

SAMURAI 2K AEROSOL LIMITED

(Company Registration Number 201606168C)

(Incorporated in the Republic of Singapore)



MEDIA RELEASE

SAMURAI 2K AEROSOL RECORDS ALL-ROUND IMPROVEMENT IN 1H2024 FINANCIALS DESPITE CHALLENGING BUSINESS ENVIRONMENT

- Net Profit (attributable to shareholders) up 494% to RM2.78 million;
- EPS up from 0.14 RM Sen to 0.83 RM Sen;
- Gross Profit margin up from approximately 34% to 45%;
- Profit Before Tax margin up from approximately 3% to 10%.

1H2024 FINANCIAL HIGHLIGHTS

	1H2024	1H2023	Variance
Revenue	RM39.74 m	RM41.83 m	-5%
Net Income attributable to Equity Holders	RM2.78 m	RM0.47 m	+494%
Earnings Per Ordinary Share (EPS)	RM 0.83 sen	RM 0.14 sen	+493%
Gross Profit Margin (%)	44.7%	34.3%	+10%
Profit before tax Margin (%)	9.8%	3.3%	+7%

SINGAPORE, 14 November 2023 – Samurai 2K Aerosol Limited (the “Company” and together with its subsidiaries, the “Group”) (SGX: Y8E), a manufacturer of automotive aerosol paints and aerosol solution specialist, announced its financial results for the six months ended 30 September 2023 (“1H2024”). Despite a challenging business environment dominated by international trade tensions, global geopolitics and general slowdown in global economies, the Group recorded all-round improvement in its financials for 1H2024 as compared with same period last year (“1H2023”).

Revenue slightly decreased by approximately 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 the Malaysia market. However, for the same period, net income attributable to equity holders increased significantly from RM0.47 million to RM2.78 million. Consequently, EPS increased from 0.14 RM Sen to 0.83 RM Sen.

Revenue by Geography	1H2024	% of revenue	1H2023	% of revenue
Indonesia	RM17.87 m	45%	RM17.11 m	41%
Malaysia	RM10.40 m	26%	RM12.73 m	30%
Others (Thailand, Vietnam, Philippines, United Kingdom, Singapore, Cambodia, India and United States of America)	RM11.47 m	29%	RM11.99 m	29%
Total	RM39.74 m	100%	RM41.83 m	100%

Indonesia remains Samurai's largest market with 45% of total revenue or RM17.87 million for 1H2024 and Malaysia is the second largest market with 26% of total revenue or RM10.40 million for 1H2024.

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 costs. As a result, Gross Profit Margin was higher at 44.7% in 1H2024 compared to 34.3% in 1H2023.

Overall expenses increased marginally by 0.7% from RM 15.22 million in 1H2023 to RM15.33 million for 1H2024. Administrative expenses in 1H2024 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). This is offset by marketing and distribution expenses decreasing approximately by RM1.15 million or 15.86%, from RM7.24 million in 1H2023 to RM6.09 million in 1H2024 as well as a decrease in offline marketing activities. 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.

Financial Position

The Group's financial position remains robust with net assets of RM77.44 million as at 30 September 2023, compared to RM75.15 million as at 31 March 2023. As at 30 September 2023, net asset value per ordinary share is 23.15 RM Sen vs 22.46 RM Sen as at 31 March 2023. The Group has a total debt of RM 34.65 million and a cash balance of RM29.22 million as at 30 September 2023.

Going Forward

The Group expects the operating environment to be challenging over the next 12 months in the light of current international trade tensions, global geopolitics, and a slowdown in global economic growth. The Group will continue to intensify its marketing and business development efforts, and exercise prudent financial policies and cost control.

The main thrust of its business strategy is the development of new products using innovative proprietary technologies as a differentiating factor for the enhancing of the Samurai brand

name. This will go hand in hand with offline to online digital marketing taking advantage of its global reach, scalability, and the reaping of economies of scale.

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.

One of the new products the Group is focusing on will be Tintatek-an innovative color mixing, creation and matching product which is expected to be launched by the beginning of calendar year 2024.

The Group continues to see growing demand for its products in the emerging markets of Asia amidst favorable its macroeconomic factors of demographics, urbanization, and higher consumer disposable income. It will therefore continue to expand its business footprint in these markets.

END

*This media release is to be read in conjunction with the Company's results announcement for **1H2024** posted on the SGX website on **14 November 2023**.*

Issued by **Samurai 2K Aerosol Limited**

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

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

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

About Samurai 2K Aerosol Limited(SGX: Y8E)

Samurai 2K Aerosol Ltd (“SAMURAI®”) has been listed on the Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) since January 2017. SAMURAI® is a fully integrated aerosol specialist that focuses on the repainting business as well as aftermarket for the automotive refinishing and refurbishing industry.

SAMURAI® aims to be the world’s most respected innovative aerosol system provider and offer the most innovative aerosol systems with the best user enjoyment and to create more job opportunities for all the sprayers in the world.

SAMURAI® specializes in manufacturing 2-part aerosol paint which is a mix of resin and hardener within the same spray can. In 2000, Mr. Peter Kwasny, the German inventor of aerosol spray paint, invented the first 2K technology in aerosol spray paint, which allows two (2) separate components, namely paint and hardener into a single aerosol spray paint. In 2015, Mr. Ong Yoke En, Samurai’s inventor and CEO, established a similar 2K technology and patented the first improved version of 2K technology. In 2016, SAMURAI® further developed from the earlier dual-head system to a single-head system aerosol spray paint, which penetrates the combination of the two (2) components thoroughly before application. This provides better performance in spraying experience and high level of durability.

SAMURAI® regional office is situated in Singapore while research, product development, branding and manufacturing are conducted in Malaysia. Samurai ‘s products are distributed worldwide to throughout Malaysia, Indonesia, Thailand, Philippines, Vietnam, Cambodia, UK, USA, Singapore and India. Its range of products include Truck Bed Liner, Epoxy Marine Surface Primer, Marine Coating, Boat Deck Granular Textured Epoxy Primer, Automobile Body Epoxy Primer etc.

For more information, please visit our official website at www.samurai2kaerosol.com.

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