



SAMURAI 2K AEROSOL LIMITED
Company Registration No. 201606168C

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE
YEAR ENDED 31 MARCH 2021**

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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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2021 (“FY2021”) and financial year ended 31 March 2020 (“FY2020”)

	Group		
	FY2021 RM'000 (Unaudited)	FY2020 RM'000 (Audited)	Increase/ (Decrease) %
Revenue	110,630	63,070	75.4
Cost of sales	(56,749)	(33,362)	70.1
Gross Profit	53,881	29,708	81.4
Other income/(expenses)	2,068	(1,251)	(265.3)
Administrative expenses	(13,517)	(10,489)	28.9
Marketing and distribution expenses	(17,010)	(9,630)	76.6
Finance costs	(457)	(486)	(6.0)
Profit before tax	24,965	7,852	217.9
Income tax expense	(7,476)	(2,801)	166.9
Profit for the year	17,489	5,051	246.2
Other comprehensive income: <i>Items that are or may be reclassified subsequently to profit or loss</i>			
Currency translation difference arising from consolidation	41	(40)	(202.5)
Total comprehensive income for the year	17,530	5,011	249.8
<u>Profit/(loss) for the year attributable to:</u>			
Equity holders of the Company	17,505	5,095	243.6
Non-controlling interests	(16)	(44)	(63.6)
	17,489	5,051	246.2

<u>Total comprehensive income/(loss) for the year attributable to:</u>			
Equity holders of the Company	17,559	5,044	248.1
Non-controlling interests	(29)	(33)	(12.1)
	17,530	5,011	249.8

1(a)(ii) Notes to Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group		
	FY2021 RM'000 (Unaudited)	FY2020 RM'000 (Audited)	Increase/ (Decrease) %
Profit for the year include the following charges/(credits):			
Interest income	(286)	(40)	615.0
Finance expenses:	457	486	(6.0)
- bank borrowings	404	420	(3.8)
- lease liabilities	53	66	(19.7)
Depreciation of property, plant and equipment	2,638	2,384	10.7
Amortisation of intangible assets	146	76	92.1
Rental expense	144	162	(11.1)
Foreign exchange (gain)/loss, net	(1,491)	1,484	(200.5)
Personnel expenses	11,802	9,347	26.3
Reversal of stock obsolescence	(62)	(61)	1.6
Tax expense:	7,476	2,801	166.9
- income tax	6,705	3,345	100.4
- deferred tax	771	(544)	(241.7)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	As at 31.03.21 RM'000 (Unaudited)	As at 31.03.20 RM'000 (Audited)	As at 31.03.21 RM'000 (Unaudited)	As at 31.03.20 RM'000 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	26,903	26,643	-	-
Intangible assets	770	535	-	-
Investment in subsidiaries	-	-	10,547	10,490
Deferred tax assets	680	695	-	-
	28,353	27,873	10,547	10,490
Current assets				
Inventories	13,917	7,804	-	-
Trade and other receivables	17,176	30,859	42,899	30,954
Cash and bank balances	76,430	34,372	14,057	17,151
	107,523	73,035	56,956	48,105
Total assets	135,876	100,908	67,503	58,595
EQUITY AND LIABILITIES				
Equity				
Share capital	52,653	52,653	52,653	52,653
Retained earnings	45,436	34,615	10,883	4,614
Foreign currency translation reserve	(250)	(305)	-	-
Share option reserve	119	64	119	64
Merger reserves	(9,368)	(9,368)	-	-
Equity attributable to:				
Equity holders of the Company	88,590	77,659	63,655	57,331
Non-controlling interest	(203)	(174)	-	-
Total equity	88,387	77,485	63,655	57,331
Liabilities				
Current liabilities				
Trade and other payables	23,796	11,827	3,666	1,082
Borrowings	16,067	5,518	-	-
Tax payable	1,749	678	182	182
Total current liabilities	41,612	18,023	3,848	1,264

Non-current liabilities				
Borrowings	4,350	4,652	-	-
Deferred tax liabilities	1,435	663	-	-
Other payables	92	85	-	-
Total non-current liabilities	5,877	5,400	-	-
Total liabilities	47,489	23,423	3,848	1,264
Total equity and liabilities	135,876	100,908	67,503	58,595

1(b)(ii) Aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

Amount repayable in one year or less, or on demand

As at 31.03.21 (Unaudited)		As at 31.03.20 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
16,067	-	5,518	-

Amount repayable after one year

As at 31.03.21 (Unaudited)		As at 31.03.20 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
4,350		4,652	-

Details of any collateral:

As at the date of the statement of financial position, total borrowings included secured liabilities of RM20,417,000 (31 March 2020: RM10,170,000) for the Group. Secured bank borrowings amounting to RM18,722,000 (31 March 2020: RM8,413,000) 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 RM1,694,000 (31 March 2020 : RM1,757,000) are secured by the rights to the leased motor vehicle, forklift, machineries and right-of-use assets.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	FY2021 RM'000 (Unaudited)	FY2020 RM'000 (Audited)
Cash flow from operating activities		
Profit before tax	24,965	7,852
Adjustments for:		
Depreciation of property, plant and equipment	2,638	2,384
Amortisation of intangible asset	146	76
Property, plant and equipment written off	9	-
Loss on disposal of property, plant and equipment	11	-
Employee share option expense	56	64
Interest expenses	457	486
Interest income	(286)	(40)
Unrealised foreign exchange (gain)/loss	(2,300)	2,706
Reversal of stock obsolescence	(62)	(61)
Operating cash flow before working capital changes	25,634	13,467
Working capital changes:		
Inventories	(6,051)	345
Trade and other receivables	15,162	6,869
Trade and other payables	11,978	(1,694)
Currency translation adjustment	23	(54)
Cash flow generated from operations	46,746	18,933
Income tax paid	(4,798)	(2,790)
Interest received	286	40
Interest paid	(457)	(486)
Net cash generated from operating activities	41,777	15,697

Cash flow from investing activities		
Purchase of property, plant and equipment	(2,378)	(3,943)
Purchase of intangible assets	(382)	(61)
Proceed from disposal of property, plant and equipment	9	-
Net cash used in investing activities	(2,751)	(4,004)
Cash flow from financing activities		
Increase in fixed deposits pledged	(281)	-
Proceed from bank borrowings	10,441	-
Repayment of bank borrowings	(131)	(5,216)
Repayment of lease liabilities	(614)	(428)
Dividend paid	(6,684)	(1,656)
Net cash generated from/(used in) financing activities	2,731	(7,300)
Net change in cash and cash equivalents	41,757	4,393
Cash and cash equivalents at beginning of financial year	33,248	28,849
Effect of exchange rate changes on cash and cash equivalents	19	6
Cash and cash equivalents at end of financial year (Note A)	75,024	33,248

Note A

	Group	
	FY2021 RM'000 (Unaudited)	FY2020 RM'000 (Audited)
Cash and bank balances as per statement of financial position	76,430	34,372
Less: Pledged bank deposits	(1,406)	(1,124)
Cash and cash equivalents as per consolidated cash flow statement	75,024	33,248

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY

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	Retained earnings RM'000	Total RM'000		
FY2021 (Unaudited)								
Balance at 1 April 2020	52,653	(305)	64	(9,368)	34,615	77,659	(174)	77,485
Profit for the financial year	-	-	-	-	17,505	17,505	(16)	17,489
Other comprehensive (loss)/income								
Currency translation differences arising from consolidation	-	54	-	-	-	54	(13)	41
Total comprehensive income/(loss) for the year	-	54	-	-	17,505	17,559	(29)	17,530
Employee share option scheme	-	-	55	-	-	55	-	55
Dividend paid	-	-	-	-	(6,684)	(6,684)	-	(6,684)
Balance at 31 March 2021	52,653	(250)	119	(9,368)	45,436	88,590	(203)	88,387

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	Retained earnings RM'000	Total RM'000		
FY2020 (Audited)								
Balance at 1 April 2019	52,653	(254)	-	(10,497)	32,305	74,207	(141)	74,066
Profit for the financial year	-	-	-	-	5,095	5,095	(44)	5,051
Other comprehensive (loss)/income								
Currency translation differences arising from consolidation	-	(51)	-	-	-	(51)	11	(40)
Total comprehensive (loss)/income for the year	-	(51)	-	-	5,095	5,044	(33)	5,011
Employee share option scheme	-	-	64	-	-	64	-	64
Dividend paid	-	-	-	-	(1,656)	(1,656)	-	(1,656)
Strike off of subsidiary	-	-	-	1,129	(1,129)	-	-	-
Balance at 31 March 2020	52,653	(305)	64	(9,368)	34,615	77,659	(174)	77,485

Company	Share capital RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000
FY2021 (Unaudited)				
Balance at 1 April 2020	52,653	64	4,614	57,331
Comprehensive income for the financial year	-	-	12,953	12,953
Dividend paid	-	-	(6,684)	(6,684)
Employee share option scheme	-	55	-	55
Balance at 31 March 2021	52,653	119	10,883	63,655
FY2020(Audited)				
Balance at 1 April 2019	52,653	-	1,947	54,600
Comprehensive income for the financial year	-	-	4,323	4,323
Dividend paid	-	-	(1,656)	(1,656)
Employee share option scheme	-	64	-	64
Balance at 31 March 2020	52,653	64	4,614	57,331

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

SHARE CAPITAL

There was no change in the Company's share capital since the end of the previous period reported on 30 September 2020.

The Company did not have any outstanding convertibles as at 31 March 2021 and 31 March 2020 except as disclosed below.

As at 31 March 2021, the Company has outstanding 164,000 employees share options ("Option"), to selected employees which entitle them to subscribe for 164,000 new shares of the Company which represents approximately 0.15% of the total number of issued shares as at 31 March 2021. The Option will be expiring on 2 June 2029. As at 31 March 2020, the Company has outstanding 192,000 Options, to selected employees which will entitle them to subscribe for 192,000 new shares of the Company which represents approximately 0.17% of the total number of issued shares as at 31 March 2020.

The Company did not have any treasury shares or subsidiary holdings as at 31 March 2021 and 31 March 2020.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 31.03.21	As at 31.03.20
Total number of issued shares (excluding treasury shares)	109,921,000	109,921,000

The Company did not have any treasury shares as at 31 March 2021 and 31 March 2020.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. 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.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

3A. 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.

Not applicable

4. Whether the same accounting policies and methods of computation as in the Issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group and the Company have adopted the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited financial statements for the year ended 31 March 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group and the Company have adopted all the new and revised SFRS(I) and INT SFRS(I)s that are relevant to its operations and which take effect on annual periods beginning on or after 1st April 2020.

The adoption of the new and revised SFRS(I) and INT SFRS(I)s did not have any significant impact on the performance or position of the Group.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	FY2021	FY2020
Profit attributable to equity holders of the Company (RM'000)	17,505	5,095
Weighted average number of ordinary shares ('000)	109,921	109,921
Basic earnings per shares based on actual number of shares (RM sens):	15.93	4.64
Diluted earnings per shares based on actual number of shares and conversion of share options that are granted (RM sens):	15.93 ^(a)	4.64 ^(a)

Note:

(a) The diluted earnings per share are the same as the basic earnings per share as the exercise period for the Options will only start from 3 June 2022.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the**
(a) current period reported on; and
(b) immediate preceding financial year

	Group		Company	
	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20
Net asset value (RM'000)	88,387	77,485	63,655	57,331
Number of ordinary shares in issue ('000)	109,921	109,921	109,921	109,921
Net asset value per ordinary share (RM sens)	80.41	70.49	57.91	52.16

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-**
- (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;**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

REVIEW OF THE GROUP'S PERFORMANCE

FY2021 as compared to FY2020

Revenue

Revenue increased by approximately RM47.6 million or 75.4% from RM63.1 million in FY2020 to RM110.6 million in FY2021.

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

RM' million	FY2021	FY2020	Change	% Change
Indonesia	42.41	31.46	10.95	34.8
Malaysia	45.86	22.21	23.65	106.5
Others (Thailand, Vietnam, Philippines, United Kingdom, Singapore, Cambodia, India and United States of America)	22.36	9.40	12.96	137.9
Total	110.63	63.07	47.56	75.4

This increase in revenue is mainly due to higher demand in Malaysia and Indonesia with an increase in total sales volume of 7.0 million cans or 68.0% from 10.3 million cans in FY2020 to 17.3 million cans in FY2021.

Cost of Sales and Gross Profit

The increase in cost of sales is in line with the increase in revenue.

Gross profit increased by RM24.2 million or 81.4% while gross profit margin for FY2021 and FY2020 were 48.7% and 47.1% respectively. The slight increase in the gross profit margin was mainly due to the (i) increase of selling price in January 2021 across all range of products; and (ii) the depreciation of US Dollar which resulted in a slightly lower purchase price on imported materials.

Other income/(expenses)

Other income/(expenses) comprised mainly of interest income, net gain/(loss) on foreign exchange and rental income. The increase in other income/(expenses) by RM3.3 million was mainly due to a net foreign exchange gain of RM1.5 million in FY2021 as opposed to a net foreign exchange loss of RM1.5 million in FY2020.

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 RM3.0 million or 28.9%, mainly due to increase in personnel cost of RM2.5 million and other administrative cost of RM0.5 million.

Marketing and Distribution Expenses

Marketing and distribution expenses increased approximately by RM7.4 million or 76.6%, from RM9.6 million in FY2020 to RM17.0 million in FY2021 was mainly due to enhancement of online and digital marketing activities carried out in FY2021.

REVIEW OF THE GROUP'S FINANCIAL POSITION

As at 31 March 2021 as compared to 31 March 2020

Non-current assets

Non-current assets increased by RM0.5 million, or 1.7%, from RM27.9 million as at 31 March 2020 to RM28.4 million as at 31 March 2021.

Property, plant and equipment

Property, plant and equipment increased by RM0.3 million, or 1.0 % mainly due to additions in factory upgrades and renovation works of RM0.9 million, plant and machineries of RM1.0 million, furniture & fitting of RM0.4 million and, motor vehicle of RM0.6 million which was offset by depreciation of RM2.6 million.

Current assets

Current assets increased by RM34.5 million, or 47.2%, from RM73.0 million as at 31 March 2020 to RM107.5 million as at 31 March 2021.

Inventories

Inventories increased by RM6.1 million, or 78.3% attributable to higher level of finished goods of RM3.5 million, raw material of RM1.5 million, packing material of RM0.8 million, and work in progress of RM0.3 million.

Trade and other receivables

As at 31 March 2021, trade and other receivables consisted of approximately RM14.3 million of trade receivables (31 March 2020: RM25.4 million) and approximately RM2.8 million of other receivables (31 March 2020: RM5.5 million).

Trade receivables decreased by RM11.1 million due to improvement in collection from debtors, while other receivables decreased by RM2.7 million mainly due to reduction in advance payment to suppliers of RM1.7 million and tax refund of RM1.0 million

As at the date of this announcements, the Group has collected approximately RM4.4 million or 30.8% of the trade receivables as at 31 March 2021.

Non-current liabilities

Non-current liabilities comprised the non-current portion of borrowings, deferred tax liabilities and other payables. Non-current liabilities increased by RM0.5 million, or 8.8%, from RM5.4 million as at 31 March 2020 to RM5.9 million as at 31 March 2021. The increase in non-current liabilities was mainly due to increase in deferred tax liabilities by RM0.7 million and other payables of RM 0.1 million which was offset by decrease in borrowings by RM0.3 million due to repayment of borrowings and lease liabilities.

Current liabilities

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

Trade and other payables

As at 31 March 2021, trade and other payables consisted of approximately RM18.7 million of trade payables (31 March 2020: RM10.0 million) and approximately RM5.1 million of other payable (31 March 2020: RM1.8 million).

The increase in trade payables by RM8.7 million, or 87.0% was mainly due to increase in purchases in line with increase in sales. The increase in other payables by RM3.3 million, or 183.3% was mainly due to the increase in the accrued expenses.

Current borrowings

Short term borrowings increased by RM10.5 million, or 191.2% was due to drawdown of banker's acceptance totalling RM10.4 million and increase in lease liabilities of RM0.1 million due to new lease arrangements entered during the year.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Net cash generated from operating activities

In FY2021, net cash generated from operating activities amounting to RM41.8 million, arising from operating cash flow before changes in working capital of RM25.6 million, changes in net working capital inflow of RM21.1 million and being offset by net interest payment amounting to RM0.1 million and income tax payment of RM4.8 million

The net working capital inflow of RM21.1 million comprised of trade and other receivable of RM15.2 million and trade and other payable of RM12.0 million offset by higher level of inventories by RM6.1 million.

Net cash used in investing activities

In FY2021, we recorded a net cash outflow from investing activities of approximately RM2.8 million mainly due to additional cost of upgrading and renovation of factory, purchase of plant and machinery and motor vehicles.

Net cash generated from financing activities

In FY2021, we recorded a net cash inflow from financing activities of approximately RM2.7 million due to drawdown of bank acceptance of RM10.4 million offset by dividend paid which amounted to RM6.7 million, increase in fixed deposited pledged to bank amounted to RM0.3 million and repayment of bank borrowing of RM0.1 million and lease liabilities of RM0.6 million.

As at 31 March 2021, the Group maintained a cash and cash equivalents balance of RM75.0 million.

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

The Company had on 10 May 2021 issued a profit guidance and the results for FY2021 is consistent with the guidance issued.

10. 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 known factors or events that may affect the group in the next reporting period and the next 12 months.

Based on the result of FY2021, Management is cautiously confident with the market situation in which the Group operates in regardless of the continued uncertainty and potential economic downturn arising from COVID-19 pandemic. The Group will continue its efforts to tighten

cost controls, develop new and innovative products to maintain its market competitiveness, enhance the online and digital marketing platform and commit to the continued development of Samuraian App which was launched in April 2021.

The Group's marketing strategy plan for the USA market has been further delayed to 2H2022 due to the COVID-19 pandemic.

11. Dividend

If a decision regarding dividend has been made:-

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

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend Rate	SGD 0.01 per ordinary share
Tax Rate	Tax exempt (one-tier)

The interim dividend has been paid on 10 December 2020.

Name of Dividend	Final Dividend
Dividend Type	Cash
Dividend Rate	SGD 0.02 per ordinary share
Tax Rate	Tax exempt

The Directors propose the final dividend of SGD0.02 per ordinary share in respect of the financial year ended 31 March 2021, subject to the approval of Shareholders at the forthcoming annual general meeting.

The Group is declaring a higher dividend for FY2021 as compared to the prior financial year. This decision is arrived at after the Board considered, among other factors, the Group's FY2021 record profit, cash flows and cash position, and the Group's current and future cash flows requirements.

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

Name of Dividend	Final Dividend
Dividend Type	Cash
Dividend Rate	SGD 0.01 per ordinary share
Tax Rate	Tax exempt

(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).

Tax exempted (one-tier).

(d) The date the dividend is payable.

Subject to approval by the Shareholders at the forthcoming annual general meeting and to be announced at a later date

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

Subject to approval by the Shareholders at the forthcoming annual general meeting and to be announced at a later date.

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

Not applicable

13. 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). 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 IPTs that exceeded S\$100,000 during the financial period under review.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year

By Business segments

	Paint - Standard RM’000	Paint - Maintenance Premium RM’000	and others RM’000	Group RM’000
31 March 2021				
Segment revenue				
Sales to external customers	62,985	47,206	439	110,630
Segment profit	14,311	10,725	100	25,136
Other segment information				
Depreciation of property, plant and equipment	1,645	982	11	2,638
Segment assets	56,303	42,199	393	98,895

Unallocated assets				
- Deferred tax assets				680
- Fixed deposits				36,006
- Tax recoverable				295
Total assets				<u>135,876</u>

Segment assets include:

Additions to non-current assets	<u>1,854</u>	<u>1,389</u>	<u>13</u>	<u>3,256</u>
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Segment liabilities

Unallocated liabilities	13,600	10,193	95	23,888
- Deferred tax liabilities				1,435
- Borrowings				20,417
- Tax payable				<u>1,749</u>
Total liabilities				<u>47,489</u>

	Paint - Standard RM'000	Paint - Maintenance Premium RM'000	and others RM'000	Group RM'000
31 March 2020				
Segment revenue				
Sales to external customers	<u>39,078</u>	<u>23,354</u>	<u>638</u>	<u>63,070</u>
Segment profit	<u>4,222</u>	<u>3,970</u>	<u>106</u>	<u>8,298</u>
Other segment information				
Depreciation of property, plant and equipment	<u>1,636</u>	<u>725</u>	<u>23</u>	<u>2,384</u>
Segment assets	58,472	34,946	955	94,373
Unallocated assets				
- Deferred tax assets				695
- Fixed deposits				4,724
- Tax recoverable				<u>1,116</u>
Total assets				<u>100,908</u>
Segment assets include:				
Additions to non-current assets	<u>3,716</u>	<u>2,220</u>	<u>61</u>	<u>5,997</u>
Segment liabilities	7,380	4,411	121	11,912
Unallocated liabilities				
- Deferred tax liabilities				663
- Borrowings				10,170
- Tax payable				<u>678</u>
Total liabilities				<u>23,423</u>

By geographical segments

	Sales to external customers		Non-current assets	
	FY2021 RM'000	FY2020 RM'000	FY2021 RM'000	FY2020 RM'000
Indonesia	42,415	31,457	-	-
Malaysia	45,859	22,211	27,673	26,617
Others	22,356	9,402	680	561
	110,630	63,070	28,353	27,178

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

FY2021 turnover increased 75.4% due to increase in exports to Indonesian by 34.8% and increase in sales in Malaysia by 106.5%. Other markets continued to grow as well at 137.9% year-on-year.

Please refer to paragraph 8 above for more detailed review.

16. A breakdown of sales as follows:

	Group FY2021 RM'000	Group FY2020 RM'000	Group Increase / (Decrease) %
(a) Sales reported for first half year	44,133	28,443	55.2
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	7,651	3,171	141.3
(c) Sales reported for second half year	66,497	34,627	92.0
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	9,838	1,880	423.3

17. A breakdown of the total annual dividend (in Ringgit Malaysia value) for the issuer’s latest full year and its previous full year as follows:-

Ordinary shares	FY2021 RM’000	FY2020 RM’000
Interim	3,345	-
Final	6,787 ^(a)	3,339
Total	10,132	3,339

Note:

- (a) The proposed final one-tier tax exempt dividends in respect of FY2021 is subject to Shareholders’ approval at the forthcoming AGM.

18. Use of IPO and Placement Proceeds

Pursuant to the Company’s initial public offering (“IPO”) and the Placement exercise completed on 15 December 2017 (“Placement”), the Company received net proceeds from the IPO and Placement of approximately S\$2.35 million and S\$9.60 million respectively (the “Net Proceeds”). Please refer to the Company’s offer document dated 9 January 2017 (“Offer Document”) and announcement on the Placement dated 27 November 2017 for further details. As at the date of this announcement, the Net Proceeds have been fully utilised as follows:

Use of Proceeds	Estimated amount allocated (\$’000)	Amount utilised as at the date of this announcement (\$’000)	Balance as at the date of this announcement (\$’000)
<u>Net IPO Proceeds</u>			
Expansion of production facilities	1,200	(1,200)	-
General working capital	1,150	(1,150) ⁽¹⁾	-
<u>Net Placement Proceeds</u>			
Business development and expansion	9,600	(9,600)	-
Total	11,950	(11,950)	-

Note (1): Utilised for the payment of operating expense incurred by the Company’s wholly-owned subsidiary, Samurai 2K USA Inc.

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

On 10 February 2021, the Company has incorporated a wholly-owned subsidiary, Samurai 2U Sdn. Bhd. in Malaysia.

20. Confirmation pursuant to Rule 720(1) of the Catalist Listing Manual

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.

21. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Detail of changes in duties and position held, if any, during the year
Ong How En	39	Brother of our Executive Director and CEO, Mr Ong Yoke En and the brother-in-law of Ms Lim Lay Yong, our Executive Director and COO.	Technical manager since 2015	No change

On behalf of the Board,

LIM SIANG KAI
Non-Executive Chairman and
Lead Independent Director

ONG YOKE EN
Executive Director and Chief Executive
Officer

28 May 2021