



**SMART ASIA CHEMICAL BHD**

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

**INTERIM FINANCIAL REPORT**

**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**SMART ASIA CHEMICAL BHD**

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 <sup>(1)</sup>**

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Unaudited 30.9.2024 RM'000	Unaudited 30.9.2023 <sup>(2)</sup> RM'000	Unaudited 30.9.2024 RM'000	Unaudited 30.9.2023 <sup>(2)</sup> RM'000
Revenue	A9	23,935	N/A	67,310	N/A
Cost of sales		<u>(17,723)</u>	<u>N/A</u>	<u>(48,731)</u>	<u>N/A</u>
Gross profit		6,212	N/A	18,579	N/A
Other income		51	N/A	57	N/A
Selling and distribution expenses		(3,873)	N/A	(10,698)	N/A
Administrative expenses		(1,709)	N/A	(5,427)	N/A
Other operating expenses		<u>(127)</u>	<u>N/A</u>	<u>(282)</u>	<u>N/A</u>
Operating profit		554	N/A	2,229	N/A
Finance income		13	N/A	19	N/A
Finance costs		<u>(173)</u>	<u>N/A</u>	<u>(1,229)</u>	<u>N/A</u>
Profit before tax ("PBT")	B4	394	N/A	1,019	N/A
Income tax credit	B5	<u>261</u>	<u>N/A</u>	<u>3,743</u>	<u>N/A</u>
Profit after tax		<u>655</u>	<u>N/A</u>	<u>4,762</u>	<u>N/A</u>
Other comprehensive income		-	N/A	-	N/A
Total comprehensive income for the financial period		<u>655</u>	<u>N/A</u>	<u>4,762</u>	<u>N/A</u>

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 <sup>(1)</sup> (CONT'D)**

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Unaudited 30.9.2024 RM'000	Unaudited 30.9.2023 <sup>(2)</sup> RM'000	Unaudited 30.9.2024 RM'000	Unaudited 30.9.2023 <sup>(2)</sup> RM'000
Total comprehensive income/(loss) for the financial period attributable to:					
- Owners of the Company		675	N/A	4,822	N/A
- Non-controlling interest		(20)	N/A	(60)	N/A
		<u>655</u>	<u>N/A</u>	<u>4,762</u>	<u>N/A</u>
Earnings per share (sen) <sup>(3)</sup>	B7				
- Basic/diluted		<u>0.18</u>	<u>N/A</u>	<u>1.52</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 2 May 2024 ("**Prospectus**") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the third 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**") (as disclosed in Note B7). 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 THIRD QUARTER ENDED 30 SEPTEMBER 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024<sup>(1)</sup>**

	Note	Unaudited 30.9.2024 RM'000	Audited 31.12.2023 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		77,978	73,027
Intangible asset		155	170
Deferred tax assets		7,375	140
<b>Total non-current assets</b>		<u>85,508</u>	<u>73,337</u>
<b>Current assets</b>			
Inventories		22,953	25,249
Current tax assets		1,615	365
Trade and other receivables		31,703	30,206
Contract assets		1,219	1,209
Cash and short-term deposits		12,015	5,922
<b>Total current assets</b>		<u>69,505</u>	<u>62,951</u>
<b>TOTAL ASSETS</b>		<u>155,013</u>	<u>136,288</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attribute to owners of the Group</b>			
Share capital		91,326	51,800
Reorganisation reserve		(29,253)	(25,783)
Retained earnings		47,526	42,704
		109,599	68,721
Non-controlling interest		(10)	50
<b>TOTAL EQUITY</b>		<u>109,589</u>	<u>68,771</u>
<b>Non-current liabilities</b>			
Loans and borrowings	B6	15,912	37,177
Deferred income		446	143
Deferred tax liabilities		2,726	458
<b>Total non-current liabilities</b>		<u>19,084</u>	<u>37,778</u>
<b>Current liabilities</b>			
Loans and borrowings	B6	2,658	4,314
Current tax liabilities		32	402
Trade and other payables		21,685	23,056
Contract liabilities		1,965	1,967
<b>Total current liabilities</b>		<u>26,340</u>	<u>29,739</u>
<b>TOTAL LIABILITIES</b>		<u>45,424</u>	<u>67,517</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>155,013</u>	<u>136,288</u>
<b>NET ASSETS PER SHARE (sen)<sup>(2)</sup></b>		29.63	27.02

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### **INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

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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 December 2023 and 369,850,420 Shares for the financial period ended 30 September 2024 after the Public Issue (as defined in Note B10).

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024<sup>(1)(2)</sup>**

	<b>Share capital RM'000</b>	<b><u>Non- distributable</u> Reorganisation reserve RM'000</b>	<b><u>Distributable</u> 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	-	-	4,822	4,822	(60)	4,762
<b>Transaction with owners</b>						
Adjustment pursuant to merger accounting	3,470	(3,470)	-	-	-	-
Public issue	37,400	-	-	37,400	-	37,400
Share issuance expenses for listing	(1,344)	-	-	(1,344)	-	(1,344)
Balance as at 30 September 2024	<u>91,326</u>	<u>(29,253)</u>	<u>47,526</u>	<u>109,599</u>	<u>(10)</u>	<u>109,589</u>

**Notes:**

- (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 third 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 THIRD QUARTER ENDED 30 SEPTEMBER 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024<sup>(1)</sup>**

	<b>Unaudited Quarter Ended 30.9.2024 RM'000</b>	<b>30.9.2023<sup>(2)</sup> RM'000</b>
<b>Cash flows from operating activities</b>		
PBT	1,019	N/A
Adjustments for:		
Depreciation of property, plant and equipment	2,232	N/A
Gain on disposal of property, plant and equipment	(30)	N/A
Amortisation of intangible assets	15	N/A
Impairment loss on trade receivables	279	N/A
Bad debts recovery	(3)	N/A
Finance costs	1,229	N/A
Interest income	(19)	N/A
Operating profit before changes in working capital	4,722	N/A
Decrease in inventories	2,296	N/A
Increase in trade and other receivables	(1,773)	N/A
Decrease in trade and other payables	(5,146)	N/A
Increase in contract assets	(10)	N/A
Decrease in contract liabilities	(2)	N/A
Cash generated from operations	87	N/A
Income tax paid	(2,846)	N/A
Income tax refund	2	N/A
Interest paid	(29)	N/A
Net cash used in operating activities	(2,786)	N/A
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,364)	N/A
Proceed from disposal of property, plant and equipment	30	N/A
Placement of fixed deposits	(7,111)	N/A
Proceeds from government grants related to assets	303	N/A
Interest received	19	N/A
Net cash used in investing activities	(10,123)	N/A
<b>Cash flows from financing activities</b>		
Interest paid	(1,200)	N/A
Repayment of term loans	(21,147)	N/A
Drawdown of bankers' acceptance	5,299	N/A
Repayment of bankers' acceptance	(6,890)	N/A
Repayment of hire purchase payable	(151)	N/A
Repayment of lease liability	(76)	N/A
Proceeds from issuance of new ordinary share, net	36,056	N/A
Net cash from financing activities	11,891	N/A
<b>Net decrease in cash and cash equivalents</b>	(1,018)	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	4,760	N/A

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024<sup>(1)</sup> (CONT'D)**

	<b>Unaudited Quarter Ended</b>	
	<b>30.9.2024</b>	<b>30.9.2023<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	7,255	N/A
Less: Pledged deposits	<u>(7,255)</u>	<u>N/A</u>
	-	N/A
Cash and bank balances	<u>4,760</u>	<u>N/A</u>
	<u>4,760</u>	<u>N/A</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 third 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 THIRD QUARTER ENDED 30 SEPTEMBER 2024

#### 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 third interim financial report on the Company's consolidated results for the third quarter ended 30 September 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 7	Financial Instruments: Disclosures	1 January 2026
Amendments to MFRS 9	Financial Instruments	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
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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### **INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

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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**

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the current financial quarter under review.

#### **A8. Dividend Paid**

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

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024****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 30.9.2024 RM'000	Unaudited 30.9.2023 <sup>(1)</sup> RM'000	Unaudited 30.9.2024 RM'000	Unaudited 30.9.2023 <sup>(1)</sup> RM'000
Manufacturing Segment	22,167	N/A	62,132	N/A
Sale and Trading Segment	1,006	N/A	2,831	N/A
Others <sup>(2)</sup>	762	N/A	2,347	N/A
Total	23,935	N/A	67,310	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 30.9.2024 RM'000	Unaudited 30.9.2023 <sup>(1)</sup> RM'000	Unaudited 30.9.2024 RM'000	Unaudited 30.9.2023 <sup>(1)</sup> RM'000
Malaysia	21,268	N/A	59,377	N/A
Singapore	701	N/A	2,542	N/A
Brunei	652	N/A	2,258	N/A
Others <sup>(3)</sup>	1,314	N/A	3,133	N/A
Total	23,935	N/A	67,310	N/A

**Notes:**

- (1) This is the third 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, Vietnam and Cambodia.

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>	
Purchase of property	7,650
Purchase of plant and machinery	561
	<u>8,211</u>

#### A11. Significant related party transactions

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 30.9.2024 RM'000	Unaudited 30.9.2023 <sup>(1)</sup> RM'000	Unaudited 30.9.2024 RM'000	Unaudited 30.9.2023 <sup>(1)</sup> RM'000
Sales of goods to entities in which person connected to a director has interests	1,591	N/A	4,605	N/A
Purchase of goods from entities in which person connected to a director has interests	38	N/A	111	N/A

#### **Notes:**

- (1) This is the third 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

The Group has not carried out any valuation on its property, plant and equipment during the financial period.

#### 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**

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 quarter ended 30 September 2024 ("Q3FY2024") and immediate preceding quarter ended 30 June 2024 ("Q2FY2024")

	<b>Q3FY2024</b>	<b>Q2FY2024</b>	<b>Variance</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	23,935	19,415	4,520	23.28
Gross profit	6,212	4,490	1,722	38.35
Gross profit margin (%)	25.95	23.13	N/A	N/A
PBT/(LBT)	394	(2,644)	3,038	114.90

The Group recorded revenue of RM23.94 million in Q3FY2024 and RM19.42 million in Q2FY2024, respectively. This represents an increase of RM4.52 million or 23.28%, primarily attributable to a stronger market demand from local dealers.

The Group recorded a gross profit of RM6.21 million in Q3FY2024, compared to RM4.49 million in Q2FY2024, marking an increase of RM1.72 million or 38.35%. The gross profit margin improved from 23.13% in Q2FY2024 to 25.95% in Q3FY2024. This improvement was mainly due to the absence of inventory adjustments for discontinued products which increased the overall cost of sales in Q2FY2024.

The Group reported a PBT of RM0.39 million for Q3FY2024, compared to LBT of RM2.64 million for Q2FY2024. After excluding the one-off non-recurring listing expenses of RM1.21 million, the adjusted LBT for Q2FY2024 would be RM1.44 million. The increase from LBT to PBT in Q3FY2024 was mainly resulted from the increase in gross profit in the quarter.

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

The paints and coatings industry in Malaysia continues to thrive, bolstered by the ongoing rebound in the construction sector. 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. This is evidenced by data from the Department of Statistics Malaysia (DOSM), which shows that the value of construction work completed surged by 22.9% in the third quarter of 2024 compared to the previous quarter, reaching RM41.81billion.

Our Perak Plant, which began commercial operations in May 2024, is currently in the low-volume mass production phase as we work to introduce new product types and evaluate its full capacity. We are confident that the Perak Plant's automated paint production system will significantly improve operational efficiency and expand manufacturing capacity, helping to overcome the constraints of our factories in Johor, which have reached full capacity.

We remain on track to expand our dealer network with a target of adding 800 new dealers between 2024 and 2026. As of the third quarter of 2024, we have acquired 27 sets out of the targeted 250 sets of Smart Colour POS Tinting Machines to be distributed to our wholesalers and dealers. This early progress positions us well to continue expanding our network of wholesalers and dealers, driving product sales, and strengthening our market presence over the coming years. In this quarter, we launched the "Negara Ku Jenama Ku" campaign, designed to promote locally produced paint brands and position Smart Paints as a leading local brand. This initiative encourages support for local businesses, and we are confident it will drive consumer loyalty while further strengthening our market position.

Given the favorable market conditions and the Group's strategic initiatives, including the ongoing expansion of our dealer network and the enhancement of our manufacturing capabilities, supported by the growth of Malaysia's construction sector, the Board maintains a positive outlook on 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 30.9.2024 RM'000	Unaudited 30.9.2023 <sup>(1)</sup> RM'000	Unaudited 30.9.2024 RM'000	Unaudited 30.9.2023 <sup>(1)</sup> RM'000
<b>Profit before tax is arrived at after charging/(crediting):</b>				
Auditors' remuneration				
- current year	112	N/A	136	N/A
Depreciation of property, plant and equipment	1,013	N/A	2,232	N/A
Impairment loss on trade receivables	124	N/A	279	N/A
Amortisation of intangible assets	5	N/A	15	N/A
Finance costs				
- bankers' acceptance interest	36	N/A	104	N/A
- overdraft interest	-	N/A	29	N/A
- term loan interest	135	N/A	1,091	N/A
- lease liabilities interest	1	N/A	2	N/A
- hire purchase interest	1	N/A	3	N/A
Listing expenses	-	N/A	1,314	N/A
Interest income	(13)	N/A	(19)	N/A
Bad debts recovery	(3)	N/A	(3)	N/A
Unrealised foreign exchange (gain)/loss	(17)	N/A	46	N/A
Realised foreign exchange (gain)/loss	(27)	N/A	33	N/A
Gain on disposal of property, plant and equipment	(30)	N/A	(30)	N/A

#### Notes:

- (1) This is the third 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



**SMART ASIA CHEMICAL BHD**

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024****B5. Income tax**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 30.9.2024 RM'000	Unaudited 30.9.2023 <sup>(1)</sup> RM'000	Unaudited 30.9.2024 RM'000	Unaudited 30.9.2023 <sup>(1)</sup> RM'000
Income tax expense/(credit):				
- Current tax	(185)		1,050	
- Prior year tax	174	N/A	174	N/A
- Deferred tax	(250)	N/A	(4,967)	N/A
Total income tax credit	(261)	N/A	(3,743)	N/A
Effective tax rate (%)	(66.24)	N/A	(367.32)	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

**Notes:**

- (1) This is the third 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) For the current quarter ended 30 September 2024, the effective tax rate was a credit of 66.24%, mainly due to a decrease in deferred tax liability of approximately RM0.19 million, as a result of increased depreciation expenses for the quarter.

For the cumulative quarter ended 30 September 2024, the effective tax rate was a credit of 367.32%, mainly due to the recognition of deferred tax assets relating to the reinvestment allowance of approximately RM4.20 million following the commencement of operations at the Perak plant.

N/A - Not Applicable

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024****B6. Loans and Borrowings**

	<b>Unaudited 30.9.2024 RM'000</b>	<b>Audited 31.12.2023 RM'000</b>
<b>Current</b>		
Term loans	893	866
Hire purchase payables	139	201
Bankers' acceptance	1,589	3,180
Lease liabilities	37	67
	<u>2,658</u>	<u>4,314</u>
<b>Non-current</b>		
Term loans	15,888	37,062
Hire purchase payables	-	89
Lease liabilities	24	26
	<u>15,912</u>	<u>37,177</u>
<b>Total loans and borrowings</b>	<u>18,570</u>	<u>41,491</u>

**B7. Earnings per share**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Unaudited 30.9.2024</b>	<b>Unaudited 30.9.2023<sup>(1)</sup></b>	<b>Unaudited 30.9.2024</b>	<b>Unaudited 30.9.2023<sup>(1)</sup></b>
Profit attributable to owners of the Company (RM'000)	675	N/A	4,822	N/A
Weighted average number of Shares	369,850,420	N/A	316,874,644	N/A
Basic/Diluted EPS (sen)	0.18	N/A	1.52	N/A

**Notes:**

- (1) This is the third 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

**B8. Material Litigation**

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

## SMART ASIA CHEMICAL BHD

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### INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

#### 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 corporate proposal which has been completed, there were no other corporate proposals announced by the Company but pending completion as at the date of this interim financial report.

On 28 May 2024, the enlarged issued share capital of the Company comprising 369,850,420 shares was listed and quoted on the ACE Market of Bursa Securities.

The Company had raised gross proceeds of RM37.40 million from the IPO. As at 30 September 2024, the status of utilisation of the IPO proceeds are as follows:

Details of use of proceeds	Proposed Utilisation (RM'000)	Amount Utilised (RM'000)	Balance Unutilised (RM'000)	Estimated timeframe for use from the date of Listing
(a) Establishment of Perak Plant:				
(i) Construction of Perak Plant	16,000	16,000	-	Within 12 months
(ii) Purchase and commissioning of automated paint production system	11,000	9,376	1,624	Within 12 months
(b) Purchase of 250 sets of Smart Colour POS Tinting Machine	5,000	444	4,556	Within 36 months
(c) Working capital	1,300	1,300	-	Within 12 months
(d) Listing expenses	4,100	4,100	-	Within 1 month
<b>Total</b>	<b>37,400</b>	<b>31,220</b>	<b>6,180</b>	

By Order Of The Board  
SMART ASIA CHEMICAL BHD  
25 November 2024