



SMART ASIA CHEMICAL BHD

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

**INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2025**

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2025 ⁽¹⁾**

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Unaudited 31.03.2025 RM'000	Unaudited 31.03.2024 RM'000	Unaudited 31.03.2025 RM'000	Unaudited 31.03.2024 RM'000
Revenue	A9	20,680	23,960	20,680	23,960
Cost of sales		<u>(14,581)</u>	<u>(16,083)</u>	<u>(14,581)</u>	<u>(16,083)</u>
Gross profit		6,099	7,877	6,099	7,877
Other income		24	3	24	3
Selling and distribution expenses		(3,318)	(2,796)	(3,318)	(2,796)
Administrative expenses		(1,550)	(1,297)	(1,550)	(1,297)
Other operating expenses		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating profit		1,255	3,787	1,255	3,787
Finance income		13	-	13	-
Finance costs		<u>(218)</u>	<u>(518)</u>	<u>(218)</u>	<u>(518)</u>
Profit before tax ("PBT")	B5	1,050	3,269	1,050	3,269
Income tax expenses	B6	<u>(270)</u>	<u>(783)</u>	<u>(270)</u>	<u>(783)</u>
Profit after tax		<u>780</u>	<u>2,486</u>	<u>780</u>	<u>2,486</u>
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial period		<u>780</u>	<u>2,486</u>	<u>780</u>	<u>2,486</u>

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2025 ⁽¹⁾ (CONT'D)**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Unaudited 31.03.2025 RM'000	Unaudited 31.03.2024 RM'000	Unaudited 31.03.2025 RM'000	Unaudited 31.03.2024 RM'000
Total comprehensive income/(loss) for the financial period attributable to:					
- Owners of the Company		797	2,503	797	2,503
- Non-controlling interest		(17)	(17)	(17)	(17)
		<u>780</u>	<u>2,486</u>	<u>780</u>	<u>2,486</u>
Earnings per share (sen) ⁽²⁾					
- Basic/diluted	B8	<u>0.22</u>	<u>0.93</u>	<u>0.22</u>	<u>0.93</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 Group's audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) 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 B8). Diluted EPS is equivalent to the basic EPS as the Company does not have any dilutive instruments at the end of the reporting period.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025⁽¹⁾**

	Note	Unaudited 31.03.2025 RM'000	Audited 31.12.2024 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		78,007	78,670
Intangible asset		145	150
Deferred tax assets		8,423	7,445
Total non-current assets		86,575	86,265
Current assets			
Inventories		23,798	24,108
Current tax assets		1,489	1,394
Trade and other receivables		35,223	31,074
Contract assets		1,331	1,354
Cash and short-term deposits		9,337	13,929
Total current assets		71,178	71,859
TOTAL ASSETS		157,753	158,124
EQUITY AND LIABILITIES			
Equity attribute to owners of the Group			
Share capital		91,326	91,326
Reorganisation reserve		(29,253)	(29,253)
Retained earnings		50,163	49,366
		112,236	111,439
Non-controlling interest		(47)	(30)
TOTAL EQUITY		112,189	111,409
Non-current liabilities			
Loans and borrowings	B7	20,246	15,149
Deferred income		436	443
Deferred tax liabilities		3,622	2,732
Total non-current liabilities		24,304	18,324
Current liabilities			
Loans and borrowings	B7	2,453	3,908
Current tax liabilities		278	109
Trade and other payables		16,479	21,949
Contract liabilities		2,050	2,425
Total current liabilities		21,260	28,391
TOTAL LIABILITIES		45,564	46,715
TOTAL EQUITY AND LIABILITIES		157,753	158,124
NET ASSETS PER SHARE (sen)			
		30.33	30.12

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025

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 Group's audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic and diluted EPS is calculated based on the weighted average number of Shares (as disclosed in Note B8). Diluted EPS is equivalent to the basic EPS as the Company does not have any dilutive instruments at the end of the reporting period.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2025⁽¹⁾**

	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
<u>Unaudited - 3 months ended 31 March 2024</u>						
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
Transaction with owners						
Adjustment pursuant to merger accounting	3,470	(3,470)	-	-	-	-
Balance as at 31 March 2024	55,270	(29,253)	45,207	71,224	33	71,257
<u>Unaudited - 3 months ended 31 March 2025</u>						
Balance as at 1 January 2025	91,326	(29,253)	49,366	111,439	(30)	111,409
Profit after tax/Total comprehensive income/(loss) for the financial period	-	-	797	797	(17)	780
Balance as at 31 March 2025	91,326	(29,253)	50,163	112,236	(47)	112,189

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 Group's audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2025⁽¹⁾**

	Unaudited Quarter Ended	
	31.03.2025	31.03.2024
	RM'000	RM'000
Cash flows from operating activities		
PBT	1,050	3,269
Adjustments for:		
Depreciation of property, plant and equipment	923	503
Amortisation of intangible assets	5	2
Amortisation of deferred income	(7)	-
Bad debts recovery	(8)	-
Net unrealised foreign exchange loss	61	-
Finance costs	218	518
Interest income	(13)	-
Operating profit before changes in working capital	2,229	4,292
Decrease in inventories	310	226
Decrease/(increase) in trade and other receivables	1,045	(330)
Decrease in trade and other payables	(5,519)	(2,507)
Decrease/(increase) in contract assets	23	(281)
Increase in contract liabilities	(375)	(698)
Cash (used in)/generated from operations	(2,287)	702
Income tax paid	(284)	(914)
Interest paid	-	(17)
Net cash used in operating activities	(2,571)	(229)
Cash flows from investing activities		
Purchase of property, plant and equipment	(260)	(719)
Interest received	13	-
Net cash used in investing activities	(247)	(719)
Cash flows from financing activities		
Interest paid	(218)	(501)
Drawdown of term loans	716	-
Repayment of term loans	(187)	(195)
Drawdown of bankers' acceptance	624	1,860
Repayment of bankers' acceptance	(2,640)	(2,076)
Repayment of hire purchase payable	(55)	(50)
Repayment of lease liability	(14)	(26)
Net cash used in financing activities	(1,774)	(988)
Net decrease in cash and cash equivalents	(4,592)	(1,936)
Cash and cash equivalents at the beginning of the financial period	13,781	5,778
Cash and cash equivalents at the end of the financial period	9,189	3,842

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2025⁽¹⁾ (CONT'D)**

	Unaudited Quarter Ended	
	31.03.2025	31.03.2024
	RM'000	RM'000
Cash and cash equivalents at end of the financial period consist of:		
Short-term deposits	5,472	144
Less: Pledged deposits	(148)	(144)
	5,324	-
Cash and bank balances	3,865	3,842
	9,189	3,842

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025

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 Malaysia Securities Berhad ("**Bursa Securities**").

This interim financial report should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2024 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 of the Company in relation to its initial public offering ("**IPO**") dated 2 May 2024 ("**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 2025

Title	Effective Date
Amendments to MFRS 121 The Effect of Change in Foreign Exchange Rates	1 January 2025

Effective for financial period beginning on or after 1 January 2026 and onwards

Title	Effective Date
Amendments to MFRS 7 Financial Instruments: Disclosures	1 January 2026
Amendments to MFRS 9 Financial Instruments	1 January 2026
Amendments to MFRS 107 Statement of Cash Flows	1 January 2026
Amendments to MFRS 10 Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	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.

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A3. Auditors' Report on Preceding Annual Financial Statements

The audited financial statements of the Group for the financial year ended 31 December 2024 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 was 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.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025**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	Unaudited	Unaudited	Unaudited
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	RM'000	RM'000	RM'000	RM'000
Manufacturing Segment	18,853	21,859	18,853	21,859
Sale and Trading Segment	1,595	976	1,595	976
Others ⁽¹⁾	232	1,125	232	1,125
Total	20,680	23,960	20,680	23,960

(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	Unaudited	Unaudited	Unaudited
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	RM'000	RM'000	RM'000	RM'000
Malaysia	18,216	21,709	18,216	21,709
Brunei	889	815	889	815
Singapore	680	695	680	695
Others ⁽²⁾	895	741	895	741
Total	20,680	23,960	20,680	23,960

Notes:

- (1) 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.
- (2) Other geographical locations comprise of Indonesia, Myanmar and Vietnam.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025**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
Approved and contracted for:	
Purchase of property	7,650
Purchase of plant and machinery	335
Renovation works in Perak Plant	199
	8,184

A11. Significant Related Party Transactions

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited	Unaudited	Unaudited	Unaudited
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	RM'000	RM'000	RM'000	RM'000
Sales of goods to entities in which person connected to a director has interests	1,590	1,691	1,590	1,691
Purchase of goods from entities in which person connected to a director has interests	35	34	35	34

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.

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.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025

A16. Significant Events Occurring After the Financial Period

On 16 May 2025, the Company had, entered into two separate Shareholders' Agreements (collectively, "**SHAs**") with Keshun International Construction and Trading Sdn Bhd ("**Keshun**") to formalise the joint venture arrangement between the Company and Keshun. The SHAs outline the terms governing the management and operations of two newly incorporated companies, namely Smart CKS Manufacturing Sdn. Bhd. and Smart CKS Marketing Sdn. Bhd.

Save as disclosed above, 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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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025**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 March 2025 ("Q1FY2025") and preceding year's corresponding quarter ended 31 March 2024 ("Q1FY2024")**

	Q1FY2025	Q1FY2024	Variance	
	RM'000	RM'000	RM'000	%
Revenue	20,680	23,960	(3,280)	(13.69)
Gross profit	6,099	7,877	(1,778)	(22.57)
Gross profit margin (%)	29.49	32.88	N/A	N/A
PBT	1,050	3,269	(2,219)	(67.88)

The Group recorded revenue of RM20.68 million in Q1FY2025 and RM23.96 million in Q1FY2024 representing a decrease of RM3.28 million or 13.69%, primarily due to decrease demand for paints from local customers.

The Group recorded a gross profit of RM6.10 million in Q1FY2025, compared to RM7.88 million in Q1FY2024, marking a decrease of RM1.78 million or 22.57%. The gross profit margin dropped from 32.88% in Q1FY2024 to 29.49% in Q1FY2025. This was mainly due to higher labour cost incurred.

The Group reported a PBT of RM1.05 million for Q1FY2025, compared to RM3.27 million for Q1FY2024, marking a decrease of RM2.22 million or 67.88%. This decline was primarily due to a reduction in gross profit during the quarter and higher selling and distribution expenses, driven by the expansion of the sales team.

B2. Review of financial performance for current quarter ended 31 March 2025 ("Q1FY2025") and immediate preceding quarter ended 31 December 2024 ("Q4FY2024")

	Q1FY2025	Q4FY2024	Variance	
	RM'000	RM'000	RM'000	%
Revenue	20,680	26,288	(5,608)	(21.33)
Gross profit	6,099	8,499	(2,400)	(28.24)
Gross profit margin (%)	29.49	32.33	N/A	N/A
PBT	1,050	2,244	(1,194)	(53.21)

The Group recorded revenue of RM20.68 million in Q1FY2025 and RM26.29 million in Q4FY2024 representing a decrease of RM5.61 million or 21.33%, primarily due to reduced exports to our original design manufacturer (ODM) customer in Myanmar and decreased demand for paints from local customers.

The Group recorded a gross profit of RM6.10 million in Q1FY2025, compared to RM8.50 million in Q4FY2024, marking a decrease of RM2.40 million or 28.24%. The gross profit margin dropped from 32.33% in Q4FY2024 to 29.49% in Q1FY2025. This was mainly due to higher overhead expenses incurred, particularly in relation to the depreciation of the plant and machinery at the Perak Plant.

The Group reported a PBT of RM1.05 million for Q1FY2025, compared to RM2.24 million for Q4FY2024, marking a decrease of RM1.19 million or 53.21%. This decline was primarily due to a reduction in gross profit during the quarter, partially offset by a decrease in selling and distribution expenses, mainly attributed to lower advertising costs.

N/A - Not applicable

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B3. Commentary on Prospects

The Group is focused on strengthening its operations to align with Malaysia's growing construction sector, which has been supported by the government's ongoing infrastructure development initiatives. In Q1 2025, the value of construction work completed in Malaysia increased by 16.6%, reaching RM42.9 billion. This is expected to drive demand in the paints and coatings industry, creating opportunities for the Group to enhance its market position.

To capitalise on these opportunities, the Group has formed a joint venture with Keshun, a provider of waterproofing and construction chemicals. This joint venture aims to expand the Group's product portfolio, increase its market presence, and meet the evolving needs of the industry. By combining the Group's local market insights with Keshun's global expertise, the joint venture will deliver sustainable and effective construction chemical solutions, supporting the Group's long-term growth for Malaysia's paints and coatings sector.

As of Q1 2025, 67 out of the targeted 250 Smart Colour POS Tinting Machines have been distributed to wholesalers and dealers. Additionally, the Group launched the "Negaraku, Jenama Ku" campaign to promote locally produced paint brands and position Smart Paints as an emerging leader among local brands.

With supportive market conditions and strategic plans in place, the Group is in a good position to benefit from developments in Malaysia's construction sector. The Board of Directors of the Company ("**Board**") remains cautiously optimistic about the Group's future performance and expects steady progress in the paints and coatings industry.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025**B4. 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.

B5. Profit before Tax

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited	Unaudited	Unaudited	Unaudited
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):				
Auditors' remuneration				
- current year	21	8	21	8
Depreciation of property, plant and equipment	923	503	923	503
Amortisation of intangible assets	5	2	5	2
Amortisation of deferred income	(7)	-	(7)	-
- bankers' acceptance interest	12	32	12	32
- overdraft interest	-	17	-	17
- term loan interest	203	467	203	467
- lease liabilities interest	-	1	-	1
- hire purchase interest	3	1	3	1
Listing expenses	-	107	-	107
Interest income	(13)	-	(13)	-
Bad debts recovery	(8)	-	(8)	-
Unrealised foreign exchange loss	61	77	61	77
Realised foreign exchange loss	42	3	42	3

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	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited	Unaudited	Unaudited	Unaudited
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	RM'000	RM'000	RM'000	RM'000
Income tax expense:				
- Current tax	358	783	358	783
- Deferred tax	(88)	-	(88)	-
Total income tax expenses	270	783	270	783
Effective tax rate (%)	25.71	23.95	25.71	23.95
Statutory tax rate (%)	24.00	24.00	24.00	24.00

Note:

- (1) For the current quarter ended 31 March 2025, the effective tax rate was 25.71%. The higher effective tax rate is primarily due to losses recorded by certain subsidiaries, for which deferred tax assets on the related tax losses were not recognised.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025**B7. Loans and Borrowings**

	Unaudited 31.03.2025 RM'000	Audited 31.12.2024 RM'000
Current		
Term loans	1,464	903
Hire purchase payables	157	156
Bankers' acceptance	773	2,789
Lease liabilities	59	60
	<u>2,453</u>	<u>3,908</u>
Non-current		
Term loans	19,992	14,826
Hire purchase payables	233	289
Lease liabilities	21	35
	<u>20,246</u>	<u>15,150</u>
Total loans and borrowings	<u>22,699</u>	<u>19,058</u>

B8. Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited 31.03.2025	Unaudited 31.03.2024	Unaudited 31.03.2025	Unaudited 31.03.2024
Profit attributable to owners of the Company (RM'000)	797	2,503	797	2,503
Weighted average number of Shares	369,850,420	268,906,874	369,850,420	268,906,874
Basic/Diluted EPS (sen)	0.22	0.93	0.22	0.93

B9. Material Litigation

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

B10. Dividend Proposed or Declared

No dividend has been proposed or declared by the Board during the current financial quarter under review.

SMART ASIA CHEMICAL BHD

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2025**B11. Status of Corporate Proposals and Use of Proceeds**

Save as disclosed below in relation to the 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 31 March 2025, 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 24 months#
(b) Purchase of 250 sets of Smart Colour POS Tinting Machine	5,000	639	4,361	Within 36 months Within 12 months
(c) Working capital	1,300	1,300	-	
(d) Listing expenses	4,100	4,100	-	Within 1 month
Total	37,400	32,077	5,323	

Note:-

On 13 May 2025, the Company announced to Bursa Securities on the extension of time for the utilisation of proceeds for the purchase and commissioning of automated paint production system for the Perak Plant from 12 months to 24 months by an additional 12 months from the date of listing, i.e. 28 May 2024.

By Order Of The Board
SMART ASIA CHEMICAL BHD
 26 May 2025