

“THIS DOCUMENT HAS NOT BEEN REGISTERED BY BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”). THE INFORMATION IN THIS DOCUMENT MAY BE SUBJECT TO FURTHER AMENDMENTS BEFORE BEING REGISTERED BY BURSA SECURITIES. UNDER NO CIRCUMSTANCES SHALL THIS DOCUMENT CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR AN INVITATION TO SUBSCRIBE FOR OR PURCHASE SECURITIES.”

PROSPECTUS **SAC**

SMART ASIA CHEMICAL BHD

(Registration No. 201901016953 (1326281-T))
(Incorporated in Malaysia under the Companies Act, 2016)

INITIAL PUBLIC OFFERING IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUE SHARE CAPITAL OF SMART ASIA CHEMICAL BHD (“SMART ASIA” OR “COMPANY”) ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) COMPRISING PUBLIC ISSUE OF 93,500,000 NEW ORDINARY SHARES IN OUR COMPANY (“SHARES”) IN THE FOLLOWING MANNER:

- (I) 18,492,600 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;**
- (II) 12,100,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES AS WELL AS PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF SMART ASIA AND ITS SUBSIDIARIES;**
- (III) 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**
- (IV) 16,676,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS**

AT AN ISSUE PRICE OF RM[•] PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Underwriter and Placement Agent



Mercury Securities Sdn Bhd

(Registration No. 198401000672 (113193-W))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Bursa Securities has approved the admission of our Company to the Official List of Bursa Securities and the listing of and quotation for our entire enlarged issue share capital on the ACE Market of Bursa Securities. This Prospectus has been registered by Bursa Securities. The approval for the admission of our Company to the Official List of Bursa Securities and the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities, and the registration of this Prospectus, should not be taken to indicate that Bursa Securities recommends the offering or assumes responsibility for the correctness of any statement made, opinion expressed, or report contained in this Prospectus. Bursa Securities has not, in any way, considered the merits of the securities being offered for investment. Bursa Securities is not liable for any non-disclosure on the part of the Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus. No securities will be allotted or issued based on this Prospectus after 6 months from the date of this Prospectus.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 179.

THE ACE MARKET OF BURSA SECURITIES IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET OF BURSA SECURITIES. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET OF BURSA SECURITIES. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THE ISSUE, OFFER OR INVITATION FOR THE OFFERING IS A PROPOSAL NOT REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SECURITIES COMMISSION MALAYSIA UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

This Prospectus is dated [•]

All defined terms used in this Prospectus are defined under "Definitions" commencing from page vii to xii of this Prospectus.

RESPONSIBILITY STATEMENTS

Our Directors and Promoters have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Mercury Securities Sdn Bhd, being our Principal Adviser, Sponsor, Underwriter and Placement Agent, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

STATEMENTS OF DISCLAIMER

Approval has been obtained from Bursa Securities for the listing of and quotation for the securities being offered. Our admission to the Official List of the ACE Market of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company, or our Shares.

Bursa Securities is not liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

This Prospectus, together with the Application Form, has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

OTHER STATEMENTS

Investors should note that you may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to our Group.

Our Shares are offered to the public on the premise of full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMSA, is responsible.

This Prospectus is prepared and published solely in connection with our IPO under the laws of Malaysia. Our Shares are offered in Malaysia solely based on the contents of this Prospectus. Our Company, Directors, Promoters, Principal Adviser, Sponsor, Underwriter and Placement Agent have not authorised anyone to provide you with information which is not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, Directors, Promoters, Principal Adviser, Sponsor, Underwriter and Placement Agent or any of their respective directors, or any other persons involved in our IPO. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase of our Shares in any jurisdiction or in any circumstances in which such an offer is not authorised or is unlawful or to any person to whom it is unlawful to make such offer or invitation.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

It shall be your sole responsibility if you are or may be subject to the laws of countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether your application for our IPO would result in the contravention of any law of such countries or jurisdictions.

Neither us nor our Principal Adviser, Sponsor, Underwriter and Placement Agent nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

Further, it shall also be your sole responsibility to ensure that your application for our IPO Shares would be in compliance with the terms of our IPO as stated in this Prospectus and the Application Form and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you have accepted our IPO in Malaysia and will at all applicable times be subjected only to the laws of Malaysia in connection therewith.

However, we reserve the right, in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

ELECTRONIC PROSPECTUS

This Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus and the copy of this Prospectus registered with Bursa Securities are the same.

You are advised that the internet is not a fully secured medium, and that your Internet Share Application may be subjected to the risks of problems occurring during the data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions. These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt of the validity or integrity of an Electronic Prospectus, you should immediately request from us, our Principal Adviser or the Issuing House, a paper/printed copy of this Prospectus.

In the event of any discrepancy arising between the contents of the Electronic Prospectus and the contents of the paper/printed copy of this Prospectus for any reason whatsoever, the contents of the paper/printed copy of this Prospectus which are identical to the copy of this Prospectus registered Bursa Securities shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as "**Third Party Internet Sites**"), whether by way of hyperlinks or by way of description of the third-party internet sites, you acknowledge and agree that:

- (i) we and our Principal Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (ii) we and our Principal Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Principal Adviser are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance of any data, information, files or other material provided by such parties; and

- (iii) any data, information, files or other material downloaded from Third Party Internet Sites is done at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other materials.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:

- (i) the Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions which may be viewed via web browser or other relevant software.
- (ii) the Internet Participating Institutions shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties; and
- (iii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

[The rest of this page is intentionally left blank]

INDICATIVE TIMETABLE

The indicative timing of events leading to our Listing is set out below:

Events	Tentative Time / Dates
Issuance of this Prospectus / Opening of Application	10.00 a.m./[●]
Closing of Application	5.00 p.m./[●]
Balloting of the Applications	[●]
Allotment of IPO Shares to successful applicants	[●]
Listing on the ACE Market	[●]

In the event there is any change to the indicative timetable above, we will advertise a notice of the changes in a widely circulated English and Bahasa Malaysia daily newspapers in Malaysia and make an announcement of such changes on Bursa Securities' website accordingly.

[The rest of this page is intentionally left blank]

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “Smart Asia” and “our Company” in this Prospectus are to Smart Asia Chemical Bhd. Unless otherwise stated, references to “Group” in this Prospectus are to our Company and our subsidiaries taken as a whole; and references to words such as “we”, “us”, “our” and “ourselves” are to our Company, and, save where the context otherwise requires, our Group or our subsidiaries. Unless the context otherwise requires, references to “Management” are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

All references to “you” are to our prospective investors.

The word “approximately” used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or million or 2 decimal place (for percentages) or RM and sen for currency. Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in “Definitions” and “Glossary of Technical Terms” sections of this Prospectus. Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include natural persons, firms, companies, body corporates and corporations.

All references to dates and times are references to dates and times in Malaysia, unless otherwise stated.

Any reference to any provisions of the acts, statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as a reference to provisions of such acts, statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the acts, statutes, rules and regulations, enactments or rules of stock exchange for the time being in force.

This Prospectus includes statistical data provided by our Management and various third parties and cites third party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is acknowledged, it can be assumed that the information originates from our Management. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the IMR for inclusion in this Prospectus. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate or is expose to. However, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. Hence, you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

If there are any discrepancies or inconsistencies between the English and Malay versions of this document, the English version of this Prospectus shall prevail.

The information on our website, or any website directly or indirectly linked to our websites does not form part of this Prospectus. If there is any discrepancy between the contents of such website relating to our Company and this Prospectus, the information contained in this Prospectus shall prevail.

All information stated herein are as at the LPD unless otherwise specified.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, future plans and prospects, and objectives of our Group for future operations are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies, and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Group's present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminologies including words such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitations, statements relating to:

- (i) demand for our products, trends and competitive position;
- (ii) our business strategies, future plans and potential growth opportunities;
- (iii) our future earnings, cash flows and liquidity;
- (iv) our ability to pay future dividends; and
- (v) the regulatory environment and the effects of future regulation.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) the general economic, business, social, political and investment environment in Malaysia and globally;
- (ii) government policy, legislation or regulation;
- (iii) interest rates, tax rates and exchange rates;
- (iv) the competitive environment in the industry in which we operate;
- (v) availability and fluctuations in prices of raw materials;
- (vi) fixed and contingent obligations and commitments; and
- (vii) any other factors beyond our control.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 9 on "Risk Factors" and Section 12.3 on "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Prospectus. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made based on information available to us as at the LPD.

Should we become aware of any subsequent material change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of our IPO Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus) and Rules 3.12D of the Listing Requirements.

DEFINITIONS

The following terms in this Prospectus have the same meanings as set out below unless otherwise defined or the context requires otherwise:

COMPANIES WITHIN OUR GROUP:

“Smart Asia” “Company”	or	: Smart Asia Chemical Bhd (Registration No. 201901016953 (1326281-T))
“Smart Asia Group” “Group”	or	: Smart Asia Chemical Bhd and its subsidiaries, collectively
“Smart Paints (M)”	:	Smart Paints (M) Sdn Bhd (Registration No. 201301000694 (1030531-M))
“Smart Paint Manufacturing”	:	Smart Paint Manufacturing Sdn Bhd (Registration No. 201301001177 (1031014-A))
“Smart Paint (Selangor)”	:	Smart Paint (Selangor) Sdn Bhd (Registration No. 201201015811 (1001322-M))
“Smart Paints (Sabah)”	:	Smart Paints (Sabah) Sdn Bhd (Registration No. 201301015383 (1045216-U))
“Color Breeze”	:	Color Breeze Sdn Bhd (Registration No. 201801022557 (1284576-P))

GENERAL:

“ACE Market”	:	The ACE Market of Bursa Securities
“Acquisitions”	:	Collectively, Smart Paints (Sabah) Acquisition and Smart Paint (Selangor) Acquisition
“Act”	:	Companies Act 2016
“ADA(s)”	:	Authorised Depository Agent(s)
“AGM”	:	Annual general meeting
“Application(s)”	:	Application(s) for IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
“Application Form(s)”	:	Printed application form(s) for the application of IPO Shares accompanying this Prospectus
“ATM(s)”	:	Automated teller machine(s)
“Authorised Financial Institution”	:	Authorised Financial Institution participating in the Internet Share Application, with respect to payments for our IPO Shares
“Board”	:	Board of Directors of our Company
“Bursa Depository” “Depository”	or	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“CAGR”	:	Compounded annual growth rate

DEFINITIONS (Cont'd)

“CDS”	:	Central Depository System
“CDS Account”	:	An account established by Bursa Depository for a depositor for the recording of securities and for dealing in such securities by the depositor
“CF” or “CCC”	:	Certificate of fitness for occupation or Certificate of Completion and Compliance, as the case may be
“CFA”	:	Certificate for Accommodation issued by the Department of Labour Peninsular Malaysia pursuant to Section 24D(2) of the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990
“Closing Date”	:	The date adopted in this Prospectus as the last date for acceptance and receipt of Application
“CMSA”	:	Capital Markets and Services Act 2007
“Constitution”	:	Constitution of our Company
“COVID-19”	:	Novel coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019
“Depositor”	:	A holder of CDS Account
“Depository Rules”	:	Rules of Bursa Depository and any appendices thereto as they may be amended from time to time
“Director(s)”	:	Director(s) of our Company
“DG Environment”	:	Director General of Environmental Quality pursuant to the EQA
“EBIT”	:	Earnings before interest and taxation
“EBITDA”	:	Earnings before interest, taxation, depreciation and amortisation
“Electronic Prospectus”	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium including, but not limited to, CD-ROMs (<i>compact disc read-only memory</i>)
“Electronic Application”	Share	: Application for the IPO Shares through a Participating Financial Institution's ATM
“Eligible Persons”	:	Collectively, our Directors, employees of our Group and persons who have contributed to the success of our Group and who are eligible to participate in our IPO
“EPF”	:	Employees Provident Fund
“EPS”	:	Earnings per share
“EQA”	:	Environmental Quality Act 1974
“EQIER”	:	Environmental Quality (Industrial Effluent) Regulations 2009
“EQSWR”	:	Environmental Quality (Scheduled Wastes) Regulations 2005
“Financial Years Under Review”	:	Collectively, FYE 2020, FYE 2021 and FYE 2022

DEFINITIONS (Cont'd)

“FYE(s)”	:	Financial years ended or ending 31 December, as the case may be
“GP”	:	Gross profit
“IFRS”	:	International Financial Reporting Standards
“IMR” or “SMITH ZANDER”	:	Smith Zander International Sdn Bhd (Registration No. 201301028298 (1058128-V))
“IMR Report”	:	Independent Market Research Report titled “Independent Market Research Report on the Paints and Coatings Industry in Malaysia” prepared by SMITH ZANDER
“Internet Participating Financial Institution(s)”	:	Participating financial institution(s) for the Internet Share Application
“Internet Share Application”	:	Application for our IPO Shares through an online share application service provided by the Internet Participating Financial Institutions
“IPO”	:	Initial public offering of the IPO Shares in conjunction with the Listing
“IPO Price”	:	RM[●] per IPO Share, where applicable
“IPO Share(s)”	:	All or part of the 93,500,000 new Share(s) to be issued pursuant to our IPO
“IRB”	:	Inland Revenue Board of Malaysia
“ISO”	:	International Organisation for Standardisation
“Issuing House” or “Share Registrar”	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
“Johor Factory 1”	:	A single-storey detached factory with a three-storey office building used as our head office as well as manufacturing and quality control facility, with a total built-up area of approximately 34,199 sq ft and land area measuring approximately 43,475 sq ft and bearing postal address of No. 11, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800 Ulu Tiram, Johor
“Johor Factory 2”	:	A single-storey detached factory with a three-storey office building used to store finished goods and house our product development facility, with a total built-up area of approximately 31,658 sq ft, which has a land area of approximately 43,475 sq ft and bearing postal address of No. 9, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800 Ulu Tiram, Johor
“Johor Factory 3”	:	A single-storey detached factory with a three-storey office building used to store raw materials, with a total built-up area of approximately 28,532 sq ft, which has a land area of approximately 43,475 sq ft and bearing postal address of No. 15, Jalan Indah Gemilang 5, Taman Perindustrian Gemilang, 81800 Ulu Tiram, Johor
“Listing”	:	Listing of and quotation for our entire enlarged share capital of 369,850,420 Shares on the ACE Market
“Listing Requirements”	:	ACE Market Listing Requirements of Bursa Securities

DEFINITIONS (Cont'd)

“LPD”	:	31 July 2023, being the latest practicable date prior to the issuance of this Prospectus
“Malaysian Public”	:	Malaysian citizens, companies, co-operatives, societies, and institutions incorporated or organised under the laws of Malaysia
“Market Day(s)”	:	Any day on which Bursa Securities is open for trading of securities, which may include a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
“MCO”	:	The nationwide movement control order imposed by the Government of Malaysia under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of Covid-19 pandemic. The MCO began on 18 March 2020 and unless otherwise specified, includes all its subsequent phases namely, the conditional MCO, recovery MCO, enhanced MCO and full lockdown MCO, as may be imposed, extended and/or varied from time to time
“Mercury Securities” “Principal Adviser” “Sponsor” “Underwriter” “Placement Agent”	or or or or	Mercury Securities Sdn Bhd (Registration No. 198401000672 (113193-W))
“MFRS”	:	Malaysian Financial Reporting Standards
“MIDA”	:	Malaysian Investment Development Authority
“MITI”	:	Ministry of Investment, Trade and Industry of Malaysia
“NA”	:	Net assets
“NBV”	:	Net book value
“Official List”	:	A list specifying all securities which have been admitted for listing of Bursa Securities and not removed
“Paints Depot”	:	Paints Depot Sdn Bhd (Registration No. 200701035899 (793928-P))
“Painting Works”	:	Painting works services by Paints Depot under the letter of award dated 22 December 2022
“Participating Financial Institutions”	:	Participating financial institutions for the Electronic Share Application
“PAT”	:	Profit after taxation
“PBT”	:	Profit before taxation
“PE Multiple”	:	Price-to-earnings multiple
“Perak Land”	:	3 pieces of land which were amalgamated to a piece of leasehold land bearing the title details of HSD 247906, PT 44859, Mukim Sungai Terap, Daerah Kinta, Negeri Perak, measuring approximately 206,505 sq ft in area

DEFINITIONS (Cont'd)

“Perak Land 2”	:	A piece of vacant leasehold land bearing land title details of PN 1068819, Lot 374007, Mukim Sungai Terap, Daerah Kinta, Negeri Perak (previously held under HSD 228711, PT 40593, Mukim Sungai Terap, Daerah Kinta, Negeri Perak) measuring approximately 55,090 sq ft in area
“Perak Land 3”	:	A piece of vacant leasehold land bearing land title details of PN 1068820, Lot 374008, Mukim Sungai Terap, Daerah Kinta, Negeri Perak (previously held under HSD 228712, PT 40594, Mukim Sungai Terap, Daerah Kinta, Negeri Perak) measuring approximately 63,055 sq ft in area
“Perak Land 4”	:	A piece of vacant leasehold land bearing land title details of PN 1068821, Lot 374009, Mukim Sungai Terap, Daerah Kinta, Negeri Perak (previously held under HSD 228713, PT 40595, Mukim Sungai Terap, Daerah Kinta, Negeri Perak) measuring approximately 83,614 sq ft in area
“Perak Plant”	:	A plant being constructed on the Perak Land with a total built-up area of approximately 95,170 sq ft which consist of the following: <ul style="list-style-type: none"> (i) a double-storey factory with a built-up area of approximately 40,486 sq ft; (ii) a single storey warehouse with a built-up area of approximately 21,122 sq ft; (iii) a double-storey office building with a built-up area of approximately 24,062 sq ft which includes, amongst others, office, a laboratory and a showroom; and (iv) other utility facilities with a built-up area of approximately 9,500 sq ft which includes, amongst others, treatment plant, compressor room, switch gear and transformer room <p style="margin-left: 40px;">and located at Lot PT 44859, Lorong Bemban, Estate Perindustrian Bemban, 31000 Batu Gajah, Perak</p>
“Pink Application Form”	:	Application form for the application of the IPO Shares by the Eligible Persons accompanying this Prospectus
“Pink Form Allocations”	:	Allocation of 12,100,000 IPO Shares to the Eligible Persons pursuant to the IPO
“PRC”	:	People’s Republic of China (excluding Special Administrative Regions of Hong Kong and Macao)
“Pre-IPO Investor”	:	The pre-IPO investor of Smart Asia, namely Tan Kim Peng
“Promoters”	:	Collectively, Goh Chye Hin and Kee Hui Lang
“Prospectus”	:	This prospectus dated [●] in relation to our IPO
“QC”	:	Quality control
“QMS”	:	Quality Management System
“R&D”	:	Research and development
“SC”	:	Securities Commission Malaysia

DEFINITIONS (Cont'd)

“Selangor Office”	:	A sales and administrative office, with a built-up area of approximately 1,981 sq ft located at a 3-storey office building with double-storey warehouse bearing the postal address of Lot 2-43 & 2-45, Jalan SU 8 (Lion Industrial Park), Persiaran Tengku Ampuan, Taman Perindustrian Subang, Seksyen 26, 40400 Shah Alam, Selangor
“Share(s)” or “Smart Asia Share(s)”	:	Ordinary share(s) in our Company
“Share Split”	:	Share split involving the subdivision of 50,900,002 existing Shares into 254,500,010 Shares, which was completed on 12 May 2023
“SICDA” or “Depository Act”	:	Securities Industry (Central Depositories) Act 1991
“Smart Paints (Sabah) Acquisition”	:	Acquisition by Smart Asia of the entire equity interest of Smart Paints (Sabah) from Goh Chye Hin, Kee Hui Lang and Wong Kui Ming for a purchase consideration of RM598,437.00 which was fully satisfied by the issuance of 2,992,185 new Shares at an issue price of RM0.20 per Share
“Smart Paints (Sabah) SSA”	:	Conditional share sale agreement dated 19 June 2023 entered into between Smart Asia and Goh Chye Hin, Kee Hui Lang and Wong Kui Ming for the Smart Paints (Sabah) Acquisition
“Smart Paint (Selangor) Acquisition”	:	Acquisition by Smart Asia of the entire equity interest of Smart Paint (Selangor) from Goh Chye Hin, Chu Teck, Kee Hui Lang, Goh Chye Leng and Lim Kok Beng for a purchase consideration of RM3,771,645.00 which was fully satisfied by the issuance of 18,858,225 new Shares at an issue price of RM0.20 per Share
“Smart Paint (Selangor) SSA”	:	Conditional share sale agreement dated 19 June 2023 entered into between Smart Asia and Goh Chye Hin, Chu Teck, Kee Hui Lang, Goh Chye Leng and Lim Kok Beng for the Smart Paint (Selangor) Acquisition
“Smart Rewards Programme”	:	A loyalty programme where our wholesalers and dealers in Malaysia will be able to accumulate points based on their purchase of our selected house brands products. Accumulated points can be used to exchange for rewards such as overseas trips, cars, phones, electrical appliances and cash vouchers.
“SOCSO”	:	Social security organisation
“SOP”	:	Standard operating procedure
“Specified Shareholder(s)”	:	Collectively, Goh Chye Hin, Kee Hui Lang, Goh Bee Guat, Goh Ji Syuan, Goh Sim Yee, Kee Hui Cheng, Koh Kooi Soon and Goh Chye Leng
“sq ft”	:	Square feet
“Underwriting Agreement”	:	The underwriting agreement dated [•] entered into between our Company and Mercury Securities for the purpose of our IPO
“UT Holdings”	:	UT Holdings Sdn Bhd (formerly known as UT Paints Sdn Bhd) (Registration No. 199201020318 (251822-U))

DEFINITIONS (Cont'd)

CURRENCIES:

- “RM” and “sen” : Ringgit Malaysia and sen respectively
- “SGD” : Singapore Dollar and cents respectively
- “USD” and “cents” : United State Dollars and cents respectively

[The rest of this page is intentionally left blank]

GLOSSARY OF TECHNICAL TERMS

Technical terms used throughout this Prospectus shall have the same meaning as set out below unless the term is defined otherwise or the context requires otherwise:

“Additives”	:	A substance added in small amounts to products to improve its properties
“Binder”	:	A material or substance that holds or draws other materials together by adhesion or cohesion
“Bonding strength”	:	A measure of the strength of adhesion and cohesion
“Chemical composition”	:	The identity, arrangement and ratio of the chemical elements making up a compound
“Colour strength”	:	A measure of the concentration of pigment in the colourant to the total weight or volume of the colourant
“Colourant”	:	A colourant is a concentrated pigment solution that is mixed with a paint base (e.g. a solid substance that forms the body of the paint and conveys the characteristic of the paint such as the opaqueness, elasticity, functionality and durability) to produce a specific colour
“Contaminants”	:	Pollutants, wastes, or prohibited discharge that pollutes the surrounding environment
“Curing properties”	:	A property that makes decorative paints harder, tougher, or more stable
“Diluent”	:	Liquid substances that are used for dilution to reduce viscosity and increase liquid flow rate
“Elasticity”	:	The extent to which paint can stretch/expand and contract when applied on a material during extreme temperature changes without any damage to the surface
“Extenders”	:	A substance that is used to modify the flow (viscosity), sedimentation stability and film strength
“Hardness”	:	The measure of hardness of a coating material i.e. the force needed to put a scratch in the surface
“In-plant colourants”	:	Colourants that are used in manufacturing activities
“Low VOC”	:	Low VOC are labels that are prescribed to paints that contain less than 50 grams of VOC per litre of paint and complies with the SIRIM ECO 019:2012 standards
“Off-the-shelf products”	:	A product that is available immediately and does not need to be specially made to suit a particular purpose
“ODM services”	:	Manufacturing services provided by original design manufacturers to third party brand owners to formulate and manufacture products under the respective owners’ brand names
“OEM”	:	Original equipment manufacturer builds a customer’s product that is fully designed by that customer and then contracted out to produce

GLOSSARY OF TECHNICAL TERMS (Cont'd)

“Opacity”	:	Opacity refers to the degree to which a substance or material is impenetrable to light
“Paint base”	:	A solid substance that forms the body of the paint and conveys the characteristic of the paint such as the opaqueness, elasticity, functionality and durability
“pH level”	:	A measure of the acidity or basicity of a substance
“Pigment(s)”	:	Pigments are water and oil-insoluble natural and synthetic products that impart colour to colourants, decorative paints and protective coatings
“POS”	:	Point-of-sale
“POS universal colourants”	:	Colourants that are specifically used in our Smart Colour POS Tinting Machines
“Smart Colour POS Tinting Machine”	:	Machines that allow on-the-spot mixing to obtain a wide range of paint colours whereby colourants are mixed with a paint base according to the selected colour formulation from the system. 1 set of Smart Colour POS Tinting Machine comprises 1 dispenser (i.e. to dispense colourant) and 1 shaker (i.e. to shake the mixture of paint base and colourant). 1 unit of Smart Colour POS Tinting Machine may refer to either 1 dispenser or 1 shaker.
“Solvent”	:	A liquid in which other materials dissolve to form a solution
“Specific gravity”	:	A measure of the density of a substance in comparison to the density of water
“UV”	:	Ultraviolet
“UV protected”	:	Used to describe a material or substance that prohibits the intrusion of UV rays which cause cracking and discolouration of decorative paints and protective coatings
“Viscosity”	:	A measure of a fluid's resistance to flow
“VOC”	:	Volatile organic compounds, a group of organic chemicals that have boiling points and vaporises under room temperatures
“Water repelling properties”	:	A property that makes an object or structure resistant to water penetration
“Waterproofing properties”	:	A property that makes an object or structure resistant and impervious to water penetration, and has a higher level of protection to water penetration compared to water-repelling substances
“Zero VOC”	:	Zero VOC are labels that are prescribed to paints that contain less than 5 grams of VOC per litre of paint as prescribed by Green Seal (a founding member of the Global Ecolabelling Network)

TABLE OF CONTENTS

1.	CORPORATE DIRECTORY	1
2.	APPROVALS AND CONDITIONS	
2.1	APPROVALS AND CONDITIONS	4
2.2	MORATORIUM ON OUR SHARES	5
3.	PROSPECTUS SUMMARY	
3.1	PRINCIPAL DETAILS OF OUR IPO	7
3.2	GROUP STRUCTURE AND BUSINESS MODEL	7
3.3	COMPETITIVE STRENGTHS	9
3.4	IMPACT OF COVID-19 ON OUR GROUP	9
3.5	BUSINESS STRATEGIES AND FUTURE PLANS	10
3.6	RISK FACTORS	11
3.7	PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT	12
3.8	UTILISATION OF PROCEEDS	13
3.9	FINANCIAL AND OPERATIONAL HIGHLIGHTS	13
3.10	DIVIDEND POLICY	14
4.	DETAILS OF OUR IPO	
4.1	OPENING AND CLOSING OF APPLICATION	15
4.2	INDICATIVE TIMETABLE	15
4.3	PARTICULARS OF OUR IPO	15
4.4	BASIS OF ARRIVING AT OUR IPO PRICE	18
4.5	SHARE CAPITAL, CLASSES OF SHARES AND RANKING	19
4.6	OBJECTIVES OF OUR IPO	20
4.7	TOTAL MARKET CAPITALISATION UPON LISTING	20
4.8	DILUTION	20
4.9	UTILISATION OF PROCEEDS	21
4.10	UNDERWRITING, COMMISSION, PLACEMENT AND BROKERAGE FEE	26
4.11	SALIENT TERMS OF THE UNDERWRITING AGREEMENT	27
5.	INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT PERSONNEL	
5.1	PROMOTERS AND SUBSTANTIAL SHAREHOLDERS	28
5.2	DIRECTORS	33
5.3	BOARD PRACTICE	50
5.4	KEY SENIOR MANAGEMENT	60
5.5	RELATIONSHIPS AND/OR ASSOCIATIONS	66
5.6	EXISTING OR PROPOSED SERVICE AGREEMENTS	66
5.7	MANAGEMENT SUCCESSION PLAN	66
5.8	DECLARATION FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT	67
6.	INFORMATION ON OUR GROUP	
6.1	INFORMATION ON OUR COMPANY	68
6.2	OUR SHAREHOLDERS AND GROUP STRUCTURE	69
6.3	SHARE CAPITAL	72
6.4	INFORMATION ON OUR SUBSIDIARIES	72
6.5	PUBLIC TAKE-OVERS	75
7.	BUSINESS OVERVIEW	
7.1	HISTORY	76
7.2	PRINCIPAL BUSINESS ACTIVITIES AND PRODUCTS	79
7.3	OUR PRODUCTS	88
7.4	OUR BUSINESS SEGMENTS AND PRINCIPAL MARKETS	95
7.5	INTERRUPTIONS TO BUSINESS AND OPERATIONS	97
7.6	COMPETITIVE STRENGTHS	98
7.7	SEASONALITY	100
7.8	OUR BUSINESS AND OPERATION PROCESS	101

TABLE OF CONTENTS (Cont'd)

7.9	TECHNOLOGY USED AND TO BE USED.....	104
7.10	QUALITY CONTROL PROCEDURES AND CERTIFICATIONS.....	105
7.11	TYPES, SOURCES AND AVAILABILITY OF SUPPLIES.....	111
7.12	MATERIAL MACHINERY AND EQUIPMENT.....	112
7.13	ANNUAL CAPACITY, OUTPUT AND UTILISATION.....	113
7.14	MODE OF SALES AND MARKETING.....	115
7.15	PRODUCT DEVELOPMENT.....	116
7.16	INTELLECTUAL PROPERTIES.....	117
7.17	LICENCES AND PERMITS.....	129
7.18	MATERIAL DEPENDENCY ON COMMERCIAL OR FINANCIAL CONTRACTS / AGREEMENTS / INTELLECTUAL PROPERTY RIGHTS / LICENCES OR PERMITS / BUSINESS PROCESSES.....	134
7.19	MATERIAL PROPERTIES OF OUR GROUP.....	135
7.20	ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES.....	144
7.21	REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES.....	145
7.22	BUSINESS STRATEGIES AND FUTURE PLANS.....	152
7.23	EMPLOYEES.....	159
7.24	MAJOR CUSTOMERS.....	160
7.25	MAJOR SUPPLIERS.....	164
8	INDEPENDENT MARKET RESEARCH REPORT.....	166
9	RISK FACTORS	
9.1	RISKS RELATING TO OUR BUSINESS AND OPERATIONS.....	179
9.2	RISKS AFFECTING THE INDUSTRY IN WHICH WE OPERATE.....	187
9.3	RISKS RELATING TO INVESTMENT IN OUR SHARES.....	190
9.4	OTHER RISK.....	191
10	RELATED PARTY TRANSACTIONS	
10.1	OUR GROUP'S RELATED PARTY TRANSACTIONS.....	192
10.2	MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS.....	222
11	CONFLICT OF INTERESTS	
5.9	INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS AND OUR SUPPLIERS.....	224
11.1	MONITORING AND OVERSIGHT OF CONFLICT OF INTERESTS.....	227
11.2	DECLARATIONS OF CONFLICT OF INTERESTS BY OUR ADVISERS.....	227
12	FINANCIAL INFORMATION	
12.1	HISTORICAL COMBINED FINANCIAL INFORMATION.....	228
12.2	CAPITALISATION AND INDEBTEDNESS.....	234
12.3	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.....	235
12.4	LIQUIDITY AND CAPITAL RESOURCES.....	257
12.5	TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES.....	263
12.6	MATERIAL CAPITAL COMMITMENTS, MATERIAL LITIGATION AND CONTINGENT LIABILITIES.....	263
12.7	KEY FINANCIAL RATIOS.....	264
12.8	SIGNIFICANT FACTORS AFFECTING OUR REVENUE.....	270
12.9	IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES.....	270
12.10	IMPACT OF INFLATION.....	271
12.11	IMPACT OF FOREIGN EXCHANGE RATES, INTEREST RATES AND/OR COMMODITY PRICES.....	271
12.12	ORDER BOOK.....	272
12.13	TREND INFORMATION.....	273
12.14	DIVIDEND POLICY.....	273
12.15	CAPITAL INVESTMENTS AND DIVESTITURES.....	274

TABLE OF CONTENTS (Cont'd)

13	ACCOUNTANTS' REPORT	277
14	REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION	374
15	STATUTORY AND OTHER INFORMATION	
15.1	SHARE CAPITAL	392
15.2	CONSTITUTION	392
15.3	DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS.....	397
15.4	GENERAL INFORMATION	397
15.5	MATERIAL CONTRACTS	397
15.6	EXCHANGE CONTROLS	399
15.7	CONSENTS	399
15.8	DOCUMENTS FOR INSPECTION	400
15.9	RESPONSIBILITY STATEMENTS	400
16	SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE	
16.1	OPENING AND CLOSING OF APPLICATION	401
16.2	METHODS OF APPLICATIONS	401
16.3	ELIGIBILITY	402
16.4	APPLICATION BY WAY OF APPLICATION FORMS	403
16.5	APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS	404
16.6	APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS.....	404
16.7	AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE	405
16.8	OVER / UNDER SUBSCRIPTION	405
16.9	UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS.....	406
16.10	SUCCESSFUL APPLICANTS.....	407
16.11	ENQUIRIES.....	407