



SAMURAI 2K AEROSOL LIMITED
Company Registration No. 201606168C

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE
YEAR ENDED 31 MARCH 2020**

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.

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

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 2020 (“FY2020”) and financial year ended 31 March 2019 (“FY2019”)

	Group		
	FY2020 RM'000 (Unaudited)	FY2019 RM'000 (Audited)	Increase/ (Decrease) %
Revenue	63,070	72,605	(13.1)
Cost of sales	(33,362)	(40,922)	(18.5)
Gross Profit	29,708	31,683	(6.2)
Other (expenses)/income	(1,251)	709	n.m.
Administrative expenses	(10,489)	(12,457)	(15.8)
Marketing and distribution expenses	(9,630)	(6,222)	54.8
Finance costs	(486)	(493)	(1.4)
Profit before tax	7,852	13,220	(40.6)
Income tax expense	(2,801)	(3,082)	(9.1)
Profit for the year	5,051	10,138	(50.2)
Other comprehensive income: <i>Items that are or may be reclassified subsequently to profit or loss</i>			
Currency translation difference arising from consolidation	(40)	(14)	185.7
Total comprehensive income for the year	5,011	10,124	(50.5)
<u>Profit/(loss) for the year attributable to:</u>			
Equity holders of the Company	5,095	10,441	(51.2)
Non-controlling interests	(44)	(303)	(85.5)
	5,051	10,138	(50.2)

<u>Total comprehensive income/(loss) for the year attributable to:</u>			
Equity holders of the Company	5,044	10,423	(51.6)
Non-controlling interests	(33)	(299)	(89.0)
	5,011	10,124	(50.5)

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

	Group		
	FY2020 RM'000 (Unaudited)	FY2019 RM'000 (Audited)	Increase/ (Decrease) %
Profit for the year include the following charges/(credits):			
Interest income	(40)	(233)	(82.8)
Finance expenses:	486	493	(1.4)
- bank borrowings	420	480	(12.5)
- lease liabilities	66	-	n.m.
- finance lease liabilities	-	13	n.m.
Depreciation of property, plant and equipment	2,384	1,654	44.1
Amortisation of intangible assets	76	53	43.4
Rental expense	162	572	(71.7)
Foreign exchange loss/(gain), net	1,484	(363)	n.m.
Personnel expenses	9,347	10,989	(14.9)
Loss on disposal of property, plant and equipment	-	57	n.m.
Inventory written off (Reversal)/Provision of stock obsolescence	(61)	388	n.m.
Tax expense:	2,801	3,082	(9.1)
- income tax	3,345	2,957	13.1
- deferred tax	(544)	125	n.m.

n.m. - not meaningful

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 31.03.20 RM'000 (Unaudited)	As at 31.03.19 RM'000 (Audited)	As at 31.03.20 RM'000 (Unaudited)	As at 31.03.19 RM'000 (Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	26,643	23,085	-	-
Intangible assets	535	549	-	-
Investment in subsidiaries	-	-	10,490	10,124
Deferred tax assets	695	542	-	-
	27,873	24,176	10,490	10,124
Current assets				
Inventories	7,804	8,088	-	-
Trade and other receivables	30,859	40,876	30,954	27,159
Cash and bank balances	34,372	29,973	17,151	19,624
	73,035	78,937	48,105	46,783
Total assets	100,908	103,113	58,595	56,907
EQUITY AND LIABILITIES				
Equity				
Share capital	52,653	52,653	52,653	52,653
Retained earnings	34,615	32,305	4,614	1,947
Foreign currency translation reserve	(305)	(254)	-	-
Share option reserve	64	-	64	-
Merger reserves	(9,368)	(10,497)	-	-
Equity attributable to:				
Equity holders of the Company	77,659	74,207	57,331	54,600
Non-controlling interest	(174)	(141)	-	-
Total equity	77,485	74,066	57,331	54,600
Liabilities				
Current liabilities				
Trade and other payables	11,827	13,328	1,082	2,307
Borrowings	5,518	10,009	-	-
Tax payable	678	545	182	-
Total current liabilities	18,023	23,882	1,264	2,307

Non-current liabilities				
Borrowings	4,652	3,812	-	-
Deferred tax liabilities	663	1,074	-	-
Other payables	85	279	-	-
Total non-current liabilities	5,400	5,165	-	-
Total liabilities	23,423	29,047	1,264	2,307
Total equity and liabilities	100,908	103,113	58,595	56,907

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 31.03.20 (Unaudited)		As at 31.03.19 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
5,518	-	10,009	-

Amount repayable after one year

As at 31.03.20 (Unaudited)		As at 31.03.19 (Audited)	
Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
4,652	-	3,812	-

Details of any collateral:

As at the date of the statement of financial position, total borrowings included secured liabilities of RM10,170,000 (31 March 2019: RM13,821,000) for the Group. Secured bank borrowings amounting to RM8,413,000 (31 March 2019: RM13,629,000) 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 RM1,757,000 (31 March 2019 RM192,000) 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	
	FY2020 RM'000 (Unaudited)	FY2019 RM'000 (Audited)
Cash flow from operating activities		
Profit before tax	7,852	13,220
Adjustments for:		
Depreciation of property, plant and equipment	2,384	1,654
Amortisation of intangible asset	76	53
Loss on disposal of property, plant and equipment	-	57
Employee share option expense	64	-
Inventory written off	-	319
Interest expenses	486	493
Interest income	(40)	(233)
Unrealised foreign exchange loss	2,706	-
(Reversal)/Provision of stock obsolescence	(61)	388
Operating cash flow before working capital changes	13,467	15,951
Working capital changes:		
Inventories	345	(517)
Trade and other receivables	6,869	(9,647)
	(1,694)	
Trade and other payables		(5,631)
Currency translation adjustment	(54)	6
Cash flow generated from operations	18,933	162
Income tax paid	(2,790)	(4,220)
Interest received	40	233
Interest paid	(486)	(493)
Net cash generated from/ (used in) operating activities	15,697	(4,318)

Cash flow from investing activities		
Proceed from disposal of property, plant and equipment	-	98
Purchase of property, plant and equipment	(2,908)	(8,832)
Purchase of intangible assets	(61)	(367)
Net cash used in investing activities	(2,969)	(9,101)
Cash flow from financing activities		
Decrease in fixed deposits pledged	-	98
Repayment of obligations under finance lease	-	(116)
Proceed from bank borrowings	-	6,623
Repayment of bank borrowings	(5,216)	(495)
Repayment of lease liabilities	(1,463)	-
Dividend paid	(1,656)	(1,966)
Net cash (used in)/generated from financing activities	(8,335)	4,144
Net change in cash and cash equivalents	4,393	(9,275)
Cash and cash equivalents at beginning of financial year	28,849	38,068
Effect of exchange rate changes on cash and cash equivalents	6	56
Cash and cash equivalents at end of financial year (Note A)	33,248	28,849

Note A

	Group	
	FY2020 RM'000 (Unaudited)	FY2019 RM'000 (Audited)
Cash and bank balances as per statement of financial position	34,372	29,973
Less: Pledged bank deposits	(1,124)	(1,124)
Cash and cash equivalents as per consolidated cash flow statement	33,248	28,849

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		
FY2020 (Unaudited)								
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

Group	<----- Attributable to equity holders of the Company----->					Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Currency translation reserve RM'000	Merger reserves RM'000	Retained earnings RM'000	Total RM'000		
FY2019 (Audited) (Restated)							
Balance at 1 April 2018	52,653	54	(10,497)	23,540	65,750	158	65,908
Effect of adopting SFRS(I) 1*	-	(290)	-	290	-	-	-
As restated at 1 April 2018	52,653	(236)	(10,497)	23,830	65,750	158	65,908
Profit for the financial year	-	-	-	10,441	10,441	(303)	10,138
Other comprehensive (loss)/income							
Currency translation differences arising from consolidation	-	(18)	-	-	(18)	4	(14)
Total comprehensive (loss)/income for the year	-	(18)	-	10,441	10,423	(299)	10,124
Dividend paid	-	-	-	(1,966)	(1,966)	-	(1,966)
Balance at 31 March 2019	52,653	(254)	(10,497)	32,305	74,207	(141)	74,066

* The Group elected the optional exemption to reset its cumulative foreign currency translation reserve for all foreign operations to nil at the date of transition on 1 April 2017. As a result, the foreign currency translation reserve of RM290,000 as at 1 April 2017, was reclassified to retained earnings as at 1 April 2017. Subsequent to the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition. By electing this optional exemption, the cumulative foreign currency translation reserve decreased by RM290,000 and Retained earnings increased by the same amount as at 31 March 2018.

Company	Share capital RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000
FY2020 (Unaudited)				
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
FY2019 (Audited)				
Balance at 1 April 2018	52,653	-	3,977	56,630
Comprehensive loss for the financial year	-	-	(64)	(64)
Dividend paid	-	-	(1,966)	(1,966)
Balance at 31 March 2019	52,653	-	1,947	54,600

- 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 2019.

The Company did not have any outstanding convertibles as at 31 March 2020 and 31 March 2019 except as disclosed below.

As at 31 March 2020, the Company has granted 196,000 employees share options ("ESOS") (Nil as at 31 March 2019), to selected employees which will entitle them to subscribe for a total of 196,000 new shares of the Company. The 196,000 share options will be expiring on 2 June 2029. The outstanding share options represent approximately 0.18% of 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 2020 and 31 March 2019.

- 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 31.03.20	As at 31.03.19
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 2020 and 31 March 2019.

- 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 qualifications 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 2019.

- 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.**

On 1st April 2019, the Group and the Company 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 January 2019.

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 except for the following:

Adoption of SFRS(I) 16 Leases

The Group has applied SFRS(I) 16 from its mandatory adoption date of 1st April 2019 and have applied the simplified transition approach; no restatement were made on the comparative amounts for the prior periods. On adoption of SFR(I) 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "Operating Leases" under SFRS(I) 1-17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 April 2019.

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	
	FY2020	FY2019
Profit attributable to equity holders of the Company (RM'000)	5,095	10,441
Weighted average number of ordinary shares ('000)	109,921	109,921
Basic based on actual number of shares (RM sens):	4.64	9.50
Diluted based on actual number of shares and conversion of share options that are granted (RM sens):	4.48	9.50

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 31.03.20	As at 31.03.19	As at 31.03.20	As at 31.03.19
Net asset value (RM'000)	77,485	74,066	57,331	54,600
Number of ordinary shares in issue ('000)	109,921	109,921	109,921	109,921
Net asset value per ordinary share (RM sens)	70.49	67.38	52.16	49.67

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

FY2020 as compared to FY2019

Revenue

Revenue decreased by approximately RM9.5 million or 13.1% from RM72.6 million in FY2019 to RM63.1 million in FY2020.

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

RM' million	FY2020	FY2019	Change	% Change
Indonesia	31.46	38.95	(7.49)	(19.2)
Malaysia	22.21	24.74	(2.53)	(10.2)
Others (Thailand, Vietnam, Philippines, United Kingdom, Singapore, Cambodia, India and United States of America)	9.40	8.92	0.48	5.4
Total	63.07	72.61	(9.54)	(13.1)

This drop in revenue is mainly due to a decrease in total sales volume of 1.9 million cans or 15.6% from 12.2 million cans in FY2019 to 10.3 million cans in FY2020.

Cost of Sales and Gross Profit

The decline in cost of sales is in line with the fall in revenue.

Gross profit decreased by RM2.0 million or 6.2% while gross profit margin for FY2020 and FY2019 were 47.1% and 43.6% respectively. The slight increase in the gross profit margin was mainly due to the (i) appreciation of Indonesia Rupiah against Ringgit Malaysia by approximately 3.0% at the beginning of FY2020 and it was stable until mid of March 2020 which has caused the export selling prices to be slightly higher; and (ii) the depreciation of US Dollar from the beginning of FY2020 until February 2020 which resulted in a slightly lower purchase price on imports.

Other (Expenses)/Income

Other (expenses)/income comprised mainly of interest income, net (loss)/gain on foreign exchange and rental income. The decrease in other (expenses)/income by RM2.0 million or was mainly due to a net foreign exchange loss of RM1.5 million in FY2020 as opposed to a net foreign exchange income of RM0.4 million in FY2019.

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 RM2.0 million or 15.8%, mainly due to decrease in personnel cost of RM1.6 million and other administrative cost of RM0.4 million.

Marketing and Distribution Expenses

Marketing and distribution expenses increased approximately by RM3.4 million or 54.8%, from RM6.2 million in FY2019 to RM9.6 million in FY2020 was mainly due to enhancement of online and offline marketing activities carried out in FY2020.

REVIEW OF THE GROUP'S FINANCIAL POSITION

As at 31 March 2020 as compared to 31 March 2019

Non-current assets

Non-current assets increased by RM3.7 million, or 15.3%, from RM24.2 million as at 31 March 2019 to RM27.9 million as at 31 March 2020.

Property, plant and equipment

Property, plant and equipment increased by RM3.6 million, or 15.4 % mainly due to capitalisation of lease premises in accordance with SFRS(I) 16 and additions in factory upgrades and renovation works of RM2.0 million, plant and machineries of RM1.0 million, furniture & fitting of RM0.3 million and, motor vehicle of RM0.3 million.

Current assets

Current assets decreased by RM5.9 million, or 7.5%, from RM78.9 million as at 31 March 2019 to RM73.0 million as at 31 March 2020.

Inventories

Inventories fell by RM0.3 million, or 3.5% attributable to lower raw material level of RM0.1 million, packing material of RM0.4 million, and offset with increase in work in progress of RM0.09 million, and reversal of provision of obsolescence stock amounting to RM0.1 million.

Trade and other receivables

As at 31 March 2020, trade and other receivables consisted of approximately RM25.4 million of trade receivables (31 March 2019: RM35.6 million) and approximately RM5.5million of other receivables (31 March 2019: RM5.3million).

Trade receivables decreased by RM10.2 million due to improve in collection from debtors and decrease in sales, while other receivables increase by RM0.2 million.

As at the date of this announcements, the Group has collected approximately RM11.4 million or 44.9% of the trade receivables as at 31 March 2020.

Non-current liabilities

Non-current liabilities comprised the non-current portion of borrowings, deferred tax liabilities and other payables. Non-current liabilities increased by RM0.2 million, or 4.5%, from RM5.2 million as at 31 March 2019 to RM5.4 million as at 31 March 2020. The increase in borrowings by RM0.8 million was mainly due to recognition of lease liabilities arising from adoption of SFRS(I) 16 that was partially offset by the decrease in deferred tax liabilities by RM0.4 million and other payables of RM 0.2 million.

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 2020, trade and other payables consisted of approximately RM10.0 million of trade payables (31 March 2019: RM10.9 million) and approximately RM1.8 million of other payable (31 March 2019: RM2.4 million).

The decrease in trade payables by RM0.9 million, or 8.3% was mainly due to reduction in purchases in line with decline in sales. The decrease in other payables by RM0.6 million, or 25.0% was mainly due to the decrease in the accrued expenses.

Current borrowings

Short term borrowings decreased by RM4.5 million, or 44.9% was due to repayment of banker's acceptance totalling RM5.2 million and partially offset by increase in lease liabilities of RM0.7 million arising from the adoption of SFRS(I) 16 and new lease arrangements entered during the year.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Net cash generated from operating activities

In FY2020, net cash generated from operating activities amounting to RM15.7 million, arising from operating cash flow before changes in working capital of RM13.5 million, changes in net working capital inflow of RM5.5million and being offset by net interest payment amounting to RM0.5 million and income tax payment of RM2.8 million

The net working capital inflow of RM5.5million comprised of lower trade and other receivable of RM6.9 million couple with lower level of inventories by another RM0.3 million but offset by the repayment of trade and other payables of RM1.7 million.

Net cash used in investing activities

In FY2020, we recorded a net cash outflow from investing activities of approximately RM3.0 million mainly due to additional cost of upgrading and renovation of factory and purchase of plant and machinery.

Net cash used in financing activities

In FY2020, we recorded a net cash outflow from financing activities of approximately RM8.3 million due to dividend paid in August 2019 which amounted to RM1.7 million, repayment of bank borrowing totalling RM 5.2 million, and repayment of lease liabilities of RM1.5 million.

As at 31 March 2020, the Group maintained a cash and cash equivalents balance of RM33.2 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 3 June 2020 issued a profit guidance and the results for FY2020 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.

The Board of Director of the Company expects the Group's operating environment and condition to be challenging for the next 12 months arising from the COVID-19 pandemic induced downturn and continued China-USA trade tensions that adversely impacted global trade. The Group's cash flows remain sustainable to meet its operating requirements. However, the Group will continue its efforts to tighten cost controls, enhance online and offline marketing activities, as well as develop new and innovative products to maintain its market competitiveness.

For the USA market, we are currently developing distribution channels for our products. However, the plan has been delayed 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	Final Dividend
Dividend Type	Cash
Dividend Rate	SGD 0.01 per ordinary share
Tax Rate	Tax exempt

The Group is declaring a higher dividend for the current FY2020 as compared to the prior financial year. This decision is arrived at after the Board considered, among other factors, the Group's FY2020 recorded 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 0.005 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 2020				
Segment revenue				
Sales to external customers	39,078	23,354	638	63,070
Segment profit	4,222	3,970	106	8,298
Other segment information				
Depreciation of property, plant and equipment	1,636	725	23	2,384
Segment assets	58,472	34,946	955	94,373
Unallocated assets				
- Deferred tax assets				695
- Fixed deposits				4,724
- Tax recoverable				1,116
Total assets				100,908
Segment assets include:				
Additions to non-current assets	3,715	2,220	61	5,996
Segment liabilities	7,380	4,411	121	11,912
Unallocated liabilities				
- Deferred tax liabilities				663
- Borrowings				10,170
- Tax payable				678
Total liabilities				23,423

	Paint - Standard RM'000	Paint - Premium RM'000	Maintenance and others RM'000	Group RM'000
31 March 2019				
Segment revenue				
Sales to external customers	37,439	34,292	874	72,605
Segment profit	5,416	7,793	271	13,480
Other segment information				
Depreciation of property, plant and equipment	936	654	64	1,654
Segment assets	50,995	46,707	1,189	98,891
Unallocated assets				
- Deferred tax assets				542
- Fixed deposits				2,124
- Tax recoverable				1,556
Total assets				103,113
Segment assets include:				
Additions to non-current assets	4,744	4,344	111	9,199
Segment liabilities	7,016	6,427	164	13,607
Unallocated liabilities				
- Deferred tax liabilities				1,074
- Borrowings				13,821
- Tax Payable				545
Total liabilities				29,047
By geographical segments				
	Sales to external customers		Non-current assets	
	FY2020 RM'000	FY2019 RM'000	FY2020 RM'000	FY2019 RM'000
Indonesia	31,457	38,948	-	-
Malaysia	22,211	24,738	26,617	23,515
Others	9,402	8,919	561	119
	63,070	72,605	27,178	23,634

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

FY2020 turnover declined 13.1% due to decrease in exports to Indonesian by 19.2% and Malaysia sales by 10.2% year-on-year even as other markets continued to grow 5.4% year-on-year.

Please refer to paragraph 8 above for more detailed review.

16. A breakdown of sales as follows:

The total dividend paid by the company in the respective financial year as follows:

	Group FY2020 RM'000	Group FY2019 RM'000	Group Increase / (Decrease) %
(a) Sales reported for first half year	28,443	38,376	(25.9)
(b) Operating profit after tax before deducting minority interests reported for first half year	3,171	7,706	(58.9)
(c) Sales reported for second half year	34,627	34,229	1.2
(d) Operating profit after tax before deducting minority interests reported for second half year	1,880	2,432	(22.7)

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:-

The total dividend paid by the company in the respective financial year as follows:

	FY2020 RM'000	FY2019 RM'000
Ordinary shares	1,656	1,966

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 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	(7,583)	2,017
Total	11,950	(9,933)	2,017

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

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

On 8 October 2019, the company has incorporated a wholly-owned subsidiary in Singapore. Please refer to the announcement dated 8 October 2019 for further details.

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	38	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

17 July 2020