



SAMURAI 2K AEROSOL LIMITED
Company Registration No. 201606168C

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE SIX-MONTH ENDED 30 SEPTEMBER 2023**

This announcement has been reviewed by UOB Kay Hian Private Limited (the “Sponsor”).

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

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SAMURAI 2K AEROSOL LIMITED AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH ENDED 30 SEPTEMBER 2023
("1H2024") AND 30 SEPTEMBER 2022 ("1H2023")**

	Group			
	Note	1H2024 RM'000 (Unaudited)	1H2023 RM'000 (Unaudited)	Increase/ (Decrease) %
Revenue	5	39,739	41,833	(5.01)
Cost of sales		(21,962)	(27,468)	(20.05)
Gross Profit		17,777	14,365	23.75
Other income	7	1,462	2,217	(34.05)
Administrative expenses		(8,512)	(7,535)	12.97
Marketing and distribution expenses		(6,088)	(7,236)	(15.86)
Finance costs	8	(728)	(451)	61.42
Profit before tax	9	3,911	1,360	n.m
Income tax expense	10	(1,132)	(892)	26.91
Profit for the period		2,779	468	n.m
Other comprehensive income: <i>Items that are or may be reclassified subsequently to profit or loss</i>				
Currency translation difference arising from consolidation		(487)	(430)	13.26
Total comprehensive income for the period		2,292	38	n.m
<u>Profit/(loss) for the period attributable to:</u>				
Equity holders of the Company		2,779	468	n.m
Non-controlling interests		-	-	-
		2,779	468	n.m
<u>Total comprehensive income/(loss) for the period attributable to:</u>				
Equity holders of the Company		2,298	46	n.m
Non-controlling interests		(6)	(8)	(25.00)
		2,292	38	n.m
Earnings per share for profit attributable to equity holders of the Company (RM sen per share) Basic and diluted				
	12	0.83	0.14	

nm. – not meaningful

SAMURAI 2K AEROSOL LIMITED AND ITS SUBSIDIARIES

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

	Group		Company		
	Note	As at 30.09.23 RM'000 (Unaudited)	As at 31.03.23 RM'000 (Audited)	As at 30.09.23 RM'000 (Unaudited)	As at 31.03.23 RM'000 (Audited)
Non-current assets					
Property, plant and equipment	14	48,485	47,820	-	-
Intangible assets	15	2,420	2,364	-	-
Investment in subsidiaries		-	-	18,363	18,363
Deferred tax assets		80	78	-	-
Trade and other receivable	17	4,387	4,764	-	-
		55,372	55,026	18,363	18,363
Current assets					
Inventories	16	17,933	16,831	-	-
Trade and other receivables	17	19,373	17,960	33,862	33,785
Tax receivable		5,035	4,035	-	-
Cash and bank balances		29,218	34,488	849	1,703
		71,559	73,314	34,711	35,488
Total assets		126,931	128,340	53,074	53,851
Non-current liabilities					
Borrowings	18	19,780	20,175	-	-
Deferred tax liabilities		1,785	1,786	-	-
Other payables	19	97	94	-	-
Total non-current liabilities		21,662	22,055	-	-
Current liabilities					
Trade and other payables	19	12,324	17,648	4,415	4,518
Borrowings	18	14,865	12,754	-	-
Tax payable		642	737	182	182
Total current liabilities		27,831	31,139	4,597	4,700
Total liabilities		49,493	53,194	4,597	4,700
Net assets		77,438	75,146	48,477	49,151

SAMURAI 2K AEROSOL LIMITED AND ITS SUBSIDIARIES

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023 (cont'd)

Equity					
Share capital	20	57,165	57,165	57,165	57,165
Share option reserve		651	651	651	651
Treasury shares		(64)	(64)	(64)	(64)
Retained earnings/(accumulated loss)		30,240	27,461	(9,275)	(8,601)
Currency translation reserve		(970)	(489)	-	-
Merger reserve		(9,368)	(9,368)	-	-
Equity attributable to:					
Equity holders of the Company		77,654	75,356	48,477	49,151
Non-controlling interest		(216)	(210)	-	-
Total equity		77,438	75,146	48,477	49,151

SAMURAI 2K AEROSOL LIMITED AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH ENDED 30 SEPTEMBER 2023 (“1H2024”) AND 30 SEPTEMBER 2022 (“1H2023”)

	Group		
	Note	1H2024 RM'000 (Unaudited)	1H2023 RM'000 (Unaudited)
Cash flow from operating activities			
Profit before tax	9	3,911	1,360
Adjustments for:			
Depreciation of property, plant and equipment		1,930	1,772
Amortisation of intangible asset	15	175	137
Interest expenses	8	727	450
Interest income	7	(134)	(307)
Unrealised foreign exchange gain		(288)	(1,436)
Operating cash flow before working capital changes		6,321	1,976
Working capital changes:			
Inventories		(1,102)	(4,167)
Trade and other receivables		(966)	(1,268)
Trade and other payables		(5,103)	(14,159)
Currency translation adjustment		(503)	(470)
Cash flow (used in) from operations		(1,353)	(18,088)
Income tax		(2,231)	(2,253)
Interest received		134	307
Interest paid		-	(450)
Net cash used in operating activities		(3,450)	(20,484)
Cash flow from investing activities			
Purchase of property, plant and equipment	14	(2,597)	(4,009)
Purchase of intangible assets	15	(231)	(1,200)
Net cash used in investing activities		(2,828)	(5,209)
Cash flow from financing activities			
Increase in fixed deposits pledged		-	(22)
Drawdown/(Repayment) of bank borrowings		1,860	(2,132)
Interest Paid		(727)	-
(Repayment) / Addition of lease liabilities		(143)	363
Dividend paid (Note 11)		-	(6,478)
Net cash generated/ (used in) from financing activities		990	(8,269)

SAMURAI 2K AEROSOL LIMITED AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH ENDED 30 SEPTEMBER 2023 (“1H2024”) AND 30 SEPTEMBER 2022 (“1H2023”)

Net change in cash and cash equivalents		(5,288)	(33,962)
Cash and cash equivalents at beginning of financial period		33,264	71,942
Effect of exchange rate changes on cash and cash equivalents		18	20
Cash and cash equivalents at end of financial period (Note A)		27,994	38,000

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:

Note A

	Note	Group	
		1H2024 RM'000 (Unaudited)	1H2023 RM'000 (Unaudited)
Cash and bank balances as per statement of financial position		29,218	39,192
Less: Pledged bank deposits		(1,224)	(1,192)
Cash and cash equivalents as per consolidated cash flow statement		27,994	38,000

SAMURAI 2K AEROSOL LIMITED AND ITS SUBSIDIARIES

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH ENDED 30 SEPTEMBER 2023 (“1H2024”) AND 30 SEPTEMBER 2022 (“1H2023”)

Group	←----- Attributable to equity holders of the Company----->							Non-controlling Interest RM'000	Total equity RM'000
	Share capital RM'000	Currency translation reserve RM'000	Share options reserves RM'000	Merger reserves RM'000	Treasury Shares RM'000	Retained earnings RM'000	Total RM'000		
1H2024 (Unaudited)									
Balance at 1 April 2023	57,165	(489)	651	(9,368)	(64)	27,461	75,356	(210)	75,146
Profit for the financial period	-	-	-	-	-	2,779	2,779	-	2,779
Other comprehensive loss									
Currency translation differences arising from consolidation	-	(481)	-	-	-	-	(481)	(6)	(487)
Total comprehensive (loss)/income for the period	-	(481)	-	-	-	2,779	2,298	(6)	2,292
Balance at 30 September 2023	57,165	(970)	651	(9,368)	(64)	30,240	77,654	(216)	77,438

SAMURAI 2K AEROSOL LIMITED AND ITS SUBSIDIARIES

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH ENDED 30 SEPTEMBER 2022 (“1H2023”) AND 30 SEPTEMBER 2021 (“1H2022”) (cont’d)

Group	←----- Attributable to equity holders of the Company----->						Total RM'000	Non- controlling Interest RM'000	Total equity RM'000
	Share capital RM'000	Currency translation reserve RM'000	Share options reserves RM'000	Merger reserves RM'000	Treasury Shares RM'000	Retained earnings RM'000			
1H2023 (Unaudited)									
Balance at 1 April 2022	57,165	(295)	448	(9,368)	(64)	45,385	93,271	(209)	93,062
Profit for the financial period	-	-	-	-	-	468	468	-	468
Other comprehensive loss									
Currency translation differences arising from consolidation	-	(422)	-	-	-	-	(422)	(8)	(430)
Total comprehensive (loss)/income for the period	-	(422)	-	-	-	468	46	(8)	38
Dividend paid (Note 11)	-	-	-	-	-	(6,478)	(6,478)	-	(6,478)
Balance at 30 September 2022	57,165	(717)	448	(9,368)	(64)	39,375	86,839	(217)	86,622

SAMURAI 2K AEROSOL LIMITED AND ITS SUBSIDIARIES

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH ENDED 30 SEPTEMBER 2023 (“1H2024”) AND 30 SEPTEMBER 2022 (“1H2023”) (cont’d)

Company	Share capital RM’000	Share option reserve RM’000	Treasury shares RM’000	Retained earnings RM’000	Total RM’000
1H2024 (Unaudited)					
Balance at 1 April 2023	57,165	651	(64)	(8,601)	49,151
Comprehensive income for the financial period	-	-	-	(674)	(674)
Balance at 30 September 2023	57,165	651	(64)	(9,275)	48,477
1H2023 (Unaudited)					
Balance at 1 April 2022	57,165	448	(64)	9,288	66,837
Comprehensive income for the financial period	-	-	-	(690)	(690)
Dividend paid (Note 11)	-	-	-	(6,478)	(6,478)
Balance at 30 September 2022	57,165	448	(64)	2,120	59,669

SAMURAI 2K AEROSOL LIMITED AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

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. Details of the subsidiaries are:

Name of subsidiary	Principal place of business	Principal business activities	Proportion of ownership interest	
			2023 %	2022 %
<i>Held by the Company</i>				
Samurai 2K Aerosol Sdn. Bhd.	Malaysia	Manufacturing and sales of aerosol spray paints and related material	100	100
PT Samurai Paint	Indonesia	Dormant	67	67
Samurai 2K USA Inc	United States of America	Import aerosol paint products and wholesales	100	100
Orientus Singapore Pte Ltd	Singapore	Trading of aerosol spray paints and related material	100	100
Samurai 2U Sdn. Bhd.	Malaysia	To carry business of E-Commerce for all type of goods	100	100
Samurai 2K India Private Ltd	India	Import aerosol paint products and wholesales	100 [#]	100 [#]
PT Samurai Kurobushi Indonesia	Indonesia	Dormant	100 ^{##}	-

[#] 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.

2. Basis of preparation

The condensed interim financial statements for the financial period ended 30 September 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 March 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Malaysia Ringgit ("RM") which is the Company's functional currency

2.1. New and amended standards adopted by the Group

In the current financial period, 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 period. 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 adoption of these new and revised SFRS(I) and SFRS(I) INT do not have a material effect on the condensed interim financial statements Group and the Company.

2.2 Use of estimate 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 period are disclosed in Note 3.

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.

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 calculation of loss allowance on 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.

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.

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.

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

When value is use calculations are undertaken, management is required to estimate the expected future cash flow from the business and a suitable growth rate and discount rate, in order to determine the present value of those cash flows.

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. 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.

4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

5. Revenue

	Group	
	1H2024	1H2023
	RM'000	RM'000
Timing of revenue recognition		
Sale of goods - At a point in time	39,739	41,833

5.1 Segment information

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

- (a) The paint - standard segment includes standard colour aerosol spray paint products.
- (b) 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.
- (c) 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.

5.1 Segment information (cont'd)

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

1H2024	Paint - Standard RM'000	Paint - Premium RM'000	Maintenance and others RM'000	Group RM'000
Segment revenue				
Sales to external customers	24,100	15,434	205	39,739
Segment profit	1,833	2,571	100	4,504
Other segment information				
Depreciation of property, plant and equipment	1,252	671	7	1,930
Amortisation of intangible assets	106	68	1	175
Segment assets	58,795	37,654	501	96,950
Unallocated assets				
- Deferred tax assets				80
- Fixed deposits				24,866
- Tax receivable				5,035
Total assets				126,931
Segment assets include:				
Additions to non-current assets	1,715	1,098	15	2,828
Segment liabilities				
Unallocated liabilities	7,533	4,824	64	12,421
- Deferred tax liabilities				1,785
- Borrowings (excluding lease liabilities)				34,645
- Tax payable				642
Total liabilities				49,493

5.1 Segment information (cont'd)

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
1H2023				
Segment revenue				
Sales to external customers	23,263	18,268	302	41,833
Segment profit	1,314	171	19	1,504
Other segment information				
Depreciation of property, plant and equipment	1,092	668	12	1,772
Amortisation of intangible assets	94	42	1	137
Segment assets	49,014	38,490	637	88,141
Unallocated assets				
- Deferred tax assets				755
- Fixed deposits				33,816
- Tax recoverable				314
Total assets				123,026
Segment assets include:				
Additions to non-current assets	2,897	2,275	37	5,209
Segment liabilities	7,865	6,177	102	14,144
Unallocated liabilities				
- Deferred tax liabilities				1,953
- Borrowings (excluding lease liabilities)				19,966
- Tax payable				341
Total liabilities				36,404

5.2 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:

	Sales to external customers		Non-current assets	
	1H2024	1H2023	1H2024	1H2023
	RM'000	RM'000	RM'000	RM'000
Malaysia	10,396	12,735	55,265	32,157
Indonesia	17,872	17,110	-	-
Others	11,471	11,988	27	230
	39,739	41,833	55,292	32,387

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

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 September 2023 and 31 March 2023:

	Group		Company	
	30.09.2023	31.03.2023	30.09.2023	31.03.2023
	RM'000	RM'000	RM'000	RM'000
<i>Financial assets</i>				
Financial assets at amortised cost	46,985	50,849	34,636	35,346
<i>Financial liabilities</i>				
Financial liabilities at amortised cost	46,968	50,616	4,414	4,518

7. Other income

	Group	
	1H2024	1H2023
	RM'000	RM'000
Foreign exchange gain, net	1,238	1,820
Interest income	134	307
Rental income	90	90
	1,462	2,217

8. Finance costs

	Group	
	1H2024	1H2023
	RM'000	RM'000
Interest expenses:		
- lease liabilities	36	22
- term loans	341	78
- banker's acceptance	350	351
-Bank charges	1	-
	728	451

9. Profit before tax

	Group	
	1H2024	1H2023
	RM'000	RM'000
This is arrived at after charging:		
Audit fees paid/payable to:		
- auditor of the Company	143	121
Depreciation of property, plant and equipment	1,930	1,772
Amortisation of intangible assets	175	137
Rental expenses	393	254
Personnel expenses	6,694	7,742

10. Tax expense

	Group	
	1H2024	1H2023
	RM'000	RM'000
Income tax:		
- Current year	1,132	892

11. Dividends

	Group and Company	
	1H2024	1H2023
	RM'000	RM'000
Final exempt dividend of SGD0.002 and special exempt dividend of SGD0.004 per share paid in respect of the financial year ended 31 March 2022	-	6,478

12. Earnings per share

Earnings per share attributable to equity holders of the Company is calculated as follows:

	Group	
	1H2024	1H2023
Profit for the financial year attributable to equity holders of the Company (RM'000)	2,779	468
Weighted average number of ordinary shares ('000)	334,565	334,565
Basic and diluted earnings per shares (RM sen per share)	0.83	0.14

As at 30 September 2023 and 30 September 2022, the Group's potential ordinary shares comprise employee share options. The computation of diluted earnings 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 per share calculation since the exercise price of the options exceeds the average market price of ordinary shares during the financial period.

13. Net Asset Value

	Group		Company	
	As at 30.09.2023	As at 31.03.2023	As at 30.09.2023	As at 31.03.2023
Net asset value (RM'000)	77,438	75,146	48,477	49,151
Number of ordinary shares in issue (excluding treasury shares) ('000)	334,565	334,565	334,565	334,565
Net asset value per ordinary share (RM sen)	23.15	22.46	14.49	14.69

14. Property, plant and equipment

During the period ended 30 September 2023, the Group acquire assets amounting to RM 2.60 million (31.03.23: RM24.27 million) .

14. Property, plant and equipment (cont'd)

	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	-	-	-	781	64	274	1,478	-	2,597
At 30 September 2023	5,171	24,373	3,199	3,760	2,740	17,747	10,340	1,860	69,190
Accumulated depreciation									
At 1 April 2023	-	874	2,527	1,256	1,197	9,593	3,326	-	18,773
Depreciation charge	-	172	-	244	134	925	455	-	1,930
Currency translation differences	-	-	-	2	-	-	-	-	2
At 30 September 2023	-	1,046	2,527	1,502	1,331	10,518	3,781	-	20,705
Net carrying value									
At 30 September 2023	5,171	23,327	672	2,258	1,409	7,229	6,559	1,860	48,485

15. Intangible assets

	Group	
	30.09.2023	31.03.2023
	RM'000	RM'000
Acquired computer software license [Note (a)]	2,084	2,014
Patents and trademarks [Note (b)]	336	350
	2,420	2,364

(a) Acquired computer software licenses

	Group	
	30.09.2023	31.03.2023
	RM'000	RM'000
Cost		
At beginning of financial year	2,952	1,108
Additions	231	1,844
At end of financial year/period	3,183	2,952
Amortisation		
At beginning of financial year	938	666
Amortisation charge	161	272
At end of financial year/period	1,099	938
Net carrying amount		
At end of financial year/period	2,084	2,014

(b) Patent and trademarks

	Group	
	30.09.2023	31.03.2023
	RM'000	RM'000
Cost		
At beginning of financial year	430	425
Additions	-	5
At end of financial year/period	430	430
Amortisation		
At beginning of financial year	80	51
Amortisation charge	14	29
At end of financial year/period	94	80
Net carrying amount		
At end of financial year/period	336	350

16. Inventories

	Group	
	30.09.2023	31.03.2023
	RM'000	RM'000
Raw Materials and packing materials	7,705	9,189
Work-in-progress	6,315	5,229
Finished goods	3,913	2,413
	17,933	16,831

17. Trade and other receivables

	Group		Company	
	30.09.2023	31.03.2023	30.09.2023	31.03.2023
	RM'000	RM'000	RM'000	RM'000
<i>Current</i>				
Trade receivables	16,621	15,261	-	-
Advance payment to supplier	47	585	-	-
Deposit	1,146	1,100	-	-
Prepayment	967	748	75	142
Other receivable	592	266	-	-
Amount due from subsidiaries	-	-	41,835	41,691
Dividend receivable from subsidiary	-	-	-	-
	19,373	17,960	41,910	41,833
Less: Allowance for impairment	-	-	(8,048)	(8,048)
	19,373	17,960	33,862	33,785
 <i>Non-current</i>				
Prepayments	4,387	4,764	-	-
	4,387	4,764	-	-
	23,173	22,724	33,862	33,785

Prepayment classified under non-current assets mainly relates to advance payment for trademark applications and purchase of machineries. Upon the grant of the trademark application, such prepayment will be reclassified to intangible assets while the advance payment for the purchase of machineries will be used to capitalize the cost of the machineries. As there were no impairment indicators as at 30 September 2023, no impairment is required.

18. Borrowings

Amount repayable in one year or less, or on demand

As at 30.09.2023 (Unaudited)		As at 31.03.2023 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
14,865	-	12,754	-

Amount repayable after one year

As at 30.09.2023 (Unaudited)		As at 31.03.2023 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
19,780	-	20,175	-

Details of any collateral:

As at the date of the statement of financial position, total borrowings included secured liabilities of the Group amounted to RM34,645,000 (31.03.23: RM32,929,000). Secured bank borrowings amounting to RM32,508,000 (31.03.23: RM30,568,000) are secured and/or guaranteed by one or several collaterals(s) including:

- (i) legal mortgage over the Group's properties at No. 4, Jalan Dato Yunus 1, Taman Perindustrian Dato Yunus Sulaiman Lima Kedai, 81120 Skudai, Johor, Malaysia, No. 6 and 8, Jalan Dato Yunus 1, Kawasan Perindustrian Dato Yunus Sulaiman Lima Kedai, Gelang Patah, 81500 Johor, Malaysia and No.14, Jalan Dato Yunus 1, Taman Perindustrian Dato Yunus Sulaiman Lima Kedai, 81120 Skudai, Johor, Malaysia;
- (ii) fixed deposits;
- (iii) corporate guarantee by Samurai 2K Aerosol Limited; and
- (iv) In addition, the loan for the Group's properties at No. 6 and 8, Jalan Dato Yunus 1, Kawasan Perindustrian Dato Yunus Sulaiman Lima Kedai, Gelang Patah, 81500 Johor and No.14, Jalan Dato Yunus 1, Taman Perindustrian Dato Yunus Sulaiman Lima Kedai, 81120 Skudai, Johor, Malaysia is also covered by insurance purchased for loan coverage in the event of death of the key personnel, Chief Executive Officer, Mr Ong Yoke En and Chief Operating Officer, Ms Lim Lay Yong.

Other lease liabilities of the Group amounting to RM2,137,000 (31.03.23: RM2,361,000) are secured by the rights to the leased motor vehicle, forklift, machineries and right-of-use assets.

19. Trade and other payables

	Group		Company	
	30.09.2023 RM'000	31.03.2023 RM'000	30.09.2023 RM'000	31.03.2023 RM'000
<i>Current</i>				
Trade payables - third parties	8,222	13,161	-	-
Other payable - third parties	234	305	80	261
Accrued expenses	3,868	4,182	1,185	1,066
Amount due to a subsidiary	-	-	3,150	3,191
	12,324	17,648	4,415	4,518
<i>Non-current</i>				
Other payable	97	94	-	-

20. Share Capital

	Group and Company			
	30.09.2023		31.03.2023	
	No. of shares '000	RM'000	No. of shares '000	RM'000
At beginning of financial period/year	334,620	57,165	334,620	57,165
At end of financial period/year	334,620	57,165	334,620	57,165

20. Share Capital (cont'd)

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.

There was no change in the Company's share capital since the end of the previous period reported on 31 March 2023.

The Company did not purchase ordinary shares during 1H2024 (1H2023: nil).

	No. of treasury shares	RM'000
As at 1 April 2023 and 30 September 2023	55	64
	As at 30.09.2023	As at 31.03.2023
% of treasury shares against the total ordinary shares in issue	0.0164%	0.0164%
	No. of shares	S\$'000
Issued shares excluding treasury shares as at 30 September 2023	334,565	19,733
Issued shares excluding treasury shares as at 31 March 2023	334,565	19,733

The Company did not have any subsidiary holdings as at 30 September 2023, 31 March 2023 and 30 September 2022.

As at 30 September 2023, the Company has outstanding 1,686,000 employees share options ("Options"), to selected employees which will entitle them to subscribe for 1,686,000 new shares of the Company which represents approximately 0.50% of the total number of issued shares (excluding treasury shares). As at 30 September 2022, the Company has outstanding 2,850,000 employee share Options, to selected employees which will entitle them to subscribe for 2,850,000 new shares of the Company which represents approximately 0.85% of the total number of issued shares (excluding treasury shares).

21. Related Party Transactions

As at 30 September 2023, there is no significant related party transactions (30 September 2022: Nil).

22. Subsequent Event

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statement.

Other information required by Appendix 7C of the Catalist Rules

1. **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 1A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

- a) **Updates on the efforts taken to resolve each outstanding audit issue.**
b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issues that is a material uncertainty relating to going concern.

Not applicable.

2. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion on the following: -**

- (a) **Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) **Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Revenue

Revenue slightly decreased by approximately RM2.09 million or 5.01% from RM41.83 million in 1H2023 to RM39.74 million in 1H2024. The decrease in revenue was mainly due to lower demand from Malaysia market.

In terms of geographical segment, the revenue contribution is as follows:

	1H2024 RM' million	1H2023 RM' million
Indonesia	17.87	17.11
Malaysia	10.40	12.73
Others (Thailand, Vietnam, Philippines, United Kingdom, Singapore, Cambodia, India and United States of America)	11.47	11.99
Total	39.74	41.83

Cost of Sales and Gross Profit

Cost of sales decreased by RM5.51 million or 20.05% from RM27.47 million in 1H2023 to RM21.96 million in 1H2024. The decrease was mainly due to the decrease in raw material and packing material cost.

As a result of the above, gross profit increased by RM3.41 million or 23.75% .

Other Income

Other income comprised mainly of interest income, net gain on foreign exchange and rental income. The decrease in other income by RM0.75 million or 34.05% in 1H2024 compared to 1H2023 was mainly due to decrease in net of foreign exchange gain by RM0.58 million and decrease in interest income by RM0.17 million.

Administrative Expenses

Administrative expenses mainly comprised staff costs, professional fees, rental expenses, upkeep of office, depreciation, utilities, printing and stationery expenses and listing maintenance fees. Administrative cost increased by RM0.98 million or 12.97%, mainly due to additional headcount which is in line with business expansion generally in new business development O2O (offline to online).

Marketing and Distribution Expenses

Marketing and distribution expenses decreased approximately by RM1.15 million or 15.86%, from RM7.24 million in 1H2023 to RM6.09 million in 1H2024 mainly due to decrease in offline marketing activities.

Finance Costs

Finance expenses increased approximately by RM0.28 million or 61.42% from RM0.45 million in 1H2023 to RM0.73 million in 1H2024 mainly due to increase in drawdown of term loan for upgrading the new office building.

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

Non-current assets

Non-current assets slightly increased by RM0.34 million, or 0.63%, from RM55.03 million as at 31 March 2023 to RM55.37 million as at 30 September 2023.

Property, plant and equipment

Property, plant and equipment slightly increased by RM0.66 million, or 1.39 % due to purchase of machinery of RM0.27 million, furniture & fitting of RM0.78 million, motor vehicle of RM0.064 million, upgrading of office by RM1.48 million and offset with depreciation of RM1.93 million.

Intangible Assets

Intangible asset slightly increased by RM0.056 million or 2.37% due to acquisition of software license of RM0.23 million and offset with amortisation of RM0.18 million.

Trade and other receivables

Non-current trade and other receivables slightly decreased by RM0.38 million or 7.91% mainly due to decrease in prepayment.

Current assets

Current assets decreased by RM2.34 million, or 3.19%, from RM73.31 million as at 31 March 2023 to RM70.97 million as at 30 September 2023 mainly due to decrease in cash and bank balances and offset by the increase in the following items.

Inventories

Inventories increased by RM1.10 million, or 6.55% attributable to increase in finished goods of RM1.50 million, work-in-progress of RM1.08 million offset with decrease in raw material and packing material of RM1.48 million.

Trade and other receivables

As at 30 September 2023, the current trade and other receivables consisted of approximately RM16.62 million of trade receivables (31 March 2023: RM15.26 million) and approximately RM2.17 million of other receivables (31 March 2023: RM2.70 million).

Trade receivables increased by RM1.36 million from RM15.26 million as at 31 March 2023 to RM16.62 million as at 30 September 2023, mainly due to additional of export sales.

As at the date of this announcement, the Group has collected approximately RM2.60 million or 15.64% of the trade receivables as at 30 September 2023.

Non-current liabilities

Non-current liabilities comprised the non-current portion of borrowings, deferred tax liabilities and other payables. Non-current liabilities slightly decreased by RM0.39 million, or 1.78%, from RM22.05 million as at 31 March 2023 to RM21.66 million as at 30 September 2023 mainly due to repayment of borrowing.

Current liabilities

Current liabilities comprised the current portion of borrowings, trade and other payables and tax payable.

Trade and other payables

As at 30 September 2023, trade and other payables consisted of approximately RM8.22 million of trade payables (31 March 2023: RM13.16 million) and approximately RM3.52 million of other payable (31 March 2023: RM4.49 million).

Trade payables decreased by RM4.94 million, or 37.53% mainly due to decrease in purchase in line with decrease in sales while other payables decreased by RM0.97 million, or 21.66% mainly due to decrease in accrual expenses.

Current borrowings

Short term borrowings increased by RM2.11 million, or 16.55% mainly due to drawdown of banker's acceptance amounting to RM2.02 million.

INTERIM CONDENSED OF THE GROUP'S CASH FLOW STATEMENT

Net cash from operating activities

In 1H2024, net cash used in operating activities amounting to RM3.45 million, arising from operating cash flow before changes in working capital of RM6.32 million, changes in net working capital outflow of RM7.67 million, income tax payment of RM2.23 million and interest received of RM0.13 million.

The net working capital outflow of RM7.67 million mainly comprised of higher inventories of RM1.10 million and decrease in trade and other payable of RM5.69 million.

Net cash used in investing activities

In 1H2024, we recorded a net cash outflow in investing activities of approximately RM2.83 million mainly due to purchase of plant and machinery and upgrading of factory and new office building.

Net cash generated from financing activities

In 1H2024, we recorded a net cash inflow in financing activities of approximately RM0.99 million mainly due to drawdown of bank borrowing of RM1.86 million and offset with interest paid of RM0.73 million and repayment lease liabilities of RM0.14 million.

As at 30 September 2023, the Group maintained a cash and cash equivalents balance of RM27.99 million.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No specific forecast or prospect statement has been previously disclosed.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any know factors or events that may affect the group in the next reporting period and the next 12 months.

The Group expects the operating environment and conditions to be challenging for the next 12 months given the geopolitical uncertainty that could adversely impact global trade. However, the Group will continue its efforts to expand sales, tighten cost controls and develop new and innovative products to maintain its market competitiveness.

One of the new products the Group is focusing on will be our new innovative technology products such as TINTATEK (post-filled colour technology) which will be launched by beginning year of 2024.

Meanwhile, the Group will continue to expand sales to emerging markets in Asia where demographics and income growth should provide some resilience in demand for aerosol paints and coating products.

5. Dividend Information

If a decision regarding dividend has been made: -

(a) Whether an interim (final) dividend has been declared (recommended); and

No dividend has been declared or recommended for the 1H2024

(b) Amount per share (cent) and previous corresponding period (cent).

No dividend has been declared or recommended for the 1H2023

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable.

Not applicable

(e) The date on which Registrable Transfer received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable

6. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the 1H2024. This decision is arrived at after the Board considered, among other factors, the Group's business plans, cash flows and cash position.

7. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Catalist Rules. If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from its shareholders for IPT. There were no discloseable IPTs during the financial period under review.

9. Disclosure on acquisition and realisation pursuant to Rule 706A

Not applicable. The Company did not acquire or dispose shares in any companies during the current financial period.

10. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Catalist Listing Manual.

11. Confirmation pursuant to Rule 705(5) of the Catalist Listing Manual

We, Lim Siang Kai and Ong Yoke En, being the two of the directors of the Company, hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the unaudited financial statements of the Company and the Group for the half-year ended 30 September 2023 to be false or misleading in any material aspect.

On behalf of the Board,

LIM SIANG KAI
Non-Executive Chairman and
Lead Independent Director

ONG YOKE EN
Executive Director and
Chief Executive Officer

14 November 2023