

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad (“**Bursa Securities**”) has not perused the contents of this circular prior to its issuance as it is an exempt pursuant to Rule 2.1 of Guidance Note 22 of the ACE Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

TA Securities Holdings Berhad, the Sponsor of the Company has reviewed this Circular pursuant to Rule 4.27 of the ACE Market Listing Requirements of Bursa Securities prior to the issuance of this Circular. The admission of the Company to the ACE Market of Bursa Securities was advised and sponsored by Mercury Securities Sdn. Bhd., but was replaced by TA Securities Holdings Berhad with effect from 1 January 2026.



SMART ASIA CHEMICAL BHD
Registration No. 201901016953 (1326281-T)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The Ordinary Resolution in respect of the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature will be tabled as special business at Smart Asia Chemical Bhd's (“**the Company**”) Fourth Annual General Meeting (“**4th AGM**”) to be held at Ponderosa Golf & Country Resort Berhad, No. 3, Jalan Ponderosa 1, Taman Ponderosa, 81100, Johor Bahru, Johor on Thursday, 25 June 2026 at 10:00 a.m. The Notice of 4th AGM together with the Form of Proxy are set out in the Annual Report 2025 of the Company.

You are requested to complete the Form of Proxy and deposit the hard copy to the office of our Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia before the time and date indicated below should you be unable to attend the meeting. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Wednesday, 24 June 2026 at 10:00 a.m.

Date and time of the 4th AGM : Thursday, 25 June 2026 at 10:00 a.m.

This Circular is dated 30 April 2026

DEFINITIONS (CONT'D)

For the purpose of this Circular, except where the context otherwise requires, the following definitions shall apply: -

“Act”	:	The Companies Act 2016 as amended from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“BIY Home Store (Kota Tinggi)”	:	BIY Home Store (Kota Tinggi) Sdn. Bhd. [Registration No. 201201041628 (1026106-P)]
“Board”	:	Board of Directors of SAC
“Bursa Securities”	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
“Circular”	:	This circular to the shareholders dated 30 April 2026 in relation to the Proposed Renewal of Shareholders' Mandate
“Color Breeze”	:	Color Breeze Sdn. Bhd. [Registration No. 201801022557 (1284576-P)]
“Director(s)”	:	Has the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon: - (a) a Director of the Company, its subsidiary or holding company; or (b) a chief executive of the Company, its subsidiary or holding company
“IPO”	:	Initial public offering of the IPO Shares in conjunction with the Listing
“IPO Price”	:	RM0.40 per IPO Share, where applicable
“IPO Shares”	:	All or part of the 93,500,000 new Share(s) issued pursuant to our IPO
“Listing Requirements”	:	ACE Market Listing Requirements of Bursa Securities
“LPD”	:	12 April 2026, being the latest practicable date of this Circular
“Major Harvest”	:	Major Harvest Sdn. Bhd. [Registration No. 199501012412 (341614-X)]
“Proposed Renewal of Shareholders' Mandate”	:	Proposed renewal of shareholders' mandate for Recurrent Related Party Transactions, as set out in Section 2 of this Circular to be obtained from shareholders of the Company
“Recurrent Related Party Transactions” or “RRPTs”	:	Transactions entered into by SAC Group which involve the interest (direct or indirect) of Related Party(ies), which are recurrent, of a revenue or trading nature and are necessary for day-to-day operations of SAC Group and in the ordinary course of business of SAC Group
“Related Party(ies)”	:	Director(s), major shareholder(s) or person(s) connected with such Director(s) or major shareholder(s) of SAC
“RM and sen”	:	Ringgit Malaysia and sen
“SAC Group” or “Group”	:	SAC and its subsidiaries, collectively

DEFINITIONS (CONT'D)

- “SAC” or “Company”** : Smart Asia Chemical Bhd [Registration No. 201901016953 (1326281-T)]
- “Smart CKS Manufacturing”** : Smart CKS Manufacturing Sdn. Bhd. [Registration No. 202501006056 (1607470-K)]
- “Smart CKS Marketing”** : Smart CKS Marketing Sdn. Bhd. [Registration No. 202501006058 (1607472-V)]
- “Smart Homebox”** : Smart Homebox Sdn. Bhd. [Registration No. 202501033211 (1634621-W)]
- “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)]
- “UA Paints & Hardware”** : UA Paints & Hardware Sdn. Bhd. [Registration No. 199701015734 (431231-H)]

All references to **“we”**, **“us”**, **“our”** and **“ourselves”** in this Circular, if any, shall mean SAC or where the context requires, our Group.

References to **“you”** or **“your”** in this Circular are to the shareholders of our Company, unless the context otherwise requires.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any statutes, rules, regulations, enactment or rules of the stock exchange is a reference to that statutes, rules, regulations, enactment or rules of the stock exchange as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancy in the figures included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

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SMART ASIA CHEMICAL BHD

SMART ASIA CHEMICAL BHD
Registration No. 201901016953 (1326281-T)
(Incorporated in Malaysia)

Registered Office:

Level 7, Mercu 3, No. 3, Jalan Bangsar
KL Eco City
59200 Kuala Lumpur
Wilayah Persekutuan

Date: 30 April 2026

Board of Directors:

Mr. Yau Yin Wee (*Independent Non-Executive Chairman*)
Mr. Goh Chye Hin (*Managing Director*)
Mr. Lim Kok Beng (*Non-Independent Executive Director / Chief Operating Officer*)
Ms. Kee Hui Lang (*Executive Director*)
Ms. Tan Suat Hoon (*Independent Non-Executive Director*)
Mr. Ang Hock Seng (*Independent Non-Executive Director*)
Ms. Yap Yung Chien (*Independent Non-Executive Director*)

To: The shareholders of our Company

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the Third AGM held on 26 June 2025, our Company had obtained shareholders' mandate for our Group to enter into RRPTs of a revenue or trading nature in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are necessary for SAC Group's day to day operations. The existing shareholders' mandate will, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming Fourth AGM ("**4th AGM**") which will be held on 25 June 2026 unless it is renewed at the said AGM.

In relation thereto, SAC had on 21 April 2026 announced its intention to seek the approval of its shareholders for the Proposed Renewal of Shareholders' Mandate at the forthcoming 4th AGM.

The purpose of this Circular is to provide you with the relevant information on the Proposed Renewal of Shareholders' Mandate and to seek your approval for the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 4th AGM. The Notice of the 4th AGM and Form of Proxy are set out in this Circular.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION IN RELATION TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING 4TH AGM.

2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

2.1 LISTING REQUIREMENTS

Pursuant to Rule 10.09(2) of the Listing Requirements, the Company may seek a shareholders' mandate for the RRPTs subject to the following: -

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:

the aggregate value is equal to or more than the threshold below in relation to a listed corporation with a share capital of RM60.0 million and above: -

- (i) the consideration, value of assets, capital outlay or costs of the RRPTs is RM1.0 million or more; or
- (ii) the percentage ratio of such RRPTs is 1% or more,

whichever is higher,

- (c) the Company's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the relevant related party must comply with the requirements set out in Rule 10.08(7) of the Listing Requirements: -
 - (i) a related party with any interest, direct or indirect ("**interested related party**") must not vote on the resolution in respect of the RRPTs;
 - (ii) an interested related party who is a director or major shareholder must ensure that persons connected with it abstain from voting on the resolution in respect of the RRPTs; and
 - (iii) where the interested related party is a person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution in respect of the RRPTs.
- (e) the Company immediately announces to Bursa Securities when the actual value of RRPTs entered into by the Company, exceeds the estimated value of the RRPTs disclosed in Section 2.3 of this Circular by 10% or more, and must include the information as may be prescribed by Bursa Securities in its announcement.

It is envisaged that in the normal course of the Group's businesses, RRPTs between the Group and the Related Parties which are necessary for the Group's day-to-day operations, are likely to occur.

Accordingly, the Company proposes to seek the approval for the Proposed Renewal of Shareholders' Mandate from its shareholders at the forthcoming 4th AGM for the Group to enter into the RRPTs in which certain directors, major shareholders and/or person connected with them have an interest, details of which are set out in Sections 2.3 of this Circular.

2.2 PRINCIPAL ACTIVITIES OF SAC GROUP

The principal activity of SAC is investment holding. The principal activities of our subsidiaries and associate company are as follows: -

Subsidiaries / Associate Company	Effective equity interest (%)	Principal activities
<u>Subsidiaries</u>		
Smart Paints (M)	100%	Trading of paints, coatings and varnishing materials
Smart Paint Manufacturing	100%	Manufacturing of paints, varnishes and similar coatings ink and mastics. Manufacturing and trading of painting tools and accessories.
Smart Paint (Selangor)	100%	Trading and distribution of paints, hardware and painting accessories
Smart Paints (Sabah)	100%	Trading of paints, coatings and varnishing materials
Smart Homebox	100%	Trading of paints and construction related products, software development and provision of general household services
Color Breeze	75%	Trading of chemical colourants and pigments
Smart CKS Manufacturing	51%	Development and manufacturing of construction chemicals
<u>Associate</u>		
Smart CKS Marketing	49%	Trading and distribution of construction chemicals

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2.3 CLASSES OF RELATED PARTIES AND NATURE OF THE RRPTS

The nature and details of the RRPTs entered and/or to be entered into by our Group and the class of Related Parties under the Proposed Renewal of Shareholders' Mandate are as follows: -

Transacting party within the Group	Transacting related party	Interested person and nature of relationship between the Group and the Related Party	Nature of transactions	Estimated Value disclosed in the Circular to Shareholders dated 30 April 2025	Actual Value transacted from the date of the last AGM held on 26 June 2025 to the LPD	Estimated Value for Proposed Renewal of Shareholders' Mandate (from the date of the forthcoming AGM to the next AGM) ⁽¹⁾
				RM'000	RM'000	RM'000
Smart Paints (M)	UA Paints & Hardware	Goh Chye Hin is our Group's director and major shareholder. Goh Bee Guat and Ho Chye Thuan are Goh Chye Hin's sister and brother-in-law. They are also shareholders and directors of UA Paints & Hardware	Sales of manufacturing and trading products by Smart Paints (M) to UA Paints & Hardware	3,500	2,190	3,000

Transacting party within the Group	Transacting related party	Interested person and nature of relationship between the Group and the Related Party	Nature of transactions	Estimated Value disclosed in the Circular to Shareholders dated 30 April 2025	Actual Value transacted from the date of the last AGM held on 26 June 2025 to the LPD	Estimated Value for Proposed Renewal of Shareholders' Mandate (from the date of the forthcoming AGM to the next AGM) ⁽¹⁾
				RM'000	RM'000	RM'000
Smart Paints (M)	Major Harvest	Goh Chye Hin is our Group's director and major shareholder. Goh Chye Leng and Cho Chooi Peng are Goh Chye Hin's brother and sister-in-law. They are also the directors and shareholders of Major Harvest	Sales of manufacturing and trading products and sales of Smart Colour POS Tinting Machine by Smart Paints (M) to Major Harvest	5,500	1,663	2,500
Smart Paints (M)	BIY Home Store (Kota Tinggi)	Kee Hui Lang is our Group's director and major shareholder. Kee Hui Lang is a shareholder of BIY Home Store (Kota Tinggi). She was also a director of BIY Home Store (Kota Tinggi)	Sales of manufacturing and trading products and sales of Smart Colour POS Tinting Machine by Smart Paints (M) to BIY Home Store (Kota Tinggi)	1,500	900	1,500

Note:

(1) The estimated transaction value at stated above is based on the management's estimates after taking into consideration of the transactions which will be entered into in the foreseeable future, and hence may be subject to change.

2.4 VALIDITY PERIOD OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate, if approved by the majority shareholders at the forthcoming 4th AGM, shall take immediate effect and subject to annual renewal. In this respect, any authority conferred by the shareholders' mandate shall continue to be in force until:

-

- (a) the conclusion of the next AGM of our Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next AGM of our Company after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

2.5 THE THRESHOLD OF APPROVAL OF RECURRENT RELATED PARTY TRANSACTIONS

There is no specific threshold for approval of the RRPTs to be entered into by SAC Group with the Related Parties. However, all RRPTs are subject to the approval of the Audit and Risk Management Committee ("**ARMC**") and our Board. The ARMC and our Board will review the need to impose a threshold for approval of the RRPTs, based on market practice and at the same time protecting the interests of the minority shareholders.

2.6 AMOUNT DUE AND OWING BY RELATED PARTIES

As at the LPD, there were no outstanding amount due and owing by the Related Parties to SAC Group.

2.7 REVIEW METHODS OR PROCEDURES FOR RECURRENT RELATED PARTY TRANSACTIONS

SAC Group has in place an internal control system, which includes review methods or procedures to ensure that such RRPTs are conducted at arm's length and are on normal commercial terms consistent with our Group's usual business practices and policies, as well as transaction prices and on terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The review and disclosure procedures with regard to the RRPTs are as follows: -

- (a) Records of RRPTs will be maintained and shall be made available to the external auditors, internal auditors and ARMC for their review;
- (b) The internal auditors will review the RRPTs as part of the internal audit programme and report their findings to our ARMC and our Board;
- (c) Terms of the RRPTs relating to the price or sales/ distribution margins shall not be subject to substantial change during the period that the shareholder mandate is in force. Where such a change is deemed necessary, our management and our ARMC shall review the new terms to ensure that they are consistent with a transaction conducted at arm's length and on normal commercial terms consistent with our Group's usual business practices and policies and will not be prejudicial to the shareholders. Our management shall ensure that the new terms are not more favorable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders;

- (d) Wherever possible, at least 2 other contemporaneous transactions and/ or quotations with unrelated third parties for similar products/ services and/ or quantities will be used as comparison, to determine whether the price and terms offered to/ by the Related Parties are fair and reasonable and comparable to those offered to/ by other unrelated third parties for the same or substantially similar type of produces/ services and/or quantities, if applicable;
- (e) In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/ customers of similar products or services, or if the product/ service is a proprietary item), the transaction price will be determined based on our Group's usual business practices and approved by our Board to ensure the RRPTs is not detrimental to our Group, wherever applicable;
- (f) There are no specific thresholds for approval as all RRPTs are reviewed and approved by the ARMC. The ARMC together with the Board will review and approve the RRPTs that are required under the Listing Requirements;
- (g) Further, where any Directors or persons connected have an interest (direct or indirect) in the RRPTs, such Director (and his alternate) shall abstain from deliberation and voting on the matter. Where any member of our ARMC is interested in any transaction, that member shall abstain from deliberation and voting on any matter relating to any decisions to be taken by our ARMC with respect to such transactions; and
- (h) Disclosure will be made in the Annual Report of our Company of the aggregate value of the RRPTs conducted pursuant to the shareholder mandate during the financial year, amongst others, based on the type of the RRPTs and the names of the Related Parties involved in each type of the RRPTs made and the relationship with our Company. Disclosure will also be made in the annual reports for the subsequent financial years during which the shareholder mandate remains in force.

2.8 AUDIT AND RISK MANAGEMENT COMMITTEE'S STATEMENT

Our ARMC has reviewed the RRPTs and, having considered the nature and the rationale for the RRPTs and all aspects of the RRPTs, is of the view that the RRPTs are in the best interest of our Company, and the terms of the RRPTs will be fair, reasonable and on normal commercial terms and not detrimental to the interest of the minority shareholders as the RRPTs will be entered into in the ordinary course of business on normal commercial terms, which will not be more favourable to the Related Parties than those generally available to the public.

Our ARMC also ensures that RRPTs are entered into on normal commercial terms, which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders.

Our ARMC has also reviewed the procedures and processes as set out in Section 2.7 of this Circular and is of the view that our Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner. Our ARMC shall continue to review and ascertain the adequacy of the procedures and processes set out in Section 2.7 of this Circular on an annual basis and whenever the need arises.

2.9 DISCLOSURE IN ANNUAL REPORT

Disclosure will be made in our Company's Annual Report on the breakdown of the aggregate value of the RRPTs made during the financial year, amongst others, based on the following information: -

- (a) types of RRPTs made; and
- (b) names of Related Party(ies) involved in each type of RRPTs made and their relationship with our Group.

The above disclosure will be made in our Company's Annual Report for each subsequent financial year after the Proposed Renewal of Shareholders' Mandate has been obtained.

3. RATIONALE AND BENEFITS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will enable SAC Group to carry out RRPTs necessary for our Group's day-to-day operations, which are time sensitive in nature, and will eliminate the need to announce and convene separate general meetings (if applicable) from time to time to seek shareholders' mandate for such transaction. This will substantially reduce the expenses, time and other resources associated with convening of general meetings on an ad hoc basis, improve administrative efficiency and allow financial and manpower resources to be channelled towards attaining other corporate objectives.

The RRPTs carried out by SAC Group creates mutual benefits for the companies, such as expediency and increased efficiency necessary for day-to-day operations.

In addition, the RRPTs are intended to meet the business needs of our Group on the best possible terms. By transacting with the Related Parties, our Group would have an advantage of familiarity with the background and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, our Group and the Related Parties have close co-operation and a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRPTs.

4. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will not have any effect on our Company's share capital and shareholding structure as well as the consolidated net assets, consolidated earnings and gearing of our Group.

5. APPROVALS REQUIRED

The Proposed Renewal of Shareholders' Mandate is subject to the approval of the shareholders of SAC at the forthcoming 4th AGM.

6. INTEREST OF DIRECTOR(S), MAJOR SHAREHOLDER(S) AND/OR PERSON(S) CONNECTED

Save as disclosed below, none of the directors and/or major shareholders of SAC and/ or persons connected with them have any interest, whether direct or indirect, in the Proposed Renewal of Shareholders' Mandate: -

	Shareholding as at the LPD			
	<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%
<u>Interested Directors/ Interested Major Shareholders</u>				
Goh Chye Hin	166,069,789	44.90	10,000,000 ⁽¹⁾	2.70
Kee Hui Lang	32,656,011	8.83	10,000,000 ⁽¹⁾	2.70

<u>Persons Connected to the Interested Directors/ Interested Major Shareholders</u>	Shareholding as at the LPD			
	<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%
Goh Bee Guat	1,000,000	0.27	-	-
Ho Chye Thuan	678,200	0.18	-	-
Goh Chye Leng	1,733,361	0.47	-	-
Cho Chooi Peng	1,615,100	0.44	-	-

Note:-

(1) *Deemed interested by virtue of the direct shareholding of their children, Goh Sim Yee and Goh Ji Syuan pursuant to Section 59(11)(c) of the Act.*

The Interested Directors and Interested Major Shareholders (as disclosed above) have and will continue to abstain from all deliberations and vote at Board meetings pertaining to the Proposed Renewal of Shareholders' Mandate. They will also abstain from voting of their direct and indirect shareholdings in SAC, on the Proposed Renewal of Shareholders' Mandate at the forthcoming 4th AGM.

They have undertaken that they will ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate at the forthcoming 4th AGM.

7. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board (save for the Interested Directors as set put in Section 6 of this Circular), after taking into consideration the relevant factors and after careful deliberation, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest and accordingly recommends that you **VOTE IN FAVOUR** of the resolution in respect of the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming 4th AGM.

8. FOURTH AGM

The 4th AGM, the notice and the form of proxy of which are enclosed in the Annual Report 2025, will be held at Ponderosa Golf & Country Resort Berhad, No. 3, Jalan Ponderosa 1, Taman Ponderosa, 81100 Johor Bahru, Johor on Thursday, 25 June 2026 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Renewal of Shareholders' Mandate.

If you are unable to attend and vote in person at the 4th AGM, you may complete and return the form of proxy enclosed in the Annual Report 2025 in accordance with the instruction contained therein as soon as possible and in any event so as to ensure it arrives at the office of our Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to be deposited in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not later than twenty-four (24) hours before the time set for holding the 4th AGM or any adjournment thereof. The lodging of the form of proxy will not preclude you from attending and voting in person at the 4th AGM should you subsequently wishes to do so.

9. FURTHER INFORMATION

You are advised to refer to the attached Appendix I for further information.

Yours faithfully
for and on behalf of the Board of Directors of
SMART ASIA CHEMICAL BHD

GOH CHYE HIN
Managing Director

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APPENDIX I – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they individually and collectively accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which, would make any statement herein misleading.

2. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, SAC Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and has no knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group.

3. MATERIAL CONTRACTS

Save as disclosed below, there are no other material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within 2 years immediately preceding the date of this Circular: -

- (a) Sale and purchase agreement dated 7 October 2024 between Smart Paint Manufacturing (as purchaser) and Special Hazards Protection Sdn. Bhd. (as vendor) in respect of the purchase of an industrial land held under Individual Title HSD 150916 PT 144298, in the Mukim of Klang, District of Klang, State of Selangor together with a unit of three storey semi-detached factory erected thereon bearing postal address of No. 6B, Jalan Gambus 33/4, Seksyen 33, 40400 Shah Alam, Selangor Darul Ehsan for a purchase consideration of RM8,500,000.00, which was completed on 29 May 2025.

4. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies of them are available for inspection during normal business hours at our registered office Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the 4th AGM: -

- (i) the constitution of our Company;
- (ii) the audited combined financial statements of SAC for the past two (2) financial years ended 31 December 2024 and 31 December 2025 and the latest unaudited quarterly report of SAC for the financial period ended 31 December 2025; and
- (iii) the material contracts referred to in **Section 3** of Appendix I of this Circular.

APPENDIX II – EXTRACT OF THE NOTICE OF THE 4TH ANNUAL GENERAL MEETING

ORDINARY RESOLUTION 7

Proposed Renewal of Shareholders' Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature ("Proposed Renewal of Shareholders' Mandate")

"**THAT** subject to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"), approval be and is hereby given to the Company and/or its subsidiaries ("**the Group**") to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in the Circular to Shareholders of the Company dated 30 April 2026 ("**Circular**"), which are necessary for the day-to-day operations of the Group within the ordinary course of business, at arm's length basis, and on normal commercial terms, which are not more favourable to the related parties than those generally available to the public and are not detrimental of the minority shareholders of the Company.

THAT the authority for the Proposed Renewal of Shareholders' Mandate shall continue to be in full force until: -

- (i) the conclusion of the next Annual General Meeting of the Company ("**AGM**"), at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after the date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("**Act**") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

AND THAT the Board of Directors be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Renewal of Shareholders' Mandate."