



**SMART ASIA CHEMICAL BHD**

(Registration no.: 201901016953 (1326281-T))  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

**SMART ASIA CHEMICAL BHD**

(Registration no.: 201901016953 (1326281-T))

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2024 <sup>(1)</sup>**

	Note	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
		<b>Unaudited 31.3.2024 RM'000</b>	<b>Unaudited 31.3.2023<sup>(2)</sup> RM'000</b>	<b>Unaudited 31.3.2024 RM'000</b>	<b>Unaudited 31.3.2023<sup>(2)</sup> RM'000</b>
Revenue	A9	23,960	N/A	23,960	N/A
Cost of sales		<u>(16,083)</u>	<u>N/A</u>	<u>(16,083)</u>	<u>N/A</u>
Gross profit		7,877	N/A	7,877	N/A
Other income		3	N/A	3	N/A
Selling and distribution expenses		(2,796)	N/A	(2,796)	N/A
Administrative expenses		<u>(1,297)</u>	<u>N/A</u>	<u>(1,297)</u>	<u>N/A</u>
Operating profit		3,787	N/A	3,787	N/A
Finance costs		<u>(518)</u>	<u>N/A</u>	<u>(518)</u>	<u>N/A</u>
Profit before tax	B4	3,269	N/A	3,269	N/A
Income tax expense	B5	<u>(783)</u>	<u>N/A</u>	<u>(783)</u>	<u>N/A</u>
Profit after tax		<u>2,486</u>	<u>N/A</u>	<u>2,486</u>	<u>N/A</u>
Other comprehensive income		-	N/A	-	N/A
Total comprehensive income for the financial period		<u>2,486</u>	<u>N/A</u>	<u>2,486</u>	<u>N/A</u>

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2024 <sup>(1)</sup> (CONT'D)**

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Unaudited 31.3.2024 RM'000	Unaudited 31.3.2023 <sup>(2)</sup> RM'000	Unaudited 31.3.2024 RM'000	Unaudited 31.3.2023 <sup>(2)</sup> RM'000
Total comprehensive income/(loss) for the financial period attributable to:					
- Owners of the Company		2,503	N/A	2,503	N/A
- Non-controlling interest		(17)	N/A	(17)	N/A
		<u>2,486</u>	<u>N/A</u>	<u>2,486</u>	<u>N/A</u>
Earnings per share (sen) <sup>(3)</sup>	B7				
- Basic/diluted		<u>0.93</u>	<u>N/A</u>	<u>0.93</u>	<u>N/A</u>

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company in relation to its initial public offering ("**IPO**") dated 2nd May 2024 ("**Prospectus**") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report being announced in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). There are no comparative figures for the preceding year's corresponding quarter and period as there is no interim financial report prepared for the comparative quarter concerned.
- (3) Basic and diluted earnings per share ("**EPS**") is calculated based on the weighted average number of ordinary shares in issue in the Company ("**Shares**") of 268,906,874 Shares before the Public Issue (as defined in Note B10). Diluted EPS is equivalent to the basic EPS as the Company does not have any dilutive instruments at the end of the reporting period.

N/A - Not Applicable

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024<sup>(1)</sup>**

	Note	Unaudited 31.3.2024 RM'000	Audited 31.12.2023 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		73,584	73,027
Intangible asset		168	170
Deferred tax assets		124	140
<b>Total non-current assets</b>		<u>73,876</u>	<u>73,337</u>
<b>Current assets</b>			
Inventories		25,023	25,249
Current tax assets		365	365
Trade and other receivables		30,536	30,206
Contract assets		1,490	1,209
Cash and short-term deposits		3,986	5,922
<b>Total current assets</b>		<u>61,400</u>	<u>62,951</u>
<b>TOTAL ASSETS</b>		<u>135,276</u>	<u>136,288</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attribute to owners of the Group</b>			
Share capital		55,270	51,800
Reorganisation reserve		(29,253)	(25,783)
Retained earnings		45,207	42,704
		<u>71,224</u>	<u>68,721</u>
Non-controlling interest		33	50
<b>TOTAL EQUITY</b>		<u>71,257</u>	<u>68,771</u>
<b>Non-current liabilities</b>			
Loans and borrowings	B6	38,574	37,177
Deferred income		143	143
Deferred tax liabilities		648	458
<b>Total non-current liabilities</b>		<u>39,365</u>	<u>37,778</u>
<b>Current liabilities</b>			
Loans and borrowings	B6	4,049	4,314
Current tax liabilities		65	402
Trade and other payables		19,271	23,056
Contract liabilities		1,269	1,967
<b>Total current liabilities</b>		<u>24,654</u>	<u>29,739</u>
<b>TOTAL LIABILITIES</b>		<u>64,019</u>	<u>67,517</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>135,276</u>	<u>136,288</u>
<b>NET ASSETS PER SHARE (sen)<sup>(2)</sup></b>		25.79	27.02

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#### **Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is computed based on the number of Shares in issue of 254,500,010 Shares for the financial year ended 31.12.2023 and 276,350,420 Shares for the financial period ended 31.3.2024 before the Public Issue (as defined in Note B10).

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2024<sup>(1)(2)</sup>**

	<b>Share capital RM'000</b>	<b>Non- distributable Reorganisation reserve RM'000</b>	<b>Distributable Retained earnings RM'000</b>	<b>Total RM'000</b>	<b>Non-controlling interest RM'000</b>	<b>Total equity RM'000</b>
Balance as at 1 January 2024	51,800	(25,783)	42,704	68,721	50	68,771
Profit after tax/Total comprehensive income/(loss) for the financial period	-	-	2,503	2,503	(17)	2,486
<b>Transaction with owners</b>						
Adjustment pursuant to merger accounting	3,470	(3,470)	-	-	-	-
Balance as at 31 March 2024	<u>55,270</u>	<u>(29,253)</u>	<u>45,207</u>	<u>71,224</u>	<u>33</u>	<u>71,257</u>

**Note:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the comparative quarter concerned.

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2023<sup>(1)</sup>**

	<b>Unaudited Quarter Ended</b>	
	<b>31.3.2024</b>	<b>31.3.2023<sup>(2)</sup></b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	3,269	N/A
Adjustments for:		
Depreciation of property, plant and equipment	503	N/A
Amortisation of intangible assets	2	N/A
Finance costs	518	N/A
Operating profit before changes in working capital	4,292	N/A
Decrease in inventories	226	N/A
Increase in trade and other receivables	(330)	N/A
Decrease in trade and other payables	(2,507)	N/A
Contract assets	(281)	N/A
Contract liabilities	(698)	N/A
Cash generated from operations	702	N/A
Income tax paid	(914)	N/A
Interest paid	(17)	N/A
Net cash used in operating activities	(229)	N/A
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(719)	N/A
Net cash used in investing activities	(719)	N/A
<b>Cash flows from financing activities</b>		
Interest paid	(501)	N/A
Repayment of term loans	(195)	N/A
Drawdown of bankers' acceptance	1,860	N/A
Repayment of bankers' acceptance	(2,076)	N/A
Repayment of hire purchase payable	(50)	N/A
Repayment of lease liability	(26)	N/A
Net cash used in financing activities	(988)	N/A
<b>Net decrease in cash and cash equivalents</b>	(1,936)	N/A
Cash and cash equivalents at the beginning of the financial period	5,778	N/A
Cash and cash equivalents at the end of the financial period	3,842	N/A

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2024<sup>(1)</sup> (CONT'D)**

	<b>Unaudited Quarter Ended</b>	
	<b>31.3.2024</b>	<b>31.3.2023<sup>(2)</sup></b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash and cash equivalents at end of the financial period consist of:</b>		
Short-term deposits	144	N/A
Less: Pledged deposits	<u>(144)</u>	<u>N/A</u>
	-	N/A
Cash and bank balances	<u>3,842</u>	<u>N/A</u>
	<u><u>3,842</u></u>	<u><u>N/A</u></u>

**Notes:**

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 of the notes to this interim financial report and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the comparative quarter concerned.

N/A - Not Applicable



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### INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

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#### PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 - INTERIM FINANCIAL REPORTING

##### A1. Basis of Preparation

The interim financial report of Smart Asia Chemical Bhd ("**SAC**" or the "**Company**") and its subsidiaries (the "**Group**") is unaudited and have been prepared in accordance with the requirements of the Malaysian Financial Reporting Standard ("**MFRS**") 134: Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Securities.

This is the first interim financial report on the Company's consolidated results for the first quarter ended 31 March 2024 announced by the Company in compliance with the Listing Requirements of Bursa Securities. As such, there are no comparative figures for the preceding year's corresponding quarter.

This interim financial report should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

##### A2. Summary of Material Accounting Policies

The summary of material accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Accountants' Report as disclosed in the Prospectus except for the following amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

###### Effective for annual period beginning on or after 1 January 2024

Title		Effective Date
Amendments to MFRS 7	Financial Instruments: Disclosures	1 January 2024
Amendments to MFRS 16	Leases	1 January 2024
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2024
Amendments to MFRS 107	Statements of Cash Flows	1 January 2024

###### Effective for financial period beginning on or after 1 January 2025 and onwards

Title		Effective Date
Amendments to MFRS 121	The Effect of Change in Foreign Exchange Rates	1 January 2025
Amendments to MFRS 10	Consolidated Financial Statements	Deferred
Amendments to MFRS 128	Investment in Associates and Joint Ventures	Deferred

The Group will adopt the abovementioned standards, amendments or interpretations, if applicable, when they become effective in respective financial periods.

The initial application of the above standards is not expected to have any material impact to the financial statements of the Group upon adoption.

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#### A3. Auditors' Report on Preceding Annual Financial Statements

The audited consolidated financial statements of the Group for the financial year ended 31 December 2023 were not subject to any qualification.

#### A4. Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the current financial quarter under review and financial period-to-date.

#### A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review and financial period-to-date.

#### A6. Material Changes in Estimates and Judgements

There were no material changes in accounting estimates and judgements that have a material effect on the current financial quarter under review and financial period-to-date.

#### A7. Debts and Equity Securities

Save as disclosed below, there were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the current financial quarter under review and financial period-to-date.

On 19 June 2023, the Company had entered into a conditional share sale agreement for the following:

- (a) acquisition of the entire issued share capital of Smart Paint (Selangor) Sdn Bhd ("**Smart Paint (Selangor)**") comprising 650,000 ordinary shares from the shareholders of Smart Paint (Selangor) for a total purchase consideration of RM3,771,645 ("**Acquisition of Smart Paint (Selangor)**"). The purchase consideration was fully satisfied by the issuance of 18,858,225 new Shares at an issue price of RM0.20 per Share to the shareholders of Smart Paint (Selangor); and
- (b) acquisition of the entire issued share capital of Smart Paints (Sabah) Sdn Bhd ("**Smart Paints (Sabah)**") comprising 250,000 ordinary shares from the shareholders of Smart Paints (Sabah) for a total purchase consideration of RM598,437 ("**Acquisition of Smart Paints (Sabah)**"). The purchase consideration was fully satisfied by the issuance of 2,992,185 new Shares at an issue price of RM0.20 per Share to the shareholders of Smart Paints (Sabah).

The Acquisition of Smart Paint (Selangor) and Acquisition of Smart Paints (Sabah) were completed on 1 February 2024 and Smart Paint (Selangor) and Smart Paints (Sabah) became the wholly-owned subsidiaries of the Company.

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#### A8. Dividend Paid

There were no dividends paid during the current financial quarter under review and financial period-to-date.

#### A9. Segmental Information

The segmental analysis of Group's revenue is set out as follows:

##### (a) Revenue by business activities, products and services

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 31.3.2024 RM'000	Unaudited 31.3.2023 <sup>(1)</sup> RM'000	Unaudited 31.3.2024 RM'000	Unaudited 31.3.2023 <sup>(1)</sup> RM'000
Manufacturing Segment	21,859	N/A	21,859	N/A
Sale and Trading Segment	976	N/A	976	N/A
Others <sup>(2)</sup>	1,125	N/A	1,125	N/A
Total	23,960	N/A	23,960	N/A

##### (b) By geographical locations

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 31.3.2024 RM'000	Unaudited 31.3.2023 <sup>(1)</sup> RM'000	Unaudited 31.3.2024 RM'000	Unaudited 31.3.2023 <sup>(1)</sup> RM'000
Malaysia	21,709	N/A	21,709	N/A
Singapore	695	N/A	695	N/A
Brunei	815	N/A	815	N/A
Others <sup>(3)</sup>	741	N/A	741	N/A
Total	23,960	N/A	23,960	N/A

#### Notes:

- (1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the comparative quarter concerned.
- (2) Revenue generated from other business activities, products and services which comprise of disinfecting products, sales of Smart Colour POS Tinting Machines, maintenance services for Smart Colour POS Tinting Machines, and painting services.
- (3) Other geographical locations comprise of Indonesia, Myanmar and Vietnam.

N/A - Not Applicable

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#### A10. Material Capital Commitments

Save as disclosed below, there are no material capital commitments as at the date of this interim financial report except as below:

	RM'000
<b>Approved and contracted for:</b>	
Construction of Perak Plant	889
Painting works on Perak Plant	148
Purchase and commissioning of automated paint production system in Perak Plant	3,916
	<u>4,953</u>

#### A11. Significant related party transactions

The significant related party transactions of the Group are shown below:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 31.3.2024 RM'000	Unaudited 31.3.2023 <sup>(1)</sup> RM'000	Unaudited 31.3.2024 RM'000	Unaudited 31.3.2023 <sup>(1)</sup> RM'000
Sales of goods to entities in which person connected to a director has interests	1,691	N/A	1,691	N/A
Purchase of goods from entities in which person connected to a director has interests	34	N/A	34	N/A

#### **Notes:**

(1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the comparative quarter concerned.

N/A - Not Applicable

#### A12. Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment during the current quarter under review.

#### A13. Contingent Assets and Liabilities

There were no material contingent assets and liabilities as at the end of the interim financial period.

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#### **A14. Fair value of financial instruments**

There were no gain or loss arising from fair value changes of financial assets and liabilities for the current financial quarter under review.

#### **A15. Changes in Composition of the Group**

Save for the completion of Acquisition of Smart Paint (Selangor) and Acquisition of Smart Paints (Sabah) on 1 February 2024, there were no material changes in the composition of the Group during the current financial quarter under review.

#### **A16. Significant Events Occurring After the Financial Period**

There were no significant events subsequent to the end of the current financial period under review that have not been reflected in this interim financial report.

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#### **PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES**

##### **B1. Review of financial performance for current and cumulative quarter ended 31 March 2024**

The Group recorded a revenue of RM23.96 million for the individual quarter and cumulative quarter of 3 months period ended 31 March 2024 ("**1Q2024**"). The revenue of the Group was mainly attributable to the revenue from our manufacturing segment amounting to RM21.86 million, representing 91.23% of the Group's total revenue.

The Group registered PBT and PAT of RM3.27 million and RM2.49 million, respectively in 1Q2024, with a PBT margin of 13.64% and PAT margin of 10.38%, respectively.

No comparative figures for the preceding year's corresponding quarter are available as this is the first interim financial report on the consolidated results for the first quarter ended 31 March 2024 announced by the Company in compliance with the Listing Requirements.

##### **B2. Commentary on Prospects**

The demand for paints and coatings in Malaysia is driven by the recovery of the construction industry, which is rebounding following the economic recovery after the COVID-19 pandemic. Looking ahead, the construction industry in Malaysia is expected to continue expanding, driven by the government's continuous efforts to promote infrastructure development, consequently stimulating growth in the paints and coatings industry. The market size for the paints and coatings industry in Malaysia is anticipated to increase from RM13.72 billion in 2023 to RM15.28 billion in 2025, representing a compound annual growth rate (CAGR) of 5.53% from year 2023 to 2025.

Our Perak Plant has commenced its commercial operation in May 2024. The Perak Plant was established to streamline our manufacturing operations as well as to increase our manufacturing capacity as our existing manufacturing facilities in Johor have reached maximum capacity. It is equipped with an automated paint production system which are expected to reduce our dependency on human operators. It's strategic location near the calcium carbonate source is expected to reduce production lead time and overheads, while also facilitating the expansion of our customer base in the Central and Northern regions of Malaysia. We will leverage the expanded manufacturing capacity to expand our offerings on the provision of Original Design Manufacturing ("**ODM**") services to our ODM customers.

We will continue to expand our network of dealers, aiming to secure 800 new dealers between 2024 to 2026. Over these 3 years, we plan to purchase an additional 250 sets of Smart Colour POS Tinting Machines which will be distributed locally to both new and existing wholesalers and dealers, with the anticipation that this will further drive the sales of our products.

With promising growth prospects in the paints and coatings industry, driven by the construction industry in Malaysia, the Board is optimistic that our Group's expansion plan, combined with our sales and marketing strategy, will contribute positively to the Group's future performance.

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#### B3. Profit Forecast and Profit Guarantee

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement during the current financial quarter under review.

#### B4. Profit before Tax

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 31.3.2024 RM'000	Unaudited 31.3.2023 <sup>(1)</sup> RM'000	Unaudited 31.3.2024 RM'000	Unaudited 31.3.2023 <sup>(1)</sup> RM'000
<b>Profit before tax is arrived at after charging:</b>				
Auditors' remuneration				
- current year	8	N/A	8	N/A
Depreciation of property, plant and equipment	503	N/A	503	N/A
Amortisation of intangible assets	2	N/A	2	N/A
Finance costs				
- bankers' acceptance interest	32	N/A	32	N/A
- overdraft interest	17	N/A	17	N/A
- term loan interest	467	N/A	467	N/A
- lease liabilities interest	1	N/A	1	N/A
- hire purchase interest	1	N/A	1	N/A
Listing expenses	107	N/A	107	N/A
Unrealised foreign exchange loss	77	N/A	77	N/A
Realised foreign exchange loss	3	N/A	3	N/A

#### **Notes:**

- (1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the comparative quarter concerned.

N/A - Not Applicable

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024****B5. Income tax expense**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 31.3.2024 RM'000	Unaudited 31.3.2023 <sup>(1)</sup> RM'000	Unaudited 31.3.2024 RM'000	Unaudited 31.3.2023 <sup>(1)</sup> RM'000
Income tax expense:				
- Current financial period	783	N/A	783	N/A
Effective tax rate	23.95%	N/A	23.95%	N/A
Statutory tax rate	24.00%	N/A	24.00%	N/A

**Notes:**

- (1) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the comparative quarter concerned.

N/A - Not Applicable

**B6. Loans and Borrowings**

	Unaudited 31.3.2024 RM'000	Audited 31.12.2023 RM'000
<b>Current</b>		
Term loans	875	866
Hire purchase payables	195	201
Bankers' acceptance	2,964	3,180
Lease liabilities	15	67
	<u>4,049</u>	<u>4,314</u>
<b>Non-current</b>		
Term loans	38,477	37,062
Hire purchase payables	45	89
Lease liabilities	52	26
	<u>38,574</u>	<u>37,177</u>
<b>Total loans and borrowings</b>	<u>42,623</u>	<u>41,491</u>



## SMART ASIA CHEMICAL BHD

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(Incorporated in Malaysia)

### INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

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#### B7. Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 31.3.2024	Unaudited 31.3.2023 <sup>(1)</sup>	Unaudited 31.3.2024	Unaudited 31.3.2023 <sup>(1)</sup>
Profit attributable to owners of the Company (RM'000)	2,503	N/A	2,503	N/A
Weighted average number of Shares	268,906,874	N/A	268,906,874	N/A
Basic/Diluted EPS (sen)	0.93	N/A	0.93	N/A

#### B8. Material Litigation

The Group was not engaged in any material litigation as at the date of this interim financial report.

#### B9. Dividend Proposed or Declared

No dividend has been proposed or declared by the Board of Directors of the Company during the current financial quarter under review and financial period-to-date.

#### B10. Status of Corporate Proposals and Use of Proceeds

Save as disclosed below, there were no other corporate proposals announced by the Company but pending completion as at the date of this interim financial report.

On 2 May 2024, the Company issued the Prospectus for the IPO in conjunction with its listing and quotation on the ACE Market of Bursa Securities ("**Listing**") comprising a public issue of 93,500,000 new Shares at an issue price of RM0.40 per Share ("**Public Issue**") allocated in the following manner:

- 18,492,600 new Shares made available for application by the Malaysian public;
- 12,100,000 new Shares made available for application by the eligible directors and employees as well as persons who have contributed to the success of the Group;
- 46,231,400 new Shares by way of private placement to selected Bumiputera investors approved by the Ministry of Investment, Trade and Industry of Malaysia; and
- 16,676,000 new Shares by way of private placement to selected investors.

The Listing is expected to be completed on 28 May 2024.

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The gross proceeds of approximately RM37.40 million to be raised from the IPO are intended to be utilised in the following manner:

<b>Details of use of proceeds</b>	<b>Amount of proceeds</b>		<b>Estimated timeframe for utilisation from the date of Listing</b>
	<b>RM'000</b>	<b>%</b>	
(a) Establishment of Perak Plant:			
(i) Construction of Perak Plant	16,000	42.78	Within 12 months
(ii) Purchase and commissioning of automated paint production system	11,000	29.41	Within 12 months
(b) Purchase of 250 sets of Smart Colour POS Tinting Machine	5,000	13.37	Within 36 months
(c) Working capital	1,300	3.48	Within 12 months
(d) Estimated listing expenses	4,100	10.96	Within 1 month
<b>Total</b>	<b>37,400</b>	<b>100.00</b>	

The utilisation of proceeds as disclosed above shall be read in conjunction with the Prospectus. As at the date of this interim financial report, the IPO is pending completion, and therefore, the proceeds have yet to be raised and utilised.

**BY ORDER OF THE BOARD**  
**SMART ASIA CHEMICAL BHD**  
**23 May 2024**