fund	Total	Below S\$250,000							Lim Siang Kai	-	-	-	100%	-	100%	Hau Hock Khun	-	-	-	100%	-	100%	Lim Chong Huat	-	-	-	100%	-	100%	Dato' Loh Shin Siong	-	-	-	100%	-	100%	Dato' Chang Chor Choong	-	-	-	100%	-	100%	S\$250,000 – S\$500,000							Lim Lay Yong	88%	7%	5%	-	-	100%	S\$500,001 – S\$750,000							Ong Yoke En	84%	7%	9%	-	-	100%
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CORPORATE GOVERNANCE REPORT

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		<p>The breakdown for the remuneration of the Company's key management personnel (in percentage terms) during FY2024 is as follows:</p> <table border="1" data-bbox="292 331 738 1451"> <thead> <tr> <th>Name of Key Executive</th> <th>Base Salary</th> <th>Bonus</th> <th>Allowance</th> <th>Director Fees</th> <th>Share-based payment</th> <th>Company contribution of employees provident fund</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td colspan="8">Below S\$250,000</td> </tr> <tr> <td>Ding Bo</td> <td>92%</td> <td>8%</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>100%</td> </tr> <tr> <td>Voon Kian Woon</td> <td>92%</td> <td>8%</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>100%</td> </tr> <tr> <td>Parantaman E. Krishnan Naidu</td> <td>78%</td> <td>6%</td> <td>-</td> <td>-</td> <td>-</td> <td>16%</td> <td>100%</td> </tr> <tr> <td>Hanifah Bt Abdul Hamid</td> <td>78%</td> <td>6%</td> <td>-</td> <td>-</td> <td>-</td> <td>16%</td> <td>100%</td> </tr> <tr> <td>Puah Thye Lay ⁽¹⁾</td> <td>73%</td> <td>-</td> <td>11%</td> <td>-</td> <td>-</td> <td>16%</td> <td>100%</td> </tr> <tr> <td>Lee Siong Kim</td> <td>75%</td> <td>6%</td> <td>3%</td> <td>-</td> <td>-</td> <td>16%</td> <td>100%</td> </tr> </tbody> </table> <p>The total remuneration paid to the top six (6) key management personnel for FY2024 was S\$530,820.</p> <p>⁽¹⁾ During the FY2024, one (1) key management personnel had resigned to pursue her own personal interests and undertakings accordingly.</p>	Name of Key Executive	Base Salary	Bonus	Allowance	Director Fees	Share-based payment	Company contribution of employees provident fund	Total	Below S\$250,000								Ding Bo	92%	8%	-	-	-	-	100%	Voon Kian Woon	92%	8%	-	-	-	-	100%	Parantaman E. Krishnan Naidu	78%	6%	-	-	-	16%	100%	Hanifah Bt Abdul Hamid	78%	6%	-	-	-	16%	100%	Puah Thye Lay ⁽¹⁾	73%	-	11%	-	-	16%	100%	Lee Siong Kim	75%	6%	3%	-	-	16%	100%
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Puah Thye Lay ⁽¹⁾	73%	-	11%	-	-	16%	100%																																																											
Lee Siong Kim	75%	6%	3%	-	-	16%	100%																																																											
8.2	<p>The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.</p>	<p>Mr Ong How En, the brother of Mr Ong Yoke En, the Executive Director and CEO of the Company, is currently employed as a technical manager in the Group. The remuneration paid to him for services rendered to the Group was below S\$50,000.</p> <table border="1" data-bbox="1029 331 1305 1451"> <thead> <tr> <th>Name</th> <th>Base Salary</th> <th>Bonus</th> <th>Allowance and Incentive</th> <th>Company's Contribution on Employees' Provident Fund</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td colspan="6">Below S\$50,000</td> </tr> <tr> <td>Ong How En</td> <td>63%</td> <td>5%</td> <td>16%</td> <td>16%</td> <td>100%</td> </tr> </tbody> </table> <p>Apart from Mr Ong How En, there are no other employees who are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company.</p>	Name	Base Salary	Bonus	Allowance and Incentive	Company's Contribution on Employees' Provident Fund	Total	Below S\$50,000						Ong How En	63%	5%	16%	16%	100%																																														
Name	Base Salary	Bonus	Allowance and Incentive	Company's Contribution on Employees' Provident Fund	Total																																																													
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CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
8.3	The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.	<p>The Company adopted the ESOS and PSP on 16 December 2016. The ESOS and PSP will provide eligible participants with an opportunity to participate in the equity of the Company so as to motivate them, to higher standards of performance through increased dedication and loyalty, and to give recognition to those who have contributed significantly to the growth and performance of the Group.</p> <p>Further details of the ESOS and PSP are set out in pages 54 to 55 of this Annual Report.</p>
ACCOUNTABILITY AND AUDIT		
Risk Management and Internal Controls		
Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.		
9.1	The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.	<p>The Board reviews the Group's business and operational activities to identify areas of significant business risk as well as the measures in place to control and mitigate these risks within the Group's policies and business strategies. The risk assessment exercise also includes identifying and assessing key risk areas to the Group such as financial, operational, compliance and information technology risks based on the feedback of the internal auditors and external auditors. The Board also oversees the Management in implementing the risk management and internal controls system.</p> <p>The Board is also responsible for governance of risk management and determining the Company's levels of risk tolerance and risk policies. The Board consults with the external auditors and internal auditors to determine the risk tolerance level and corresponding risk policies.</p> <p>The ARC evaluates the findings of the external and internal auditors on the Group's internal controls annually.</p> <p>Although the Board acknowledges that it is responsible for the overall internal control framework, it also recognises that no cost-effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.</p> <p>The Board has not established a specific Board Risk Committee, but for the purposes of risk management and internal controls, is assisted by the ARC and relies on internal control policies and procedures established and maintained by the Group, and the regular audits, monitoring and reviews performed by the internal and external auditors in carrying out its responsibility of overseeing the Company's risk management and policies.</p>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
9.2	<p>The Board requires and discloses in the company's annual report that it has received assurance from:</p> <p>(a) the CEO and the FC that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and</p> <p>(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.</p>	<p>The Board with the concurrence of the ARC, is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2024.</p> <p>The basis for the Board's view are as follows:</p> <ul style="list-style-type: none"> • Assurance has been received from the CEO, FC and internal auditors; • Key management personnel regularly evaluates, monitors and reports to the ARC on material risks; and • Discussions were held between the ARC and auditors in the absence of the key management personnel to review and address any potential concerns. <p>An external audit was performed by the independent auditors and control gaps in financial controls were highlighted to the ARC and key management personnel were properly addressed.</p> <p>The Board has obtained assurance from the CEO and FC in respect of FY2024 that:</p> <p>(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and</p> <p>(b) the Group's risk management and internal control systems are adequate and effective.</p> <p>The Board has relied on the independent auditors' report as set out in this Annual Report as assurance that the financial records have been properly maintained and the financial statements give true and fair view of the Group's operations and finances.</p> <p>The Board has additionally relied on yearly review done by internal auditors' reports to ensure that the Group's risk management and internal control systems are effective and adequate.</p>
<p>Audit Committee</p>		
<p>Principle 10: The Board has an Audit Committee which discharges its duties objectively.</p>		
10.1	<p>The duties of the AC include:</p> <p>(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;</p>	<p>The Directors recognise the importance of corporate governance and the offering of high standards of accountability to the shareholders. The ARC meets periodically to perform the following functions, amongst others:</p> <p>(a) assist the Board in the discharge of its responsibilities on financial reporting matters;</p>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
	<p>(b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;</p> <p>(c) reviewing the assurance from the CEO and the FC on the financial records and financial statements;</p> <p>(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;</p> <p>(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and</p> <p>(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.</p>	<p>(b) review, with the internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and the management's response, and results of the audits compiled by the internal and external auditors; review the interim and annual financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements;</p> <p>(c) review the effectiveness and adequacy of the internal controls, including financial, operational, compliance and informational technology controls, and risk management systems and ensure coordination between the internal and external auditors, and the management, reviewing the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);</p> <p>(d) review the scope and results of the external audit, and the independence and objectivity of the external auditors;</p> <p>(e) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;</p> <p>(f) make recommendations to the Board on the proposals to the Shareholders on the appointment, re- appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;</p> <p>(g) review significant financial reporting issues and judgements with the FC and the external auditors so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance before their submission to the Board of Directors;</p> <p>(h) to review and report to the Board at least annually the adequacy and effectiveness of the Group's material internal controls with the FC and the internal and external auditors, including financial, operational, compliance and information technology controls, and risk management systems via reviews carried out by IA;</p> <p>(i) monitor and review the implementation of recommendations from external and internal auditors, if any, to address any control weakness;</p> <p>(j) review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);</p>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		<p>(k) review any potential conflicts of interests;</p> <p>(l) review and approve all hedging policies and instruments (if any) to be implemented by the Group;</p> <p>(m) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the ARC;</p> <p>(n) review and establish procedures for receipt, retention and treatment of complaints received by our Group pertaining to, amongst others, criminal offenses, involving our Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on our Group; and</p> <p>(o) generally to undertake such other functions and duties as may be required by statute or the Catalyst Rules, and by such amendments made thereto from time to time.</p> <p>ARC oversees the risk management functions through its Risk Management Working Group ("RMWG") in order to manage the overall risk exposure of the Group. RMWG comprised of the Executive Directors and Management team. FC who has experience in risk management is appointed to provide executive oversight and co-ordination of the Group's risk management efforts. RMWG shall assist the ARC with the matters contemplated below and shall report and make recommendations to the ARC thereon:</p> <ul style="list-style-type: none"> i) conduct a risk assessment review on the Group's operation at least once in a year and shall table the risk assessment review report to ARC for review and approval in every financial year end meeting; ii) oversees the effectiveness of the risk management system and practices; iii) spearheads risk management initiatives; iv) reviews and monitors Group risk profile and action plans; and v) undertake periodic environmental review to determine if there is any possible impact on the risk profile of the Company. <p>The Group has established a whistle-blowing policy, headed by the ARC's chairperson and comprising of ARC members, which provides the channel for employees of the Group or any other persons to raise and report genuine concerns about possible improprieties to the ARC members directly, in matter of financial reporting, misconduct, wrongdoing, or other malpractices relating to the Group and its officers, in good faith and in confidence. The Company is committed to ensure that any whistle-blower is protected against detrimental or unfair treatment. The whistle-blower must identify himself/herself when submitting a complaint or disclosure, where he/she will be protected from any reprisal within or from the Group as a direct consequence of the disclosure. The whistle-blower's identity shall be kept confidential unless otherwise required by applicable laws and regulations or for purposes of any proceedings by or against the Company. The ARC is responsible for the oversight and monitoring of the whistle-blowing policy and ensuring that it is properly administered.</p>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
10.2	The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.	<p>Details of the whistle-blowing policy are given to all staff of the Group and new recruits during orientation. The staff may, in confidence, submitting a complaint or disclosure in writing to the any of ARC members via the following whistleblow@samurainpaint.jp.</p> <p>There were no whistle-blowing reports received in FY2024.</p> <p>Please refer to provision 1.4 for the composition of the ARC. The ARC has at least two (2) members, including the ARC Chairman, who have the relevant accounting and related financial management expertise and experience to discharge their responsibilities. They are Mr Lim Siang Kai and Mr Lim Chong Huat. All the ARC members are independent.</p>
10.3	The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.	None of the ARC members is a former partner or director of the Company's existing auditing firm or auditing corporation (i) within a period of two (2) years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and (ii) holds any financial interest in the auditing firm or auditing corporation.
10.4	The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.	<p>The Company's internal audit function is outsourced to CLA Global TS Risk Advisory Pte. Ltd; a company of CLA Global TS Holdings Pte. Ltd, that reports directly to the ARC Chairman and administratively to the CEO and FC. The internal auditors have full access to all the Company's documents, records, properties and personnel including access to the ARC. The ARC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit.</p> <p>The ARC is satisfied that the IA is adequately qualified and resourced, and has the appropriate standing in the Company to discharge its duties effectively and guided by International Professional Practices Framework promulgated by The Institute of Internal Auditors.</p> <p>The ARC decides on the appointment, termination and remuneration of the outsourced internal audit function.</p>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
10.5	The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.	The ARC has met with the external auditors and internal auditors in the absence of key management personnel in FY2024.
STAKEHOLDER RIGHTS AND ENGAGEMENT		
Shareholders' Rights		
Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.		
11.1	The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.	<p>The Company's corporate governance practices promote the fair and equitable treatment to all shareholders. To facilitate shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNET, especially information pertaining to the Company's business development and financial performance which could have a material impact on the price or value of its shares, so as to enable shareholders to make informed decisions in respect of their investments in the Company.</p> <p>The Constitution allows all shareholders to appoint proxies to attend general meeting and vote on their behalf. As the authentication of shareholder identity information and other related security issues still remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email or fax.</p>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
11.2	<p>The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.</p>	<p>Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars posted onto the SGXNET.</p> <p>The notice of AGM, together with the annual report, is published to all shareholders at least fourteen (14) days before the scheduled AGM date. Shareholders are invited to attend the general meetings to put forth any questions they may have on the motions to be debated and decided upon.</p> <p>All shareholders are entitled to vote in accordance with the established voting rules and procedures. The Company conducts poll voting for all resolutions tabled at the general meetings. The rules, including the voting process, are explained by the scrutineers at such general meetings.</p> <p>Every matter requiring shareholders' approval is proposed as a separate resolution. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.</p>
11.3	<p>All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.</p>	<p>The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings of shareholders, unless of exigencies. The external auditors are also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report.</p> <p>Please refer to Provision 1.5 for the director's attendance for general meetings in FY2024.</p>
11.4	<p>The Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.</p>	<p>The Constitution allows an individual Shareholder to appoint not more than two (2) proxies to attend and vote on his or her behalf at the general meetings.</p> <p>A member who is a relevant intermediaries may appoint more than two (2) proxies to attend and speak at the general meeting but each proxy must be appointed to exercise the rights attached to different shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.</p> <p>As the authentication of shareholder identity information and other related security issues still remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email or fax.</p>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
11.5	The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.	<p>All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting.</p> <p>All minutes of general meetings for FY2024 are made available to shareholders via SGXNET.</p>
11.6	The company has a dividend policy and communicates it to shareholders.	<p>The Company currently does not have a fixed dividend policy.</p> <p>In considering the form, frequency and amount of future dividends in respect of any particular financial year or period, the Directors will take into account the following factors:</p> <ul style="list-style-type: none"> (a) the financial position, results of operations and cash flow of the Group; (b) the ability of the subsidiaries to make dividend payment to the Company; (c) the expected working capital requirements and general financing condition of the Group; (d) the actual and projected financial performance of the Group; and (e) any other factors deemed relevant by the Directors. <p>In FY2024, the board did not declare any dividend given the Group consideration among other factors, the Group's business plans, cash flows and cash position.</p>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
<u>Engagement with Shareholders</u>		
Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.		
12.1	The company provides avenues for communication between the Board and all shareholders and discloses in its annual report the steps taken to solicit and understand the views of shareholders.	The Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNET on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalyst Rules and the Companies Act. For the financial year under review, the Board was of the view that the current communication channels are sufficient and cost effective.
12.2	The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.	The Company does not have an Investor Relations Policy. The Company's investor relations function is led by Financial Controller ("FC") who has the strategic management responsibility to integrate finance, accounting, corporate communication to enable effective communication between the Company and all shareholders, stakeholders, analysts and media.
12.3	The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.	The Group had published the investor relation's email address through our corporate website as well as social media platforms. Shareholders may contact us at ir@samurainpaint.jp should they have any enquiries. The investor personnel will respond on the enquiries accordingly.
<u>MANAGING STAKEHOLDER RELATIONSHIPS</u>		
<u>Engagement with Stakeholders</u>		
Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.		
13.1	The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.	The Company does not practice selective disclosure. In line with continuous disclosure obligations of the Company pursuant to the Catalyst Rules and the Companies Act, the Board's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group. The Company also values the feedback arising from our stakeholder engagements as it has helped strengthen the relevance of our reporting and approach to managing the Group's material issues. We believe that maintaining a close relationship with our stakeholders is crucial as they support us in addressing sustainability challenges. Therefore, to ensure that we can continuously improve, we always engage with and consult our diverse groups of stakeholders to understand their expectations. Please refer to the Sustainability Report which will be issued by July 2024 for further details on the Company's approach on stakeholders engagement.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation										
13.2	The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	Information will first be disseminated through SGXNET and where relevant, followed by news release and the Company's website. The Company will also make announcements from time to time to update investors and shareholders on developments that are of interest to them. The Company strives to supply shareholders with reliable and timely information so as to strengthen the relationship with its shareholders based on trust and accessibility. Please refer to the Sustainability Report which will be issued by July 2024 for further details on the Company's approach on stakeholders engagement.										
13.3	The company maintains a current corporate website to communicate and engage with stakeholders.	Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its corporate website http://samurai2kaerosol.com .										
COMPLIANCE WITH APPLICABLE CATALIST RULES												
Catalist Rule	Rule Description	Company's Compliance or Explanation										
711A and 711B	Sustainability Report	The Company will issue its Sustainability Report for FY2024 by July 2024 and will upload it on the SGXNET. The Sustainability Report for FY2024 will be prepared with reference to the Global Reporting Initiative Standards and Task Force on Climate Related Financial Disclosures as well as Practice Note 7F of the Sustainability Reporting Guide under the Catalist Rules. The Board of Directors will review and approve the Sustainability report work plan and provide final oversight for the Sustainability report activities.										
712, 715 or 716	Appointment of Auditors	The Company confirms its compliance to the Catalist Rules 712 and 715 in the appointment of its auditors.										
1204(6)	External audit	The table below sets out the audit and non-audit fees paid for FY2024: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th style="text-align: right;">S\$</th> </tr> </thead> <tbody> <tr> <td>Audit fees</td> <td style="text-align: right;">59,500</td> </tr> <tr> <td>Non-audit fee</td> <td></td> </tr> <tr> <td>- Tax compliance</td> <td style="text-align: right;">3,200</td> </tr> <tr> <td>- GST</td> <td style="text-align: right;">9,000</td> </tr> </tbody> </table> <p>The ARC undertook the annual review of the independence and objectivity of the external auditors by reviewing the non-audit services provided and the fees paid to them. It is the opinion of the ARC, the nature and extent of non-audit services provided by the external auditors do not affect the independence and objectivity of the external auditors. The external auditors have also provided confirmation on their independence. The ARC has recommended the re-appointment of the external auditor at the forthcoming AGM of the Company</p>		S\$	Audit fees	59,500	Non-audit fee		- Tax compliance	3,200	- GST	9,000
	S\$											
Audit fees	59,500											
Non-audit fee												
- Tax compliance	3,200											
- GST	9,000											

CORPORATE GOVERNANCE REPORT

Catalist Rule	Rule Description	Company's Compliance or Explanation
1204(8)	Material Contracts	<p>There were no material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2024 or if not then subsisting, entered into since the end of the previous financial year.</p> <p>The Board and the ARC are of the opinion that the internal controls are adequate to address the financial, operational, compliance and information technology risks based on the following:</p> <ul style="list-style-type: none"> • internal controls and the risk management system established by the Company; • work performed by the IA and EA; • assurance from the CEO and FC; and • reviews done by the various Board Committees and key management personnel.
1204(10)	Confirmation of adequacy of internal controls	<p>The ARC is satisfied that the Company's internal audit function is:</p> <ul style="list-style-type: none"> • Sufficiently independent to carry out its role; • conducted effectively as Management has provided full co-operation to enable Internal Auditors to perform its function; • adequately resourced to perform the work for the Group; and • has the appropriate standing within the Company. <p>The Company outsources the internal audit function to an external professional firm to perform the review and test of controls of the Group's processes. The Company has appointed CLA Global TS Risk Advisory Pte. Ltd. as the internal auditor to review the internal control processes of the Group. CLA Global TS Risk Advisory Pte. Ltd. is a company of CLA Global TS Holdings Pte. Ltd, which is recognised as an established mid-tier accounting firm for more than twenty-five (25) years. CLA Global TS Risk Advisory Pte. Ltd. possesses vast experience in providing internal audits, risk management services and advisory services in the region. The current engagement team assigned comprises of three (3) members and is led by Ms Pamela Chen who has more than fourteen (14) years performing audits for listed companies. The primary reporting line of the internal auditors is to the ARC. The ARC also decides on the appointment, termination and remuneration of the internal auditors.</p>
1204(10C)	ARC's comment on Internal Audit Function	<p>The Group has procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the ARC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.</p> <p>The Group does not have a general mandate for IPTs. There were no discloseable interested person transactions during FY2024.</p>
1204(17)	Interested Persons Transaction ("IPT")	

CORPORATE GOVERNANCE REPORT

Catalist Rule	Rule Description	Company's Compliance or Explanation
1204(19)	Dealing in Securities	<p>The Company has adopted an internal policy which prohibits the Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information.</p> <p>The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities during the period beginning one month before the announcement of the Company's half-year and full-year financial statements respectively, and ending on the date of the announcement of the relevant results.</p>
1204(21)	Non-sponsor fees	No non-sponsor fees were paid to the Company's sponsor, UOB Kay Hian Private Limited for FY2024.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Hau Hock Khun and Dato' Chang Chor Choong are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 30 July 2024 ("AGM") (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(5) of the SGX-ST Catalist Rules, the information as set out in Appendix 7F relating to the Retiring Directors to be put forward for re-election at the forthcoming Annual General Meeting is disclosed below:

	MR HAU HOCK KHUN	DATO' CHANG CHOR CHOONG
Date of Appointment	16 December 2016	16 December 2016
Date of last re-appointment	28 July 2021	28 July 2021
Age	52	50
Country of principal residence	Malaysia	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, board diversity consideration, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of Nominating Committee ("NC") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Hau Hock Khun for re-appointment as Independent Director of the Company. The Board has reviewed and concluded Mr Hau Hock Khun possess the experience, expertise, knowledge, and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Dato' Chang Chor Choong for re-appointment as Non-Executive Director of the Company. The Board has reviewed and concluded that Dato' Chang Chor Choong possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the Remuneration Committee, Member of the Audit and Risk Committee and Nominating Committee	Non-Executive Director
Professional qualifications	Nil	Nil
Working experience and occupation(s) during the past	8/2008-Present Kumpulan H & L High-Tech	10/2012-Present SBL Worldwide Trading Pte Ltd

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

10 years	Berhad (Independent Director) 09/2014–Present HPI International Pte Ltd 12/2023–Present Agape International Training Centre Plt	09/2012–Present Rejo Beverage Pte Ltd 07/2014–Present Pembinaan Silih Kasih Sdn Bhd 11/2013–Present Otachi Holdings Sdn Bhd 10/2013–Present LSS F&B Trading (M) Sdn Bhd 06/2010–Present Deluxe Percent Sdn. Bhd. 09/2009–Present Wisdom Power Sdn Bhd 10/2011– Present Fossil Food & Beverage Sdn. Bhd. 06/2011–01/2016 Exbe Marketing Sdn Bhd
Shareholding interest in the listed issuer and its subsidiaries	No	12,750,000 ordinary shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries.	No	Yes, Dato' Chang Chor Choong and Dato' Loh Shin Siong (who is also a Non-Executive Director of the Company), are the directors of LSS F&B Trading (M) Sdn Bhd and Pembinaan Silih Kasih Sdn Bhd
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	Nil	Nil
Present	Kumpulan H & L High-Tech Berhad HTG Energy Sdn. Bhd. Majestic Treasure Sdn. Bhd. HPI International Sdn. Bhd. H&C Bio Industry Sdn. Bhd. Idone Etech Sdn. Bhd. Eluminas Bio Industry Sdn. Bhd. Agape International Training Centre Plt	SBL Worldwide Trading Pte Ltd Rejo Beverage Pte Ltd Pembinaan Silih Kasih Sdn Bhd Otachi Holdings Sdn Bhd LSS F&B Trading (M) Sdn Bhd Deluxe Percent Sdn. Bhd. Wisdom Power Sdn Bhd Fossil Food & Beverage Sdn. Bhd.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c) Whether there is any unsatisfied judgement against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?		
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law of regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation of dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<p>h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?</p>	No	No
<p>i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?</p>	No	No
<p>j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <ul style="list-style-type: none"> i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or 	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<p>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>		
<p>k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	No	No
<p>Disclosure applicable to the appointment of Director only.</p>		
<p>Any prior experience as a director of an issuer listed on the Exchange?</p> <p>If Yes, Please provide details of prior experience</p>	Not applicable	Not applicable
<p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)</p>	Not applicable	Not applicable

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Samurai 2K Aerosol Limited (the "Company") and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2024.

In the opinion of the directors:

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 61 to 107 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Ong Yoke En
Lim Lay Yong
Lim Siang Kai
Dato' Chang Chor Choong
Hau Hock Khun
Dato' Loh Shin Siong
Lim Chong Huat

Arrangement to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than as disclosed under "Share options and awards" in this statement.

Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act except as follows:

	Number of ordinary shares Shareholdings registered in the name of directors	
	At 1.4.2023	At 31.3.2024
The Company		
Ong Yoke En	139,152,000	139,152,000
Lim Lay Yong	45,000,000	45,000,000
Dato' Chang Chor Choong	12,750,000	12,750,000
Dato' Loh Shin Siong	12,750,000	-

DIRECTORS' STATEMENT

Directors' interest in shares or debentures (cont'd)

The director, Ong Yoke En, by virtue of Section 7 of the Act is deemed to have an interest in the shares held by the Company in its wholly-owned subsidiary corporations and in the shares held by the Company in the following subsidiary not wholly-owned by the Group:

	Number of ordinary shares	
	At 1.4.2023	At 31.3.2024
PT Samurai Paint	2,010	2,010

The directors' interest in the ordinary shares of the Company as at 21 April 2024 were the same as those as at 31 March 2024.

Share options and awards

The Samurai 2K Aerosol Limited's Performance Share Plan (the "Plan") and Employee Share Option Scheme (the "Scheme") were approved and adopted by the members at the shareholders' meeting held on 16 December 2016 and will continue to remain in force until 15 December 2026, unless terminated in accordance with the rules of the Plan and Scheme. The Plan and Scheme provide for the grant of shares and share options to employees and directors of the Group.

The Plan and Scheme are administered by the Remuneration Committee of the Company, comprising of Mr Hau Hock Khun (Chairman), Mr Lim Siang Kai and Mr Lim Chong Huat. A member of the Remuneration Committee who is also a participant of the Plan and Scheme must not be involved in its deliberation in respect of awards and options granted or to be granted to him.

The aggregate number of shares and share options which may be issued or transferred pursuant to awards granted under the Plan and Scheme on any date, when aggregated with the aggregate number of shares over which awards or options are granted under any other share option schemes or share schemes of the Company, shall not exceed 15% of the total number of issued shares (excluding shares held by the Company as treasury shares) on the day preceding that date.

Movement in the number of options granted by the Company under the Scheme for the Group's employees are as follows:

	No. of options under the Scheme				End of financial year
	Beginning of financial year	Granted during financial year	Forfeited during financial year	Vested during financial year	
2024					
3 June 2019	309,000	-	(75,000)	-	234,000
31 May 2021	1,845,000	-	(570,000)	-	1,275,000

There were no options exercised during the financial year.

The details of the outstanding number of options at the end of the financial year was:

Exercise price	Grant date	Exercise period	2024 Number of options
SGD0.305	3 June 2019	3 June 2022 to 2 June 2029	234,000
SGD0.347	31 May 2021	31 May 2024 to 30 May 2031	1,275,000

DIRECTORS' STATEMENT

Share options and awards (cont'd)

No participant has received 5% or more of the total number of shares under option available under the Scheme.

There were no options granted to directors, controlling shareholders and their associates except as disclosed below:

No. of unissued ordinary shares of the Company under option

	Granted during financial year ended 31.3.2024	Aggregate granted since commencement of Scheme to 31.3.2024	Aggregate exercised since commencement of Scheme to 31.3.2024	Aggregate outstanding as at 31.3.2024
Ong How En ⁽¹⁾	-	60,000	-	60,000

⁽¹⁾ Brother of Mr Ong Yoke En, director and controlling shareholder, and the brother-in-law of Ms Lim Lay Yong, director. He is employed as the technical manager of Samurai 2K Aerosol Sdn. Bhd.

Audit and Risk Committee

The members of the Audit and Risk Committee during the financial year and at the date of this statement are:

Lim Siang Kai (Chairman)
Hau Hock Khun
Lim Chong Huat

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Act. Their functions are detailed in the Corporate Governance Report.

The Audit and Risk Committee also:

- reviewed the independence and objectivity of the independent auditor;
- reviewed the audit plan and scope of work carried out by the independent auditor and also met with the independent auditor to discuss the results of their audit and their evaluation of the system of internal accounting controls;
- reviewed the overall scope and timing of the work to be carried out by the internal auditor and also met with internal auditor to discuss the results of their internal audit procedures;
- reviewed the financial statements of the Group and the Company for the financial year ended 31 March 2024 and the independent auditor's report thereon; and
- reviewed interested person transactions.

The Audit and Risk Committee is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

DIRECTORS' STATEMENT

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Ong Yoke En
Director

Lim Lay Yong
Director

15 July 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAMURAI 2K AEROSOL LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Samurai 2K Aerosol Limited (the "Company") and its subsidiaries (the "Group"), as set out on pages 61 to 107, which comprise the statements of financial position of the Group and the Company as at 31 March 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ["SFRS(I)"] so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 29 to the financial statements with respect to the subsequent event that occurred after the reporting period. Subsequent to the financial year end, certain properties of the Group were affected by a fire incident. As the investigations are still on-going at the time these financial statements are authorised for issue, details of the effects on the Group's financial statements for the subsequent financial years ended after 31 March 2024 are not disclosed. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAMURAI 2K AEROSOL LIMITED

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matter (cont'd)

Allowance for expected credit losses of trade receivables

As at 31 March 2024, the Group's trade receivables of RM15,662,000 (2023: RM15,261,000) represents approximately 12% (2023: 12%) of the Group's total assets.

The Group determines the expected credit losses ("ECL") of trade receivables by applying the simplified approach to recognise a loss allowance based on lifetime ECLs at the end of the reporting period. The Group determined the lifetime ECL of trade receivables by performing an ECL assessment for each debtor by considering the effects of the macroeconomic uncertainties, historical loss rate, recent payments, ongoing business relationship, creditworthiness of each debtor and their ability to repay.

As the ECL assessment of trade receivables involves significant estimates and assumptions by the Group, we have identified the allowance for ECL of trade receivables as a key audit matter.

The significant estimates and assumptions applied in the ECL assessment and details of ECL measurement are disclosed in Note 3 and Note 25(b) to the financial statements.

Procedures performed by component auditor and us to address the key audit matter

We obtained an understanding of the Group's credit policy and credit assessment procedures, including client's control to follow up on payments from customers and to monitor the credit limits, and evaluated the Group's ECL assessment for trade receivables. In testing the significant assumptions and reasonableness of the Group's ECL assessment, we tested the aging of trade receivables at the end of the reporting period on a sample basis, verified historical loss rates of major trade debtors to historical payment trends, recent payments, information relating to the Group's ongoing business relationships and performed subsequent receipt test for major trade debtors up to audit report date.

We have also assessed the adequacy and appropriateness of the disclosures made in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2024, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAMURAI 2K AEROSOL LIMITED

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAMURAI 2K AEROSOL LIMITED

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Chee Sum Gilbert.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

15 July 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	2024 RM'000	2023 RM'000
Revenue	4	79,823	70,268
Cost of sales		(45,192)	(49,299)
Gross profit		34,631	20,969
Other income	5	1,751	1,133
Administrative expenses		(20,067)	(17,542)
Marketing and distribution expenses		(9,570)	(13,607)
Finance costs	6	(1,666)	(1,232)
Profit/(loss) before tax	7	5,079	(10,279)
Tax expense	9	(3,542)	(1,166)
Profit/(loss) for the financial year		1,537	(11,445)
Other comprehensive loss for the financial year, net of tax:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation		(43)	(195)
Total comprehensive income/(loss) for the financial year		1,494	(11,640)
Profit/(loss) attributable to:			
Equity holders of the Company		1,538	(11,445)
Non-controlling interest		(1)	-
		1,537	(11,445)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		1,498	(11,639)
Non-controlling interest		(4)	(1)
		1,494	(11,640)
Earnings/(loss) per share for profit/(loss) attributable to equity holders of the Company (RM sen per share)			
Basic and diluted	10	0.46	(3.42)

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current assets					
Property, plant and equipment	11	52,039	47,820	-	-
Intangible assets	12	2,427	2,364	-	-
Investment in subsidiaries	13	-	-	17,653	18,363
Deferred tax assets	14	78	78	-	-
Trade and other receivables	16	3,455	4,764	-	-
Total non-current assets		57,999	55,026	17,653	18,363
Current assets					
Inventories	15	17,785	16,831	-	-
Trade and other receivables	16	19,017	17,960	35,041	33,785
Tax receivable		5,397	4,035	-	-
Cash and bank balances	17	31,591	34,488	119	1,703
Total current assets		73,790	73,314	35,160	35,488
Total assets		131,789	128,340	52,813	53,851
Non-current liabilities					
Borrowings	18	22,397	20,175	-	-
Deferred tax liabilities	14	1,986	1,786	-	-
Other payables	19	96	94	-	-
Total non-current liabilities		24,479	22,055	-	-
Current liabilities					
Trade and other payables	19	17,145	17,648	3,669	4,518
Borrowings	18	12,205	12,754	-	-
Tax payable		1,283	737	722	182
Total current liabilities		30,633	31,139	4,391	4,700
Total liabilities		55,112	53,194	4,391	4,700
Net assets		76,677	75,146	48,422	49,151
Equity					
Share capital	20	57,165	57,165	57,165	57,165
Treasury shares	20	(64)	(64)	(64)	(64)
Share option reserve	22	688	651	688	651
Retained earnings/(accumulated losses)		28,999	27,461	(9,367)	(8,601)
Currency translation reserve		(529)	(489)	-	-
Merger reserve	23	(9,368)	(9,368)	-	-
Equity attributable to equity holders of the Company		76,891	75,356	48,422	49,151
Non-controlling interest		(214)	(210)	-	-
Total equity		76,677	75,146	48,422	49,151

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Group	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Retained earnings RM'000	Currency translation reserve RM'000	Merger reserve RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
Balance at 1 April 2023	57,165	(64)	651	27,461	(489)	(9,368)	75,356	(210)	75,146
Profit/(loss) for the financial year	-	-	-	1,538	-	-	1,538	(1)	1,537
<i>Other comprehensive loss for the financial year</i>	-	-	-	-	(40)	-	(40)	(3)	(43)
Currency translation differences arising from consolidation	-	-	-	-	(40)	-	(40)	(3)	(43)
Total comprehensive income/(loss) for the financial year	-	-	-	1,538	(40)	-	1,498	(4)	1,494
Employee share option scheme (Note 22)	-	-	37	-	-	-	37	-	37
Balance at 31 March 2024	57,165	(64)	688	28,999	(529)	(9,368)	76,891	(214)	76,677

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Group	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Retained earnings RM'000	Currency translation reserve RM'000	Merger reserve RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
Balance at 1 April 2022	57,165	(64)	448	45,385	(295)	(9,368)	93,271	(209)	93,062
Dividend paid (Note 21)	-	-	-	(6,479)	-	-	(6,479)	-	(6,479)
Loss for the financial year	-	-	-	(11,445)	-	-	(11,445)	-	(11,445)
<i>Other comprehensive loss for the financial year</i>	-	-	-	-	-	-	-	-	-
Currency translation differences arising from consolidation	-	-	-	-	(194)	-	(194)	(1)	(195)
Total comprehensive loss for the financial year	-	-	-	(11,445)	(194)	-	(11,639)	(1)	(11,640)
Employee share option scheme (Note 22)	-	-	203	-	-	-	203	-	203
Balance at 31 March 2023	57,165	(64)	651	27,461	(489)	(9,368)	75,356	(210)	75,146

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	(Accumulated losses)/ retained earnings RM'000	Total equity RM'000
Company					
Balance at 1 April 2023	57,165	(64)	651	(8,601)	49,151
Loss for the financial year	-	-	-	(766)	(766)
Employee share option scheme (Note 22)	-	-	37	-	37
Balance at 31 March 2024	57,165	(64)	688	(9,367)	48,422
Balance at 1 April 2022	57,165	(64)	448	9,288	66,837
Dividend paid (Note 21)	-	-	-	(6,479)	(6,479)
Loss for the financial year	-	-	-	(11,410)	(11,410)
Employee share option scheme (Note 22)	-	-	203	-	203
Balance at 31 March 2023	57,165	(64)	651	(8,601)	49,151

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	2024 RM'000	2023 RM'000
Cash flows from operating activities		
Profit/(loss) before tax	5,079	(10,279)
Adjustments for:		
Depreciation of property, plant and equipment	4,909	5,241
Amortisation of intangible assets	341	301
Employee share option expense	37	203
Interest expenses	1,666	1,232
Interest income	(761)	(683)
Unrealised foreign exchange gain	(431)	(287)
Operating cash flows before working capital changes	<u>10,840</u>	<u>(4,272)</u>
Changes in operating assets and liabilities		
Inventories	(954)	815
Receivables	(649)	4,612
Payables	(501)	(10,560)
Currency translation adjustments	(61)	(229)
Cash generated from/(used in) operations	<u>8,675</u>	<u>(9,634)</u>
Income tax paid	(4,159)	(5,311)
Interest received	34	63
Net cash generated from/(used in) operating activities	<u>4,550</u>	<u>(14,882)</u>
Cash flows from investing activities		
Purchase of intangible assets	(404)	(1,849)
Purchase of property, plant and equipment [Note 11(ii)]	(6,861)	(23,131)
Interest received	727	620
Prepayment of intangible assets	(219)	(758)
Net cash used in investing activities	<u>(6,757)</u>	<u>(25,118)</u>
Cash flows from financing activities		
Dividend paid	-	(6,479)
Deposits pledged	(18)	(55)
Repayment of banker's acceptance	(1,628)	(359)
Drawdown of bank borrowings	3,723	16,400
Repayment of bank borrowings	(802)	(6,002)
Repayment of lease liabilities	(1,103)	(878)
Interest paid	(1,666)	(1,232)
Prepayment of hire purchase agreement	-	(67)
Prepayment of right-of-use assets	(76)	-
Net cash (used in)/generated from financing activities	<u>(1,570)</u>	<u>1,328</u>
Net decrease in cash and cash equivalents	<u>(3,777)</u>	<u>(38,672)</u>
Cash and cash equivalents at beginning of the financial year	33,264	71,942
Effects of exchange rate changes on cash and cash equivalents	20	(6)
Cash and cash equivalents at end of the financial year (Note 17)	<u>29,507</u>	<u>33,264</u>

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

1 Corporate information

Samurai 2K Aerosol Limited (the “Company”) (Co. Reg. No. 201606168C) is incorporated as a private limited company and domiciled in Singapore on 9 March 2016. It was converted into a public company limited by shares on 16 December 2016 and is listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The registered office of the Company is at 133 North Bridge Road, #08-03 Chinatown Point, Singapore 059413. The principal place of business of the Company is located at No. 6, Jalan Dato Yunus 1, Kawasan Perindustrian Dato Yunus Sulaiman, Lima Kedai, 81120 Skudai, Johor, Malaysia.

The principal activity of the Company is an investment holding company. The principal activities of the subsidiaries are disclosed in Note 13.

2 Material accounting policies

a) Basis of preparation

The financial statements are presented in Malaysia Ringgit and are rounded to the nearest thousand (RM'000) except when otherwise indicated.

The financial statements have been prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) [“SFRS(I)”]. The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and bank balances, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2 Material accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards that are adopted

In the current financial year, the Group and the Company have adopted all new and revised SFRS(I) and SFRS(I) Interpretations ["SFRS(I) INT"] that are effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The application of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company except as disclosed below:

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies

The amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments require entities to disclose their material accounting policies rather than their significant accounting policies, and provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Group has adopted the amendments to SFRS(I) 1-1 on disclosures of accounting policies. The amendments have no impact on the measurement, recognition and presentation of any items in the Group's and the Company's financial statements.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the reporting date but are not yet effective for the financial year ended 31 March 2024 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses, if any. On disposal of the investments, the difference between disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

c) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses, if any.

No depreciation is provided on freehold land.

Depreciation of right-of-use assets is calculated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2 Material accounting policies (cont'd)

c) Property, plant and equipment (cont'd)

Depreciation for other items of property, plant and equipment is calculated on a straight-line basis to allocate the depreciable amounts over the estimated useful lives of the asset. The useful lives for property, plant and equipment are as follows:

	Years
Freehold properties	50
Leasehold properties	1 – 6
Furniture, fittings and equipment	4 – 12
Motor vehicles	8 – 10
Plant and machinery	8
Renovation	10

Property, plant and equipment in the course of construction for production are carried at cost, less any recognised impairment loss until construction is completed. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policies. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

d) Intangible assets

Acquired computer software licences

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Direct expenditure, which enhances or extends the performance of computer software beyond its original specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Acquired computer software licences are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised using the straight-line method over their estimated useful life of 5 years.

Patents and trademarks

Patents and trademarks are capitalised on the basis of the cost incurred to successfully register patents and trademarks in various countries. Amortisation is calculated using the straight-line method to allocate the cost of patents and trademarks over 10 to 20 years, based on the shorter of their estimated useful lives and periods of contractual rights.

e) Financial assets

Debt instruments include cash and bank balances, trade and other receivables [excluding advance payment to suppliers, prepayments, goods and services tax ("GST") receivables and tax receivable]. The Group's debt instruments are measured at amortised cost.

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2 Material accounting policies (cont'd)

e) Financial assets (cont'd)

Impairment (cont'd)

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "lifetime ECL").

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group determined the lifetime ECL of trade receivables by performing an ECL assessment for each debtor by considering the historical loss rate, recent payments, ongoing business relationship, creditworthiness of each debtor and their ability to repay.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

f) Inventories

Cost is determined on a weighted average basis. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity but excludes borrowing costs.

g) Financial liabilities

Financial liabilities include trade and other payables and borrowings. Financial liabilities are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in the profit or loss when the liabilities are derecognised and through the amortisation process.

h) Revenue recognition

Sale of aerosol spray paints

The Group manufactures and sell aerosol spray paints. Sales is recognised when the goods have been delivered and control of the goods has been transferred to its customer. Revenue from these sales is recognised based on the price specified in the contract. Revenue is only recognised to the extent that it is highly probable that there will be no significant reversal when the uncertainty is resolved. No element of financing is deemed present as the sales are made with a credit term of 30 to 120 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2 Material accounting policies (cont'd)

h) Revenue recognition (cont'd)

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Rental income

Rental income from operating lease (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

i) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a Group entity is the lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

Lease payments included in the measurement of the lease liabilities comprise fixed lease payments (including in-substance fixed payments). Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liabilities are presented within "borrowings" in the statements of financial position.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2 Material accounting policies (cont'd)

i) Leases (cont'd)

When a Group entity is the lessee (cont'd)

Right-of-use assets (cont'd)

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. The right-of-use assets are presented within "property, plant and equipment" in the statements of financial position.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired.

j) Employee benefits

Share-based compensation

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the share options on the date of the grant. This cost is recognised in profit or loss, with a corresponding increase in the share option reserve, over the vesting period. Non-market vesting conditions are included in the estimation of the number of shares that are expected to vest on the vesting date. At each reporting date, the Group revises its estimates of the number of shares that are expected to vest on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the share options are exercised, the related balance previously recognised in the share option reserve and the proceeds received (net of transaction costs) are credited to the share capital account when new ordinary shares are issued. If the share options are not exercised by the expiry date, the balance in the share option reserve is transferred to retained earnings.

k) Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

3 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Critical judgements in applying the Group's accounting policies

Functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required by management to determine the primary economic environment in which the entities operate, the entities' process of determining sales prices and the currency of the country whose competitive forces and regulations mainly influences the prices of its goods and services.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Critical judgements in applying the Group's accounting policies (cont'd)

Functional currency (cont'd)

Management has assessed that prices are mainly denominated and settled in the respective local currency of the entities of the Group. In addition, most of the entities' cost base is mainly denominated in their respective local currency. Therefore, management concluded that the functional currency of the entities of the Group is their respective local currency.

In view of the financial reliance of the Company on the operations of its major subsidiary in Malaysia, the management determined that RM is the functional currency of the Company.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Allowance for expected credit losses of trade receivables

Management determines the expected credit losses ("ECL") of trade receivables by applying the simplified approach to recognise a loss allowance based on lifetime ECLs at the end of the reporting period. The Group determined the lifetime ECL of trade receivables by performing an ECL assessment for each debtor by considering the effects of the macroeconomic uncertainties, the historical loss rate, recent payments, ongoing business relationship, creditworthiness of each debtor and their ability to repay.

As the ECL assessment of trade receivables is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade receivables. Details of ECL measurement and carrying amount of trade receivables are disclosed in Note 25(b) and Note 16 respectively.

Write down of inventories

Where necessary, inventories are written down to net realisable value for estimated losses where the cost of inventories may not be recoverable. The Group estimates the write down based upon an analysis of the physical conditions of the products, product demand, anticipated selling prices and usability of the raw materials and packaging materials. Adjustments to the carrying amount of inventories may be made in future periods in the event that their carrying amounts may not be recoverable resulting from future loss events.

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 15.

Impairment of investment in subsidiaries

The Company assesses at the end of each reporting period whether there are any indicators of impairment for investment in subsidiaries. Investment in subsidiaries are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of the investment exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

During the financial year ended 31 March 2024, management carried out a review of the recoverable amounts of the Company's investments in Samurai 2K USA Inc, Samurai 2K India Private Limited and Orientus (Singapore) Pte Ltd due to indications of impairment loss where these subsidiaries have been persistently making losses since incorporation. The recoverable amount of these investments were determined based on fair value less cost to sell method. The fair value was determined as the adjusted value of assets upon disposal and realisation of liabilities. This fair value measurement is categorised as Level 3 of the fair value hierarchy. Impairment losses of RM747,000 were recognised to write down the carrying values of the investments to their recoverable amounts of RMNil. Based on management's assessment, no further impairment on the Company's investments in the other subsidiaries are necessary at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

Impairment of investment in subsidiaries (cont'd)

During the financial year ended 31 March 2023, management carried out a review of the recoverable amount of one of the Company's investment in Samurai 2K USA Inc due to indications of impairment loss where the subsidiary has been persistently making losses since incorporation. The recoverable amount of the investment in subsidiary was determined based on fair value less cost to sell method. The fair value was determined as the adjusted value of assets upon disposal and realisation of liabilities. This fair value measurement is categorised as Level 3 of the fair value hierarchy. An impairment loss of RM648,000 was recognised to write down the carrying value of the investment to its recoverable amount of RMNil. Based on management's assessment, no further impairment on the Company's investments in the other subsidiaries are necessary at the end of the reporting period.

The carrying amount of investment in subsidiaries is disclosed in Note 13.

4 Revenue

	Group	
	2024 RM'000	2023 RM'000
Timing of revenue recognition		
Sale of goods – At a point in time	79,823	70,268
	79,823	70,268

5 Other income

	Group	
	2024 RM'000	2023 RM'000
Foreign exchange gain, net	796	263
Interest income	761	683
Rental income	180	180
Other income	14	7
	1,751	1,133

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

6 Finance costs

	Group	
	2024 RM'000	2023 RM'000
Interest expenses:		
– Lease liabilities	155	89
– Term loans	961	541
– Banker's acceptance	550	602
	1,666	1,232

7 Profit/(loss) before tax

	Group	
	2024 RM'000	2023 RM'000
This is arrived at after charging:		
Audit fees paid/payable to:		
– Auditor of the Company	210	168
– Other auditors – network firms	89	102
Fees for non-audit services paid/payable to:		
– Auditor of the Company	16	14
– Other auditors – non-network firms	129	101
Depreciation of property, plant and equipment (Note 11)	4,909	5,241
Amortisation of intangible assets (Note 12)	341	301
Marketing and promotional expenses	9,570	12,212
Rental expenses (Note 18)	407	154
Personnel expenses (Note 8)	14,732	15,088
	14,732	15,088

8 Personnel expenses

	Group	
	2024 RM'000	2023 RM'000
<i>Key management personnel</i>		
– Salaries, bonus and other benefits	4,210	4,624
– Defined contribution plan	183	235
– Employee share option scheme	95	102
	4,488	4,961
<i>Other personnel</i>		
– Salaries, bonus and other benefits	9,426	9,185
– Defined contribution plan	739	841
– Employee share option scheme	79	101
	10,244	10,127
	14,732	15,088

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

9 Tax expense

	Group	
	2024	2023
	RM'000	RM'000
Withholding tax	540	-
Income tax:		
- Current year	2,598	-
- Under provision in respect of previous years	204	692
	2,802	692
Deferred tax (Note 14):		
- Current year	(110)	(56)
- Under provision of deferred tax in respect of previous years	310	530
	200	474
	3,542	1,166

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

9 Tax expense (cont'd)

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the domestic income tax rates applicable to profit/(loss) in the countries where the Group operates due to the following factors:

	Group	
	2024 RM'000	2023 RM'000
Profit/(loss) before tax	5,079	(10,279)
Tax at the domestic income tax rates applicable to profit/(loss) in the countries where the Group operates	1,098	(2,173)
Expenses not deductible for tax purposes	316	1,090
Non-taxable income	-	(3)
Under provision of income tax in respect of previous years	204	692
Under provision of deferred tax in respect of previous years	310	530
Deferred tax asset not recognised	1,136	1,106
Withholding tax	540	-
Singapore statutory stepped income exemption	(61)	(45)
Others	(1)	(31)
	3,542	1,166

The above tax reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

The income tax rate applicable to companies incorporated in Singapore and foreign subsidiaries of the Group are 17% (2023: 17%) and 17% to 26% (2023: 17% to 26%) respectively for the financial year ended 31 March 2024.

10 Earnings/(loss) per share

The calculation of the basic earnings/(loss) and diluted earnings/(loss) per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group	
	2024	2023
Profit/(loss) for the financial year attributable to equity holders of the Company (RM'000)	1,538	(11,445)
Weighted average number of ordinary shares ('000)	334,620	334,620
Weighted average number of ordinary shares adjusted for effect of treasury shares held ('000)	334,565	334,565
Basic and diluted earnings/(loss) per share (RM sen per share)	0.46	(3.42)

As at 31 March 2024 and 31 March 2023, the Group's potential ordinary shares comprise employee share options. The computation of diluted earnings/(loss) per share does not adjust for the effects of the potential ordinary shares from employee share options as these did not have a dilutive effect on the earnings/(loss) per share calculation since the exercise price of the options exceeds the average market price of ordinary shares during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

11 Property, plant and equipment

	Freehold land RM'000	Freehold properties RM'000	Leasehold properties RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Renovation RM'000	Work-in-progress RM'000	Total RM'000
Group 2024 Cost									
At 1 April 2023	5,171	24,373	3,199	2,979	2,676	17,473	8,862	1,860	66,593
Additions	-	-	685	129	57	3,508	185	4,586	9,150
Disposal	-	-	(67)	-	-	-	-	-	(67)
Reclassifications	-	-	-	190	-	879	791	(1,860)	-
Currency translation differences	-	-	-	7	-	4	-	-	11
At 31 March 2024	5,171	24,373	3,817	3,305	2,733	21,864	9,838	4,586	75,687
Accumulated depreciation									
At 1 April 2023	-	874	2,527	1,256	1,197	9,593	3,326	-	18,773
Depreciation charge	-	487	538	575	273	2,058	978	-	4,909
Disposal	-	-	(41)	-	-	-	-	-	(41)
Currency translation differences	-	-	-	6	-	1	-	-	7
At 31 March 2024	-	1,361	3,024	1,837	1,470	11,652	4,304	-	23,648
Net carrying value									
At 31 March 2024	5,171	23,012	793	1,468	1,263	10,212	5,534	4,586	52,039

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

11 Property, plant and equipment

	Freehold land RM'000	Freehold properties RM'000	Leasehold properties RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Renovation RM'000	Work-in-progress RM'000	Total RM'000
Group									
2023									
Cost									
At 1 April 2022	5,171	5,045	1,737	2,632	2,014	14,733	8,138	1,860	41,330
Additions	-	19,328	481	342	662	2,737	724	-	24,274
Modification of lease liabilities	-	-	951	-	-	-	-	-	951
Currency translation differences	-	-	30	5	-	3	-	-	38
At 31 March 2023	5,171	24,373	3,199	2,979	2,676	17,473	8,862	1,860	66,593
Accumulated depreciation									
At 1 April 2022	-	612	1,021	749	935	7,735	2,457	-	13,509
Depreciation charge	-	262	1,486	505	262	1,857	869	-	5,241
Currency translation differences	-	-	20	2	-	1	-	-	23
At 31 March 2023	-	874	2,527	1,256	1,197	9,593	3,326	-	18,773
Net carrying value									
At 31 March 2023	5,171	23,499	672	1,723	1,479	7,880	5,536	1,860	47,820

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

11 Property, plant and equipment (cont'd)

- i) Included in property, plant and equipment are right-of-use assets of RM2,017,000 (2023: RM1,964,000) (Note 18).
- ii) Net cash outflow for purchase of property, plant and equipment.

	Group	
	2024	2023
	RM'000	RM'000
Aggregate cost of property, plant and equipment acquired	9,150	24,274
Less: additions to right-of-use assets (Note 18)	(685)	(1,143)
Less: prepayment of right-of-use assets	(76)	-
Less: purchases paid in previous financial years	(1,528)	-
	<hr/>	<hr/>
Net cash outflow for purchase of property, plant and equipment	6,861	23,131
	<hr/>	<hr/>

- iii) Assets pledged as security

The Group's freehold land and properties with a carrying amount of RM28,183,000 (2023: RM28,670,000) are pledged to secure the Group's borrowings (Note 18).

12 Intangible assets

	Group	
	2024	2023
	RM'000	RM'000
Acquired computer software license [Note (a)]	1,966	2,014
Patents and trademarks [Note (b)]	461	350
	<hr/>	<hr/>
	2,427	2,364
	<hr/>	<hr/>

- a) Acquired computer software licenses

	Group	
	2024	2023
	RM'000	RM'000
Cost		
At 1 April	2,952	1,108
Additions	264	1,844
	<hr/>	<hr/>
At 31 March	3,216	2,952
	<hr/>	<hr/>
Amortisation		
At 1 April	938	666
Amortisation charge	312	272
	<hr/>	<hr/>
At 31 March	1,250	938
	<hr/>	<hr/>
Net carrying amount		
At 31 March	1,966	2,014
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

12 Intangible assets (cont'd)

b) Patent and trademarks

	Group	
	2024 RM'000	2023 RM'000
Cost		
At 1 April	430	425
Additions	140	5
	570	430
Amortisation		
At 1 April	80	51
Amortisation charge	29	29
	109	80
Net carrying amount		
At 31 March	461	350

13 Investment in subsidiaries

	Company	
	2024 RM'000	2023 RM'000
Unquoted shares, at cost		
Balance at beginning of financial year	19,756	16,403
Addition due to incorporation of subsidiary	-	3,150
Addition due to share options issued to employees of its subsidiaries (Note 22)	37	203
	19,793	19,756
Less: Allowance for impairment loss	(2,140)	(1,393)
	17,653	18,363
<i>Allowance for impairment loss</i>		
Balance at beginning of financial year	1,393	745
Impairment charge	747	648
	2,140	1,393

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

13 Investment in subsidiaries (cont'd)

i) Details of the subsidiaries are:

Name of subsidiary	Principal place of business	Principal business activities	Proportion of ownership interest	
			2024 %	2023 %
<i>Held by the Company</i>				
Samurai 2K Aerosol Sdn. Bhd. ⁽¹⁾	Malaysia	Manufacturing and sales of aerosol spray paints and related material	100	100
PT Samurai Paint ⁽²⁾	Indonesia	Dormant	67	67
Samurai 2K USA Inc ⁽²⁾	United States of America	Import aerosol paint products and wholesales	100	100
Orientus Singapore Pte Ltd ⁽³⁾	Singapore	Trading of aerosol spray paints and related material	100	100
Samurai 2U Sdn. Bhd. ⁽¹⁾	Malaysia	To carry business of E-Commerce for all type of goods	100	100
Samurai 2K India Private Limited ⁽²⁾	India	Import aerosol paint products and wholesales	100 [#]	100 [#]
PT Samurai Kurobushi Indonesia ^{(2) (4)}	Indonesia	Dormant	100 ^{##}	100 ^{##}

⁽¹⁾ Audited by independent overseas member firm of Baker Tilly International.

⁽²⁾ Not required to be audited by law of country of incorporation.

⁽³⁾ Audited by Baker Tilly TFW LLP, Singapore.

⁽⁴⁾ Incorporated during the financial year ended 31 March 2023 with share capital of Indonesian Rupiah ("IDR") 10,500,000,000 (equivalent to RM3,150,000).

[#] In Samurai 2K India Private Limited, 99.9998% equity interest is held by the Company and 0.0002% equity interest is held in trust for the Company by an individual. Effectively, the Company holds 100% of the voting rights of Samurai 2K India Private Limited.

^{##} In PT Samurai Kurobushi Indonesia, 99% equity interest is held by the Company and 1% equity interest is held in trust for the Company by an individual. Effectively, the Company holds 100% of the voting rights of PT Samurai Kurobushi Indonesia.

ii) At the end of the reporting period, there are no subsidiaries with non-controlling interests that are considered by management to be material to the Group. Accordingly, the summarised financial information of the subsidiaries is not being disclosed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

13 Investment in subsidiaries (cont'd)

iii) During the financial year ended 31 March 2019, the Company fully impaired the cost of investment in PT Samurai Paint as there were no business plans for PT Samurai Paint. For the financial year ended 31 March 2024 and 31 March 2023, there were no changes in plans for PT Samurai Paint. Accordingly, no reversal of impairment was made.

14 Deferred tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The movements in the deferred tax accounts are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 April	1,708	1,265	-	-
Tax charged to profit or loss (Note 9)	200	474	-	-
Currency translation difference	-	(31)	-	-
At 31 March	1,908	1,708	-	-
Representing:				
Deferred tax assets	(78)	(78)	-	-
Deferred tax liabilities	1,986	1,786	-	-
	1,908	1,708	-	-

Representing deferred tax (assets)/liabilities arising from:

	Group	
	2024 RM'000	2023 RM'000
Accelerated tax depreciation	1,960	2,562
Right-of-use assets	444	432
Lease liabilities	(418)	(519)
Tax losses	(78)	(767)
	1,908	1,708

At the reporting date, the Group has unutilised tax losses of RM14,398,000 (2023: RM10,245,000) that are available for carry forward to offset against future taxable income subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation to the respective countries in which companies operate. Unutilised tax losses of RM709,000 (2023: RM623,000) are available for carry forward until 2037 and unutilised tax losses of RM13,689,000 (2023: RM9,622,000) are available for carry forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

15 Inventories

	Group	
	2024 RM'000	2023 RM'000
Raw materials	6,948	9,189
Work-in-progress	6,541	5,229
Finished goods	4,296	2,413
	17,785	16,831

The cost of inventories recognised as an expense in cost of sales amounted to RM32,130,000 (2023: RM38,990,000).

16 Trade and other receivables

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<i>Non-current</i>				
Prepayments	3,455	4,764	-	-
<i>Current</i>				
Trade receivables	15,662	15,261	-	-
Advance payment to suppliers	1,546	585	-	-
Amount due from subsidiaries	-	-	44,810	41,691
Deposits	1,172	1,100	-	-
GST receivables	374	266	-	-
Prepayments	263	748	7	142
	19,017	17,960	44,817	41,833
Less: Allowance for impairment	-	-	(9,776)	(8,048)
	19,017	17,960	35,041	33,785
Total trade and other receivables	22,472	22,724	35,041	33,785

Amount due from subsidiaries are interest-free, non-trade in nature, unsecured and repayable on demand.

17 Cash and bank balances

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash in hand and at bank	6,108	3,421	119	1,703
Fixed deposits	25,483	31,067	-	-
Cash and bank balances	31,591	34,488	119	1,703

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

17 Cash and bank balances (cont'd)

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2024 RM'000	2023 RM'000
Cash and bank balances	31,591	34,488
Less: Pledged fixed deposits	(1,242)	(1,224)
Less: Bank overdraft (Note 18)	(842)	-
	<hr/>	<hr/>
Cash and cash equivalents	29,507	33,264

Fixed deposits amounting to RM1,242,000 (2023: RM1,224,000) are pledged to banks as collateral for banking facilities granted (Note 18).

18 Borrowings

	<u>Repayment period</u>	Group	
		2024 RM'000	2023 RM'000
<i>Non-current</i>			
Loan 1 – 2.1% per annum below bank Base Lend Rate (“BLR”)	180 monthly instalments from August 2016	1,311	1,540
Loan 2 – 2.1% per annum below BLR	180 monthly instalments from August 2016	1,249	1,419
Loan 3 – 0.5% per annum above BLR	180 monthly instalments from August 2016	51	57
Loan 4 – 0.51% per annum above BLR	240 monthly instalments from October 2022	3,880	4,027
Loan 5 – 1.42% per annum above BLR	300 monthly instalments from September 2022	3,821	3,915
Loan 6 – 1.42% per annum above BLR	300 monthly instalments from September 2022	3,821	3,915
Loan 7 – 1.42% per annum above BLR	300 monthly instalments from September 2022	3,821	3,915
Loan 8 – 1.25% per annum above BLR	120 monthly instalments from November 2024	3,504	-
Lease liabilities		939	1,387
		<hr/>	<hr/>
		22,397	20,175

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

18 Borrowings (cont'd)

	<u>Repayment period</u>	Group	
		2024 RM'000	2023 RM'000
<i>Current</i>			
Loan 1 – 2.1% per annum below BLR	180 monthly instalments from August 2016	175	167
Loan 2 – 2.1% per annum below BLR	180 monthly instalments from August 2016	176	169
Loan 3 – 0.5% per annum above BLR	180 monthly instalments from August 2016	6	6
Loan 4 – 0.51% per annum above BLR	240 monthly instalments from October 2022	165	160
Loan 5 – 1.42% per annum above BLR	300 monthly instalments from September 2022	110	106
Loan 6 – 1.42% per annum above BLR	300 monthly instalments from September 2022	110	106
Loan 7 – 1.42% per annum above BLR	300 monthly instalments from September 2022	110	106
Loan 8 – 1.25% per annum above BLR	120 monthly instalments from November 2024	219	-
Banker's acceptance – 1.1% to 3.20% (2023: 1.40% to 3.20%) above bank Cost of Funds Rate		9,332	10,960
Bank overdraft		842	-
Lease liabilities		960	974
		12,205	12,754
		34,602	32,929

The loans, banker's acceptance and bank overdraft are secured by:

- (i) Fixed deposits placed with the bank (Note 17);
- (ii) Freehold land and properties of the Group (Note 11);
- (iii) Corporate guarantee issued by the Company; and
- (iv) A business loan reducing term assurance covered for the joint life of the guarantors.

Determination of fair value of borrowings (except for lease liabilities)

The carrying amounts of borrowings (except for lease liabilities) approximate their fair values at the end of the reporting period.

The fair values of the borrowings, determined from discounted cash flow analysis using the market lending rate that the directors expect would be available to the Group at the end of the reporting period, are reasonable approximation of carrying amounts as they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period. The fair value measurement for disclosure purposes is categorised in Level 3 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

18 Borrowings (cont'd)

Lease liabilities

Nature of the Group's leasing activities

The Group's leasing activities comprise the following:

- i) The Group leases various warehouses and motor vehicles from non-related parties. The leases have an average tenure of between three to ten years.
- ii) The Group leases hostels for employees with contractual tenure of less than one year.
- iii) The Group leases machineries from non-related parties with contractual tenure of less than one year.

The maturity analysis of the lease liabilities is disclosed in Note 25(b).

Carrying amount of right-of-use assets

	Group	
	2024 RM'000	2023 RM'000
<u>Classified within property, plant and equipment</u>		
Leasehold properties	793	672
Motor vehicles	1,224	1,292
	2,017	1,964

Additions to right-of-use assets

	Group	
	2024 RM'000	2023 RM'000
Leasehold properties	685	481
Motor vehicles	-	662
	685	1,143

Amount recognised in profit or loss

	Group	
	2024 RM'000	2023 RM'000
<u>Depreciation charge for the financial year</u>		
Leasehold properties	538	1,486
Motor vehicles	164	157
	702	1,643
<u>Lease expense not included in the measurement of lease liabilities</u>		
Lease expense – short-term leases	301	91
Variable lease payments which do not depends on an index or rate	106	63
	407	154
Total (Note 7)	407	154
Interest expense on lease liabilities	155	89

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

18 Borrowings (cont'd)

Lease liabilities (cont'd)

Amount recognised in profit or loss (cont'd)

Total cash flows for leases amounted to RM1,665,000 (2023: RM1,121,000).

Future cash outflow which are not capitalised in lease liabilities

Variable lease payments

The lease of a warehouse contains variable lease payments that is based on a percentage of the expenses incurred by the landlord in connection with the operation, ownership, management, repair or maintenance of the building. Overall, the variable payments constitute up to 6.3% (2023: 5.6%) of the Group's entire lease payments. These variable lease payments are recognised in profit or loss when incurred.

Extension options

The lease of a warehouse contains an extension option, for which the related lease payments had not been included in the lease liabilities as the Group is not reasonably certain to extend the lease. This lease is used to maximise operational flexibility in terms of managing the asset used in the Group's operations.

Reconciliation movement of liabilities to cash flow arising from financing activities:

	Lease liabilities RM'000	Bank borrowings RM'000	Total RM'000
Balance at 1 April 2022	1,206	20,529	21,735
Changes from financing cash flows:			
– Proceeds	–	16,400	16,400
– Repayments	(878)	(6,361)	(7,239)
– Interest paid	(89)	(1,143)	(1,232)
Non-cash changes:			
– Interest expense	89	1,143	1,232
– Additions of new leases	1,076	–	1,076
– Modification of leases	951	–	951
– Currency translation differences	6	–	6
Balance at 31 March 2023	2,361	30,568	32,929
Changes from financing cash flows:			
– Proceeds	–	3,723	3,723
– Repayments	(1,103)	(2,430)	(3,533)
– Interest paid	(155)	(1,511)	(1,666)
Non-cash changes:			
– Interest expense	155	1,511	1,666
– Additions of new leases	685	–	685
– Termination of leases	(26)	–	(26)
– Currency translation differences	(18)	–	(18)
Balance at 31 March 2024	1,899	31,861	33,760

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

19 Trade and other payables

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<i>Current</i>				
Trade payables				
– Third parties	12,751	13,161	-	-
Other payables				
– Third parties	19	305	42	261
Accrued expenses	4,375	4,182	1,330	1,066
Amount due to subsidiaries	-	-	2,297	3,191
	17,145	17,648	3,669	4,518
<i>Non-current</i>				
Other payables	96	94	-	-

Amount due to subsidiaries are interest-free, non-trade in nature, unsecured and repayable on demand.

Included within accrued expenses are accrued payroll costs relating to the key management personnel amounting to RM3,618,000 (2023: RM3,458,000) for the Group and RM962,000 (2023: RM802,000) for the Company.

20 Share capital

	2024		2023	
	No. of shares '000	RM'000	No. of shares '000	RM'000
Group and Company				
<i>Ordinary shares</i>				
At beginning and end of financial year	334,620	57,165	334,620	57,165
<i>Treasury shares</i>				
At beginning and end of financial year	55	64	55	64

All issued shares are fully paid ordinary shares with no par value.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

21 Dividends

	Group and Company	
	2024 RM'000	2023 RM'000
Final exempt dividend of SGD0.002 per share paid in respect of the financial year ended 31 March 2022	-	2,160
Special exempt dividend of SGD0.004 per share paid in respect of the financial year ended 31 March 2022	-	4,319
	-	6,479

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

22 Share option reserve

The Samurai 2K Aerosol Limited's Employee Share Option Scheme (the "Scheme") were approved and adopted by the members at the shareholders' meeting held on 16 December 2016 and will continue to remain in force until 15 December 2026, unless terminated in accordance with the rules of the Scheme. The Scheme provide for the grant of share options to employees and directors of the Group.

The Scheme are administered by the Remuneration Committee of the Company, comprising of Mr Hau Hock Khun (Chairman), Mr Lim Siang Kai and Mr Lim Chong Huat. A member of the Remuneration Committee who is also a participant of the Scheme must not be involved in its deliberation in respect of awards and options granted or to be granted to him.

The aggregate number of share options which may be issued or transferred pursuant to awards granted under the Scheme on any date, when aggregated with the aggregate number of shares over which awards and options are granted under any other share option schemes or share schemes of the Company, shall not exceed 15% of the total number of issued shares (excluding shares held by the Company as treasury shares) on the day preceding that date.

The aggregate number of shares issued and issuable in respect of all options granted under the Scheme available to the controlling shareholders and their associates shall not exceed 25% of the total number of shares available under the Scheme.

The aggregate number of shares issued and issuable in respect of all options granted under the Scheme available to each controlling shareholder or his associates shall not exceed 10% of the total number of shares available under the Scheme.

Options granted with the exercise price set at market price shall only be exercisable, in whole or in part (provided that an option may be exercised in part only in respect of 100 shares or any multiple thereof), at any time, by a participant after the first anniversary of the offer date of that option, provided always that the options shall be exercised before the tenth anniversary of the relevant offer date, or such earlier and later date as may be determined by the Remuneration Committee, failing which all unexercised options shall immediately lapse and become null and void and a participant shall have no claim against the Company.

Options granted with the exercise price set at a discount to market price shall only be exercisable, in whole or in part (provided that an option may be exercised in part only in respect of 100 shares or any multiple thereof), at any time, by a participant after the second anniversary from the offer date of that option, provided always that the options shall be exercised before the tenth anniversary of the relevant offer date, or such earlier and later date as may be determined by the Remuneration Committee, failing which all unexercised options shall immediately lapse and become null and void and a participant shall have no claim against the Company.

An option shall, to the extent unexercised, immediately lapse and become null and void and a participant shall have no claim against the Company:

- a) subject to the rules of the Schemes, upon the participant ceasing to be in employment of the Company or any of the companies within the Group for any reason whatsoever;
- b) upon the bankruptcy of the participant or the happening of any other event which result in his being deprived of the legal or beneficial ownership of such option; or
- c) in the event of misconduct on the part of the participant, as determined by the Remuneration Committee.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

22 Share option reserve (cont'd)

Movement in the number of options granted by the Company under the Scheme for the Group's employees are as follows:

	← No. of options under the Scheme →				
	Beginning of financial year	Granted during financial year	Forfeited during financial year	Vested during financial year	End of financial year
2024					
3 June 2019	309,000	-	(75,000)	-	234,000
31 May 2021	1,845,000	-	(570,000)	-	1,275,000
2023					
3 June 2019	345,000	-	(36,000)	-	309,000
31 May 2021	2,505,000	-	(660,000)	-	1,845,000

The details of the outstanding number of options at the end of the reporting period was:

Exercise price ⁽¹⁾	Grant date	Exercise period
SGD0.305	3 June 2019	3 June 2022 to 2 June 2029
SGD0.347	31 May 2021	31 May 2024 to 30 May 2031

⁽¹⁾ Based on the new exercise price after the share split exercise in FY2022

The share options outstanding as at the end of the financial year have a remaining contractual life of 5.17 to 7.16 (2023: 6.17 to 8.16) years.

The fair value of each option granted on 3 June 2019 ("FY2020 Grant") and 31 May 2021 ("FY2022 Grant") was RM0.40 and RM0.47 respectively. The estimate of the fair value of each option issued on grant date was based on the Binomial Options Pricing model. In order to approximate the expectations that would be reflected in a current market or negotiated exchange price for these options, the calculation takes into consideration factors like behavioural considerations and non-transferability of the options granted.

The Binomial Options Pricing model used the following assumptions:

	FY2020 Grant	FY2022 Grant
Underlying share price (SGD)	0.910	1.070
Exercise price (SGD)	0.916	1.042
Dividend yield expected	0.50%	0.97%
Risk-free annual interest rates	1.96%	1.05%
Expected life	6.5 years	6.5 years
Expected volatility	43.31%	45.01%

Expected volatility was determined by calculating the historical volatility of the Company's share price from date of initial public offering to the grant date which was compared against the historical volatility range of the comparable companies for the period of 6.5 years prior to the valuation date. The expected lives used in the model have been adjusted, based on management best estimates, for the effects of non-transferability, exercise restrictions and behavioural considerations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

23 Merger reserve

Merger reserve represents the difference between the consideration paid by the Company and the share capital of the subsidiaries acquired under common control.

24 Contingent liabilities

The Company has provided corporate guarantees of RM62,931,000 (2023: RM55,931,000) to banks for bank borrowings of RM32,703,000 (2023: RM30,568,000) drawn down by its subsidiary at the end of reporting period.

25 Financial instruments

a) Categories of financial instruments

Financial instruments at their carrying amounts at the end of the reporting period are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<i>Financial assets</i>				
Financial assets at amortised cost	48,425	50,849	35,153	35,346
<i>Financial liabilities</i>				
Financial liabilities at amortised cost	51,843	50,671	3,669	4,518

b) Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. The policies for managing each of these risks are summarised below. The directors review and agree policies and procedures for the management of these risks.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which the Group and the Company manage and measure financial risks.

Foreign currency risk

The Group and the Company have currency exposures arising from transactions, assets and liabilities that are denominated in currencies other than their respective functional currencies of entities in the Group. The foreign currencies giving rise to this risk are primarily the United States Dollar ("USD"), Indonesian Rupiah ("IDR"), Singapore Dollar ("SGD"), British Pound Sterling ("GBP"), Chinese Yuan Renminbi ("RMB") and Indian Rupee ("INR").

There is no formal hedging policy with respect to foreign currency exposure. Exposure to foreign currency risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure at a level that is deemed acceptable by management.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

25 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Foreign currency risk (cont'd)

At the end of the reporting period, the Group and the Company have the following financial assets and financial liabilities denominated in foreign currencies based on information provided to key management:

	Trade and other receivables RM'000	Cash and cash equivalents RM'000	Trade and other payables RM'000	Intragroup receivables RM'000	Intragroup payables RM'000	Net financial assets/ (liabilities) denominated in foreign currencies RM'000
Group						
2024						
<i>Denominated in/respective functional currency</i>						
USD/RM	154	1,197	(23)	21,499	(4,645)	18,182
SGD/RM	-	287	(1,366)	11,762	(11,762)	(1,079)
GBP/RM	110	66	-	-	-	176
RMB/RM	-	323	(195)	-	-	128
IDR/RM	12,121	1,167	(1,569)	589	(2,340)	9,968
INR/RM	-	618	-	190	-	808
2023						
<i>Denominated in/respective functional currency</i>						
USD/RM	2,832	88	(363)	11,384	(1,273)	12,668
SGD/RM	-	1,946	-	12,302	(12,302)	1,946
GBP/RM	159	55	-	-	-	214
IDR/RM	10,657	-	(1,310)	353	(3,150)	6,550
INR/RM	-	348	(1,933)	190	-	(1,395)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

25 Financial instruments (cont'd)

b) Financial risk management (cont'd)

<i>Foreign currency risk (cont'd)</i>	USD RM'000	SGD RM'000	IDR RM'000
Company			
2024			
<i>Financial assets</i>			
Trade and other receivables	11	-	-
Cash and bank balances	2	117	-
	<hr/>	<hr/>	<hr/>
	13	117	-
	<hr/>	<hr/>	<hr/>
<i>Financial liabilities</i>			
Trade and other payables	-	(1,329)	(2,340)
	<hr/>	<hr/>	<hr/>
Net financial assets/(liabilities) denominated in foreign currencies	13	(1,212)	(2,340)
	<hr/>	<hr/>	<hr/>
2023			
<i>Financial assets</i>			
Trade and other receivables	11	-	-
Cash and bank balances	2	1,701	-
	<hr/>	<hr/>	<hr/>
	13	1,701	-
	<hr/>	<hr/>	<hr/>
<i>Financial liabilities</i>			
Trade and other payables	-	(1,310)	(3,150)
	<hr/>	<hr/>	<hr/>
Net financial assets/(liabilities) denominated in foreign currencies	13	391	(3,150)
	<hr/>	<hr/>	<hr/>

The following table demonstrates the sensitivity to a reasonably possible change in the USD, IDR, SGD, GBP, RMB and INR exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant, of the Group's profit after tax:

	Group increase/(decrease) in profit after tax	
	2024 RM'000	2023 RM'000
USD/RM		
- strengthened 10% (2023: 10%)	1,450	984
- weakened 10% (2023: 10%)	(1,450)	(984)
IDR/RM		
- strengthened 10% (2023: 10%)	776	575
- weakened 10% (2023: 10%)	(776)	(575)
SGD/RM		
- strengthened 10% (2023: 10%)	(172)	34
- weakened 10% (2023: 10%)	172	(34)
GBP/RM		
- strengthened 10% (2023: 10%)	13	16
- weakened 10% (2023: 10%)	(13)	(16)
RMB/RM		
- strengthened 10% (2023: 10%)	10	-
- weakened 10% (2023: 10%)	(10)	-
INR/RM		
- strengthened 10% (2023: 10%)	60	(132)
- weakened 10% (2023: 10%)	(60)	132
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

25 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Foreign currency risk (cont'd)

Company

If the SGD exchange rate against RM strengthened/weakened by 10%, with all other variables held constant, the Company's loss after tax will be higher/lower by RM101,000 (2023: lower/higher by RM32,000). If the IDR exchange rate against RM strengthened/weakened by 10%, with all other variables held constant, the Company's loss after tax will be higher/lower by RM194,000 (2023: RM261,000).

The sensitivity analysis for USD is not disclosed as the impact on the Group's and the Company's profit after tax is not significant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their borrowings and deposits placed with the financial institutions at variable rates. Borrowings and deposits at variable rates expose the Group and the Company to cash flow interest rate risk (i.e. the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates). The Group and the Company do not utilise derivatives to mitigate its interest rate risk.

The sensitivity analysis below have been determined based on the exposure to interest rates for borrowings at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of borrowings that have floating rates.

The Group's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in RM. If the RM interest rates increase/decrease by 50 (2023: 50) basis points with all other variables including tax rate being held constant, the profit after tax of the Group will be higher/lower by RM121,000 (2023: RM116,000) as a result of higher/lower interest expense on these borrowings.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group has credit policies in place and the exposure to credit risk is monitored on an on-going basis by the management. The Group's exposure to credit risk arises primarily from trade and other receivables. Cash and bank balances are placed with banks with high credit-ratings.

The Group does not have significant credit risk except that the Group's trade receivables comprise 3 debtors (2023: 3 debtors) that collectively represented 84% (2023: 86%) of the trade receivables. The Company has no significant concentration of credit risks except for the amount due from subsidiaries as disclosed in Note 16.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

25 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

25 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Significant increase in credit risk (cont'd)

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Definition of default

The Group has determined the default events on a financial asset to be when there is evidence that the borrower is experiencing liquidity issues or when there is a breach of contract, such as a default of payment.

The Group considers the above as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

25 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

	Amount due from subsidiaries RM'000
Company	
Balance at 1 April 2022	-
Loss allowance measured: Lifetime ECL	
- Significant increase in credit risk	8,048
Balance at 31 March 2023	<u>8,048</u>
Balance at 1 April 2023	8,048
Loss allowance measured: Lifetime ECL	
- Credit-impaired	1,728
Balance at 31 March 2024	<u>9,776</u>

Trade receivables

The Group applies the simplified approach to measure the expected credit loss ("ECL") allowance for trade receivables.

The Group determined the lifetime ECL of trade receivables by performing an ECL assessment for each debtor by considering the effects of the macroeconomic uncertainties, historical loss rate, recent payments, ongoing business relationship, creditworthiness of each debtor and their ability to repay. Management assessed that there is immaterial loss allowance relating to trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

25 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Financial assets at amortised cost

2024 Group	12-month or lifetime ECL	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000
Trade receivables	Lifetime ECL	15,662	-	15,662
Deposits	Not applicable (Exposure limited)	1,172	-	1,172
Cash and bank balances	Not applicable (Exposure limited)	31,591	-	31,591
2024 Company				
Amount due from subsidiaries	12-month ECL	35,034	-	35,034
Amount due from subsidiary	Lifetime ECL	9,776	(9,776)	-
Cash and bank balances	Not applicable (Exposure limited)	119	-	119

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

25 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Financial assets at amortised cost (cont'd)

2023 Group	12-month or lifetime ECL	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000
Trade receivables	Lifetime ECL	15,261	-	15,261
Deposits	Not applicable (Exposure limited)	1,100	-	1,100
Cash and bank balances	Not applicable (Exposure limited)	34,488	-	34,488
2023 Company				
Amount due from subsidiaries	12-month ECL	33,643	-	33,643
Amount due from subsidiary	Lifetime ECL	8,048	(8,048)	-
Cash and bank balances	Not applicable (Exposure limited)	1,703	-	1,703

Amount due from subsidiaries

For the amount due from subsidiaries where impairment loss allowance is measured using 12-month ECL, the Company assessed the latest performance and financial position of the respective counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant at the end of the reporting period.

For amount due from subsidiary where impairment loss allowance is measured at lifetime ECL as at 31 March 2024 and 2023, the Company assessed the latest performance and financial position of the subsidiary, adjusted for the future outlook of the industry in which the counterparty operates in, and concluded that the measurement of the impairment loss allowance using lifetime ECL is appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

25 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Financial guarantee

The Company has issued financial guarantees of RM62,931,000 (2023: RM55,931,000) to banks for bank borrowings of RM32,703,000 (2023: RM30,568,000) drawn down by its subsidiary at the end of reporting period. These guarantees are subject to the impairment requirements of SFRS(I) 9 *Financial Instruments*. The Company has assessed that its subsidiary has strong financial capacity to meet the contractual cash flow obligations and does not expect significant credit losses arising from these guarantees.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Group and the Company manage the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments and having an adequate amount of committed credit facilities (Note 18).

The table below shows the contractual expiry by the maturity of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	Repayable on demand or within 1 year RM'000	Within 2 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Group				
2024				
Trade and other payables	17,241	-	-	17,241
Borrowings	12,420	10,509	18,278	41,207
Lease liabilities	1,024	973	-	1,997
	30,685	11,482	18,278	60,445
2023				
Trade and other payables	17,742	-	-	17,742
Borrowings	12,436	5,905	19,817	38,158
Lease liabilities	1,066	1,450	-	2,516
	31,244	7,355	19,817	58,416

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

25 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Liquidity risk (cont'd)

	Repayable on demand or within 1 year RM'000	Within 2 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Company				
2024				
Trade and other payables	3,669	-	-	3,669
Financial guarantee contracts*	32,703	-	-	32,703
	36,372	-	-	36,372
2023				
Trade and other payables	4,518	-	-	4,518
Financial guarantee contracts*	30,568	-	-	30,568
	35,086	-	-	35,086

* At the end of the reporting period, the maximum exposure of the Company in respect of the intragroup financial guarantee (Note 24) based on facilities drawn down by the subsidiary is RM32,703,000 (2023: RM30,568,000). The Company does not consider it probable that a claim will be made against the Company under intragroup financial guarantee.

26 Fair values of assets and liabilities

Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

- (i) Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
- (iii) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There has been no transfer between Level 1, Level 2 and Level 3 during the financial years ended 31 March 2024 and 31 March 2023.

The carrying amounts of financial assets and liabilities (except for lease liabilities) are reasonable approximation of fair values as they are short-term in nature and market interest rate instruments.

At the end of the reporting period, the Group and the Company do not have any financial instruments carried at fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27 Segment information

For management purposes, the Group is organised into business units based on its products, and have three operating segments as follows:

- The paint – standard segment includes standard colour aerosol spray paint products.
- The paint – premium segment includes fluorescent, candy and metallic colour aerosol spray paint products, high temperature aerosol spray paint products, primer products, epoxy products, 2K products and multi-colour one aerosol spray paint.
- The maintenance and others segment includes cosmetic products such as metal and paint polish and maintenance products such as engine degreaser, chain oil, carburetor and gasket cleaner.

Management monitors the operating results of its business units separately for making decisions about allocation of resources and assessment of performances for each segment.

The segment information provided to management for the reportable segments are as follows:

	Paint – Standard RM'000	Paint – Premium RM'000	Maintenance and others RM'000	Group RM'000
2024				
Segment revenue				
Sales to external customers	49,833	29,476	514	79,823
Segment profit	1,573	4,189	222	5,984
Other segment information				
Depreciation of property, plant and equipment	3,237	1,647	25	4,909
Amortisation of intangible assets	213	126	2	341
Segment assets	62,948	37,234	649	100,831
Unallocated assets				
– Deferred tax assets				78
– Fixed deposits				25,483
– Tax recoverable				5,397
Total assets				131,789
Segment assets include:				
Additions to non-current assets	5,965	3,528	61	9,554
Segment liabilities	11,949	7,068	123	19,140
Unallocated liabilities				
– Deferred tax liabilities				1,986
– Borrowings (excluding lease liabilities)				32,703
– Tax payable				1,283
Total liabilities				55,112

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27 Segment information (cont'd)

The segment information provided to management for the reportable segments are as follows (cont'd):

	Paint – Standard RM'000	Paint – Premium RM'000	Maintenance and others RM'000	Group RM'000
2023				
Segment revenue				
Sales to external customers	42,154	27,678	436	70,268
Segment loss	(5,837)	(3,833)	(60)	(9,730)
Other segment information				
Depreciation of property, plant and equipment	3,755	1,457	29	5,241
Amortisation of intangible assets	180	119	2	301
Segment assets	55,887	36,695	578	93,160
Unallocated assets				
– Deferred tax assets				78
– Fixed deposits				31,067
– Tax recoverable				4,035
Total assets				128,340
Segment assets include:				
Additions to non-current assets	15,672	10,289	162	26,123
Segment liabilities	12,060	7,918	125	20,103
Unallocated liabilities				
– Deferred tax liabilities				1,786
– Borrowings (excluding lease liabilities)				30,568
– Tax payable				737
Total liabilities				53,194

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27 Segment information (cont'd)

Segment results

Performance of each segment is evaluated based on segment profit or loss which is measured differently from the net profit or loss before tax in the consolidated statement of profit or loss and other comprehensive income. Interest income and finance costs are not allocated to segments as Group's financing is managed on a Group basis.

A reconciliation of segment profit to the consolidated profit/(loss) before tax is as follows:

	Group	
	2024 RM'000	2023 RM'000
Segment profit/(loss)	5,984	(9,730)
Interest income	761	683
Finance costs	(1,666)	(1,232)
Profit/(loss) before tax	<u>5,079</u>	<u>(10,279)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27 Segment information (cont'd)

Segment assets

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the consolidated financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments other than deferred tax assets, tax recoverable and fixed deposits which are classified as unallocated assets.

Segment liabilities

The amounts provided to management with respect to total liabilities are measured in a manner consistent with that of the consolidated financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than deferred tax liabilities, tax payable and borrowings (excluding lease liabilities). These liabilities are classified as unallocated liabilities.

Geographical information

Revenue and non-current assets (excluding deferred tax assets) information based on the geographical location of customers and assets respectively are as follows:

	Group			
	Sales to external customers		Non-current assets	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysia	25,027	23,862	57,316	54,865
Indonesia	29,202	27,658	67	-
Others	25,594	18,748	538	83
	79,823	70,268	57,921	54,948

Non-current assets information presented above are non-current assets as presented on the consolidated statement of financial position excluding deferred tax assets.

Information about major customers

Revenue from 2 (2023: 2) customers who individually contributed 10% or more of the Group's revenue which are attributable to the paint-standard, paint-premium and maintenance and others segments are as detailed below:

	Group	
	2024 RM'000	2023 RM'000
Customer 1 (Paint-Standard and Paint-Premium)	19,327	14,279
Customer 2 (Paint-Standard and Paint-Premium)	14,455	18,549

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

28 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy-back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The capital structure of the Group mainly consists of its total equity and borrowings and the Group's overall strategy remains unchanged during the financial years ended 31 March 2024 and 31 March 2023.

29 Subsequent event

Subsequent to the financial year end, on 27 May 2024, a fire incident occurred at several properties of the Group located in Skudai, Johor Bahru, resulting in significant damages to the facilities. The fire was contained by emergency services, and the local fire department is currently still in the midst of conducting investigations to ascertain the cause of the fire and the extent of the damage is still being assessed.

Notwithstanding the impact of the fire incident is significant, management is currently working closely with insurance providers and relevant authorities to evaluate the financial impact and resume operations as swiftly as possible. Recovery efforts have been initiated to ensure minimal disruption to the business operations. Additionally, management is of the opinion that the Group has sufficient insurance coverage over its assets and for any consequential losses including loss of income.

As investigations are still on-going at the time these financial statements are authorised for issue, details of the effects on the Group's financial statements for the subsequent financial years ended after 31 March 2024 are not disclosed.

30 Authorisation of financial statements

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2024 were authorised for issue in accordance with a resolution of the directors dated 15 July 2024.

STATISTICS OF SHAREHOLDINGS

AS AT 28 JUNE 2024

NUMBER OF ISSUED SHARES (INCLUDING TREASURY SHARES) :	334,619,787
NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES) :	334,564,787
ISSUED AND FULLY PAID-UP CAPITAL :	S\$19,732,622
CLASS OF SHARES :	Ordinary Shares
NUMBER / PERCENTAGE OF TREASURY SHARES :	55,000 (0.0164%)
NUMBER / PERCENTAGE OF SUBSIDIARY HOLDINGS :	Nil
VOTING RIGHTS :	1 vote for each Ordinary Share held

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	11	4.57	3,600	0.00
1,001 - 10,000	28	11.62	167,900	0.05
10,001 - 1,000,000	173	71.78	27,093,985	8.10
1,000,001 AND ABOVE	29	12.03	307,354,302	91.85
TOTAL	241	100.00	334,619,787	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	ONG YOKE EN	139,152,000	41.59
2	LIM LAY YONG	45,000,000	13.45
3	UOB KAY HIAN PRIVATE LIMITED	23,404,300	7.00
4	CHANG CHOR CHOONG	12,750,000	3.81
5	OCBC SECURITIES PRIVATE LIMITED	9,828,800	2.94
6	KONG HEE SIONG	7,984,800	2.39
7	CHAI FOOK CHOY	7,409,600	2.21
8	ONG YICK SING	7,344,000	2.20
9	PANG HANG HIN	6,113,900	1.83
10	ONG HOW EN	6,024,000	1.80
11	PHILLIP SECURITIES PTE LTD	5,606,100	1.68
12	LEE SIONG KIM	4,453,902	1.33
13	ONG YOKE HOI	3,924,000	1.17
14	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	3,177,000	0.95
15	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	2,976,000	0.89
16	TAY WUU YEAN	2,913,000	0.87
17	DBS NOMINEES (PRIVATE) LIMITED	2,435,000	0.73
18	CITIBANK NOMINEES SINGAPORE PTE LTD	2,187,000	0.65
19	RAFFLES NOMINEES (PTE.) LIMITED	1,689,000	0.50
20	IFAST FINANCIAL PTE. LTD.	1,539,200	0.46
TOTAL		295,911,602	88.45

STATISTICS OF SHAREHOLDINGS

AS AT 28 JUNE 2024

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholder	Shareholdings registered in the name of the substantial shareholder	Shareholdings in which the substantial shareholder are deemed to be interested	Total	Percentage of issued shares
ONG YOKE EN	139,152,000	-	139,152,000	41.59
LIM LAY YONG	45,000,000	-	45,000,000	13.45

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information provided and to the best knowledge of the Directors, approximately 34.36% of the total number of issued shares (excluding treasury shares) in the capital of the Company are held in the hands of the public as at 28 June 2024. Rule 723 of the Catalist Rules has therefore been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Samurai 2K Aerosol Limited the “**Company**”) will be held physically at Chartroom, Level 2, Raffles Marina Ltd, 10 Tuas West Drive, Singapore 638404 on Tuesday, 30 July 2024 at 2.00p.m. for the purpose of transacting the following businesses:

As Ordinary Business:

1. To receive and adopt the Directors’ Report and Audited Accounts for the financial year ended 31 March 2024 and the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect the following Directors retiring pursuant to the Company’s Articles of Association:
Mr Hau Hock Khun (Regulation 98) **(See Explanatory Note 1)** **(Resolution 2)**
Dato’ Chang Chor Choong (Regulation 98) **(See Explanatory Note 2)** **(Resolution 3)**
3. To approve the payment of Directors’ Fees of RM316,370 for the financial year ending 31 March 2025, to be paid quarterly in arrears. **(Resolution 4)**
4. To re-appoint Baker Tilly TFW LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**
5. To transact any other ordinary business which may properly be transacted at an annual general meeting.

As Special Business:

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. GENERAL MANDATE TO ALLOT AND ISSUE NEW SHARES IN THE CAPITAL OF THE COMPANY

“That, pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Companies Act**”) and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”), authority be and is hereby given to the Directors of the Company to:

- (A) (i) allot and issue shares in the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company shall in their absolute discretion deem fit; and

- (B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

NOTICE OF ANNUAL GENERAL MEETING

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as at the time of passing of this Resolution);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above on a pro-rata basis, the percentage of the total number of issued Shares (excluding treasury shares) in the capital of the Company shall be calculated based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares.
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules as amended from time to time (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Constitution for the time being of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting is required by law to be held, whichever is the earlier.”
(See Explanatory Note 3) (Resolution 6)

7. AUTHORITY TO ISSUE SHARES UNDER THE PERFORMANCE SHARE PLAN

That approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards granted or to be granted under the Performance Share Plan (the “Plan”), provided that the aggregate number of ordinary shares to be issued pursuant to the Plan and any other share based incentive schemes of the Company shall not exceed fifteen percent (15%) of the total number of issued shares excluding treasury shares of the Company from time to time, as determined in accordance with the provisions of the Plan.

(See Explanatory Note 4)

(Resolution 7)

NOTICE OF ANNUAL GENERAL MEETING

8. AUTHORITY TO ISSUE SHARES UNDER THE EMPLOYEE SHARE OPTION SCHEME

That authority be and is hereby given to the Directors of the Company to offer and grant options from time to time in accordance with the provisions of the Employee Share Option Scheme (the "Scheme"), and pursuant to Section 161 of the Act, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted under the Scheme, provided that the aggregate number of shares to be issued pursuant to the Scheme and any other share based incentive schemes of the Company shall not exceed fifteen percent (15%) of the issued share capital of the Company excluding treasury shares of the Company from time to time, as determined in accordance with the provisions of the Scheme.

(See Explanatory Note 5)

(Resolution 8)

9. RENEWAL OF SHARE PURCHASE MANDATE

That:

- (a) for the purposes of the Catalist Rules and Companies Act 1967 of Singapore (the "Act"), the exercise by the Directors of the Company of all the powers of the Company to use Funds (as defined hereinafter) to purchase or otherwise acquire the ordinary shares in the capital of the Company ("Shares") not exceeding in aggregate the Maximum Limit (as defined hereinafter), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as defined hereinafter), whether by way of:
- (i) on-market purchases (each an "On-Market Purchase") on the Singapore Exchange Securities Trading Limited ("SGX-ST"); and/or
 - (ii) off-market purchases (each an "Off-Market Purchase") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit based on the requirements of Section 76C of the Act,
- and in accordance with all other laws and regulations of Singapore and the listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:
- (i) the date on which the next annual general meeting of the Company is held or required by the law to be held;
 - (ii) the date on which the share purchases are carried out to the full extent mandated; or
 - (iii) the date on which the authority contained in the Share Purchase Mandate is revoked or varied;

NOTICE OF ANNUAL GENERAL MEETING

(c) in this Resolution:

“**Funds**” means internal sources of funds of the Company. Illustrations of the financial impact of the use of Funds are set out in the Appendix;

“**Maximum Limit**” means that number of Shares representing ten per cent. (10%) of the issued ordinary share capital of the Company (excluding treasury shares and subsidiary holdings) as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period (as defined hereinafter), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time);

“**Relevant Period**” means the period commencing from the date on which the last annual general meeting was held and expiring on the date the next annual general meeting is held or is required by law to be held or the date on which the share purchases are carried out to the full extent of the Share Purchase Mandate or the date the said mandate is revoked or varied by the Company in a general meeting, whichever is the earlier, after the date of this Resolution;

“**Maximum Price**”, in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Purchase: 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase: 120% of the Average Closing Price,

where:

“**Average Closing Price**” means the average of the closing market prices of a share over the last five (5) market days, on which transactions in the Shares were recorded, preceding the day of the On-Market Purchase, or as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase and deemed to be adjusted for any corporate action that occurs after the relevant five (5) market days period;

“**Date of the making of the offer**” means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.”

(See Explanatory Note 6)

(Resolution 9)

NOTICE OF ANNUAL GENERAL MEETING

By Order of the Board

Ong Yoke En
Executive Director and Chief Executive Officer
Singapore 15 July 2024

Explanatory Notes:

1. Mr Hau Hock Khun, upon re-election as a Director of the Company, will remain as Independent Director of the Company, Chairman of the Remuneration Committee and a member of the Nominating Committee and Audit and Risk Committee. The Board considers Mr Hau Hock Khun to be independent pursuant to Rule 704(7) of the Catalist Rules.
2. Dato' Chang Chor Choong, upon re-election as a Director of the Company, will remain as the Non-Executive Director of the Company.
3. The Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors from the date of this AGM until the date of the next AGM or the date by which the next AGM is required by law to be held or such authority is revoked or varied by the Company in a general meeting, whichever is earlier, to allot and issue Shares and/or convertible securities in the Company. The aggregate number of Shares and/or convertible securities which the Directors may allot and issue under this Resolution shall not exceed one hundred percent (100%) of the total issued Shares excluding treasury shares of which the aggregate number of Shares and/or convertible securities to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed fifty percent (50%) of the total issued Shares excluding treasury shares at the time of passing of this Resolution.
4. The Ordinary Resolution 7 proposed in item 7 above, is to authorise the Directors to allot and issue shares on the vesting of awards under the Plan.
5. The Ordinary Resolution 8 proposed in item 8 above, is to authorise the Directors to offer and grant options under the Scheme and to allot and issue shares pursuant to the exercise of such options under the Scheme.
6. The Ordinary Resolution 9 proposed in item 9 above, if passed, will empower the Directors of the Company to make purchases or otherwise acquire the Company's issued shares from time to time subject to and in accordance with the guidelines set out in the "Appendix" section in the Company's Annual Report. The authority will expire on the earlier of (i) the date of which the next annual general meeting of the Company is held or required by the law to be held; (ii) the date on which the share purchases are carried out to the full extent mandated; or (iii) the date on which the authority contained in the Share Purchase Mandate is revoked or varied.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) The Annual General Meeting (the “Meeting” or “AGM”) will be held physically at venue set out above. There will be no option for shareholders to participate virtually. The Annual Report for the financial year ended 31 March 2024, the Appendix dated 15 July 2024 in relation to the proposed renewal of the Share Purchase Mandate, Notice and proxy form have been made available on the SGX website at <https://www.sgx.com/securities/company-announcements> and may be accessed at the Company’s website at <https://ir.samurai2kaerosol.com/annual-report/>. Printed copies of this Notice of AGM and the accompanying Proxy Form will be sent to members via post. Printed copies of the Annual Report will not be sent to members. A member who wishes to obtain a printed copy to the Annual Report should request the same via email to hanifah@samuraipaint.jp no later than 20 July 2024.
- (2) Members (including SRS investors) may participate in the AGM by:
 - (a) Attending the AGM in person;
 - (b) Submitting questions to the Chairman of the Meeting in advance of, or at, the AGM; and/or
 - (c) Voting at the AGM (1) by themselves personally; or (2) through their duly appointed proxy(ies).
- (3) Members will need to bring along your NRIC/passport to enable the Company to verify your identity when you attend the AGM physically.
- (4) A member who is not a relevant intermediary (as defined in Section 181 of the Act) is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf at the AGM. Where a member appoints more than one proxy, the member shall specify the proportion of his/her Shares to be represented by each proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of Shares entered against his/her name in the Depository Register and any second named proxy as an alternate to the first named or at the Company’s option to treat the instrument of proxy as invalid.
- (5) A member who is a relevant intermediary (as defined in Section 181 of the Act) is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one proxy, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.
- (6) A proxy needs not be a member of the Company.
- (7) SRS Investors who hold Shares through SRS Operators:
 - (a) may vote at the AGM if they are appointed as proxies by their respective SRS Operators, and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or
 - (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their SRS Operators to submit their votes by 5.00 p.m. on 19 July 2024.
- (8) The instrument appointing a proxy or proxies must be deposited together with the power of attorney (if any) under which it is signed or a notarially certified copy thereof:
 - (a) if sent either by post or hand, be received at the office of the Company’s Share Registrar in Singapore, Boardroom Corporate & Advisory Pte Ltd, at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or
 - (b) if submitted by email, be received by Samurai 2K Aerosol Limited at srs.proxy@boardroomlimited.com

NOTICE OF ANNUAL GENERAL MEETING

by 2.00 p.m. on 27 July 2024, being not less than seventy-two (72) hours before the time appointed for the AGM in accordance with the instructions stated herein.

A member who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. The Company shall be entitled to and will treat any valid instrument appointing a proxy as valid instrument for the member's proxy to attend, speak and vote at the AGM.

- (9) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorized. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof shall if required by law, be duly stamped and must be lodged with the instrument.
- (10) A member can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory. If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporation) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific instruction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the Chairman of the AGM will vote or abstain from voting at his discretion.
- (11) A member may ask questions relating to the items on the agenda of the AGM by:
- (a) submitting questions via mail to the Company's registered office at 133, North Bridge Road, #08-03 Chinatown Point, Singapore 059413;
 - (b) email to agm@samurai2kaerosol.com; or
 - (c) if a member is attending the AGM in person, live at the AGM.
- (12) All questions being submitted ahead of the AGM must be submitted by 2.00 p.m. on 22 July 2024. When submitting the questions via mail or email, please provide the Company with the following details for verification purposes:
- (a) Full name;
 - (b) NRIC number;
 - (c) Current residential address;
 - (d) Contact number; and
 - (e) Number of shares held and the manner in which you hold Shares in the Company (e.g. via CDP or SRS).

Please note that the Company will address substantial and relevant questions relating to the resolutions to be tabled at the AGM by 24 July 2024. The Company endeavours to address (i) subsequent clarifications sought, (ii) follow-up questions, or (iii) substantial and relevant questions which are received after 2.00 p.m. on 22 July 2024 at the AGM itself. Where substantially similar questions are received, we will consolidate such questions and consequently not all questions may be individually addressed.

The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNet and the minutes will include the responses to the substantial and relevant questions raised during the AGM.

- (13) The Company shall be entitled to reject an instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

NOTICE OF ANNUAL GENERAL MEETING

- (14) The appointment of a proxy or proxies shall not preclude a shareholder from attending and voting in person at the AGM. If a shareholder attends the AGM in person, the appointment of a proxy or proxies shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy or proxies to the AGM.

Personal Data Privacy

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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SAMURAI 2K AEROSOL LIMITED

Company No. 201606168C
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. A relevant intermediary may appoint more than two (2) proxies to attend the AGM and vote (please see note 5 for the definition of "relevant intermediary").
2. For investors who have used their Supplementary Retirement Scheme ("SRS") monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or is purported to be used by them. SRS investors should contact their respective SRS Operators if they have any queries regarding their appointment as proxies. SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes by 5.00 p.m. on 19 July 2024.
3. Please read the notes to this Proxy Form.

I/We, _____ (Name) NRIC/Passport No./Company's Registration No. _____

of _____ (Address)

being a member/members of SAMURAI 2K AEROSOL LIMITED (the "Company"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her, the Chairman of the Meeting as *my/our proxy/proxies to vote for *me/us on my/our behalf at the Annual General Meeting ("AGM") of the Company to be held on Tuesday, 30 July 2024 at 2.00p.m at Chartroom, Level 2, Raffles Marina Ltd, 10 Tuas West Drive, Singapore 638404 and at any adjournment thereof. *I/We direct *my/our proxy/proxies to vote on the business before the AGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the AGM and at any adjournment thereof. All resolutions put to vote at the AGM shall be decided by poll.

Note: If you wish to exercise all your votes "For", "Against" or "Abstain", please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

No.	Resolutions relating to:	For	Against	Abstain
1.	Adoption of the Audited Consolidated Financial Statements of the Company and its subsidiaries for the financial year ended 31 March 2024 together with the Directors' Statement and Independent Auditors' Report			
2.	Re-election of Mr Hau Hock Khun as a Director			
3.	Re-election of Dato' Chang Chor Choong as a Director			
4.	Approval of the payment of Directors' Fees of RM316,370 for the financial year ending 31 March 2025			
5.	Re-appointment of Baker Tilly TFW LLP as Auditors			
6.	Authority to allot and issue new shares under Section 161 of the Companies Act			
7.	Authority to allot and issue new shares under the Performance Share Plan			
8.	Authority to allot and issue shares under the Employee Share Option Scheme			
9.	Renewal of Share Purchase Mandate			

Dated this _____ day of _____ 2024

Signature(s) of Shareholder(s) or
Common Seal of Corporate Shareholder
IMPORTANT: PLEASE READ NOTES OVERLEAF

TOTAL NUMBER OF SHARES IN:	
(a) CDP Register	
(b) Register of Members	



Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of Securities and Futures Act (Chapter 289) of Singapore or any statutory modification thereof, as the case may be), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote on his/her behalf at the AGM. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of Shares entered against his/her name in the Depository Register and any second named proxy as an alternate to the first named or at the Company's option to treat the instrument of proxy as invalid. A proxy need not be a member of the Company.
3. A member can appoint the Chairman of the AGM as his/her proxy but this is not mandatory. If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporation) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the Chairman of the AGM will vote or abstain from voting at his discretion.
4. A member who is a relevant intermediary (as defined in Section 181 of the Act) is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one proxy, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.
5. Pursuant to Section 181 of the Companies Act 1967, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Relevant intermediary is either:
 - (i) a banking corporation licensed under the Banking Act 1970 or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
 - (ii) a capital market service licence holder which provides custodial services for securities under the Securities and Futures Act 2001 and holds shares in that capacity.
6. The duly completed instrument appointing a proxy or proxies together with the letter of power of attorney, if any, under which it is signed or a duly certified copy thereof, must be
 - (a) deposited at the office of the Company's Share Registrar in Singapore, Boardroom Corporate & Advisory Services Pte Ltd, either by hand or post at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or
 - (b) if submitted by email, be received by Samurai 2K Aerosol Limited at srs_proxy@boardroomlimited.com by 2.00 p.m. on 27 July 2024 being not less than seventy-two (72) hours before the time appointed for the AGM in accordance with the instructions, being stated herein.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter of power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy; failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appoint or specified in the instrument appointing a proxy or proxies.
9. In the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
10. The appointment of a proxy or proxies shall not preclude a shareholder from attending and voting in person at the AGM. If a shareholder attends the AGM in person, the appointment of a proxy or proxies shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy or proxies to the AGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

APPENDIX

SUMMARY SHEET FOR SHARE PURCHASE MANDATE

The Sponsor and the SGX-ST assume no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix. If you are in doubt as to the action that you should take, you should consult your stockbroker or other professional adviser immediately.

Samurai 2K Aerosol Limited (the “**Company**”) maintains its accounts and publishes its financial statements in RM. This Appendix contains conversion of certain S\$ amounts into RM (or *vice versa*) at specified rates solely for the convenience of the reader. Unless otherwise indicated, the financial figures in this Appendix are converted on the basis of S\$1 = RM3.5125. However, such conversion should not be construed as representing that the RM amounts have been or could be converted into S\$ amounts, or *vice versa*, at those or any other rates.

1. Shares Purchased In The Previous Twelve Months

The Company has not made any share purchases in the last 12 months immediately preceding 24 June 2024 (the “**Latest Practicable Date**”).

2. Proposed Renewal Of The Share Purchase Mandate

This ordinary resolution if passed at the forthcoming annual general meeting of the Company (“**2024 AGM**”), will renew the share purchase mandate (the “**Share Purchase Mandate**”) approved by the shareholders of the Company from the date of the 2024 AGM and expiring on the earliest of the date the next annual general meeting of the Company is held or is required by law to be held, the date on which the share purchases are carried out to the full extent of the Share Purchase Mandate or the date the said mandate is revoked or varied by the Company in a general meeting (the “**Relevant Period**”) (the “**Share Purchase Renewal Resolution**”).

3. Rationale for the Share Purchase Mandate

The Share Purchase Mandate authorising the Company to purchase or acquire its ordinary shares in the capital of the Company (“**Shares**”) would give the Company the flexibility to undertake share purchases or acquisitions up to the limit described in Section 4 below at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

The rationale for the Share Purchase Mandate includes the following:

- (a) The Share Purchase Mandate would provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements and investment needs to its Shareholders in an expedient and cost-efficient manner.
- (b) The purchase or acquisition of Shares under the Share Purchase Mandate is one of the ways in which the return on equity of the Company may be enhanced, thereby increasing Shareholders’ value.

APPENDIX

- (c) The Share Purchase Mandate will allow the Directors to exercise greater control over the Company's share capital structure, dividend policy and cash reserves, with a view to enhancing the net tangible assets and/or earnings per Share.
- (d) The purchase or acquisition of Shares under the Share Purchase Mandate will help to mitigate short-term share price volatility by stabilising the supply and demand of issued Shares and offset the effects of short-term share price speculation, thereby supporting the fundamental value of the issued Shares and bolstering Shareholders' confidence.
- (e) The Share Purchase Mandate will allow the Directors to effectively manage and minimise any dilution impact associated with any share-based incentive scheme of the Company.

The purchase or acquisition of Shares will only be undertaken if the Directors believe that it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity of Shares or the financial position of the Company and the Group or result in the Company being delisted. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Purchase Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

4. Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Purchase Mandate, are summarised below:

(a) *Maximum Number of Shares*

The Company may purchase only Shares which are issued and fully paid-up. The total number of Shares that may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the annual general meeting ("AGM") at which the resolution authorising the Share Purchase Mandate is passed (the "Approval Date"), unless the Company has thereafter, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered (excluding treasury shares and subsidiary holdings).

For illustrative purposes only, based on the issued share capital of the Company as at the Latest Practicable Date of 334,564,787 Shares (excluding treasury shares or subsidiary holdings), and assuming that no new Shares are issued on or prior to the date of the AGM, not more than 33,456,478 Shares, representing 10% of the issued Shares as at that date, may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

APPENDIX

While the Share Purchase Mandate would authorise the purchase or acquisition of Shares up to the 10% limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out up to the full 10% limit as authorised, or at all. In particular, no purchase or acquisition of Shares would be made in circumstances which would have or may have a material adverse effect on the float, liquidity or orderly trading of the Shares and/or financial position of the Group.

(b) *Duration of Authority*

Purchases or acquisitions of Shares may be made, at any time and from time to time, from the Approval Date up to the earliest of:

- (i) the date on which the next annual general meeting of the Company is held or is required by law to be held;
- (ii) the date on which the purchase or acquisition of Shares have been carried out to the full extent of the Share Purchase Mandate; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by an ordinary resolution of Shareholders in a general meeting.

The authority conferred on the Directors by the Share Purchase Mandate to purchase or acquire Shares may be renewed at the next annual general meeting or at an extraordinary general meeting of the Company to be convened immediately after the conclusion or adjournment of the next annual general meeting. When seeking the approval of the Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares made pursuant to the Share Purchase Mandate during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

(c) *Manner of Purchase or Acquisition of Shares*

Purchases or acquisitions of Shares may be made on the SGX-ST ("**Market Purchases**") and/or otherwise than on the SGX-ST, in accordance with an equal access scheme (as defined in Section 76C(6) of the Companies Act) ("**Off-Market Purchases**").

Market Purchases refer to purchases or acquisitions of Shares by the Company effected through the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases or acquisitions of Shares by the Company made under an equal access scheme or schemes for the purchase or acquisitions of Shares from Shareholders. The Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Catalist Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:

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- (i) offers for the purchase or acquisition of issued shares shall be made to every person who holds issued shares to purchase or acquire the same percentage of their issued shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers are the same, except that there shall be disregarded:
 - (aa) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;
 - (bb) (if applicable) differences in consideration attributable to the fact that offers relate to shares with different amounts remaining unpaid; and
 - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

In addition, the Catalist Rules provide that, in making an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders, which must contain at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed share purchase or acquisition;
- (iv) the consequences, if any, of share purchases or acquisitions by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (v) whether the share purchase or acquisition, if made, could affect the listing of the Shares on the SGX-ST;
- (vi) details of any share purchases made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(d) Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commissions, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for the Shares must not exceed:

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- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined below),

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five Market Days on which transactions in Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-market day period; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

5. Status of Purchased or Acquired Shares

Any Share which is purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share will expire on such cancellation), unless such Share is held by the Company as a treasury share. At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, as the Directors deem fit in the interests of the Company at that time.

(a) *Cancelled Shares*

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of such purchased Shares.

The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and not held as treasury shares.

(b) *Treasury Shares*

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the key provisions on treasury shares under the Companies Act are summarised below:

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(i) *Maximum Holdings*

The aggregate number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with the applicable provisions of the Companies Act before the end of the period of six months beginning with the day on which that contravention occurs, or such further period as the Registrar may allow.

(ii) *Voting and Other Rights*

The Company shall not exercise any right in respect of the treasury shares and any purported exercise of such a right is void. In particular, the Company will not have the right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets may be made, to the Company in respect of the treasury shares. However, the allotment of shares as fully paid bonus shares in respect of the treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is allowed, so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(iii) *Disposal and Cancellation*

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):

- (aa) sell the treasury shares for cash;
- (ab) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (ac) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (ad) cancel the treasury shares; or
- (ae) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "usage"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the Catalist before and after the usage, and the value of the treasury shares if they are used for a sale or transfer or cancelled.

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6. Source of Funds

The Companies Act permits the Company to purchase or acquire its Shares out of capital or distributable profits so long as the Company is solvent. For this purpose, the Company is solvent if at the date of payment for the Shares purchased or acquired, the following conditions are satisfied:

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if:
 - (i) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the purchase or acquisition of Shares, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal sources of funds or external borrowings, or a combination of internal resources and external borrowings, to finance the purchase or acquisition of Shares pursuant to the Share Purchase Mandate. However, in considering the option of external borrowing, the Directors will consider particularly the prevailing gearing level of the Company and the costs of such financing.

7. Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Purchase Mandate on the net tangible asset value or earnings per Share as the resultant effect would depend on factors such as the aggregate numbers of Shares purchased, the purchase prices paid at the relevant times, whether the Shares purchased or acquired are held in treasury or immediately cancelled on purchase or acquisition, how the Shares held in treasury are subsequently dealt with by the Company in accordance with Section 76K of the Companies Act, and the amounts (if any) borrowed by the Company to fund the purchases.

Where the purchase of Shares is made out of distributable profits, such purchase (including costs incidental to the purchase) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the purchase of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where the purchase of Shares is financed through internal resources, it will reduce the cash reserves of the Group and the Company, and thus the current assets and shareholders' funds of the Group and the Company. This will result in an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company.

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The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would be an increase in the gearing ratios of the Group and the Company, and a decline in the current ratios and shareholders' funds of the Group and the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

For illustrative purposes only and on the basis of the following assumptions:

- (a) that the purchase or acquisition by the Company of Shares was made on 1 April 2023
- (b) that (i) in the case of the purchase or acquisition of Shares made entirely out of capital, the Company purchased or acquired 16,728,239 Shares, representing 5% of its issued Shares (excluding treasury shares and subsidiary holdings) as at 31 March 2024, and (ii) in the case of the purchase or acquisition of Shares made entirely out of profits, the Company purchased or acquired 1,672,823 Shares, representing 0.50% of its issued Shares (excluding treasury shares and subsidiary holdings) as at 31 March 2024;
- (c) that (i) in the case of Market Purchases, the Company purchased or acquired Shares at the Maximum Price of S\$0.08631 for each Share (being 105% of the Average Closing Price of the Shares for the five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date), and (ii) in the case of Off-Market Purchases, the Company purchased or acquired Shares at the Maximum Price of S\$0.09864 for each Share (being 120% of the Average Closing Price of the Shares for the five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date);
- (d) that the purchase or acquisition of Shares by the Company was financed entirely using its internal sources of funds and required funds amounting to:
 - (i) in the case of Market Purchases made entirely out of capital, S\$1,443,814.31 (equivalent to RM5,071,397.76);
 - (ii) in the case of Off-Market Purchases made entirely out of capital, S\$1,650,073.49 (equivalent to RM5,795,883.15);
 - (iii) in the case of Market Purchases made entirely out of profits, S\$144,381.35 (equivalent to RM507,139.50 and
 - (iv) in the case of Off-Market Purchases made entirely out of profits, S\$165,007.26 (equivalent to RM579,588.00; and
- (e) the transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Purchase Mandate are insignificant and have not been taken into account in computing the financial effects,
the financial effects of Share purchases by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Group for FY2024, are set out below.

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Scenario 1

Purchase or acquisition of 16,728,239 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of capital and held as treasury shares

	Before Share Purchase	Group			Company	
		After Share Purchase	Off-Market Purchase	Off-Market Purchase	Before Share Purchase	After Share Purchase
		Market Purchase	Off-Market Purchase	Off-Market Purchase	Market Purchase	Off-Market Purchase
As at 31 March 2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	57,165	57,165	57,165	57,165	57,165	57,165
Reserves	-9,209	-9,209	-9,209	688	688	688
Retained earnings	28,999	28,999	28,999	-9,367	-9,367	-9,367
Treasury shares	-64	-5,135	-5,860	-64	-5,135	-5,860
Non-controlling interest	-214	-214	-214	-	-	-
Total shareholders' equity	76,677	71,606	70,881	48,422	43,351	42,626
Net tangible assets	74,250	69,179	68,454	48,422	43,351	42,626
Current assets	73,790	68,719	67,994	35,160	30,089	29,364
Current liabilities	30,633	30,633	30,633	4,391	4,391	4,391
Total borrowings	34,602	34,602	34,602	-	-	-
Number of Shares ⁽¹⁾ ('000)	334,565	317,837	317,837	334,565	317,837	317,837
Weighted average number of Shares ⁽¹⁾ ('000)	334,565	317,837	317,837	334,565	317,837	317,837
Financial Ratios						
Net tangible assets per Share ⁽²⁾ (sen)	22.19	21.77	21.54	14.47	13.64	13.41
Earnings per Share (sen)	0.46	0.48	0.48	-0.01	-0.01	-0.01
Gearing ratio ⁽³⁾ (times)	0.45	0.48	0.49	-	-	-
Current ratio ⁽⁴⁾ (times)	2.41	2.24	2.22	8.01	6.85	6.69

Notes:

- (1) Excluding treasury shares.
- (2) Net tangible assets per Share is computed based on total net assets less intangible assets, divided by the number of issued Shares (excluding treasury shares).
- (3) Gearing ratio equals total borrowings divided by shareholders' funds (excluding non-controlling interest).
- (4) Current ratio equals current assets divided by current liabilities.

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Scenario 2

Purchase or acquisition of 1,672,823 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of profits and held as treasury shares

	Group			Company		
	Before Share Purchase	After Share Purchase	Off-Market Purchase	Before Share Purchase	After Share Purchase	Off-Market Purchase
As at 31 March 2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	57,165	57,165	57,165	57,165	57,165	56,586
Reserves	-9,209	-9,209	-9,209	688	688	688
Retained earnings	28,999	28,999	28,999	-9,367	-9,367	-9,367
Treasury shares	-64	-571	-644	-64	-571	-644
Non-controlling interest	-214	-214	-214	-	-	-
Total shareholders' equity	76,677	76,170	76,097	48,422	47,915	47,842
Net tangible assets	74,250	73,743	73,670	48,422	47,915	47,842
Current assets	73,790	73,283	73,210	35,160	34,653	34,580
Current liabilities	30,633	30,633	30,633	4,391	4,391	4,391
Total borrowings	34,602	34,602	34,602	-	-	-
Number of Shares ⁽¹⁾ ('000)	334,565	332,892	332,892	334,565	332,892	332,892
Weighted average number of Shares ⁽¹⁾ ('000)	334,565	332,892	332,892	334,565	332,892	332,892
Financial Ratios						
Net tangible assets per Share ⁽²⁾ (sen)	22.19	22.15	22.13	14.47	14.39	14.37
Earnings per Share (sen)	0.46	0.46	0.46	-0.01	-0.01	-0.01
Gearing ratio ⁽³⁾ (times)	0.45	0.46	0.46	-	-	-
Current ratio ⁽⁴⁾ (times)	2.41	2.39	2.39	8.01	7.89	7.88

Notes:

- (1) Excluding treasury shares.
- (2) Net tangible assets per Share is computed based on total net assets less intangible assets, divided by the number of issued Shares (excluding treasury shares).
- (3) Gearing ratio equals total borrowings divided by shareholders' funds (excluding non-controlling interest).
- (4) Current ratio equals current assets divided by current liabilities.

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Scenario 3

Purchase or acquisition of 16,728,239 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of capital and cancelled

	Group			Company		
	Before Share Purchase	After Share Purchase	Off-Market Purchase	Before Share Purchase	After Share Purchase	Off-Market Purchase
As at 31 March 2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	57,165	52,094	51,369	57,165	52,094	51,369
Reserves	-9,209	-9,209	-9,209	688	688	688
Retained earnings	28,999	28,999	28,999	-9,367	-9,367	-9,367
Treasury shares	-64	-64	-64	-64	-64	-64
Non-controlling interest	-214	-214	-214	-	-	-
Total shareholders' equity	76,677	71,606	70,881	48,422	43,351	42,626
Net tangible assets	74,250	69,179	68,454	48,422	43,351	42,626
Current assets	73,790	68,719	67,994	35,160	30,089	29,364
Current liabilities	30,633	30,633	30,633	4,391	4,391	4,391
Total borrowings	34,602	34,602	34,602	-	-	-
Number of Shares ⁽¹⁾ ('000)	334,565	317,837	317,837	334,565	317,837	317,837
Weighted average number of Shares ⁽¹⁾ ('000)	334,565	317,837	317,837	334,565	317,837	317,837
Financial Ratios						
Net tangible assets per Share ⁽²⁾ (sen)	22.19	21.77	21.54	14.47	13.64	13.41
Earnings per Share (sen)	0.46	0.48	0.48	-0.01	-0.01	-0.01
Gearing ratio ⁽³⁾ (times)	0.45	0.48	0.49	-	-	-
Current ratio ⁽⁴⁾ (times)	2.41	2.24	2.22	8.01	6.85	6.69

Notes:

- (1) Excluding treasury shares.
- (2) Net tangible assets per Share is computed based on total net assets less intangible assets, divided by the number of issued Shares (excluding treasury shares).
- (3) Gearing ratio equals total borrowings divided by shareholders' funds (excluding non-controlling interest).
- (4) Current ratio equals current assets divided by current liabilities.

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Scenario 4

Purchase or acquisition of 1,672,823 Shares by the Company pursuant to the Share Purchase Mandate made entirely out of profits and cancelled

	Group			Company		
	Before Share Purchase	After Share Purchase	Off-Market Purchase	Before Share Purchase	After Share Purchase	Off-Market Purchase
As at 31 March 2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	57,165	57,165	57,165	57,165	57,165	57,165
Reserves	-9,209	-9,209	-9,209	688	688	688
Retained earnings	28,999	28,492	28,419	-9,367	-9,874	-9,947
Treasury shares	-64	-64	-64	-64	-64	-64
Non-controlling interest	-214	-214	-214	-	-	-
Total shareholders' equity	76,677	76,170	76,097	48,422	47,915	47,842
Net tangible assets	74,250	73,743	73,670	48,422	47,915	47,842
Current assets	73,790	73,283	73,210	35,160	34,653	34,580
Current liabilities	30,633	30,633	30,633	4,391	4,391	4,391
Total borrowings	34,602	34,602	34,602	-	-	-
Number of Shares ⁽¹⁾ ('000)	334,565	332,892	332,892	334,565	332,892	332,892
Weighted average number of Shares ⁽¹⁾ ('000)	334,565	332,892	332,892	334,565	332,892	332,892
Financial Ratios						
Net tangible assets per Share ⁽²⁾ (sen)	22.19	22.15	22.13	14.47	14.39	14.37
Earnings per Share (sen)	0.46	0.46	0.46	-0.01	-0.01	-0.01
Gearing ratio ⁽³⁾ (times)	0.45	0.46	0.46	-	-	-
Current ratio ⁽⁴⁾ (times)	2.41	2.39	2.39	8.01	7.89	7.88

Notes:

- (1) Excluding treasury shares.
- (2) Net tangible assets per Share is computed based on total net assets less intangible assets, divided by the number of issued Shares (excluding treasury shares).
- (3) Gearing ratio equals total borrowings divided by shareholders' funds (excluding non-controlling interest).
- (4) Current ratio equals current assets divided by current liabilities.

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Shareholders should note that the financial effects set out above are purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical FY2024 audited numbers and is not necessarily reflective of the future financial performance of the Company and the Group. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company may not purchase or acquire or be able to purchase or acquire 10% of the issued Shares in full. In addition, the Company may cancel all or part of the Shares purchased, or hold all or part of the Shares purchased in treasury.

8. Catalist Rules

Under the Catalist Rules, a listed company may purchase shares by way of Market Purchases at a price per share which is not more than 5% above the average of the closing market prices of the shares over the last five Market Days, on which transactions in the shares were recorded, before the day on which the purchases were made and deemed to be adjusted for any corporate action that occurs after the relevant five-day period. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 4(d) of this Circular, conforms to this restriction.

The Catalist Rules specify that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement must include details of the date of the purchases of the shares, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, and the cumulative number of shares purchased. Such announcement will be made in the form prescribed by the Catalist Rules.

While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Catalist Rules on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the period of one month before the announcement of the Company’s half-year and full-year financial statements.

9. Listing Status on the SGX-ST

The Company is required under Rule 723 of the Catalist Rules to ensure that at least 10% of its issued Shares (excluding preference shares, convertible equity securities and treasury shares) are in the hands of the public. The “public”, as defined in the Catalist Rules, are persons other than the Directors, Chief Executive Officer, substantial shareholders and controlling shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Catalist Rules) of such persons.

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As at the Latest Practicable Date, there were approximately 114,964,787 issued Shares in the hands of the public (as defined above), representing approximately 34.36% of the total number of issued Shares of the Company. Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate and holds the purchased Shares as treasury shares, the number of issued Shares in the hands of the public would be reduced to 81,508,309 Shares, representing approximately 27.07% of the total number of issued Shares (excluding treasury shares) of the Company. As at the Latest Practicable Date, the Company has 55,000 treasury shares and did not have any preference shares. As at the Latest Practicable Date, the Company has granted 234,000 and 1,275,000 employees share options (“ESOS”) expiring on 2 June 2029 and 30 May 2031 respectively to selected employees which will entitle them to subscribe for a total of 1,509,000 new shares of the Company.

In view of the foregoing, the Company is of the view that there is, at present, a sufficient number of Shares in public hands that would permit the Company to potentially undertake purchases of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without:

- (a) affecting adversely the listing status of the Shares on the SGX-ST;
- (b) causing market illiquidity; or
- (c) affecting adversely the orderly trading of Shares.

10. Tax Implications

When a company purchases its own shares using its distributed profits or contributed capital, it will be regarded as any other disposal of shares by the shareholders from whom the shares are acquired.

For income tax purposes, whether or not the proceeds received by the Shareholders are taxable in the hands of the Shareholders who sell their Shares to the Company for which the purchases were made out of distributed profits or contributed capital will depend on whether such proceeds are receipts of an income or capital nature.

Shareholders should note that the foregoing is not to be regarded as advice on the tax position of any Shareholder. Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

11. Implications of Take-over Code

11.1 Obligation to Make a Take-over Offer

If as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in a change in control, or as a result of such increase a Shareholder or group of Shareholders acting in concert obtain or consolidate control, it may in certain circumstances give rise to an obligation on the part of such Shareholder or Shareholders to make a take-over offer under Rule 14 of the Take-over Code.

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The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase of Shares by the Company are set out in Appendix 2 (“**TOC Appendix 2**”) of the Take-over Code.

In relation to Directors and persons acting in concert with them, Rule 14 provides that unless exempted (or if exempted, such exemption is subsequently revoked), Directors and persons acting in concert with them will incur an obligation to make a take-over offer if, as a result of a purchase of Shares by the Company:

- (a) the percentage of voting rights held by such Directors and their concert parties in the Company increases to 30% or more; or
- (b) if they together hold between 30% and 50% of the Company’s voting rights, their voting rights increase by more than 1% in any period of six months.

Under TOC Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company’s voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

11.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate control of that company. Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert: (i) a company with any of its directors, together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts; and (ii) a company, its parent company, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other. For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

11.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

As at the Latest Practicable Date, Mr Ong Yoke En (Executive Director and Chief Executive Officer of the Company), Ms Lim Lay Yong (Executive Director and Chief Operating Officer of the Company, and wife of Mr Ong Yoke En), Mr Ong How En (brother of Mr Ong Yoke En) and Ms Ong Yoke Hoi (sister of Mr Ong Yoke En), who are deemed to be acting in concert with each other, collectively held 58.01% of the issued Shares. They would not be obliged to make a take-over offer under Rule 14 of the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate.

Shareholders who are in any doubt as to whether they would incur any obligation to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Purchase Mandate is in force.

APPENDIX

12. Reporting Requirements

Within 30 days of the passing of the Shareholders' resolution to approve the Share Purchase Mandate, the Directors shall lodge a copy of such resolution with the Registrar.

The Directors shall lodge with the Registrar a notice of Share purchase within 30 days of a Share purchase. Such notification shall include the date of the purchase, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase, the amount of consideration paid by the Company for the purchase, whether the Shares were purchased out of the profit or the capital of the Company, and such other particulars as may be required in the prescribed form.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with the Registrar the notice of cancellation or disposal of treasury shares in the prescribed form.

13. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial Shareholders in the share capital of the Company as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders, are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% of Issued Share Capital ⁽¹⁾	Number of Shares	% of Issued Share Capital ⁽¹⁾
Directors				
Ong Yoke En	139,152,000	41.59	-	-
Lim Lay Yong	45,000,000	13.45	-	-
Dato' Chang Chor Choong	12,750,000	3.81	-	-
Dato' Loh Shin Siong	Nil	-	-	-
Lim Siang Kai	-	-	-	-
Hau Hock Khun	-	-	-	-
Lim Chong Huat	-	-	-	-
Substantial Shareholders (other than Directors)	-	-	-	-

Note:

(1) Based on the total number of issued Shares as at the Latest Practicable Date, comprising 334,564,787 Shares (excluding treasury shares and subsidiary holdings).

APPENDIX

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 133 North Bridge Road, #08-03 Chinatown Point, Singapore 059413, during normal business hours from the date of this Appendix up to and including the date of the AGM:

- (a) the Constitution of the Company; and
- (b) the Annual Report of the Company for FY2024.

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