



SAMURAI 2K AEROSOL LIMITED
Company Registration No. 201606168C

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDEND
ANNOUNCEMENT FOR THE SIX-MONTH ENDED 30 SEPTEMBER 2022**

This announcement has been prepared by Samurai 2K Aerosol Limited (the “Company”) and its contents have been reviewed by UOB Kay Hian Private Limited (the “**Sponsor**”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of the announcement, including the accuracy, completeness or correctness of any of the information, 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 2022
("1H2023") AND 30 SEPTEMBER 2021 ("1H2022")**

	Group			
	Note	1H2023 RM'000 (Unaudited)	1H2022 RM'000 (Unaudited)	Increase/ (Decrease) %
Revenue	5	41,833	44,065	(5.06)
Cost of sales		(27,468)	(25,542)	7.54
Gross Profit		14,365	18,523	(22.45)
Other income	7	2,217	801	176.78
Administrative expenses		(7,535)	(11,105)	(32.15)
Marketing and distribution expenses		(7,236)	(2,362)	206.35
Finance costs	8	(451)	(258)	74.81
Profit before tax	9	1,360	5,599	(75.71)
Income tax expense	10	(892)	(2,280)	(60.88)
Profit for the period		468	3,319	(85.90)
Other comprehensive income: <i>Items that are or may be reclassified subsequently to profit or loss</i>				
Currency translation difference arising from consolidation		(430)	(37)	nm.
Total comprehensive income for the period		38	3,282	(98.84)
<u>Profit/(loss) for the period attributable to:</u>				
Equity holders of the Company		468	3,319	(85.90)
Non-controlling interests		-	-	-
		468	3,319	(85.90)
<u>Total comprehensive income/(loss) for the period attributable to:</u>				
Equity holders of the Company		46	3,282	(98.60)
Non-controlling interests		(8)	-	nm.
		38	3,282	(98.84)
Earnings per share for profit attributable to equity holders of the Company (RM sen per share)				
Basic and diluted		0.14	0.99	

nm. – not meaningful

SAMURAI 2K AEROSOL LIMITED AND ITS SUBSIDIARIES

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	Group			Company	
	Note	As at 30.09.22 RM'000 (Unaudited)	As at 31.03.22 RM'000 (Audited)	As at 30.09.22 RM'000 (Unaudited)	As at 31.03.22 RM'000 (Audited)
Non-current assets					
Property, plant and equipment	14	30,079	27,821	-	-
Intangible assets	15	1,879	816	-	-
Investment in subsidiaries		-	-	15,658	15,658
Deferred tax assets		755	688	-	-
Trade and other receivable	16	429	3,637	-	-
		33,142	32,962	15,658	15,658
Current assets					
Inventories		21,813	17,646	-	-
Trade and other receivables	16	28,879	22,956	42,732	47,190
Cash and bank balances		39,192	73,111	2,011	4,704
		89,884	113,713	44,743	51,894
Total assets		123,026	146,675	60,401	67,552
Non-current liabilities					
Borrowings	17	4,329	3,949	-	-
Deferred tax liabilities		1,953	1,953	-	-
Other payables	18	98	94	-	-
Total non-current liabilities		6,380	5,996	-	-
Current liabilities					
Trade and other payables	18	14,046	28,208	550	533
Borrowings	17	15,637	17,786	-	-
Tax payable		341	1,623	182	182
Total current liabilities		30,024	47,617	732	715
Total liabilities		36,404	53,613	732	715
Net assets		86,622	93,062	59,669	66,837

SAMURAI 2K AEROSOL LIMITED AND ITS SUBSIDIARIES

INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022 (cont'd)

Equity					
Share capital	19	57,165	57,165	57,165	57,165
Share option reserve		448	448	448	448
Treasury shares		(64)	(64)	(64)	(64)
Retained earnings		39,375	45,385	2,120	9,288
Currency translation reserve		(717)	(295)	-	-
Merger reserve		(9,368)	(9,368)	-	-
Equity attributable to:					
Equity holders of the Company		86,839	93,271	59,669	66,837
Non-controlling interest		(217)	(209)	-	-
Total equity		86,622	93,062	59,669	66,837

SAMURAI 2K AEROSOL LIMITED AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH ENDED 30 SEPTEMBER 2022 (“1H2023”) AND 30 SEPTEMBER 2021 (“1H2022”)

	Group		
	Note	1H2023 RM'000 (Unaudited)	1H2022 RM'000 (Unaudited)
Cash flow from operating activities			
Profit before tax	9	1,360	5,599
Adjustments for:			
Depreciation of property, plant and equipment		1,772	1,294
Amortisation of intangible asset	15	137	104
Loss on disposal of property, plant and equipment		-	3
Interest expenses	8	450	258
Interest income	7	(307)	(373)
Unrealised foreign exchange gain		(1,436)	(285)
Share based payment expenses		-	5,418
Operating cash flow before working capital changes		1,976	12,018
Working capital changes:			
Inventories		(4,167)	430
Trade and other receivables		(1,268)	(3,557)
Trade and other payables		(14,159)	(10,810)
Currency translation adjustment		(470)	(59)
Cash flow (used in)/generated from operations		(18,088)	(1,978)
Income tax paid		(2,253)	(3,090)
Interest received		307	373
Interest paid		(450)	(258)
Net cash (used in)/generated from operating activities		(20,484)	(4,953)
Cash flow from investing activities			
Purchase of property, plant and equipment	14	(4,009)	(1,525)
Purchase of intangible assets	15	(1,200)	(85)
Proceed from disposal of property, plant and equipment		-	35
Net cash used in investing activities		(5,209)	(1,575)
Cash flow from financing activities			
Increase in fixed deposits pledged		(22)	(45)
(Repayment)/Drawdown of bank borrowings		(2,132)	4,139
Addition/(Repayment) of lease liabilities		363	(207)
Treasury shares		-	(64)
Dividend paid (Note 11)		(6,478)	(6,976)
Net cash (used in)/generated from financing activities		(8,269)	(3,153)

SAMURAI 2K AEROSOL LIMITED AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH ENDED 30 SEPTEMBER 2022 (“1H2023”) AND 30 SEPTEMBER 2021 (“1H2022”)

Net change in cash and cash equivalents		(33,962)	(9,682)
Cash and cash equivalents at beginning of financial period		71,942	75,306
Effect of exchange rate changes on cash and cash equivalents		20	18
Cash and cash equivalents at end of financial period (Note A)		38,000	65,642

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	
		1H2023 RM'000 (Unaudited)	1H2022 RM'000 (Unaudited)
Cash and bank balances as per statement of financial position		39,192	66,811
Less: Pledged bank deposits		(1,192)	(1,169)
Cash and cash equivalents as per consolidated cash flow statement		38,000	65,642

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”)

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		
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)	-	-	-	-	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 2022 (“1H2023”) AND 30 SEPTEMBER 2021 (“1H2022”) (cont’d)

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		
1H2022 (Unaudited)									
Balance at 1 April 2021	52,653	(250)	119	(9,368)	-	45,436	88,590	(203)	88,387
Profit for the financial period	-	-	-	-	-	3,319	3,319	-	3,319
Other comprehensive loss									
Currency translation differences arising from consolidation	-	(37)	-	-	-	-	(37)	-	(37)
Total comprehensive (loss)/income for the period	-	(37)	-	-	-	3,319	3,282	-	3,282
Treasury shares	-	-	-	-	(64)	-	(64)	-	(64)
Dividend paid (Note 11)	-	-	-	-	-	(6,976)	(6,976)	-	(6,976)
Share based performance grant	5,418	-	-	-	-	-	5,418	-	5,418
Balance at 30 September 2021	58,071	(287)	119	(9,368)	(64)	41,779	90,250	(203)	90,047

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)

Company	Share capital RM’000	Share option reserve RM’000	Treasury shares RM’000	Retained earnings RM’000	Total RM’000
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)
Treasury shares	-	-	-	-	-
Share based performance grant	-	-	-	-	-
Balance at 30 September 2022	57,165	448	(64)	2,120	59,669
1H2022 (Unaudited)					
Balance at 1 April 2021	52,653	119	-	10,883	63,655
Comprehensive income for the financial period	-	-	-	8,655	8,655
Dividend paid (Note 11)	-	-	-	(6,976)	(6,976)
Treasury shares	-	-	(64)	-	(64)
Share based performance grant	5,418	-	-	-	5,418
Balance at 30 September 2021	58,071	119	(64)	12,562	70,688

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	
			2022 %	2021 %
<i>Held by the Company</i>				
Samurai 2K Aerosol Sdn. Bhd. (formerly known as Orientus Industry 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	To buy, sell, import, export in wholesale and to deal in paints (including varnishes and related supplies)	99.99	-

2. Basis of preparation

The condensed interim financial statements for the financial period ended 30 September 2022 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 2022.

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. Basis of preparation (cont'd)

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 and estimates that have the most significant effect on the amounts recognized in the interim condensed financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next interim period.

Allowance for expected credit losses of trade receivables

Management determines the expected credit losses ("ECL") of trade receivables by applying the simplified approach to recognize 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 historical loss rate, recent payments, ongoing business relationship, creditworthiness of each debtor and the impact of COVID-19 pandemic on 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 recognized and the carrying amounts of trade receivables.

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 is 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.

When value in 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.

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

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.

Write down of inventories

Where necessary, inventories are written down to net realizable 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.

4. Seasonal operations

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

5. Revenue

	1H2023	Group 1H2022
	RM'000	RM'000
Timing of revenue recognition		
Sale of goods - At a point in time	41,833	44,065

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:

	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	762	580	18	1,360
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

5.1 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
1H2022				
Segment revenue				
Sales to external customers	25,988	17,842	235	44,065
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Segment profit	2,278	3,283	38	5,599
	<hr/>			
Other segment information				
Depreciation of property, plant and equipment	901	382	11	1,294
Amortisation of intangible assets	61	42	1	104
	<hr/>			
Segment assets	53,969	37,052	488	91,509
Unallocated assets				
- Deferred tax assets				686
- Fixed deposits				37,364
- Tax recoverable				301
Total assets				<u>129,860</u>
	<hr/>			
Segment assets include:				
Additions to non-current assets	950	652	9	1,611
	<hr/>			
Segment liabilities	8,590	5,898	78	14,566
Unallocated liabilities				
- Deferred tax liabilities				1,435
- Borrowings (excluding lease liabilities)				22,861
- Tax payable				951
Total liabilities				<u>39,813</u>
	<hr/>			

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	
	1H2023	1H2022	1H2023	1H2022
	RM'000	RM'000	RM'000	RM'000
Malaysia	12,735	21,172	32,157	27,546
Indonesia	17,110	11,861	-	-
Others	11,988	11,032	230	305
	41,833	44,065	32,387	27,851

Non-current assets information presented above are non-current assets as presented on the consolidated statements of financial position excluding deferred tax 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 2022 and 31 March 2022:

	Group		Company	
	30.09.2022	31.03.2022	30.09.2022	31.03.2022
	RM'000	RM'000	RM'000	RM'000
<i>Financial assets</i>				
Financial assets at amortised cost	65,416	92,701	44,667	51,741
<i>Financial liabilities</i>				
Financial liabilities at amortised cost	34,057	49,943	549	533

7. Other income

	Group	
	1H2023	1H2022
	RM'000	RM'000
Foreign exchange gain, net	1,820	340
Interest income	307	373
Rental income	90	90
Others	-	(2)
	2,217	801

8. Finance costs

	Group	
	1H2023	1H2022
	RM'000	RM'000
Interest expenses:		
- lease liabilities	22	22
- term loans	78	41
- banker's acceptance	351	195
	<hr/>	<hr/>
	451	258
	<hr/>	<hr/>

9. Profit before tax

	Group	
	1H2023	1H2022
	RM'000	RM'000
This is arrived at after charging:		
Audit fees paid/payable to:		
- auditor of the Company	121	116
Depreciation of property, plant and equipment	1,772	1,294
Amortisation of intangible assets	137	104
Rental expenses	254	163
Personnel expenses	7,742	10,903
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10. Tax expense

	Group	
	1H2023	1H2022
	RM'000	RM'000
Income tax:		
- Current year	892	2,280
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11. Dividends

	Group and Company	
	1H2023	1H2022
	RM'000	RM'000
Final exempt dividend of SGD0.00667 per share paid in respect of the financial year ended 31 March 2021	-	6,976
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	<hr/>	<hr/>
	6,478	-

12. Earnings per share

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

	Group	
	1H2023	1H2022
Profit for the financial year attributable to equity holders of the Company (RM'000)	468	3,319
Weighted average number of ordinary shares ('000)	334,565	332,999
Basic and diluted earnings per shares (RM sen per share)	0.14	0.99

As at 30 September 2022 and 30 September 2021, 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 year.

13. Net Asset Value

	Group		Company	
	As at 30.09.2022	As at 31.03.2022	As at 30.09.2022	As at 31.03.2022
Net asset value (RM'000)	86,622	93,062	59,669	66,837
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)	25.89	27.82	17.83	19.98

14. Property, plant and equipment

During the year ended 30 September 2022, the Group acquire assets amounting to RM 4.01 million (31.03.22: RM4.12 million) and disposed of assets amounting to RM nil (31.03.22: RM0.038 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									
2022									
Cost									
At 1 April 2022	5,171	5,045	1,737	2,632	2,014	14,733	8,138	1,860	41,330
Additions	–	–	-	414	661	2,539	395	–	4,009
At 30 September 2022	5,171	5,045	1,737	3,046	2,675	17,272	8,533	1,860	45,339
Accumulated depreciation									
At 1 April 2022	–	612	1,021	749	935	7,735	2,457	–	13,509
Depreciation charge	–	50	-	321	128	916	357	–	1,772
Currency translation differences				(21)					(21)
At 30 September 2022	–	662	1,021	1,049	1,063	8,651	2,814	–	15,260
Net carrying value									
At 30 September 2022	5,171	4,383	716	1,997	1,612	8,621	5,719	1,860	30,079

15. Intangible assets

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
Acquired computer software license [Note (a)]	1,515	442
Patents and trademarks [Note (b)]	364	374
	1,879	816

(a) Acquired computer software licenses

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
Cost		
At beginning of financial year	1,108	985
Additions	1,195	123
At end of financial year	2,303	1,108
Amortisation		
At beginning of financial year	666	616
Amortisation charge	122	50
At end of financial year	788	666
Net carrying amount		
At end of financial year	1,515	442

(b) Patent and trademarks

	Group	
	30.09.2022	31.03.2022
	RM'000	RM'000
Cost		
At beginning of financial year	425	423
Additions	5	2
At end of financial year	430	425
Amortisation		
At beginning of financial year	51	21
Amortisation charge	15	30
At end of financial year	66	51
Net carrying amount		
At end of financial year	364	374

16. Trade and other receivables

	Group		Company	
	30.09.2022 RM'000	31.03.2022 RM'000	30.09.2022 RM'000	31.03.2022 RM'000
<i>Current</i>				
Trade receivables	21,772	18,018	-	-
Advance payment to supplier	46	1,075	-	-
Deposit	4,023	962	-	-
Prepayment	2,625	2,500	-	153
Tax recoverable	314	302	-	-
Other receivable	99	99	76	-
Amount due from subsidiaries	-	-	42,656	32,037
Dividend receivable from subsidiary	-	-	-	15,000
	28,879	22,956	42,732	47,190
<i>Non-current</i>				
Trade receivable	429	430	-	-
Deposit	-	180	-	-
Prepayment	-	3,027	-	-
	429	3,637	-	-
	29,308	26,593	42,732	47,190

17. Borrowings

Amount repayable in one year or less, or on demand

As at 30.09.2022 (Unaudited)		As at 31.03.2022 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
15,637	-	17,786	-

Amount repayable after one year

As at 30.09.2022 (Unaudited)		As at 31.03.2022 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
4,329	-	3,949	-

Details of any collateral:

As at the date of the statement of financial position, total borrowings included secured liabilities of RM19,966,000 (31.03.22: RM21,735,000) for the Group. Secured bank borrowings amounting to RM18,397,000 (31.03.22: RM20,529,000) 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 RM1,569,000 (31.03.22: RM1,206,000) are secured by the rights to the leased motor vehicle, forklift, machineries and right-of-use assets.

18. Trade and other payables

	Group		Company	
	30.09.2022 RM'000	31.03.2022 RM'000	30.09.2022 RM'000	31.03.2022 RM'000
<i>Current</i>				
Trade payables				
- third parties	8,837	24,709	-	-
Other payable				
- third parties	1,916	223	40	-
Accrued expenses	3,293	3,276	510	273
Amount due to a subsidiary	-	-	-	260
	14,046	28,208	550	533
<i>Non-current</i>				
Other payable	98	94	-	-

19. Share Capital

	Group and Company			
	30.09.2022		31.03.2022	
	No. of shares '000	RM'000	No. of shares '000	RM'000
At beginning of financial period/year	334,620	57,165	109,921	52,653
Issuance of ordinary share pursuant to share split exercise	-	-	223,080	-
Issuance of ordinary share pursuant to performance grant	-	-	1,619	4,512
At end of financial period/year	334,620	57,165	334,620	57,165

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 2022.

The Company did not purchase ordinary shares during 1H2023 (1H2022: 55,000).

19. Share Capital (cont'd)

	No. of treasury shares	S\$'000
As at April 2022	55,000	21
Add : Treasury share purchased in 1H2023	-	-
As at 30 September 2022	<u>55,000</u>	<u>21</u>
	As at 30.09.2022	As at 31.03.2022
% of treasury shares against the total ordinary shares in issue	<u>0.0164%</u>	<u>0.0164%</u>
	No. of shares	S\$'000
Issued shares excluding treasury shares as at 30 September 2022	<u>334,564,787</u>	<u>19,733</u>
Issued shares excluding treasury shares as at 31 March 2022	<u>334,564,787</u>	<u>19,733</u>

The Company did not have any subsidiary holdings as at 30 September 2022, 31 March 2022 and 30 September 2021.

As at 30 September 2022, the Company has outstanding 2,850,000 employees share options (“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). As at 30 September 2021, the Company has outstanding 4,062,000 employee share Options, to selected employees which will entitle them to subscribe for 4,062,000 new shares of the Company which represents approximately 1.21% of the total number of issued shares (excluding treasury shares).

20. Related Party Transactions

As at 30 September 2022, there is no significant related party transactions (30 September 2021: Nil).

21. Capital Commitments

Capital commitments not provided for in the financial statements:

	Group		Company	
	30.09.2022	31.03.2022	30.09.2022	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Capital commitments in respect of property, plant and equipment	<u>-</u>	<u>22,216</u>	<u>-</u>	<u>-</u>

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 RM2.23 million or 5.06% from RM44.06 million in 1H2022 to RM41.83 million in 1H2023. The decrease in revenue was mainly due to slower demand from Malaysia market.

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

RM' million	1H2023	1H2022
Indonesia	17.11	11.86
Malaysia	12.73	21.17
Others (Thailand, Vietnam, Philippines, United Kingdom, Singapore, Cambodia, India and United States of America)	11.99	11.03
Total	41.83	44.06

Cost of Sales and Gross Profit

Cost of sales increased by RM1.93 million or 7.54% from RM25.54 million in 1H2022 to RM27.47 million in 1H2023 was due to the increase in raw material and shipping cost.

As a result of the above, gross profit decreased by RM4.16 million or 22.45%.

Other Income

Other income comprised mainly of interest income, net gain on foreign exchange and rental income. The increase in other income by RM1.42 million or 176.78% in 1H2023 compared to 1H2022 was mainly due to an increase in net of foreign exchange gain by RM1.48 million and offset with the decrease in interest income by RM0.06 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 decreased by RM3.57 million or 32.15%, mainly due to absence of performance share-based payment expense in 1H2023 (1H2022 : RM5.42 million) offset with increase in other administration cost in 1H2023.

Marketing and Distribution Expenses

Marketing and distribution expenses increased approximately by RM4.87 million or 206.35%, from RM2.36 million in 1H2022 to RM7.23 million in 1H2023 mainly due to increase in the Company's promotion marketing activities and increase in digital and marketing staff cost.

Finance Costs

Finance expenses increased approximately by RM0.19 million or 74.81% from RM0.26 million in 1H2022 to RM0.45 million in 1H2023 mainly due to increase in interest rate of bank borrowings.

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

Non-current assets

Non-current assets increased by RM0.18 million, or 0.55%, from RM32.96 million as at 31 March 2022 to RM33.14 million as at 30 September 2022.

Property, plant and equipment

Property, plant and equipment increased by RM2.26 million, or 8.12 % mainly due to purchase of machinery of RM1.62 million, furniture and fitting of RM0.11 million and purchase of motor vehicle of RM0.53 million.

Intangible Assets

Intangible asset increased by RM1.06 million or 130.27% mainly due to upgrading of digital software.

Trade and other receivables

Non-current trade and other receivables decreased by RM3.21 million or 88.20% mainly due to decrease in prepayment.

Current assets

Current assets decreased by RM23.83 million, or 20.95%, from RM113.71 million as at 31 March 2022 to RM89.88 million as at 30 September 2022 mainly due to decrease in cash and bank balances and offset by the increase in the following items.

Inventories

Inventories increased by RM4.17 million, or 23.61% attributable to increase in raw material of RM0.27 million, packing material of RM0.88 million, finished goods of RM0.52 million and work-in-progress of RM2.5 million.

Trade and other receivables

As at 30 September 2022, the current trade and other receivables consisted of approximately RM21.77 million of trade receivables (31 March 2022: RM18.02 million) and approximately RM7.11 million of other receivables (31 March 2022: RM4.94 million).

Trade receivables increased by RM3.75 million from RM18.02 million in FY2022 to RM21.77 million in 1H2023, in line with increase in export sales to other countries.

As at the date of this announcement, the Group has collected approximately RM4.32 million or 19.84% of the trade receivables as at 30 September 2022.

Non-current liabilities

Non-current liabilities comprised the non-current portion of borrowings, deferred tax liabilities and other payables. Non-current liabilities slightly increased by RM0.38 million, or 6.40%, from RM6.00 million as at 31 March 2022 to RM6.38 million as at 30 September 2022 mainly due to increase on borrowing of RM0.38 million.

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 2022, trade and other payables consisted of approximately RM8.84 million of trade payables (31 March 2022: RM24.71 million) and approximately RM5.21 million of other payable (31 March 2022: RM3.50 million).

Trade payables decreased by RM15.87 million, or 64.23% mainly due to decreased in purchase in line with decrease in sales while other payables increased by RM1.71 million, or 48.83% mainly due to slower repayment to other payable.

Current borrowings

Short term borrowings decreased by RM2.15 million, or 12.08% mainly due to repayment of banker's acceptance amounting to RM1.98 million and repayment of lease liabilities of RM0.12 million.

INTERIM CONDENSED OF THE GROUP'S CASH FLOW STATEMENT

Net cash from operating activities

In 1H2023, net cash used in operating activities amounting to RM20.48 million, arising from operating cash flow before changes in working capital of RM1.97 million, changes in net working capital outflow of RM20.06 million, income tax payment of RM2.25 million, net interest paid amounting to RM0.14 million.

The net working capital outflow of RM20.06 million comprised of higher trade and other receivable of RM1.27 million and inventories of RM4.17 million, lower trade and other payable of RM14.16 million and currency translation adjustment of RM0.47 million.

Net cash used in investing activities

In 1H2023, we recorded a net cash outflow in investing activities of approximately RM5.21 million mainly due to purchase of plant and machinery and upgrading of digital software.

Net cash used in financing activities

In 1H2023, we recorded a net cash outflow in financing activities of approximately RM8.27 million mainly due to dividend paid amounted to RM 6.48 million, repayment of bank borrowing of RM2.13 million and offset with additional lease liabilities of RM0.36 million.

As at 30 September 2022, the Group maintained a cash and cash equivalents balance of RM38.00 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.

Although economies have opened up and moving into endemic COVID-19, management expects that there will be continued uncertainty and challenges when worldwide inflationary pressure is intensifying, supply chains are tightening and global demand is weakening, amid countries' efforts to recover economically from a COVID-19 pandemic that has not seen its end. The Group will continue to enhance digital transformation and O2O(online to offline) by integrating its digital marketing teams as well as to develop and launch new innovative products to maintain market competitiveness.

Currently, the Group is in the stage of building its teams in the USA and India markets. This is in line with our current marketing plan.

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 1H2023

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

The Group declared an interim tax exempt (one tier) and special tax exempt (one tier) dividend for the 1H2022 of SGD0.002 per ordinary share and SGD0.004 per ordinary share respectively.

(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 1H2023 due to lower profit recorded in 1H2023 and the Group would like to conserve its cash for business operations.

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

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 2022 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

11 November 2022