



SMART ASIA CHEMICAL BHD

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

INTERIM FINANCIAL REPORT

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024 ⁽¹⁾**

	Note	QUARTER ENDED		YEAR ENDED	
		Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023⁽²⁾ RM'000	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023⁽²⁾ RM'000
Revenue	A9	26,288	N/A	93,598	N/A
Cost of sales		(17,789)	N/A	(66,520)	N/A
Gross profit		8,499	N/A	27,078	N/A
Other income		124	N/A	181	N/A
Selling and distribution expenses		(4,300)	N/A	(14,998)	N/A
Administrative expenses		(1,679)	N/A	(7,106)	N/A
Other operating expenses		(256)	N/A	(538)	N/A
Operating profit		2,388	N/A	4,617	N/A
Finance income		35	N/A	54	N/A
Finance costs		(179)	N/A	(1,408)	N/A
Profit before tax ("PBT")	B4	2,244	N/A	3,263	N/A
Income tax (expense)/benefit	B5	(424)	N/A	3,319	N/A
Profit after tax		1,820	N/A	6,582	N/A
Other comprehensive income		-	N/A	-	N/A
Total comprehensive income for the financial period/year		1,820	N/A	6,582	N/A

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024 ⁽¹⁾ (CONT'D)**

	Note	QUARTER ENDED		YEAR ENDED	
		Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023⁽²⁾ RM'000	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023⁽²⁾ RM'000
Total comprehensive income/(loss) for the financial period/year attributable to:					
- Owners of the Company		1,840	N/A	6,662	N/A
- Non-controlling interest		(20)	N/A	(80)	N/A
		<u>1,820</u>	<u>N/A</u>	<u>6,582</u>	<u>N/A</u>
Earnings per share (sen) ⁽³⁾	B7				
- Basic/diluted		<u>0.50</u>	<u>N/A</u>	<u>2.02</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 fourth 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 corresponding quarter and year-to-date as there is no interim financial report prepared for the comparative period 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

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024⁽¹⁾**

	Note	Unaudited 31.12.2024 RM'000	Audited 31.12.2023 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		78,662	73,027
Intangible asset		150	170
Deferred tax assets		7,418	140
Total non-current assets		86,230	73,337
Current assets			
Inventories		24,108	25,249
Current tax assets		1,407	365
Trade and other receivables		31,460	30,206
Contract assets		1,357	1,209
Cash and short-term deposits		13,981	5,922
Total current assets		72,313	62,951
TOTAL ASSETS		158,543	136,288
EQUITY AND LIABILITIES			
Equity attribute to owners of the Group			
Share capital		91,326	51,800
Reorganisation reserve		(29,253)	(25,783)
Retained earnings		49,366	42,704
		111,439	68,721
Non-controlling interest		(30)	50
TOTAL EQUITY		111,409	68,771
Non-current liabilities			
Loans and borrowings	B6	15,157	37,177
Deferred income		443	143
Deferred tax liabilities		2,704	458
Total non-current liabilities		18,304	37,778
Current liabilities			
Loans and borrowings	B6	3,910	4,314
Current tax liabilities		123	402
Trade and other payables		22,450	23,056
Contract liabilities		2,347	1,967
Total current liabilities		28,830	29,739
TOTAL LIABILITIES		47,134	67,517
TOTAL EQUITY AND LIABILITIES		158,543	136,288
NET ASSETS PER SHARE (sen)⁽²⁾			
		30.12	27.02

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

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 enlarged issued Shares of 369,850,420 Shares after taking into account of the following:-
 - (a) the then issued share capital of the Company 254,500,010 Shares;
 - (b) the aggregated 21,850,410 Shares issued pursuant to the acquisition of Smart Paints (Sabah) Sdn Bhd of 18,858,225 Shares and Smart Paint (Selangor) Sdn Bhd of 2,992,185 Shares ("**Acquisitions**"); and
 - (c) the public issue of 93,500,000 new Shares ("**Public Issue**") in conjunction with the IPO.

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024⁽¹⁾⁽²⁾**

	Share capital RM'000	<u>Non- distributable</u> Reorganisation reserve RM'000	<u>Distributable</u> Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
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 year	-	-	6,662	6,662	(80)	6,582
Transaction with owners						
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 31 December 2024	91,326	(29,253)	49,366	111,439	(30)	111,409

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 fourth interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative period concerned.

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024⁽¹⁾**

	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023⁽²⁾ RM'000
Cash flows from operating activities		
PBT	3,263	N/A
Adjustments for:		
Depreciation of property, plant and equipment	3,165	N/A
Gain on disposal of property, plant and equipment	(30)	N/A
Amortisation of intangible assets	20	N/A
Reversal of impairment loss on trade receivables	(111)	N/A
Impairment loss on trade receivables	525	N/A
Bad debts recovery	(3)	N/A
Inventories written down	85	N/A
Finance costs	1,408	N/A
Interest income	(54)	N/A
Operating profit before changes in working capital	8,268	N/A
Decrease in inventories	1,056	N/A
Increase in trade and other receivables	(1,665)	N/A
Decrease in trade and other payables	(4,368)	N/A
Increase in contract assets	(148)	N/A
Decrease in contract liabilities	380	N/A
Cash generated from operations	3,523	N/A
Income tax paid	(3,163)	N/A
Income tax refund	115	N/A
Interest paid	(29)	N/A
Interest received	54	N/A
Net cash generated from operating activities	500	N/A
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,565)	N/A
Proceeds from disposal of PPE	30	N/A
Proceeds from government grants related to assets	300	N/A
Net cash used in investing activities	(4,235)	N/A
Cash flows from financing activities		
Interest paid	(1,379)	N/A
Repayment of term loans	(22,199)	N/A
Drawdown of bankers' acceptance	6,956	N/A
Repayment of bankers' acceptance	(7,347)	N/A
Repayment of hire purchase payable	(215)	N/A
Repayment of lease liability	(78)	N/A
Proceeds from issuance of new ordinary share, net	36,056	N/A
Net cash from financing activities	11,794	N/A

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024⁽¹⁾ (CONT'D)**

	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023⁽²⁾ RM'000
Net decrease in cash and cash equivalents	8,059	N/A
Cash and cash equivalents at the beginning of the financial year	5,778	N/A
Cash and cash equivalents at the end of the financial year	<u>13,837</u>	<u>N/A</u>
Cash and cash equivalents at end of the financial year consist of:		
Short-term deposits	6,429	N/A
Less: Pledged deposits	(144)	N/A
	6,285	N/A
Cash and bank balances	<u>7,552</u>	<u>N/A</u>
	<u>13,837</u>	<u>N/A</u>

Note:

- (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 fourth interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative period concerned.

N/A - Not Applicable

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 MFRS 134: Interim Financial Reporting and Appendix 9B of the Listing Requirements of Bursa Securities.

This is the fourth interim financial report on the Company's consolidated results for the fourth quarter ended 31 December 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
Amendments to MFRS 16	Leases
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 107	Statements of Cash Flows
	1 January 2024
	1 January 2024
	1 January 2024
	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
Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 107	Statements of Cash Flows
Amendments to MFRS 10	Consolidated Financial Statements
	1 January 2025
	1 January 2026
	1 January 2026
	1 January 2026
	1 January 2026/Deferred
MFRS 18	Presentation and Disclosure in Financial Statements
	1 January 2027
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.

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

A3. Auditors' Report on Preceding Annual Financial Statements

The audited 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.

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.

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.

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.

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**A9. Segmental Information**

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

(a) Revenue by business activities, products and services

	QUARTER ENDED		YEAR ENDED	
	Unaudited 31.12.2024	Unaudited 31.12.2023⁽¹⁾	Unaudited 31.12.2024	Unaudited 31.12.2023⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Manufacturing Segment	23,867	N/A	85,999	N/A
Sale and Trading Segment	1,418	N/A	4,249	N/A
Others ⁽²⁾	1,003	N/A	3,350	N/A
Total	26,288	N/A	93,598	N/A

(b) Revenue by geographical locations

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

	QUARTER ENDED		YEAR ENDED	
	Unaudited 31.12.2024	Unaudited 31.12.2023⁽¹⁾	Unaudited 31.12.2024	Unaudited 31.12.2023⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Malaysia	20,849	N/A	80,226	N/A
Myanmar	3,463	N/A	4,694	N/A
Singapore	915	N/A	3,457	N/A
Brunei	486	N/A	2,744	N/A
Others ⁽³⁾	575	N/A	2,477	N/A
Total	26,288	N/A	93,598	N/A

Notes:

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

N/A - Not Applicable

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**A10. Material Capital Commitments**

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

	RM'000
Approved and contracted for:	
Purchase of property	7,650
Purchase of plant and machinery	339
Renovation works in Perak Plant	100
	<u>8,089</u>

A11. Significant related party transactions

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

	<u>QUARTER ENDED</u>		<u>YEAR ENDED</u>	
	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023⁽¹⁾ RM'000	Unaudited 31.12.2024 RM'000	Unaudited 31.12.2023⁽¹⁾ RM'000
Sales of goods to entities in which person connected to a director has interests	1,304	N/A	5,909	N/A
Purchase of goods from entities in which person connected to a director has interests	28	N/A	139	N/A

Notes:

- (1) This is the fourth interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative period 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 year.

A13. Contingent Assets and Liabilities

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

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

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 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 quarter under review that have not been reflected in this interim financial report.

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES****B1. Review of financial performance for current quarter ended 31 December 2024 ("Q4FY2024") and immediate preceding quarter ended 30 September 2024 ("Q3FY2024")**

	Q4FY2024	Q3FY2024	Variance	
	RM'000	RM'000	RM'000	%
Revenue	26,288	23,935	2,353	9.83
Gross profit	8,499	6,212	2,287	36.82
Gross profit margin (%)	32.33	25.95	N/A	N/A
PBT	2,244	394	1,850	469.54

The Group recorded revenue of RM26.29 million in Q4FY2024 and RM23.94 million in Q3FY2024. This represents an increase of RM2.35 million or 9.83%, primarily attributable to a stronger market demand for original design manufacturer ("**ODM**") products from our ODM customers.

The Group recorded a gross profit of RM8.50 million in Q4FY2024 compared to RM6.21 million in Q3FY2024, marking an increase of RM2.29 million or 36.82%. The gross profit margin improved from 25.95% in Q3FY2024 to 32.33% in Q4FY2024. This improvement was mainly due to the increase in average selling price for all the products in our manufacturing segment.

The Group reported a PBT of RM2.24 million for Q4FY2024 compared to RM0.39 million for Q3FY2024, marking an increase of RM1.85 million or 469.80%. The increase was mainly resulted from the increase in gross profit in Q4FY2024.

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024

B2. Commentary on Prospects

The paints and coatings industry in Malaysia is thriving, fueled by the construction sector's strong recovery. According to the Department of Statistics Malaysia ("DOSM"), construction work in 2024 grew by 20.2% to RM158.8 billion. This momentum continues, with a 23.1% year-on-year increase in Q4 2024, after recording a 22.9% growth in the previous quarter. With the government's ongoing infrastructure development, the outlook for the paints and coatings industry remains highly positive, driven by sustained demand.

Our Perak Plant, equipped with the advanced automated paint production system, has helped us to ease the capacity constraints at our Johor factories, which have reached full capacity. The operation of our Perak Plant has not only alleviated the pressure on the operations in our Johor factories but also boosted out our overall manufacturing capacity. By improving operational efficiency through automation, we are able to streamline production processes, reduce lead times, and meet the growing customer demand more effectively.

We are on track with our business expansion plan to grow our dealer network, targeting 800 new dealers by 2026. In 2024, we successfully installed Smart Colour POS Tinting Machines in 56 retail hardware stores and retail paint shops, further enhancing our network expansion and sales. Our "Negara Ku Jenama Ku" campaign continues to promote locally produced paint brands, positioning Smart Paints as a leading local brand and boosting consumer loyalty. Additionally, we are in the process of completing the acquisition of an industrial property in Selangor, with the target completion by first quarter of 2025. This acquisition will enhance our sales, administration and training capabilities, provide additional storage, anticipated cost savings and support our ongoing growth and expansion.

Given the positive market conditions and the Group's strategic initiatives, such as the continued expansion of our dealer network and improvements in manufacturing capacity, along with the growth in Malaysia's construction sector, the Board of Directors ("**Board**") remains cautiously confident in the Group's performance and future prospects.

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**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

	QUARTER ENDED		YEAR ENDED	
	Unaudited 31.12.2024	Unaudited 31.12.2023⁽¹⁾	Unaudited 31.12.2024	Unaudited 31.12.2023⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):				
Auditors' remuneration				
- current year	32	N/A	168	N/A
Depreciation of property, plant and equipment	933	N/A	3,165	N/A
Reversal of impairment loss on trade receivables	(111)	N/A	(111)	N/A
Impairment loss on trade receivables	246	N/A	525	N/A
Amortisation of intangible assets	5	N/A	20	N/A
Inventories written down	85	N/A	85	N/A
Finance costs				
- bankers' acceptance interest	29	N/A	133	N/A
- overdraft interest	-	N/A	29	N/A
- term loan interest	147	N/A	1,238	N/A
- lease liabilities interest	1	N/A	3	N/A
- hire purchase interest	2	N/A	5	N/A
Listing expenses	-	N/A	1,314	N/A
Interest income	(35)	N/A	(54)	N/A
Bad debts recovery	-	N/A	(3)	N/A
Unrealised foreign exchange loss	6	N/A	52	N/A
Realised foreign exchange loss	38	N/A	71	N/A
Gain on disposal of property, plant and equipment	-	N/A	(30)	N/A

Notes:

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

N/A - Not Applicable

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**B5. Income tax**

	<u>QUARTER ENDED</u>		<u>YEAR ENDED</u>	
	Unaudited 31.12.2024	Unaudited 31.12.2023⁽¹⁾	Unaudited 31.12.2024	Unaudited 31.12.2023⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Income tax expense/(benefit):				
- Current tax	434	N/A	1,484	N/A
- Prior year tax	55	N/A	229	N/A
- Deferred tax	(65)	N/A	(5,032)	N/A
Total income tax expense/(benefit)	424	N/A	(3,319)	N/A
Effective tax rate (%)	18.89	N/A	(101.72)	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Notes:

- (1) This is the fourth 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 quarter ended 31 December 2024, the effective tax rate was 18.89%, which was lower than the statutory tax rate of 24% mainly due to the recognition of deferred tax assets relating to the reinvestment allowance of approximately RM0.26 million.

For the financial year ended 31 December 2024, the effective tax rate was a credit of 101.72%, mainly due to the recognition of deferred tax assets relating to the reinvestment allowance of approximately RM4.42 million following the Perak plant commencement of operations.

N/A - Not Applicable

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**B6. Loans and Borrowings**

	Unaudited 31.12.2024 RM'000	Audited 31.12.2023 RM'000
Current		
Term loans	903	866
Hire purchase payables	156	201
Bankers' acceptance	2,789	3,180
Lease liabilities	62	67
	3,910	4,314
Non-current		
Term loans	14,826	37,062
Hire purchase payables	289	89
Lease liabilities	42	26
	15,157	37,177
Total loans and borrowings	19,067	41,491

B7. Earnings per share

	QUARTER ENDED		YEAR ENDED	
	Unaudited 31.12.2024	Unaudited 31.12.2023⁽¹⁾	Unaudited 31.12.2024	Unaudited 31.12.2023⁽¹⁾
Profit attributable to owners of the Company (RM'000)	1,840	N/A	6,662	N/A
Weighted average number of Shares	369,850,420	N/A	330,190,959	N/A
Basic/Diluted EPS (sen)	0.50	N/A	2.02	N/A

Notes:

- (1) This is the fourth interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative period 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

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2024**B9. Dividend Proposed or Declared**

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

B10. Status of Corporate Proposals and Use of Proceeds

Save for the corporate proposal which has been completed 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 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 31 December 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	10,038	962	Within 12 months
(b) Purchase of 250 sets of Smart Colour POS Tinting Machine	5,000	639	4,361	Within 36 months
(c) Working capital	1,300	1,300	-	Within 12 months
(d) Listing expenses	4,100	4,100	-	Within 1 month
Total	37,400	32,077	5,323	

By Order Of The Board
SMART ASIA CHEMICAL BHD
 27 February 2025