BETAMEK

BETAMEK BERHAD

Registration No. 202101041577 (1441877-P)

ANNUAL REPORT 2023

VISION & **MISSION**

Our Vision

To become a World-Class Electronics Manufacturing Services company in the automotive and consumer markets.

Our Mission

To achieve success by providing our customers with quality and cost competitiveness using the best technology, exemplary manufacturing practices and by developing our people and corporate culture.

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CORPORATE **OVERVIEW**

BOARD OF DIRECTORS

AHMAD SUBRI BIN ABDULLAH
Independent Non-Executive Chairman

MIRZAN BIN MAHATHIR
Managing Director

MUHAMMAD FAUZI BIN ABD GHANI
Executive Director

AZLINA BINTI ABDUL AZIZ
Independent Non-Executive Director

YAP SUAN SEE
Independent Non-Executive Director

MOHD SHAHRIMAN BIN MOHD SIDEK
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Azlina Binti Abdul Aziz
Chairperson

Yap Suan See
Member

Mohd Shahriman Bin Mohd Sidek
Member

NOMINATION AND REMUNERATION COMMITTEE

Yap Suan See
Chairperson

Azlina Binti Abdul Aziz
Member

Mohd Shahriman Bin Mohd Sidek
Member

REGISTERED OFFICE

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya, Selangor

Tel: 03-7890 4800
Fax: 03-7890 4650

HEAD OFFICE

Lot 137, Lingkaran Taman Industri Integrasi Rawang 2, Taman Industri Integrasi Rawang, 48000 Rawang Selangor

Tel: 03-6094 2999
Fax: 03-6094 2901

CORPORATE WEBSITE

www.betamek.com.my

COMPANY SECRETARIES

Tai Yit Chan
(SSM PC No. 202008001023)
(MAICSA 7009143)

Chan Yoke Peng
(SSM PC No. 202008001791)
(MAICSA 7053966)

AUDITORS

Grant Thornton Malaysia PLT
LLP0022494-LCA & AF 0737
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

Tel: 03-2692 4022
Fax: 03-2732 5119

SPONSOR

M & A Securities Sdn. Bhd.
Registration No. 197301001503 (15017-H)
45-11, The Boulevard, Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Tel: 03-2284 2911
Fax: 03-2284 2718

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
Registration No. 199601006647 (378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya, Selangor

Tel: 03-7890 4700
Fax: 03-7890 4670

PRINCIPAL BANKERS

Maybank Islamic Berhad
HSBC Amanah Malaysia Berhad

STOCK EXCHANGE LISTING

ACE Market, Bursa Malaysia Securities Berhad
Stock Name : BETA
Stock Code : 0263
Sector: Industrial Products & Services
Listed on 26 October 2022

CORPORATE **STRUCTURE**

BETAMEK

BETAMEK BERHAD
(Registration No. 202101041577 (1441877-P))
(Incorporated in Malaysia)

100%

BETAMEK ELECTRONICS (M) SDN BHD

COMPANY **PROFILE**

A Brief History

The Company was incorporated in Malaysia under the Companies Act 2016, as a private limited company on 7 December 2021 under the name of Betamek Sdn Bhd. On 18 March 2022, we converted into a public limited company and adopted our present name. The Company was officially listed on the ACE Market of Bursa Malaysia Securities Berhad on 26 October 2022.

Our Group's history can be traced back to the incorporation of Betamek Electronics (M) Sdn Bhd ("BESB") on 23 August 1989. Through our subsidiary, we are principally engaged in the provision of electronics manufacturing services for the automotive markets predominantly in Malaysia, where we undertake design and development ("D&D"), procurement and manufacturing as well as after-sales services in respect of the assembly and production of fully-assembled automotive electronic products.

We have been actively involved in automotive electronics product design and manufacturing, working closely with our customers in Malaysia, Japan and Indonesia. Our strong global supply chain network has ensured that we provide the best value to our customers. We pride ourselves on fully meeting customer expectations with the latest technology, attractive design, practical functionality, quality and price.

To meet the high standards of the industry, BESB achieved QMS ISO 9001 certification in 1996, ISO/TS 16949:2002 certification in 2008 and IATF 16949:2016 in 2017. In 2022, Betamek achieved certification for ISO 14001:2015 and ISO 45001:2018.

Over the years, BESB has diversified its product line to include CD changers, car clocks, air purifiers, switches, lighter/ power sockets, roof-mounted monitors, speakers, USB chargers, digital air-conditioning controllers and other electronic accessories.

Today, BESB offers a one-stop solution for developing and manufacturing electronic products, with comprehensive onsite research and development facilities, production engineering and manufacturing.

OUR MILESTONES

Year	
1989	Incorporation of BESB
1990	Commenced our manufacturing activities with the assembly of vehicle audio products
1994	• Appointed by PERODUA to supply audio systems for PERODUA's Kancil models • Entered into an agreement with Usahasama Proton-DRB Sdn Bhd to design, develop and manufacture vehicle radios with cassette players for PROTON Satria models
1995	Acquired land in Rawang and commenced building the Rawang Factory
1996	Certified compliant to Quality Management System ISO 9002:1994 by SIRIM Berhad and MS ISO 9001:2000 by SIRIM QAS Sdn Bhd
1997	• Commenced the D&D and manufacturing of vehicle radios for MBF Peugeot Sdn Bhd • Commenced commercial operations in Rawang Factory
2003	Commenced the D&D and manufacturing of vehicle radios for Naza Automotive Manufacturing Sdn Bhd

Year	
2008	Certified compliant to ISO/TS 16949:2002 by SIRIM QAS International Sdn Bhd
2010 & 2011	Granted pioneer status by MITI
2011 & 2014	Certified compliant to ISO/TS 16949:2009 by SIRIM QAS International Sdn Bhd
2018 & 2021	Certified compliant to IATF 16949:2016 by SIRIM QAS International Sdn Bhd
2019	Upgraded Rawang Factory
2021	Launched vehicle infotainment systems with our proprietary platform
2022	**Listed on ACE Market, Bursa Malaysia Securities Berhad**

MEDIA **HIGHLIGHTS**

ACE Market-bound Betamek inks underwriting deal with M&A Securities

ACE Market-bound Betamek aims to raise RM34m from IPO

Betamek aims to ride on high demand for electronics in EVs

Betamek's IPO oversubscribed by 17.06 times

EMS provider Betamek makes sterling debut on ACE Market

Betamek makes robust debut on ACE Market, closing at 42% premium

Betamek on a good track with upswing in automotive sector

Media Highlights

Betamek to ride E&E boom while remaining competitive

Betamek aims to be an alpha automotive electronics player

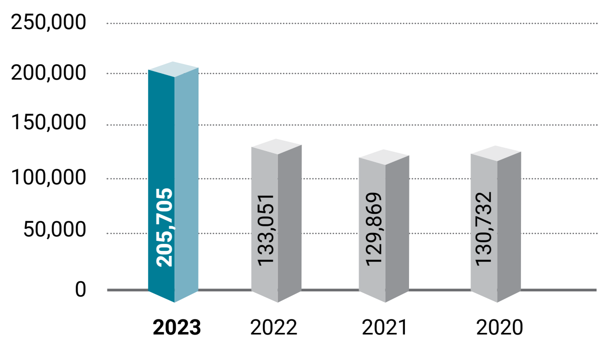
- Betamek to grow revenue through green vehicles expansion
- Betamek posts net profit of RM4.65mil in Q2
- Betamek bags Perodua contracts worth RM123.5mil

Betamek talks growth plans

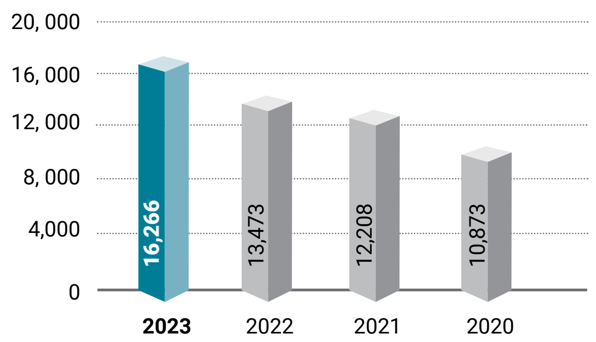
FINANCIAL **HIGHLIGHTS**

	FY2023 RM'000	FY2022 RM'000	FY2021 RM'000	FY2020 RM'000
Financial Result				
Revenue	**205,705**	133,051	129,869	130,732
Gross Profit	**36,445**	24,531	30,282	26,801
Profit Before Taxation	**22,422**	17,317	19,052	15,417
Profit After Taxation	**16,266**	13,473	12,208	10,873
Financial Position				
Shareholders' Funds	**136,690**	93,434	86,961	80,752
Total Assets	**175,857**	141,214	125,685	101,723
Net Current Assets	**108,949**	71,920	67,829	72,684
Total Borrowings	**13,421**	31,311	23,409	11,996
Cash and Cash Equivalents	**54,967**	15,881	14,196	27,434
Earning per share (sen)	**3.61**	2.99	2.71	2.42

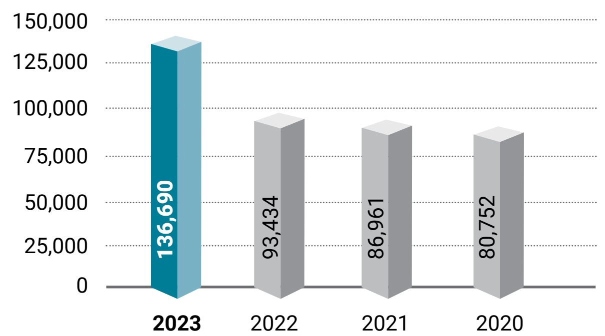
REVENUE (RM'000)



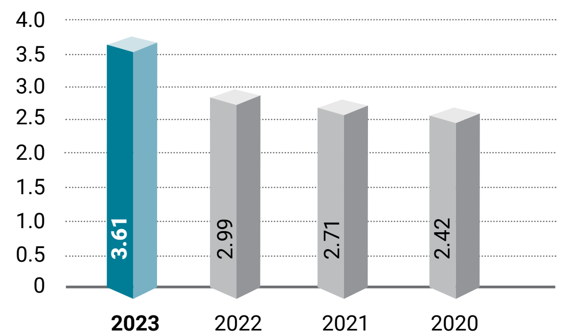
PROFIT AFTER TAXATION (RM'000)



SHAREHOLDERS' FUNDS (RM'000)



EARNINGS PER SHARE (sen)



BOARD OF **DIRECTORS' PROFILE**

Ahmad Subri Bin Abdullah ("Ahmad Subri")

Independent Non-Executive Chairman

73 age | gender

Ahmad Subri was appointed as our Independent Non-Executive Chairman on 13 June 2022.

He is a Chartered Insurer, Fellow of the Chartered Insurance Institute, UK and Fellow of the Malaysian Insurance Institute. He brings with him over 40 years of experience in the insurance, reinsurance and financial services industry having served in various capacity in England, Singapore and Malaysia. He has served as CEO for over 20 years in a number of leading Malaysian Insurance Groups.

Currently, Ahmad Subri is the Director and Advisor to a number of public and private companies in Malaysia and Singapore including Berjaya Sompo Insurance Berhad, Malaysian Life Reinsurance Group Berhad and Pheim Unit Trusts Berhad.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Group. He attended all of the three (3) Board meetings held during the financial year ended 31 March 2023 and has had no convictions for any offences within the past five (5) years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Mirzan Bin Mahathir ("Mirzan")

Managing Director

64 age | gender

Mirzan was appointed to the Board on 7 December 2021 and subsequently appointed as the Managing Director of the Company on 2 January 2022. He is responsible for the overall strategy and business direction of our Group.

He graduated with a Bachelor of Science (Honours) degree in Computer Science from Brighton Polytechnic, UK in 1982 and obtained his Master's degree in Business Administration from The Wharton School of the University of Pennsylvania, USA in 1987.

He has vast experience of more than 30 years working with international firms and became entrepreneur for several private and public companies and sits on as Chairman and Directors of those companies.

He is currently a Non-Independent Non-Executive Chairman of Aurora Italia International Berhad, a company which is listed on the LEAP Market of Bursa Securities and a Non-Executive Director of Petron Corporation, a company listed on the Philippine Stock Exchange.

Mirzan is deemed to be a major shareholder of the Company through his direct interest shareholding in Iskandar Holdings Sdn. Bhd., a major shareholder which holds 72.03% equity in the Company. He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Group. He attended all of the three (3) Board meetings held during the financial year ended 31 March 2023 and has had no convictions for any offences within the past five (5) years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Board of Directors' Profile

Muhammad Fauzi Bin Abd Ghani ("Muhammad Fauzi")

Executive Director

61 age | gender

Muhammad Fauzi was appointed to the Board on 7 December 2021 as Executive Director.

Muhammad Fauzi graduated with a Bachelor of Commerce from the University of Western Australia, Australia in 1984. In 1989, he obtained his Diploma in System Analysis from the MARA Institute of Technology. In 1994, he obtained his Master of Business Administration from Ohio University, USA.

Muhammad Fauzi has been a member of the Malaysian Institute of Certified Public Accountants (MICPA) since 1990 and a member of the Malaysian Institute of Accountants (MIA) since 1987.

He has with him more than 30 years of in-depth knowledge and experience in finance, strategy, taxation and information technology in several listed company in Malaysia and overseas. He has also been involved with many corporate exercises and fund-raising activities for the companies he worked previously.

He does not hold any directorship in public companies and listed issuers, does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Group. He attended all of the three (3) Board meetings held during the financial year ended 31 March 2023 and has had no convictions for any offences within the past five (5) years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Azlina Binti Abdul Aziz ("Azlina")

Independent Non-Executive Director

61 age | gender

Azlina was appointed as the Independent Non-Executive Director of the Company on 13 June 2022. She also serves as the Chairperson of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee.

Azlina graduated with a Bachelor of Business (major in Accounting) from the Western Australian College of Advanced Education (presently known as Edith Cowan University), Australia in 1985. In 2002, she obtained her Master of Business Administration from Aston University, UK. She has been a Member of the Malaysian Institute of Accountants (MIA) and Fellow of Certified Practising Accountant (CPA) Australia and since 1994 and 2012, respectively.

Azlina has accumulated experience spanning across more than three decades in the field of finance and accounting. She commenced her career with KK Properties Sdn Bhd in 1985 as an Accountant. She subsequently gained further experience having worked at different companies across the telecommunications, highway concessionaires and information technology, serving in various roles within finance and accounting.

She does not hold any directorship in public companies and listed issuers, does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Group. She attended all of the three (3) Board meetings held during the financial year ended 31 March 2023 and has had no convictions for any offences within the past five (5) years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Board of Directors' Profile

Yap Suan See

Independent Non-Executive Director

56 age · gender

Yap Suan See was appointed as the Independent Non-Executive Director of the Company on 15 March 2022. She also serves as the Chairperson of the Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee.

Yap Suan See graduated with her Bachelor of Science in Business Administration from Winona State University, Minnesota, USA in 1990. In 2004, she was certified in Production and Inventory Management (CPIM) by the American Production and Inventory Control Society (APICS) (currently known as the Association for Supply Chain Management (ASCM)). In 2008, she obtained her Master of Engineering, Manufacturing Management from the University of South Australia, Australia.

Yap Suan See has in-depth knowledge and experience in production and manufacturing activities, having dedicated more than 30 years of her professional life in the industry. She commenced her career with Applied Magnetics Sdn Bhd as a Quality Engineer. She went on to serve in several companies within the industry and rose to the rank of Managing Director of Finisar Malaysia Sdn Bhd (currently known as II-VI Malaysia Advanced Manufacturing Center Sdn Bhd). Her last role prior to her retirement in July 2022 was as a Consultant for the company.

She does not hold any directorship in public companies and listed issuers, does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Group. She attended all of the three (3) Board meetings held during the financial year ended 31 March 2023 and has had no convictions for any offences within the past five (5) years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Mohd Shahriman Bin Mohd Sidek ("Mohd Shahriman")

Independent Non-Executive Director

59 age · gender

Mohd Shahriman was appointed as the Independent Non-Executive Director of the Company on 27 January 2022. He also serves as a member of the Audit and Risk Management Committee and Nomination and Remuneration Committee.

Mohd Shahriman obtained his Diploma in Architecture from the MARA Institute of Technology in 1987. In 1990, he graduated with a Bachelor of Arts (Honours) in Architectural Studies from Oxford Polytechnic, UK (presently known as Oxford Brookes University, UK). In 1992, he obtained his Post Graduate Diploma in Architecture and Urban Design from Oxford Polytechnic, UK.

He has over 30 years working experience at several corporations, holding various positions in various fields in Malaysia and overseas. He began his career with the Halcrow Group, UK and worked in UK, Asia and the Middle East in the architecture fields. He was subsequently focused on digital media and technology and set up several companies in this industry.

In recent years, saw him as CEO of MSA Resources, a digital infrastructure group and HATI International, a healthcare technology group and VP of CREST (Collaborative Research in Engineering, Science & Technology). He is currently the Regional Director of International Data Center Authority, USA and a panel mentor to International Construction Industry Incubation Alliance of Shenyang Jianzhu University (China) and advisor to several technology companies.

He does not hold any directorship in public companies and listed issuers, does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Group. He attended all of the three (3) Board meetings held during the financial year ended 31 March 2023 and has had no convictions for any offences within the past five (5) years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT'S PROFILE

Megat Iskandar Hashim Bin Ismail ("Megat Iskandar")
Chief Operating Officer
Age 49 / Male / Malaysian

Megat Iskandar was first joined BESB as the Chief Operating Officer on 4 January 2017, a position he holds till today. He is responsible for overseeing the Group's day-to-day manufacturing and operational functions as well as sales and marketing matters.

Megat Iskandar graduated with a Bachelor of Engineering (Honours) in Electrical and Electronic Engineering from the University of Manchester Institute of Science and Technology, UK in 1996.

He has with him 27 years of experience in diverse industries ranging from oil and gas, construction, property development and electronic manufacturing services.

Nor' Azrin Bin Nusi ("Nor' Azrin")
Chief Financial Officer
Age 49 / Male / Malaysian

Nor' Azrin was first joined BESB as the Chief Financial Officer on 16 August 2021, a position he holds till today. He is responsible for overseeing the Group's day-to-day financial matters, including financial reporting, treasury, taxation and budget planning, as well as human resource matters.

Nor' Azrin graduated with a Bachelor of Arts (Hons) in Accounting and Management Control from Sheffield Hallam University, UK in 1996. In 2012, he obtained a Master of Business Administration from the Universiti Kebangsaan Malaysia (UKM) Graduate School of Business.

Nor' Azrin has been a Member of the Malaysian Institute of Accountants (MIA) since 1999, and a Member and Fellow Member of the Association of Chartered Certified Accountants (ACCA) since 1999 and 2004, respectively.

He brings with him 27 years of working experience in finance and accounting. He has served in few public listed companies involved in property development, constructions, plantation and agricultural activities, serving various roles within finance and accounting.

Safuan Bin Yusof ("Safuan")
Chief Technology Officer
Age 55 / Male / Malaysian

Safuan was first joined BESB as the Chief Technology Officer on 16 March 2023, a position he holds till today. He is responsible for overseeing the research & development department, IT infrastructure & deployment and digital transformation for the Group.

Safuan graduated in MPhil of Computer Speech and Language Processing from Cambridge University in 1993, and BEng (Hons) in Information System Engineering from Surrey University in 1991.

He has 30 years of experience in technology especially business process, data management and project management with Oil & Gas, Petrochemical, Manufacturing, Logistics, Government, Consulting and Automotive companies.

Key Senior Management's Profile

Tay Yoke Theng

General Manager and Head of Procurement and Administration
Age 52 / Female / Malaysian

Tay Yoke Theng is the General Manager and Head of Procurement and Administration. She is responsible for overseeing the Group's purchasing and administrative matters.

Tay Yoke Theng completed her Malaysian Higher School Certificate at Sekolah Menengah Kebangsaan Maxwell, Kuala Lumpur in 1988. In 1989, she obtained her London Chamber of Commerce and Industry (LCCI) qualification in book-keeping and accounts.

Tay Yoke Theng joined BESB as a Purchasing Executive, a position she held until 2009. Over the years, she was promoted to the positions of Senior Manager (2009) and Deputy General Manager (2013), before assuming the role of General Manager and Head of Procurement and Administration on 1 January 2018, a position that she holds until today.

Other Information

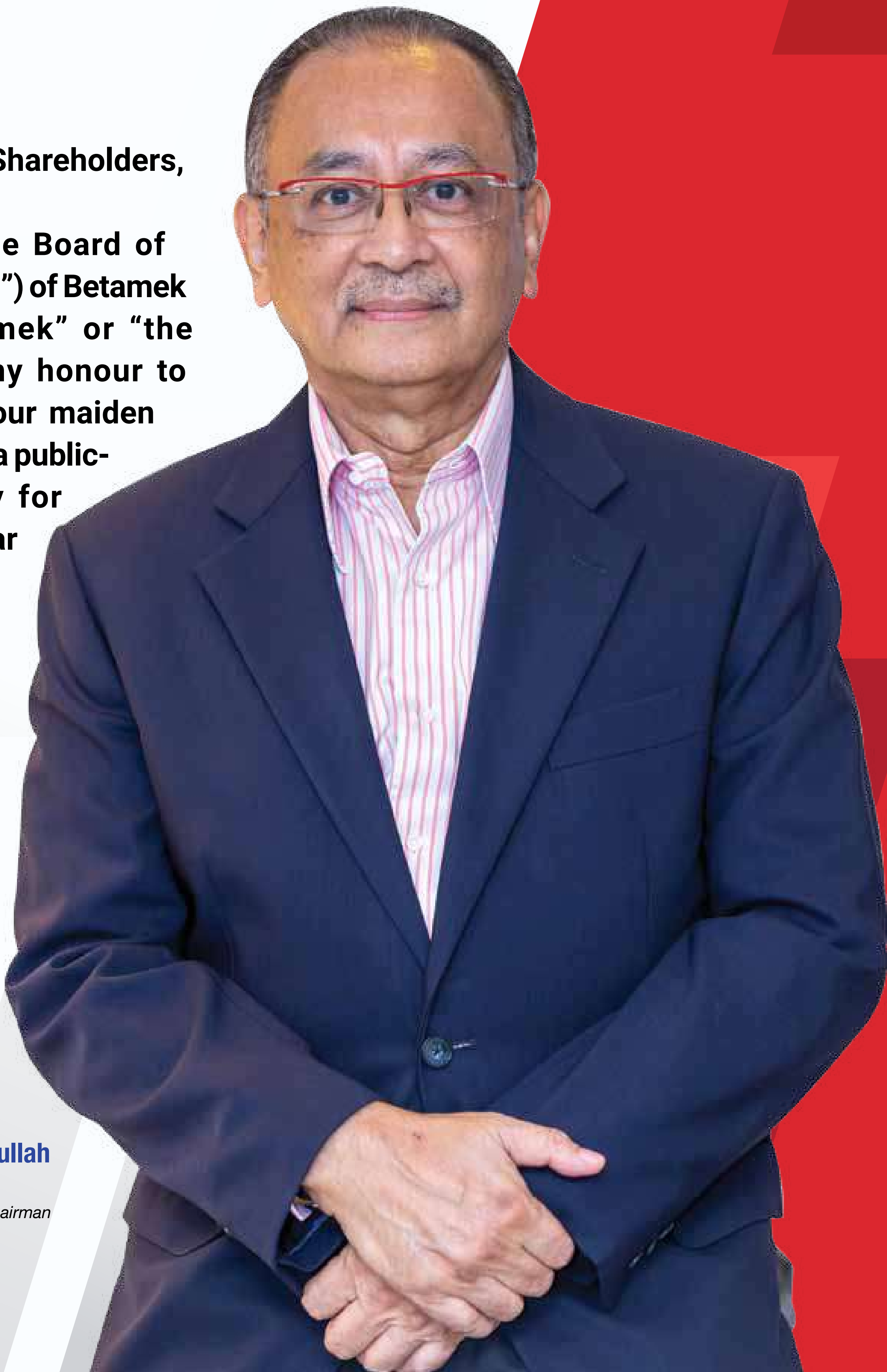
(a) Family Relationship
None of the Key Senior Management has any family relationship with any director and/or major shareholder of the Company.

(b) Conflict of Interest
None of the Key Senior Management has any conflict of interests with the Group.

(c) Conviction of Offences
None of the Key Senior Management has convictions for any offences within the past five (5) years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

(d) Directorships
None of the Key Senior Management holds any directorship in public companies and listed issuers.

CHAIRMAN'S
STATEMENT



Dear Esteemed Shareholders,

On behalf of the Board of Directors ("Board") of Betamek Berhad ("Betamek" or "the Group"), it is my honour to present to you our maiden annual report as a public-listed company for the financial year ended 31 March 2023 ("FYE 2023").

Ahmad Subri Bin Abdullah ("Ahmad Subri")
Independent Non-Executive Chairman

Chairman's Statement

A NEW BEGINNING

2022 marks a significant milestone in the history of Betamek with the launching of our Prospectus in conjunction with our Initial Public Offering ("IPO") exercise on 28 September 2022 and subsequent successful entry to the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 26 October 2022. With that, Betamek embarked on a new journey as a public listed company.

Through the IPO exercise, we raised a total of RM33.75 million in cash, which will be utilized optimally to facilitate the Group's future plans. In addition, the listing presented us an enhanced reputation and credentials, while signifying the beginning of future growth and success of the Group.

REVIEW OF FINANCIAL PERFORMANCE

For the FYE 2023, the Group registered a record revenue of RM205.7 million, an exceptional increase of 55% as compared to RM133.1 million in the previous year.

In terms of profitability, I am delighted to share that the Group turned in a profit after tax of RM16.3 million, an increase of 21% as compared to RM13.5 million profit after tax in FYE 2022.

Using this opportunity, as a reward to all shareholders who continues to believe in Betamek, I am pleased to inform that the Board has declared and paid an interim single tier dividend of 0.5 sen per ordinary share in Betamek for FYE 2023.

OPERATION REVIEW

Throughout FYE 2023, we remained focused on what we do best – manufacture and supply vehicle audio products and components comprising vehicle infotainment systems and audio video accessories as well as air conditioning control panels, USB chargers, mirror switches, switch clusters and power sockets to automotive marques in Malaysia and Indonesia (through PERODUA). Amidst various challenges faced such as disruptions in supply chain and increased cost of raw materials, the team persevered and remained competitive as well as resourceful in our procurement from suppliers and delivery to customers.

PROSPECTS FOR FYE 2024

Looking ahead, the Malaysian economy is expected to continue the recovery trajectory. The easing of restrictions and reopening of international borders are creating a much more conducive business operating landscape. With a brighter outlook ahead, Bank Negara Malaysia projects that Malaysia's Gross Domestic Product ("GDP") is expected to grow further at 4.0% to 5.0% in calendar year 2023. A moderating factor would be the rising inflationary pressure, which in turn, leads to rising interest rate environment. The Group is monitoring the situation closely and shall take the necessary steps to mitigate the arising effects thereof.

Chairman's Statement

In the meantime, the outlook for the manufacturing industry appears positive at this juncture as the manufacturing sector GDP is projected to grow by 3.9% in calendar year 2023, according to the Ministry of Finance.

Capitalising on the economic recovery and the rebound in the manufacturing sector, coupled with internal initiatives at Betamek to enhance productivity, I believe we are on track to deliver another set of strong performance in FYE 2024.

APPRECIATION

On behalf of the Board, I would like to convey my heartfelt appreciation to the management and employees of Betamek for their resolute dedication and devoted efforts in guiding the Group through such challenging times. With their hard work and unwavering commitment, Betamek are able to successfully achieve record revenue in FYE 2023.

I would also like to express my profound gratitude to our external stakeholders, including but not limited to our valued shareholders, customers, business partners, bankers and suppliers for their continuous support, as without them Betamek would not be able to be at where we are now.

Finally, I would like to acknowledge my fellow Board members for their perceptive insights and wise counsel. Collectively, the Board offers great diversity in terms of background, experience and exposure across various industries, as well as between public and private sectors. I believe with the current management team that we have, under the stewardship of the Board, spearheading the direction of Betamek, our Group shall be on the path towards new heights and greater success.

MANAGEMENT
DISCUSSION & ANALYSIS

Dear Valued Shareholders,

It is my pleasure to share with you the Management Discussion and Analysis ("MD&A") of Betamek Berhad ("Betamek" or "the Group") for the financial year ended 31 March 2023 ("FYE 2023").

Mirzan Bin Mahathir
("Mirzan")
Managing Director

Management Discussion & Analysis

This MD&A provides an overview of the financial and operational performance of the Group through the lens of the management. In addition, it also contains disclosures of relevant non-financial information to complement the financial statements. I believe the information and review content herein shall provide a better understanding of Betamek's overall performance to our shareholders.

1. Overview of Betamek

It has indeed been a period of trials and tribulations for us at Betamek with the impact of COVID-19 still looming in the background. Nevertheless, we do have a cause to celebrate – after being in operation for 33 years, we are now a public-listed entity. Betamek was listed on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on 26 October 2022, and successfully raised proceeds amounting to RM33.75 million from the initial public offering ("**IPO**") exercise. Today, Betamek offers a one-stop solution for developing and manufacturing electronic products, with comprehensive onsite research and development ("**R&D**") facilities, production engineering and manufacturing.

In FYE 2023, despite experiencing various challenges on the disruption of supply chain and shortages of raw materials, Betamek are able to record a historic high revenue. During the year, the management dug deep and prevailed by leveraging on our vast experience, established track record and capabilities. These factors, coupled with our robust balance sheet, had enabled us to persevere and overcome the challenges we faced during the financial year under review.

2. Business and Operational Overview

We provide one-stop electronic manufacturing services ("EMS") solutions to automotive makers where we have the capabilities to carry out manufacturing services for printed circuit board assemblies ("PCBAs"), sub assemblies, box build and system build of products. Through our highly integrated platform, we provide EMS solutions to automotive makers on a turnkey basis, whereby we are involved in almost every stage of product development process up to the delivery of finished products.

We have established a long-standing relationship of approximately 29 years with PERODUA when we were first appointed to supply vehicle audio systems for all PERODUA's Kancil models. Since then, our Group has been supplying for every car model of PERODUA Group and this track record has remained unbroken to date. Besides, PERODUA and our Group have heavily invested in training and joint R&D, and we are familiar with PERODUA's needs, which solidifies our position as PERODUA's supplier.

Prior to being listed on the Bursa Securities, Betamek had underwent major renovation to our Rawang factory, involving renovation of our office and production floors and installation of new and advanced machineries and equipments. We believed this renovation enables us to enhance our efficiency and productivity in accommodating the increased orders from our customers during the FYE 2023.

Operationally, FYE 2023 was a year of two tales. On one hand, the business environment remained highly challenging due to various factors, including the rippling effects from the COVID-19 situation. Logistic restrictions of imported materials forced our procurement team to be on their feet to secure the supply and ensure our production activity would not be disrupted.

On the other hand, Betamek was able to achieve record revenue since our incorporation 33 years ago, boosted by the government's announcement of sales tax exemption on purchase of passenger cars.

The increase in number of orders accompanied with the challenges faced by our supply side had presented great challenges for the team but against all odds, we were able to deliver our promise to our customers in timely manner.

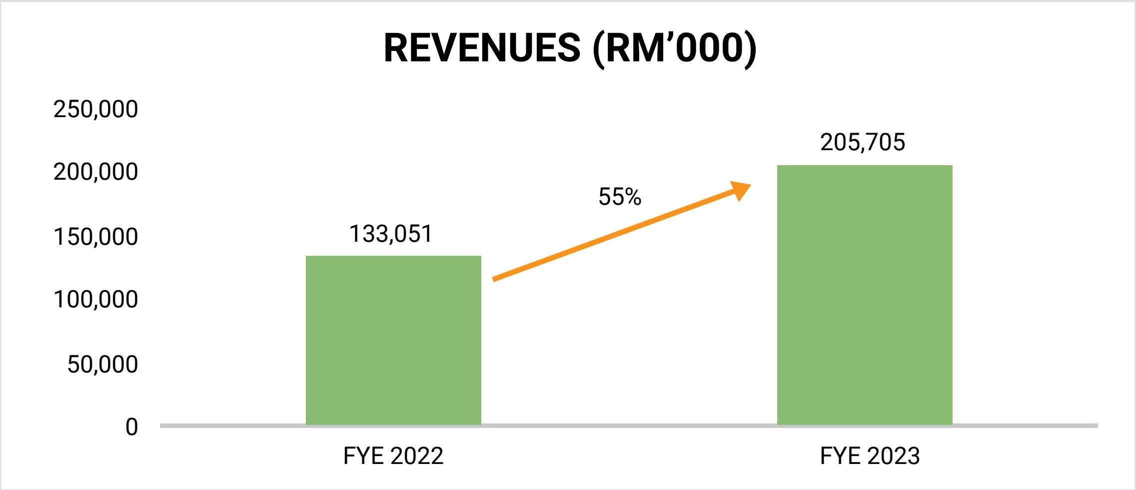
Management Discussion & Analysis

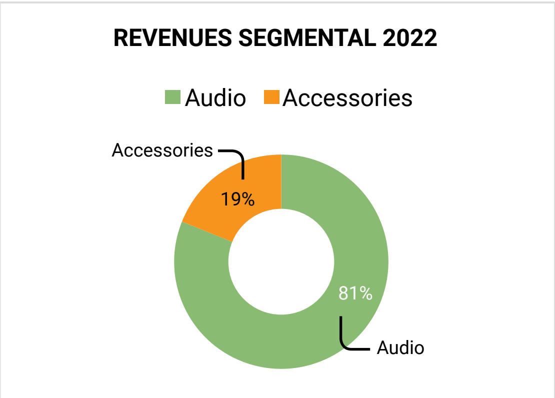
3. Review of Financial Performance

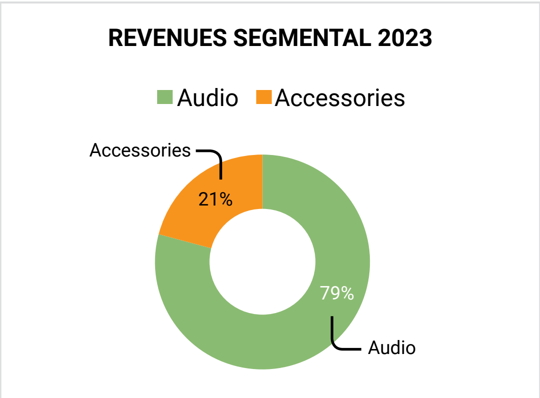
	FYE'23	FYE'22	Changes	
	RM'000	RM'000	RM'000	%
Revenue	205,705	133,051	72,654	55%
Gross Profit ("GP")	36,445	24,531	11,914	49%
Profit Before Tax ("PBT")	22,422	17,317	5,105	29%
Profit After Tax ("PAT")/ Net Profit	16,266	13,473	2,793	21%
GP margin (%)	17.7	18.4		
PBT margin (%)	10.9	13.0		
Net profit margin (%)	7.9	10.1		
Basic EPS (sen)	3.6	3.0		
Number of shares post Initial Public Offer ("IPO") ('000)[1]	450,000	450,000		

Notes:
(1) For illustration purposes only based on Betamek's number of ordinary shares post IPO, 450,000.

3.1 Revenue







Management Discussion & Analysis

3.1 Revenue (Cont'd)

Our revenue relates to the sales of manufactured goods, which is recognised net of sales returns and discount upon the transfer of control of the goods to the customers.

	FYE 2023		FYE 2022	
	RM'000	**%**	**RM'000**	**%**
Vehicle audio and visual products	163,367	79.4	107,196	80.6
Vehicle accessories	42,338	20.6	25,855	19.4
	205,705	**100.0**	**133,051**	**100.0**

Our revenue recorded an increase of RM72.7 million or 54.6% from RM133.1 million in FYE 2022 to RM205.7 million in FYE 2023, contributed by overall increase in revenue from both vehicle audio and visual products as well as vehicle accessories.

Vehicle audio and visual products

Our revenue from vehicle audio and visual products increased by RM56.2 million or 52.4% from RM107.2 million in FYE 2022 to RM163.4 million in FYE 2023, which was attributed to an increase in revenue from vehicle infotainment systems of RM54.4 million, mainly as a result of higher orders for 2021 ATIVA and 2019 BEZZA vehicle model.

There was no individual component under the vehicle audio and visual products recorded a decrease in sales compared to FYE 2022.

Vehicle accessories

Our revenue from vehicle accessories increased by RM16.5 million or 63.8% from RM25.9 million in FYE 2022 to RM42.3 million in FYE 2023. The increase was attributed to the overall increased volume in most product categories, in particular the air-conditioning control panel which recorded an increase of RM13.2 million, mainly attributable to the 2021 MYVI and 2021 ATIVA models.

3.2 Financial Result & Analysis

	FYE'2023	FYE'2022	Changes	
	RM'000	**RM'000**	**RM'000**	**%**
GP	36,445	24,531	11,914	49%
Other Income	582	1,111	(529)	(48%)
Administrative expenses	(11,581)	(6,054)	(5,527)	91%
Selling and distribution expenses	(96)	(357)	261	(73%)
Finance costs	(912)	(937)	25	(3%)
Other expenses	(2,016)	(977)	(1,039)	106%
PBT	22,422	17,317	5,105	29%
Taxation	(6,156)	(3,844)	(2,312)	60%
PAT	16,266	13,473	2,793	21%

Management Discussion & Analysis

3.2 Financial Result & Analysis (Cont'd)

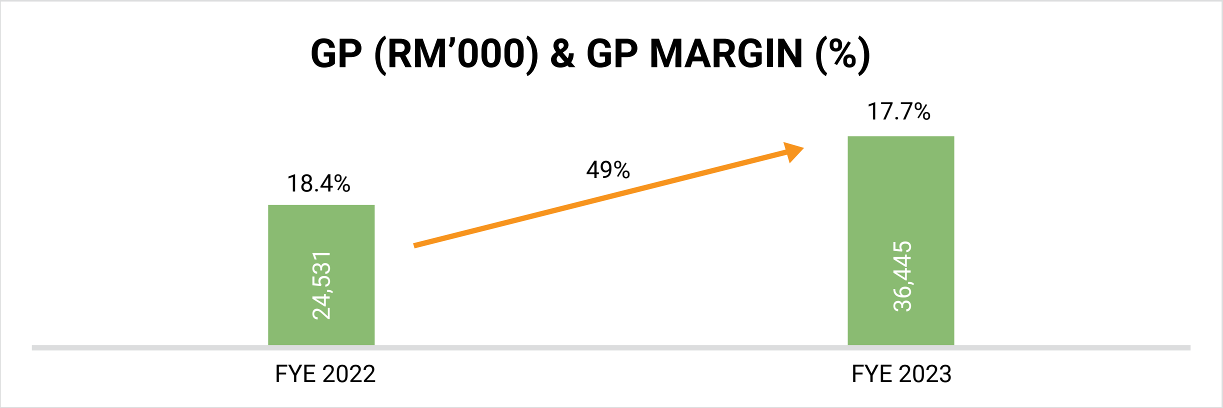
Cost of Sales

Our cost of sales increased by RM60.7 million or 56.0% from RM108.5 million in FYE 2022 to RM169.3 million in FYE 2023 mainly due to higher volume of sales in the current financial year under review. The increase in our cost of sales is also attributed to the weakening of Malaysian Ringgit ("**MYR**") against the United States Dollars ("**USD**") which average at MYR 4.45 during the financial year under review.

As the production volume is higher, the production labour cost has also correspondingly increased by RM3.6 million. The increase in our production labour cost of 34.6% from RM10.4 million in FYE 2022 to RM14.0 million in FYE 2023 was due to higher number of staffs to meet the production volume and the effect of Malaysian Minimum Wage Order 2022 from RM1,200/- per month to RM1,500/- per month and higher bonus provision for the current financial year.

Our production overheads meanwhile recorded a slight decrease of RM0.3 million or 9.1% from RM3.3 million in FYE 2022 to RM3.0 million in FYE 2023, attributable to lower utilities and depreciation charges.

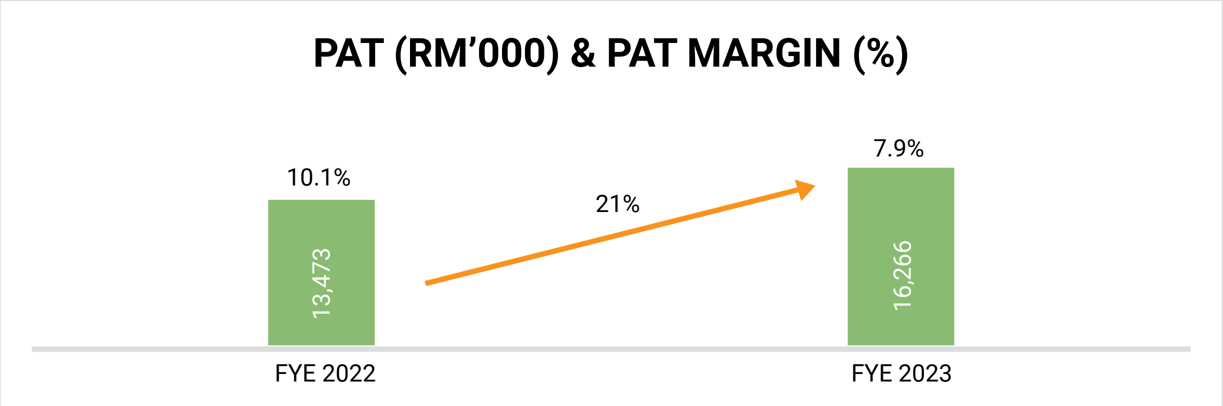
Gross Profit



Our overall GP increased by RM11.9 million or 49% from RM24.5 million in FYE 2022 to RM36.4 million in FYE 2023. The GP margin however recorded a slight decrease from 18.4% in FYE 2022 to 17.7% in FYE 2023 because of higher direct materials cost as mentioned above. We are not able to pass the full extent of the increased cost as it is subject to negotiation with our major customers for the price adjustments. Our selling price will be adjusted upwards upon agreement with our major customers. Pending such negotiation to be finalised, our Group will continue to be exposed to price fluctuations.

Our Group has explored the hedging instrument to mitigate the foreign exchange risk. This hedging exercise will be closely monitored for our Group to protect the operating margin when dealing in foreign currencies.

Profit After Tax



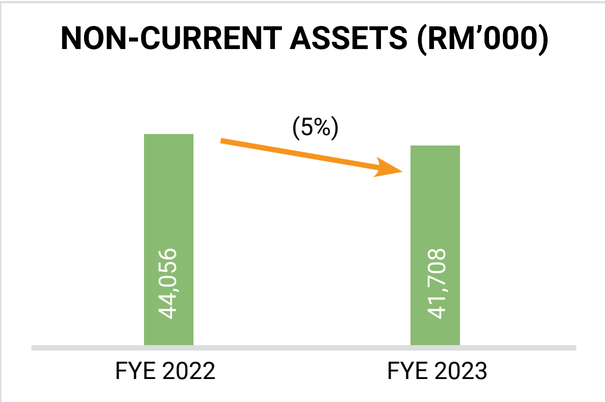
Our Group PAT has increased by RM2.8 million or 21% from RM13.5 million in FYE2022 to RM16.3 million in FYE2023. The PAT Margin is however lower from 10.1% to 7.9% due to one-off expenses arising from the IPO expenses of RM2.9 million incurred during the financial year under review.

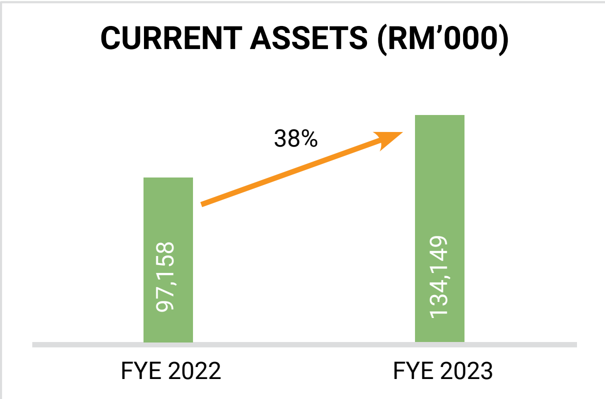
4. Financial Position Review

4.1 Financial Position Analysis

	FYE 2023	FYE 2022	Changes	
	RM'000	RM'000	RM'000	%
Non-current assets	41,708	44,056	(2,348)	(5%)
Current assets	134,149	97,158	36,991	38%
Total assets	**175,857**	**141,214**	**34,643**	**25%**
Non-current liabilities	13,967	22,543	8,576	38%
Current liabilities	25,200	25,237	37	0%
Total liabilities	**39,167**	**47,780**	**8,613**	**18%**
Net assets	**136,690**	**93,434**	**43,256**	**46%**
Current ratio (times)	**5.3**	**3.8**		

Assets





Our non-current assets decreased by RM2.3 million due to:

i. addition of property, plant and equipment of RM1.6 million, mainly comprising of renovation (RM0.8 million), motor vehicles (RM0.1 million), tools equipment and moulds (RM0.4 million) and furniture and office equipment (RM0.3 million);

ii. addition of right-of-use assets of RM0.2 million; and

iii. the increase was offset by an amount of RM4.1 million, due to higher depreciation charges of RM2.9 million and amortisation of intangible assets of RM1.2 million.

Our current assets increased by RM37.0 million due to:

i. increase in trade receivables of RM5.1 million due to higher orders prior to year end; and

ii. increase of RM39.1 million in cash and bank balances, deposits and placement due to higher internally generated funds contributed by higher sales as well as proceeds from the IPO exercise.

The increase in current assets was offset by:

i. decrease in inventories of RM2.1 million due to higher delivery to customers before the financial year end;

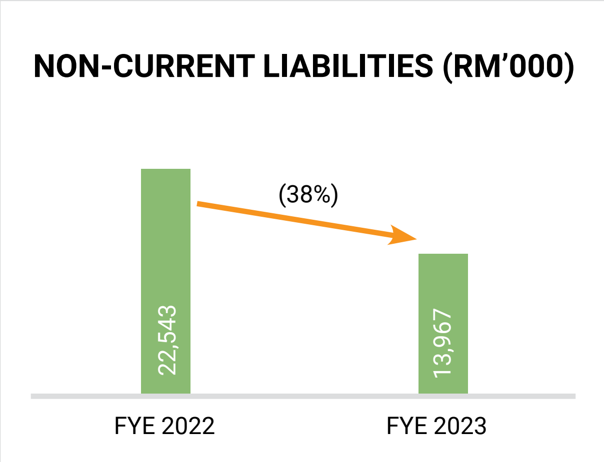
ii. decrease in other receivables of RM3.3 million, mainly due to reduction in payment of advances to suppliers; and

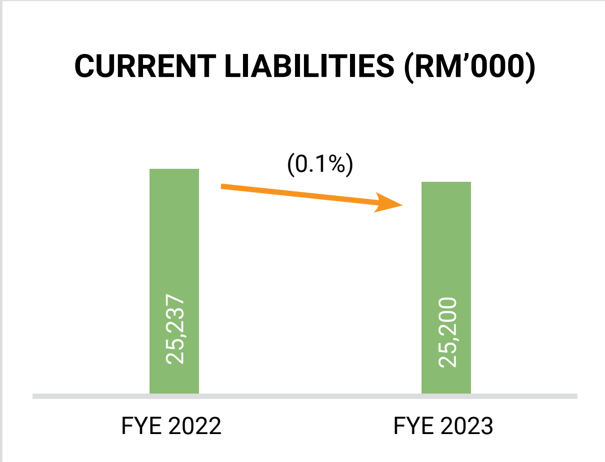
iii. decrease in tax recoverable of RM1.7 million.

Management Discussion & Analysis

4.1 Financial Position Analysis (Cont'd)

Liabilities





Our non-current liabilities decreased by RM8.6 million due to:

i. decrease in bank borrowings of RM8.0 million as the Company fully settled its revolving credit facility of RM8.0 million (FYE 2022: RM5.2 million non-current and RM2.8 current), and partially settled its existing term financing amounting to RM2.0 million (FYE 2022: RM13.9 million non-current and RM1.2 million current) using the fund from IPO proceeds; and
ii. decrease in deferred tax liabilities of RM0.6 million mainly due to the temporary differences arising from property, plant and equipment and intangible assets.

Our current liabilities almost similar to FYE 2022. The movement of the components of current liabilities are as follows:

i. increase in trade payables of RM6.3 million, mainly due to more purchases made towards the last quarter of FYE 2023;
ii. increase in other payables of RM2.8 million mainly due to higher bonus provision for FYE 2023, staff costs accrued for March 2023 and non-trade invoices received before year end;
iii. increase in income tax payable of RM0.7 million in relation to year of assessment 2023; and
iv. the increase in (i) to (iii) has been offset by decrease in current short-term portion of bank borrowings of RM9.8 million.

4.2 Cash Flow Analysis

	FYE 2023	FYE 2022	Changes	
	RM'000	RM'000	RM'000	%
Net cash from operating activities	25,232	14,051	11,181	80%
Net cash used in investing activities	(1,411)	(4,511)	3,100	69%
Net cash from/(used in) financing activities	15,470	(7,975)	23,445	294%
Net increase in cash and cash equivalents	39,291	1,565	37,726	2411%
Cash and cash equivalents at beginning of the financial year	15,676	14,111	1,565	11%
Net increase in cash and cash equivalents at the end of the financial year	**54,967**	**15,676**	**39,291**	**251%**

Management Discussion & Analysis

4.2 Cash Flow Analysis (Cont'd)

Net cash for operating activities

We recorded net cash inflow from operating activities of RM25.2 million, after taking into consideration our operating profit before working capital changes of RM27.2 million, and the following working capital changes:

i. decrease in inventories of RM2.1 million, mainly due to higher delivery volume to customers towards the financial year end;
ii. increase in receivables of RM1.8 million, mainly due increase in trade receivables as a result of (i) above;
iii. increase in payables of RM9.1 million, mainly due to higher purchases in the last quarter of FYE2023 as well as higher provisions and accruals;
iv. net repayment of trust receipts amounting to RM7.1 million; and
v. payment of income tax of RM4.3 million.

Net cash for investing activities

We recorded a net cash outflow for our investing activities of RM1.4 million, due to outright purchase of property, plant and equipment of RM1.6 million, mainly comprising of factory renovation (RM0.8 million), various tools and equipment (RM0.4 million), new furniture and office equipment (RM0.3 million) and motor vehicle (RM0.1 million).

The cash outflow was offset by the interest received from fixed deposit placed with financial institution of RM0.2 million.

Net cash for financing activities

We recorded a net cash inflow for our financing activities of RM15.5 million due to net proceeds received from IPO exercise for Betamek Berhad of RM33.2 million and liquidation of deposits pledged as security to the bank of RM0.2 million.

The cash inflow was offset by:

i. dividend paid in respect of FYE2023 of RM4.0 million to the previous shareholders of Betamek Electronics (M) Sdn Bhd (prior to acquisition by Betamek Berhad);
ii. dividend paid in respect of FYE2023 to the shareholders of Betamek Berhad of RM2.3 million;
iii. payment of interest charged on term financing, revolving credit and trade facilities totalling to RM0.7 million; and
iv. net repayment of term financing of RM2.9 million and other bank borrowings of RM8.0 million.

4.3 Liquidity & Capital Resources

Throughout the years, we have been financing our operations through existing cash and bank balances, cash generated from our operations, credit extended by our suppliers and external sources of funds. Our external sources of funds comprises a term financing, trade financing as well as a finance lease.

During the FYE 2023, Betamek has been listed on ACE Market of Bursa Securities and obtained an IPO proceeds amounting to RM33.8 million. This has enable our Group to access into the public capital funds in order to expand the business further in future years.

After taking into consideration the following, our Board believes that our working capital will be sufficient for our existing and foreseeable requirements for a period of 12 months for the financial year ended 31 March 2024:

i. Our deposit, cash and bank balances as at 31 March 2023 of RM55.0 million;
ii. Current ratio as at 31 March 2023 at a comfortable level of 5.3 times;
iii. Our expected future cash flows from operations from major customers who provide us with the forecast of their orders up to 6 months in advance. These forecasted orders generally materialise, and, coupled with our outstanding sales orders, will be converted to cash within the credit period given;
iv. Our banking facilities (excluding lease liabilities) of up to a limit of RM66.8 million, of which RM13.3 million has been utilised; and
v. Our net assets position and gearing level as at 31 March 2023 of RM136.7 million and 0.1 times respectively.

Management Discussion & Analysis

5. Operation Outlook

5.1 Business Continuity with COVID-19

Despite the various challenges imposed by the COVID-19 since March 2020, Betamek has been able to sustain itself and emerge financially stronger than before. Our revenue growth has been spectacular, with 55% increase from RM133.1 million in FYE 2022 to RM205.7 million in FYE 2023. We have not received any financial assistance program provided by the Government as we are able to operate throughout the financial year.

Notwithstanding the impacts of COVID-19 on our Group's business operations, we currently do not expect any material impact to the sustainability of our business operations in the foreseeable future as our business operations resumed to full capacity since the previous financial year. We do not expect any material impacts to our liquidity, financial position and financial performance from the impact of COVID-19. We do not anticipate any financial difficulties in meeting our obligations to sustain our business operations in the near future.

6. Challenges, Risks and Mitigation

6.1 Dependent on the PERODUA Group

We are significantly dependent on the PERODUA Group, which contributed to almost all of our revenue for FYE 2023. As our business is tied to PERODUA Group's business and the industry they operate in, our financial performance may be adversely affected if they lose market share, experience interruptions, financial difficulty or if they face economic downturn which affects their products or services. The loss of our business with the PERODUA Group, whether directly or indirectly through their vendors, without timely replacement, will adversely affect our business, financial condition, results of operations and prospects.

6.2 Supply of input materials at competitive prices

Other than that, we are dependent on adequate supply of input materials at competitive prices. Our imported input materials accounted for 81.2% of our purchases of input materials for FYE 2023. Our purchases of integrated circuits make up the largest of our purchases of input materials, accounting for 44.2% of our purchases. If the prices of input materials increase significantly or suddenly in the future and we are unable to secure supply of these parts at satisfactory prices or unable to pass increased costs in a timely manner to our customers, our profitability and hence financial performance may be adversely affected.

Although our Group has historically been able to pass on the increase in cost, we may not be able to mitigate the full extent of the price increase. Moving forward, we may not be able pass on the increase in the costs of input materials to our customers, in a timely manner or at all, or avoid adverse impact on our profit margin if there is a significant increase in our input material prices.

6.3 Operational risks

We are subject to operational risks which may cause interruptions to our business operations including but not limited to, fire outbreaks, floods, landslides and disruptions of electricity supply at our manufacturing facility.

6.4 Shortage of labour

We may face a shortage of labour for our factory operations as we require semi-skilled operators for our operations. Our business operations rely on Malaysian workers. In the event of insufficient workers with the requisite skills and knowhow to support our operations, our business may be materially and adversely affected.

Management Discussion & Analysis

7. Future Plans

The Group's future plans and strategies are as follows:

7.1 R&D for new product development

We plan to expand our product range relating to automotive electronics for future automobile models and variants. We have allocated RM7.0 million from the IPO proceeds for the R&D activities in respect to new product development, among others, in relation to vehicle visual and sensor features, telematics and internet of things ("IoT") connected mobility applications.

In order to incorporate the latest and applicable technologies in our products, we will be collaborating with our technical partners for their firmware development and electronics engineering design support.

7.2 Expansion of R&D office space, storage and ancillary facilities

In addition with the renovation of our Group's new manufacturing facility which was completed in December 2021, we plan to expand our R&D office space, storage and ancillary facilities which entail the construction of a new 3-storey annexe building to upgrade the facilities.

7.3 Automation of manufacturing process

We intend to upgrade our manufacturing facility aspects of industrial revolution ("IR") 4.0 which involves the use of automation, artificial intelligence ("AI"), IoT and real data. We are investing in software and system development and implementation to facilitate factory automation towards IR 4.0.

7.4 Purchase of machinery and equipment

We intend to acquire machinery and equipment, namely X-ray inspection machine, ball grid array rework station, PCB routers and robotic or automated soldering machines to enhance our manufacturing efficiency and production capabilities to reduce our reliance on external suppliers.

8. Dividends

The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividends for the year are subject to shareholders' approval. Actual dividends proposed and declared may vary depending on the financial performance and cash flows of our Group.

The Board of Directors of the Company has declared and paid dividend of 0.5 sen which is amounting to RM2.25 million in FYE2023. These dividends have been paid using internally generated funds and are not expected to affect our future plans or strategies moving forward.

9. Material Litigation

Our Group is not engaged in any material litigation, claim or arbitration either as a plaintiff or defendant, and there are no proceedings pending or threatened, or of any fact likely to give rise to any proceeding which might materially or adversely affect our financial position.

There are no contingent liabilities incurred by us or our subsidiary, which upon becoming enforceable, may have a material effect on our financial position or our subsidiary.

SUSTAINABILITY **STATEMENT**

OVERVIEW STATEMENT

At Betamek Berhad ("Betamek"), we are fully committed to integrating sustainability into every aspect of our business through our environmental, social and governance ("ESG") framework. We are cognizant of the issues facing the economy, society and the environment. To meet this challenge, we strive to minimize undesirable impacts arising from our operations while maximizing our positive contribution. This statement provides stakeholders with an understanding of how Betamek balances financial objectives and our social and environmental responsibilities. We are pleased to discuss our progress, long-term commitments and successes in delivering significant value to stakeholders while complying with ecologically and socially responsible business practices.

Reflecting on our sustainability journey, Betamek has made significant progress in reducing our effect on the environment and strengthening employee well-being. We have focused on continuous employee training and awareness programs, sustainable product design, green supply chain, manufacturing efficiencies and proper waste management. However, there are still challenges to be met across the Group. Therefore, we will set ambitious targets and leverage innovative solutions to create lasting value for our stakeholders and contribute to a more sustainable future.

REPORTING GUIDELINES (SCOPE)

This sustainability statement covers the reporting period from 1 April 2022 to 31 March 2023 (**"FYE 2023"**) (unless otherwise stated). It is prepared following the Economic, Environment and Social Reporting Guide in Paragraph 30, Appendix 9C of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). In October 2022, Betamek successfully listed on the ACE Market of Bursa Securities, with Betamek Electronics (M) Sdn Bhd as its wholly owned subsidiary. Betamek is also a member of the United Nations Global Compact.

Betamek Core Values

Our Core Values		
Loyalty	**Respect**	**Teamwork**
Caring for the "BETAMEK" family to better serve our customers and community	Always mindful and considerate of the rights and differences of others	Working cohesively, effectively and efficiently to achieve our goals.

Sustainability Statement

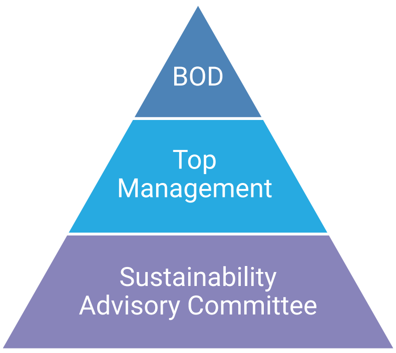
KEY HIGHLIGHTS OF BETAMEK FYE 2023

Up to **80%** Recycling rate

More than **30** years of industry excellence

100% local employees

IATF 16949, ISO14001 and ISO45001 Certified



To ensure the effective implementation of our sustainability strategy, we established a sustainability governance framework within the Group. The framework incorporates well-defined roles and responsibilities, regular reporting and review processes, as well as stakeholder interaction. The framework cultivates sustainability awareness and management throughout the organisation and helps to identify potential opportunities for improvement as we inculcate sustainability into our decision-making processes.

Roles and responsibilities of Betamek Corporate Governance

Board of Directors ("Board")	The Board oversees the Company's strategic direction, including our sustainability commitments and performance.
Top Management	Including heads of departments and senior managers, who are responsible for monitoring and reviewing our sustainability strategies, policies and performance.
Sustainability Advisory Committee	Also known as the ESG Committee, it is responsible for implementing, executing and managing the day-to-day operations in alignment with our sustainability objectives.

Sustainability Statement

AUDIT AND ASSURANCE

Betamek has continued its regular internal and external audits and inspections of our processes, products and services. Additionally, we continue to improve data collection throughout our value chain to gain valuable insights into our sustainability practices. Moving ahead, Betamek looks forward to engaging with external consultants to seek an independent evaluation of our sustainability performance.

SUSTAINABILITY MATERIALITY MATTERS

As we nurture our sustainability practices within the Company, Betamek has identified ten (10) areas with the most social and environmental impact. Our sustainability strategy remains guided by our core values and a strong sense of responsibility towards our stakeholders, including the Board, employees, customers, shareholders, suppliers and the communities in which we operate.

ENVIRONMENT

- Carbon Emission
- Waste Management

ECONOMIC

- Responsible Sourcing and Procurement
- Quality and Assurance
- Sustainable Product Design

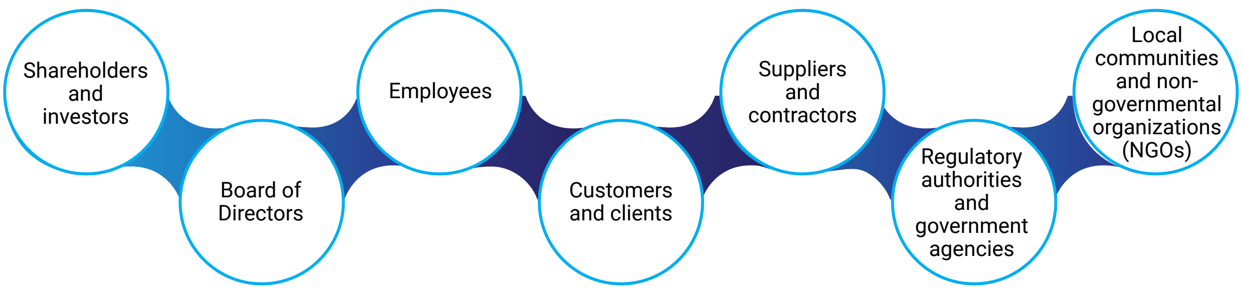
SOCIAL

- Employees Well-being
- Occupational Health and Safety
- Diversity and Inclusion
- Collaboration and Partnership
- Good Governance Practices

STAKEHOLDER ENGAGEMENT

At Betamek, we understand the essential function that our stakeholders play in our business and the value of engaging with a broad range of stakeholders to ensure that our sustainability strategy and activities align with best practices. Therefore, Betamek has continued to perform basic materiality assessments and engagements with all key stakeholders.

Betamek Key Stakeholder



Sustainability Statement

SUSTAINABLE DEVELOPMENT GOALS ("SDG")

Short-term and long-term goals

As a member of the United Nations Global Compact, our sustainability objectives are aligned with the United Nations SDGs and established national and international sustainability guidelines. Our short-term goals focus on implementing immediate measures to reduce our environmental footprint, enhance employee welfare and strengthen our relationships with stakeholders. Our long-term goals aim to foster a culture of sustainability across our operations, promote responsible business practices and contribute to the transition towards a more sustainable automotive industry.

Environmental Sustainability

Environmental sustainability is the practice of interacting with the earth responsibly. Betamek is committed to minimizing our environmental impact by complying with all relevant regulations and best practices while creating and maintaining a safe and healthy environment for all employees, visitors, customers and contractors. Our Environmental Impact Control System was established as part of our certification process for ISO 14001:2015, ISO 45001:2018 and Jabatan Alam Sekitar regulatory requirements. The system's objective is to measure, monitor and identify various environmental, safety and health hazards resulting from the Group's operations.

Electrical Energy Consumption

Even as Betamek achieved record sales from its operations this financial year, our total energy consumption for the period was reduced by 4.4%. This encouraging result demonstrates the effectiveness of the energy-saving initiatives we have put in place. We will continue our efforts to improve energy efficiency and adopt greener technologies.

Betamek has implemented several energy-saving initiatives and technologies to reduce our overall energy consumption. Some of these measures include:

1. Upgrading lighting systems to energy-efficient light-emitting diode ("LED") technology;
2. Implementing energy management systems to optimize power usage;
3. Retrofitting production equipment with energy-efficient components;
4. Conducting regular energy audits to identify and address inefficiencies; and
5. Create awareness among the employees via Betamek Bulletin from time to time by the health and safety department, also known as the campaign newsletter.

Betamek's solar panel installation on the rooftop of the Factory in Rawang

Sustainability Statement

Responsible Waste Management

Proper waste management is crucial for maintaining a healthy and sustainable environment. Effective waste management ensures that waste is handled responsibly, reducing its environmental and health impact. These activities include collection, transportation, sorting, recycling, treatment and waste disposal.

At Betamek, we are committed to minimizing waste generation and promoting recycling across our value chain. In the past year, we have achieved approximately 80% recycling rate through several key initiatives, which include:

1. Implementing a company-wide zero-waste-to-landfill policy;
2. Segregating waste streams to facilitate recycling and recovery;
3. Reducing packaging materials and promoting reusable alternatives; and
4. Partnering with certified waste management providers for responsible disposal.

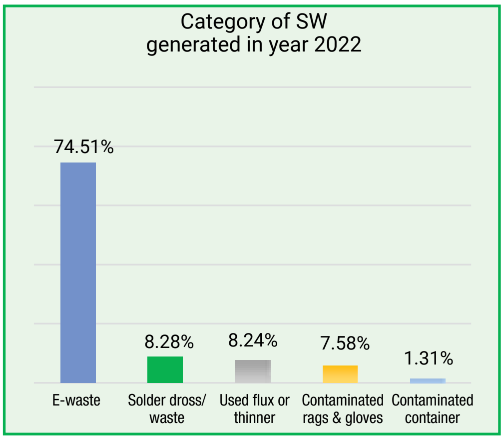
Responsible Disposal of Hazardous Materials

We are committed to responsibly managing hazardous materials to minimize environmental impact by complying with Scheduled Waste Management. To achieve this, we:

1. Adhere to stringent regulations and industry standards for hazardous waste management;
2. Conduct regular audits to ensure compliance and identify areas for improvement;
3. Train employees on proper handling and disposal procedures as well as provide waste management facilities across the Company; and
4. Collaborate with certified disposal partners to ensure responsible treatment of hazardous waste being handled.

Scheduled Waste ("SW") Disposal at Betamek

DOE Code	Waste Component	Label	Items
SW110	Solid	Toxic	E-waste
SW104	Solid	Toxic	Solder dross/waste
SW322	Liquid	Toxic & Flammable	Used flux or thinner
SW410	Solid	Toxic	Contaminated rags and gloves
SW409	Solid	Toxic	Contaminated container



Since we manufacture automotive electronics, e-waste is the main category of waste we produce. Betamek is constantly working to reduce waste production by incorporating recycling strategies into its process.

Scheduled Waste store at Betamek's Rawang factory

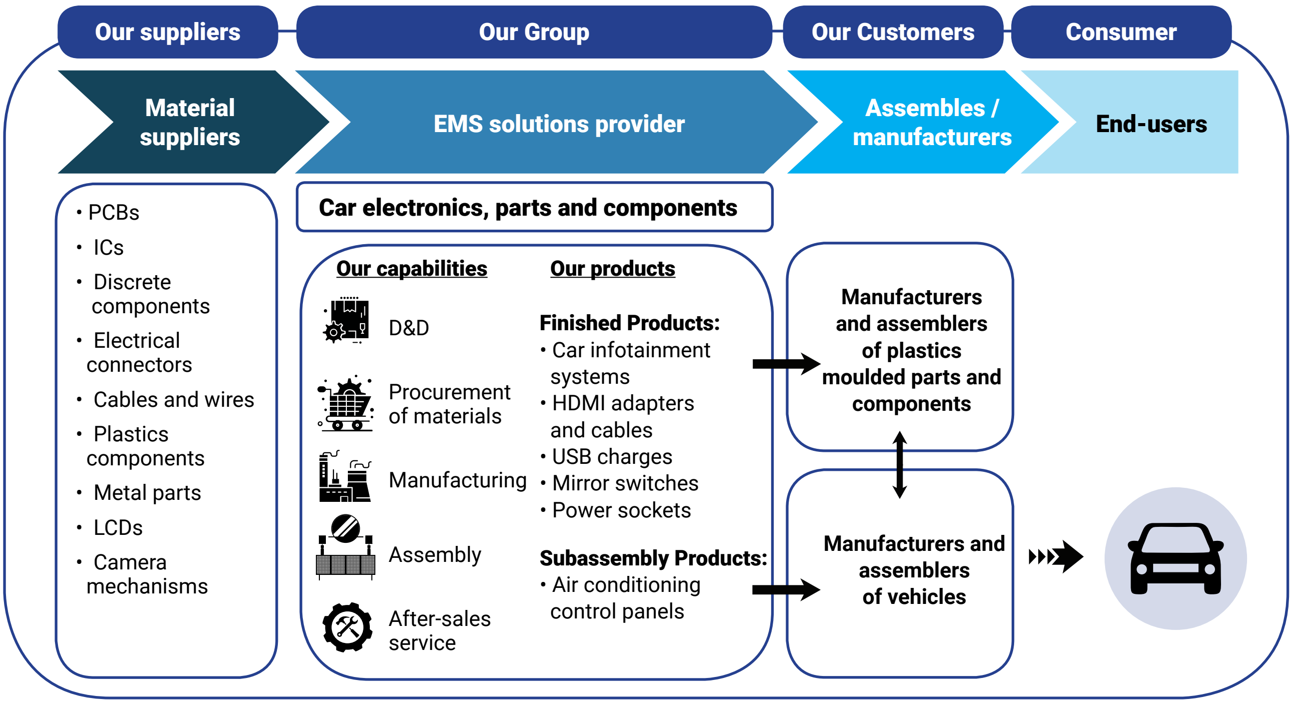
Training of new recruits on Company Health, Safety and Environment policies

Sustainability Statement

Economic Sustainability

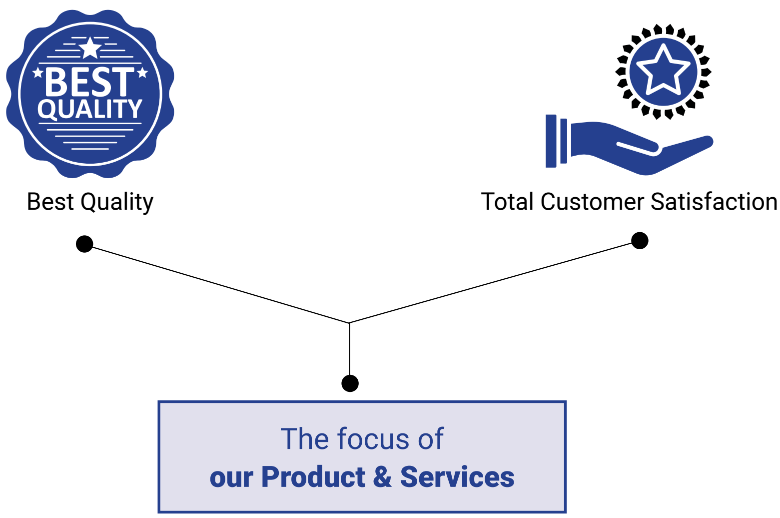
Responsible Sourcing and Procurement

Betamek leverages cutting-edge technology to bring innovative solutions to the market. We offer full-service electronics manufacturing services from design and development, procurement of raw materials and manufacturing to after-sales service of electronic components and solutions for the automotive and consumer industries.



Quality and Assurance

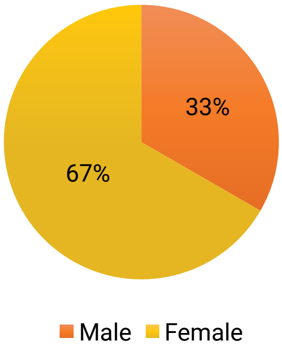
Betamek aspires to succeed by adhering to the following basic philosophies, enabling us to create better products and services that benefit our customers, community and employees.



Sustainability Statement

Social Sustainability

Our employees drive the Company's performance and we are responsible for improving the community we operate in. This year, Betamek continues its track record of employing 100% local Malaysian workers to fully support the Malaysian government's policy to eliminate the country's reliance on foreign labour. We have over 350 employees working in Betamek, including management, engineers, executives, technicians and operators. The gender demographic is currently 67% female staff and 33% male staff.



We are supportive of diversity and inclusion in promoting:

- Principles of meritocracy in our employment practice.
- No discrimination in terms of gender, age, race or religion in our recruitment and employment practices.

100%
Local Employee

Our employees are our strength. Therefore, to cultivate a healthy working environment, we have continued the following initiatives and benefits for our employees:

- Anti-sexual harassment policy;
- Fair and equitable salaries, allowances and claim benefits in line with regulations and industry standards;
- Bonuses, annual dinners and annual trips;
- Breakfast and lunch provided for all employees;
- Festival "Ang Pow" for holiday celebrations;
- Weekly sports activities open for all staff;
- Best Employee Awards;
- Recycling rewards; and
- Special facilities for lactating/nursing mothers.

Some of the Community Social Responsibility ("CSR") activities at Betamek


Company trip for all Betamek Staff


Betamek Staffs Sports Activity


Our Training Dojo Department includes modules on mindset culture, soft and technical skills for all levels

Sustainability Statement

Good Governance Practices

Betamek has implemented best practices in corporate governance which include:

- Compliance with all relevant legal and regulatory requirements; and
- Best practices and governance on finance, procurement, manufacturing, business development and human resources.

Betamek Berhad Policies

- HSE and Risk Management best practices
- Anti-Bribery and Corruption Policy
- Whistleblowing Policy
- Personal Data Protection Act Policy
- Information Technology Policy
- Gender and Diversity Policy
- Code of Ethics & Standard of Conduct Policy

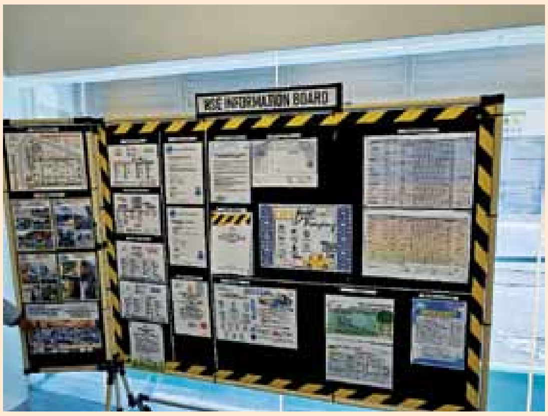
Occupational Safety and Health

Health and Safety Initiatives for FYE 2023 at Betamek

Annual fire evacuation drill led by Betamek Health, Safety and Environment ("HSE") department in collaboration with Balai Bomba Rawang in October 2022.

Sustainability Statement

Internal training for our employees on the significance of personnel protective equipment.



Health and safety tools and facilities have been prepared for all employees such as first aid kits, first aid room, hand sanitiser, notice board, etc.

STRATEGIC LONG-TERM PLANS FOR IMPROVEMENT

Sustainability is a continuous process to build upon systematic review, improvement and application of procedures. Betamek remains committed to sustainability as a fundamental tool of our business strategy. Our long-term success depends on balancing economic growth with environmental stewardship and social responsibility. Therefore, we strive to continue our sustainability journey by infusing our operations with good governance and continuously improving reporting, monitoring and progressively elevating our various ESG initiatives throughout our value chain.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**Board**") of Betamek Berhad recognises the importance of maintaining high standards of corporate governance for transparency, accountability, integrity and a well-managed company.

As a fundamental part of discharging its duties and responsibilities, the Board is committed towards ensuring good corporate governance practices are implemented and maintained throughout the Company and its subsidiary (hereinafter referred to as the "**Group**") to enhance shareholders' value, and to be consistent with the principles and best practices as set out in the Malaysian Code on Corporate Governance ("**MCCG**"). This Corporate Governance Overview Statement is augmented with a Corporate Governance Report 2023 ("**CG Report**"), based on a prescribed format guided by Guidance Note 11 of the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") so as to provide a detailed articulation on the application of the Company's corporate governance practices as set out in the MCCG throughout the financial year ended 31 March 2023 ("**FYE 2023**").

The CG Report is available on the Company's website at https://betamek.com.my, as well as via an announcement on the website of Bursa Securities.

This Corporate Governance Overview Statement makes reference to the following three (3) key principles and practices to the extent of compliance with the recommendations of good corporate governance as set out in the MCCG and Corporate Governance Guide (4th Edition):-

(a) Board Leadership and Effectiveness;
(b) Effective Audit and Risk Management; and
(c) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

PART I: BOARD RESPONSIBILITIES

1. BOARD AND BOARD COMMITTEES

1.1 Board of Directors

The Board is collectively responsible for the stewardship of the overall performance and business affairs of the Group. The Board provides necessary leadership which includes practicing a high level of good governance to ensure the long-term success of the Group as well as the delivery of sustainable value to its stakeholders.

The Board assumes among others, the following principal functions and responsibilities:-

a) Establish the organisation's values, vision, mission and strategies;
b) Review and set up the Group's strategic plan and direction;
c) Promote better investors relations and shareholder communications;
d) Establish appropriate policies and procedures, to ensure compliance obligation and functions are effectively discharged;
e) Ensure all significant systems and procedures are in place for the organisation to run effectively, efficiently, and meet all legal and contractual requirements; and
f) Ensure that the organisation has appropriate corporate governance in place including standards of ethical behaviour and promoting a culture of corporate responsibility.

1.2 Board Charter

The Board Charter sets out the key corporate governance principles for operations of the Board of the Group and describes the functions of the Board and those functions delegated to Management of the Company.

The Board Charter is established to promote high standard of corporate governance and is designed to provide guidance and clarity for Directors and Management with regards to the role of the Board and its Committees. This Board Charter does not overrule or preempt the statutory requirements and other relevant statutes. It shall form an integral part of each Director's duties and responsibilities.

The Board Charter is accessible through the Company's website at https://betamek.com.my.

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I: BOARD RESPONSIBILITIES (CONT'D)

1. BOARD AND BOARD COMMITTEES (CONT'D)

1.3 Board Committees

In order to discharge of its stewardship role effectively, the Board has delegated specific duties to two (2) Board Committees. Each of the Board Committees operates within its respective Terms of Reference ("**TOR**") approved by the Board. The respective Board Committees report to the Board on matters considered and their recommendations thereon. The ultimate responsibility for decision making, however, lies with the Board.

The Board Committees established during the FYE 2023 are as follows:-

(a) Audit and Risk Management Committee ("**ARMC**"); and
(b) Nomination and Remuneration Committee ("**NRC**").

1.4 The Chairman of the Board

The Board is chaired by an Independent Non-Executive Chairman, namely, En Ahmad Subri Bin Abdullah. The Chairman is responsible for instilling good corporate governance practices in the Group, leading the Board in oversight of management, representing the Board to shareholders and chairing general meetings of shareholders.

The roles and responsibilities of the Chairman of the Board are specified under Paragraph 6.2 of the Board Charter.

The Board views that the Chairman of the Board should not be involved in any Board Committees. This is to ensure check and balance as well as the objectivity will not be influenced by the Chairman of the Board who also sits on Board Committee(s). Therefore, the Chairman of the Board is not a member of any of the Board Committees which is in line with the MCCG.

1.5 Separation of Positions of the Chairman and Managing Director ("MD")

There is a clear segregation of duties and responsibilities between the Chairman and MD for ensuring there is a balance of power and authority in the Company. The positions of the Chairman of the Board and the MD are held by different persons. The Chairman of the Company is En Ahmad Subri Bin Abdullah, an Independent Non-Executive Chairman whilst the MD is En Mirzan Bin Mahathir.

The segregation of roles facilitates a healthy open discussion and exchange of views between the Board and Management in their deliberations of the business, strategic aims and key activities of the Company.

The respective roles and responsibilities of the Chairman and the MD are clearly set out in the Board Charter of the Company.

1.6 Company Secretaries

The Board is supported by two (2) external Company Secretaries, both are suitably qualified, competent and capable of carrying out the duties required. They are members of the Malaysian Institute of Chartered Secretaries and Administrators and are qualified to act as company secretary under Section 235 of the Companies Act 2016.

All Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Company Secretaries play an advisory role, particularly on corporate administrative and governance matters to ensure the Company is complied with its own Constitution, relevant laws and regulatory requirements.

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I: BOARD RESPONSIBILITIES (CONT'D)

1. BOARD AND BOARD COMMITTEES (CONT'D)

1.6 Company Secretaries (Cont'd)

The Company Secretaries attend all Board and Board Committees meetings and are responsible for ensuring the meeting procedures are in place including disseminating complete and accurate meeting materials in a timely manner to allow Board members to have sufficient time to review the relevant documents prior to meetings. The Company Secretaries also facilitate the communication of key decisions and policies between the Board, Board Committees, Management and other stakeholders.

The information of the Company Secretaries' qualification can be found in Corporate Information of this Annual Report and the functional accountabilities of the Company Secretaries are described in the Board Charter of the Company.

1.7 Code of Ethics and Standard of Conduct Policy

The Company has established the Code of Ethics and Standard of Conduct Policy to promote the corporate culture which engenders ethical conducts that permeates throughout the Group.

The objective of the policy is to ensure that the Group business interactions should not in any circumstances, tainted by malpractices. The principle of the policy is based on principle of trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism.

The Code of Ethics and Standard of Conduct Policy is published on the Company's website at https://betamek.com.my.

1.8 Whistleblowing Policy

The Board recognises the importance to put in place a Whistleblowing Policy, which provides an avenue for employees, third parties and other stakeholders, on an anonymous basis if appropriate, to raise concerns or report any known or potential misconduct, violation of Group policies or applicable laws and regulations, without retaliation or retribution.

The Whistleblowing Policy is available for reference at Company's website at https://betamek.com.my.

1.9 Anti-Bribery and Corruption Policy

In addition to the Code of Ethics and Standard of Conduct Policy, the Company has further established and adopted the Anti-Bribery and Corruption Policy to comply with enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act. The Anti-Bribery and Corruption Policy provides principles, guidelines and requirements on how to deal with bribery and corrupt practices that may arise in the course of daily business and operation activities within the Group.

The Anti-Bribery and Corruption Policy can be accessed through the Company's website at https://betamek.com.my.

1.10 Promoting Sustainability

The Group recognises the economical, environmental, social and governance aspects of sustainability as key elements of formulating our roadmap for sustainability. Our sustainability strategy integrates investment, development, property and infrastructure, and human capital management to ensure that we meet the current and future needs of Malaysia and the wider community.

More details on the Group's effort to promote sustainability can be found in our Sustainability Statement section in this Annual Report.

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II: BOARD COMPOSITION

2. BOARD COMPOSITION

2.1 Composition of the Board

The Board currently consists of six (6) members, comprising one (1) Independent Non-Executive Chairman, one (1) Managing Director, one (1) Executive Director and three (3) Independent Non-Executive Directors, as follows:-

	Name	Designation	Age	Gender
1.	Ahmad Subri Bin Abdullah	Independent Non-Executive Chairman	73	Male
2.	Mirzan Bin Mahathir	Managing Director	64	Male
3.	Muhammad Fauzi Bin Abd Ghani	Executive Director	61	Male
4.	Azlina Binti Abdul Aziz	Independent Non-Executive Director	61	Female
5.	Yap Suan See	Independent Non-Executive Director	56	Female
6.	Mohd Shahriman Bin Mohd Sidek	Independent Non-Executive Director	59	Male

The Board members are from different backgrounds with diverse perspectives. Such composition is fundamental to the strategic success the Group is striving for. Each Director's in-depth knowledge and experience will provide valuable insights in propelling the Group forward.

With two-third (2/3) of the Board composed of Independent Non-Executive Directors, the Company is able to facilitate greater checks and balances during Board meeting deliberations and decision making. The Independent Directors provide the Board with professional judgement, experience and objectivity without being subordinated to operational considerations or the ability to provide independent judgement in the best interest of the Company.

A brief profile of each Director is presented in the Board of Directors' Profile section of the Annual Report.

2.2 Re-election of Directors

In accordance with the Company's Constitution, an election of Directors shall take place each year. At the Annual General Meeting ("**AGM**") of the Company where one-third (1/3) of the Directors for the time being or if the number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election. All Directors including an MD or Deputy MD shall retire from office at least once in every three (3) years, but shall be eligible for re-election.

The Directors to retire in each year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

At the forthcoming AGM of the Company, En Mirzan Bin Mahathir and En Muhammad Fauzi Bin Abd Ghani shall retire from office and being eligible for re-election in accordance with the Constitution of the Company. Their profiles can be found in this Annual Report.

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II: BOARD COMPOSITION (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.3 Tenure as Independent Director

The Board is aware of the recommendation of the MCCG on the tenure of an Independent Director. As specified in the Board Charter of the Group, the tenure of an Independent Director shall not exceed a cumulative term of twelve (12) years. However, upon completion of the nine (9) years, an Independent Director may continue, to serve on the Board subject to the Directors' re-designation as a Non-Independent Director. In the event the Board intends to retain the Independent Director as an Independent Director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

An Independent Director who has served for a cumulative term of more than twelve (12) must resign or be re-designated as a Non-Independent Director.

As at the date of this statement, none of the Independent Directors has served the Company beyond nine (9) years.

2.4 Appointment to the Board

An appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the NRC. Further, identifying candidate(s) for appointment of directors, the Board does not solely rely on recommendations from existing Board members, Management or major shareholders. The Board may utilise variety of independent sources to identify suitable candidate(s). It is of essence of the Board to ensure high levels of professional skills and appropriate personal qualities are pre-requisites for such nominee(s).

The criteria for the recruitment or appointment of Director is guided by fit and proper assessment by the NRC.

In the case of candidates for the position of Independent Non-Executive Directors, the NRC shall also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

2.5 Gender Diversity

The Board has adopted a Gender and Diversity Policy as it recognises that a diverse workforce makes an essential contribution to its success and add value to its core business by drawing on the different perspectives and experiences of many individuals.

Betamek is dedicated to encouraging a supportive and inclusive culture amongst the whole workforce within their best interest to promote diversity and eliminate discrimination in the workplace.

Currently, there are two (2) female Non-Executive Directors representing 33% on the Board which complies with the recommendation of 30% by Practice 5.9 of MCCG.

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II: BOARD COMPOSITION (CONT'D)

2. BOARD COMPOSITION (CONT'D)

2.6 ARMC

The Board established the ARMC on 21 March 2022. The ARMC comprises solely of Independent Non-Executive Directors as follows:-

Name	Designation	Directorship
Azlina Binti Abdul Aziz	Chairperson	Independent Non-Executive Director
Yap Suan See	Member	Independent Non-Executive Director
Mohd Shahriman Bin Mohd Sidek	Member	Independent Non-Executive Director

The ARMC is governed by its TOR approved by the Board which is available on the Company's website at https://betamek.com.my.

2.7 NRC

The Board established the NRC on 21 March 2022. The NRC comprises exclusively of Independent Non-Executive Directors as follows:-

Name	Designation	Directorship
Yap Suan See	Chairperson	Independent Non-Executive Director
Azlina Binti Abdul Aziz	Member	Independent Non-Executive Director
Mohd Shahriman Bin Mohd Sidek	Member	Independent Non-Executive Director

The NRC is governed by its TOR approved by the Board which is available on the Company's website at https://betamek.com.my.

3. OVERALL BOARD EFFECTIVENESS

3.1 Annual Evaluation

The Board has, through the NRC, conducted the following annual evaluation to determine the effectiveness of the Board, its Board Committees and each individual Director for FYE 2023:-

i. Performance of Executive Directors;
ii. Performance of Non-Executive Directors;
iii. Independence of the Independent Directors; and
iv. Performance of the ARMC.

Based on the evaluations conducted for FYE 2023, the NRC and the Board were satisfied with the performance of the individual Directors, the Board as a whole, Board Committees as well as the independence and objective judgements that the Independent Directors have brought to the Board.

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II: BOARD COMPOSITION (CONT'D)

3. OVERALL BOARD EFFECTIVENESS (CONT'D)

3.2 Directors' Commitment

The Directors are to devote sufficient time and effort to carry out their responsibilities. It is also the Board's policy for Directors to notify the Chairman before accepting any new directorships notwithstanding that the AMLR of Bursa Securities allow a Director to sit on the board of five (5) listed corporation.

The Board endeavours to meet at quarterly intervals which are scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedules for the year. The Board is satisfied with the level of commitment given by the Directors toward fulfilling their roles and responsibilities as Directors of the Company. Additional meetings are convened where necessary to deal with urgent and important matters that require attention of the Board.

All pertinent issues discussed at the Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries.

During the financial year under review, the Board met three (3) times and the attendance record of each of the Board members is tabulated as follows:-

Directors	Attendance 5 September 2022	 20 October 2022	 23 February 2023	Total
Ahmad Subri Bin Abdullah (Independent Non-Executive Chairman)	✓	✓	✓	**3/3**
Mirzan Bin Mahathir (Managing Director)	✓	✓	✓	**3/3**
Muhammad Fauzi Bin Abd Ghani (Executive Director)	✓	✓	✓	**3/3**
Azlina Binti Abdul Aziz (Independent Non-Executive Director)	✓	✓	✓	**3/3**
Yap Suan See (Independent Non-Executive Director)	✓	✓	✓	**3/3**
Mohd Shahriman Bin Mohd Sidek (Independent Non-Executive Director)	✓	✓	✓	**3/3**

3.3 Directors Training

The Board would evaluate and assess the training needs of each Director to keep them abreast with the state of the economy, technological advances, regulatory updates, management strategies and development in various aspects of the business environment to enhance the Board's skills and knowledge in discharging its duties and responsibilities as Directors on a continuous basis.

All Directors of the Company have attended and successfully completed the Mandatory Accreditation Programme ("**MAP**") as required by the AMLR.

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II: BOARD COMPOSITION (CONT'D)

3. OVERALL BOARD EFFECTIVENESS (CONT'D)

3.3 Directors Training (Cont'd)

The training programmes and seminars attended by the Directors during the FYE 2023 are as follows:-

Name of Director	Date	Organiser	Title of Training programmes/ Seminars
Ahmad Subri Bin Abdullah	22 June 2022	Deloitte Risk Advisory Sdn Bhd	IT Training : Cloud & Cybersecurity Awareness
	29 June 2022	Chartered Insurance Institute	Navigating the Changing AML Landscape
	12 – 14 July 2022	Institute of Corporate Directors Malaysia ("ICDM")	MAP
	6 September 2022	FIDE Forum	Board Effectiveness Evaluation – Post Launch
	20 October 2022	Boardroom Corporate Services Sdn Bhd ("BRCS")	Bursa Malaysia's Listing Requirements
	24 November 2022	Asia School of Business	The Emerging Trends Threat and Risks to the Financial Services Industry – Managing Global Risk Investment and Payment System
	12 January 2023	FIDE Forum	Can America Stops China's Rise? Will ASEAN be Damaged?
Mirzan Bin Mahathir	20 October 2022	BRCS	Bursa Malaysia's Listing Requirements
	28 March 2023	Malaysian Institute of Accountants	Conduct of Directors and Common Breaches of Listing Requirements
Muhammad Fauzi Bin Abd Ghani	20 October 2022	BRCS	Bursa Malaysia's Listing Requirements
	20 March 2023	Malaysian Institute of Accountants	Investigation & Prosecution of Money Laundering (AMLA) cases in Malaysia
Azlina Binti Abdul Aziz	4 – 6 July 2022	ICDM	MAP
	20 October 2022	BRCS	Bursa Malaysia's Listing Requirements
Yap Suan See	4 – 6 July 2022	ICDM	MAP
	20 October 2022	BRCS	Bursa Malaysia's Listing Requirements
Mohd Shahriman Bin Mohd Sidek	4 – 6 July 2022	ICDM	MAP
	20 October 2022	BRCS	Bursa Malaysia's Listing Requirements

Corporate Governance Overview Statement

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II: BOARD COMPOSITION (CONT'D)

4. LEVEL AND COMPOSITION OF REMUNERATION

4.1 Remuneration Policy

The Company has established a Remuneration Policy for Directors and Senior Management to ensure that the Directors and Senior Management are offered the appropriate level of remuneration which is compatible with the market rate and is in line with the Company's business strategic objectives and corporate value.

The NRC is responsible in reviewing, assessing and recommending the remuneration packages for the Directors and Senior Management after taking into consideration the market conditions and the complexities and responsibilities to be undertaken.

The policy is reviewed on a periodic basis and tabled for Board's approval. The Remuneration Policy is available on the Company's website at https://betamek.com.my.

4.2 Remuneration of Directors

The Board is mindful that fair remuneration is critical to attract, retain and motivate the Directors of the Group as well as Directors serving as members of the Board Committees.

The Company will seek shareholders' approval at the forthcoming Second ("**2nd**") AGM for Directors' fees for the current financial year and Directors' fees and benefits payable to the Directors for the period from 1 April 2023 until the next AGM of the Company in 2024.

The details of the Directors' remuneration of the Company and the Group on the named basis for the FYE 2023 are disclosed in the NRC report which can be found in this Annual Report.

4.3 Remuneration of Key Senior Management

In determining the remuneration packages of the Group's Key Senior Management, factors that were taken into consideration included the Senior Management's responsibilities, skills, expertise and contribution to the Group's performance.

Due to confidentiality and sensitivity of information, the Board is of the view that it would not be in its best interest to make such disclosure on named basis in view of the competitive nature of human resource market and the Company should maintain confidentiality on employees' remuneration packages.

The remuneration of our Key Senior Management including salaries, bonuses, other emoluments and benefits-in-kind. As an alternative, the Board decided to disclose the remuneration of the Key Senior Management of the Group for the FYE 2023 on an unnamed basis in bands of RM50,000 as follows:-

Remuneration Band	No. of Key Senior Management
RM 451,000 – RM 500,000	1
RM 301,000 – RM 350,000	1
RM 251,000 – RM 300,000	1
RM 0 – RM 50,000	1

Corporate Governance Overview Statement

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I: ARMC

5. ARMC

5.1 Effective and Independent ARMC

The ARMC is chaired by an Independent Non-Executive Director, namely, Pn Azlina Binti Abdul Aziz who is distinct from the Chairman of the Board. This separation is to ensure that the Board's review of the ARMC's findings and recommendations are not impaired.

The ARMC recognises the importance of upholding independence of its External Auditors and that no possible conflict of interest whatsoever should arise. The TOR of the ARMC states that no former partner of the external audit firm of the Company shall be appointed as a member of ARMC unless a cooling-off period of at least three (3) years have been observed.

Presently, no former partner of the external audit firm of the Company is serving as a member of the ARMC.

5.2 Suitability and Effectiveness of External Auditor

The TOR of the ARMC sets out the guidelines and procedures for the ARMC to review, assess and monitor the suitability, objectivity and independence of the External Auditors.

The ARMC obtained assurance from the External Auditors, Grant Thornton Malaysia PLT confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The ARMC carried out an annual performance assessment of the External Auditors and requested the Management to join the assessment.

The ARMC is satisfied with the performance, suitability and independence of the External Auditors of the Company. Having assessed their performance, the ARMC is satisfied with the competence and independence of Grant Thornton Malaysia PLT and had recommended to the Board, the re-appointment of Grant Thornton Malaysia PLT upon which the shareholders' approval will be sought at the forthcoming AGM of the Company.

5.3 Composition of the ARMC

The ARMC was established on 21 March 2022 and comprises three (3) Independent Non-Executive Directors. The present members of the ARMC as follows:-

Name	Designation	Directorship
Azlina Binti Abdul Aziz	Chairperson	Independent Non-Executive Director
Yap Suan See	Member	Independent Non-Executive Director
Mohd Shahriman Bin Mohd Sidek	Member	Independent Non-Executive Director

All members of the ARMC are financially literate, competent and able to understand the Group's business and matters under the purview of the ARMC including the financial reporting process. The summary activities of the ARMC are set out in the ARMC Report.

Corporate Governance Overview Statement

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART II: RISK MANAGEMENT AND INTERNAL CONTROL

6. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

6.1 Effective Risk Management and Internal Control Framework

The ARMC has established the Group's Risk Management Framework based on an internationally recognised risk management framework.

The Group's Risk Management Framework ensures effective risk management and internal controls are in place to identify and assess the risks and subsequently implement the necessary internal controls to manage and mitigate those risks.

The ARMC is assisted by the Management as well as an outsourced internal auditors to identify and assess the significant risks faced by the Group and to ensure that appropriate risk treatment were in place to mitigate the risks that could be affecting the achievement of the Group's business objectives.

Further details on the features of the risk management and internal control framework as well as the adequacy and effectiveness of this framework are disclosed in the Statement on Risk Management and Internal Control of this Annual Report.

6.2 Internal Audit Function

An independent professional service provider, Talent League Sdn Bhd was appointed to provide internal audit services which provides independent appraisals on the effectiveness of the Company's internal controls, adherence to organisational and procedural controls for processes, and also identification of opportunities for improvements. The professional firm report their findings directly to the ARMC.

Further details of the internal audit functions and activities carried out during the FYE 2023 are disclosed in the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I: ENGAGEMENT WITH STAKEHOLDERS

7. CONTINUOUS COMMUNICATION BETWEEN COMPANY AND STAKEHOLDERS

7.1 Communication with Stakeholders

The Board values the importance of the dissemination of information on major developments of the Group to the shareholders, potential investors and the general public in a timely and equitable manner.

The quarterly results, announcements and annual reports serve as primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and developments.

The Company's corporate website at https://betamek.com.my serves as one of the most convenient ways for shareholders, business partners and members of the public to gain access to corporate information, Board Charter and policies, announcements, news and events relating to the Group.

Corporate Governance Overview Statement

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

PART I: ENGAGEMENT WITH STAKEHOLDERS (CONT'D)

8. SHAREHOLDERS' PARTICIPATION AT GENERAL MEETINGS

8.1 Conduct of General Meetings

The Board will ensure that the Notice of the AGM is sent out at least twenty-eight (28) days prior to the meeting to allow sufficient time for the shareholders to go through the Annual Report and make necessary attendance and voting arrangements.

In line with Practice 13.1 of MCCG, the notice convening the 2nd AGM of the Company will be issued to shareholders at least twenty-eight (28) days before the date of the AGM, which gives shareholders sufficient time to prepare themselves to attend the AGM or to appoint a proxy to attend and vote on their behalf.

The Company's 2nd AGM on 24 August 2023 will be held physically which the venue of the meeting will be easily accessible. The Senior Management of the Company and External Auditors will also attend the 2nd AGM and assist the Board in addressing relevant queries made by the shareholders.

All resolutions set out in the Notice of the 2nd AGM will be put to vote by poll. The outcome of all resolutions proposed at the general meetings will be announced to Bursa Securities at the end of the meeting day.

8.2 Effective Communication and Proactive Engagement

All Directors will be attending the 2nd AGM and be accountable to the shareholders for their stewardship of the Company. The Chairman of the Board Committees will be available to respond to shareholders' queries concerning the Company and the Group at the 2nd AGM.

From the Company's perspective, the AGM also serves as a forum for Directors to engage with the shareholders personally to understand their needs and seek their feedback. The Board welcomes questions and feedback from the shareholders during and at the end of the shareholders' meetings and ensures their queries are responded to properly and systematically.

The Board ensures that the required infrastructure and tools will be in place to enable smooth conduct of the 2nd AGM and meaningful engagement with the shareholders. The Minutes of the 2nd AGM will also be published on the Company's website within thirty (30) business days for the shareholders' information.

STATEMENT BY THE BOARD ON CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has deliberated, reviewed and approved this Statement. The Board considers and is satisfied that to the best of its knowledge, the Company has fulfilled its obligations under the MCCG, the relevant chapters of the AMLR of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FYE 2023. The Board remains steadfast in upholding the highest standards of corporate governance practices to safeguard the interests of all its stakeholders.

This statement is made in accordance with a resolution passed in the Board of Directors' Meeting held on 20 July 2023.

AUDIT AND RISK MANAGEMENT **COMMITTEE REPORT**

The Board of Directors ("**Board**") of Betamek Berhad ("**Company**") is pleased to present the report of the Audit and Risk Management Committee ("**ARMC**") for the financial year ended 31 March 2023 ("**FYE 2023**").

The ARMC was established on 21 March 2022 with the primary objective to assist the Board in fulfilling its fiduciary duties and responsibilities in accordance with its Terms of Reference ("**TOR**"), providing an additional assurance to the Board by giving an objective and independent review of financial, operational and administrative controls and procedures as well as establishing and maintaining internal controls.

The authorities and duties of the ARMC are clearly governed by its TOR. The ARMC's TOR is available on the Company's website at https://betamek.com.my.

COMPOSITION OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC currently comprises three (3) members, all of whom are Independent Non-Executive Directors. The Chairperson of the ARMC, Pn Azlina Binti Abdul Aziz, is a member of the Malaysian Institute of Accountants. All of the ARMC members are financially literate and understand matters under the purview of the ARMC including the financial reporting process to effectively discharge their duties and responsibilities as members of the ARMC. The ARMC therefore meets the requirements of Rule 15.09(1)(a), (b) and (c) of the ACE Market Listing Requirement ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance ("**MCCG**").

Further information on the members of the ARMC is set out in the Directors' Profile of this Annual Report.

ATTENDANCE OF MEETINGS

During the financial year under review, the ARMC met twice and the attendance of each of the ARMC members are as follows:-

Director	Designation	Attendance		Total
		20 October 2022	23 February 2023	
Azlina Binti Abdul Aziz (Chairperson of ARMC)	Independent Non-Executive Director	✓	✓	2/2
Yap Suan See	Independent Non-Executive Director	✓	✓	2/2
Mohd Shahriman Bin Mohd Sidek	Independent Non-Executive Director	✓	✓	2/2
	Total Attendance	**3/3**	**3/3**	

SUMMARY OF WORKS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The summary of the activities undertaken by the ARMC in the discharge of its duties and responsibilities during FYE 2023, amongst others, included the following:-

(a) Reviewed the unaudited quarterly financial results and annual audited financial statements of the Group including the announcements pertaining thereto, before recommending to the Board for their approval and release of the Group's results to Bursa Securities;
(b) Reviewed with the external auditors, the audit plan and scope of the statutory audit of the Group's financial statements for the financial year ended 31 March 2023 before the audit commenced to ensure that the scope of the external audit is comprehensive;
(c) Reviewed with the external auditors on the results and issues arising from their audit of the financial year end statements and their resolutions of such issues highlighted in their report to the ARMC; and
(d) Reviewed and discussed with the internal auditors, the internal audit plan and internal audit report and considered the findings of internal audit and management responses thereon and ensure that appropriate actions are taken on the recommendations raised by the internal auditors.

Audit And Risk Management Committee Report

INTERNAL AUDIT FUNCTION

The Group has engaged Talent League Sdn Bhd, a professional internal audit service provider as the Internal Auditors to support the ARMC in discharging its duties and responsibilities. The Internal Auditors' role is to undertake independent, regular and systematic reviews of the systems of internal controls, to provide reasonable assurance that such systems continue to operate satisfactorily, effectively and in compliance with the Group's established policies and procedures.

During the financial year ended 31 March 2023, the Internal Auditors conducted audits on the operations, management and financial systems of the Group. The results of the internal audit reviews and the recommendations for improvement are presented to the ARMC for deliberation. The reports on the audits, weaknesses identified together with suggested recommendations for improvements to management's implementation, were presented to the ARMC at the ARMC meetings.

The summary of the works of the internal audit function is disclosed in the Statement on Risk Management and Internal Control in the Annual Report.

STATEMENT ON RISK MANAGEMENT AND **INTERNAL CONTROL**

INTRODUCTION

The Board of Directors ("**the Board**") acknowledges that the Company and its subsidiary ("**the Group**") cannot achieve its objectives and sustain its success without effective governance, risk management and internal control processes. Effective governance, risk management and internal control processes will guide the Group to achieve a proper balance between the risks incurred and potential returns to shareholders in accordance with the Group's acceptable risk appetite. The Board is pleased to provide the following Statement on Risk Management and Internal Control of the Group for the financial year ended 31 March 2023 ("**FYE 2023**"). This has been prepared in accordance with Paragraph 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), Malaysian Code on Corporate Governance ("**MCCG**") and "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers".

BOARD'S RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and effectiveness to ensure shareholders' interest and the Group's assets are safeguarded.

The system of risk management and internal controls not only covers the financial aspect of the Group, but also the operational and compliance aspect of the Group. Given the inherent limitations in the risk management and internal control system, such a system put into effect by the Board is designed to manage rather than eliminate risks that may impede the achievement of the Group's corporate objectives. Therefore, such a system can only provide reasonable and not absolute assurance against any material misstatement or loss, contingencies, fraud or irregularities.

RISK MANAGEMENT FRAMEWORK

The Board regards the management of core risks as an integral and critical part of the day-to-day operations of the Group. The experience, knowledge and expertise to identify and manage such risks throughout the financial period under review enable the Group to make cautious, mindful and well-informed decisions through formulation and implementation of requisite action plans and monitoring regimes which are imperative in ensuring the accomplishment of the Group objective.

Day-to-day operations in respect of the financial, commercial, legal compliance and operational aspects of the Group are closely monitored by the respective head of department and they have delegated the responsibilities to identify and manage these risks within defined parameters and standards.

The management of risk is an on-going process to identify, evaluate and manage the significant risks faced by the Group. As part of our Risk Management process, a Risk Management Policy and Risk Register were adopted. The Risk Register is maintained to identify principal business risks and key risk areas, their impact, the likelihood of occurrence, risk owner and risk control actions. The Risk Management Policy summarizes risk management methodology, approach, processes, roles and responsibilities. The level of risk tolerance is established and monitored through the use of a risk impact and likelihood matrix where the ratings are assessed in response to changes in the business environment.

The respective risk owners are assigned and responsible for identifying risks as well as ensuring that adequate control systems are implemented to mitigate risks faced by the Group.

Statement On Risk Management And Internal Control

INTERNAL AUDIT FUNCTION

During the FYE 2023, the internal audit function was outsourced to Talent League Sdn Bhd. (the "**Internal Auditors**"), a third-party professional internal audit service firm which is independent of the operations and activities of the Group. The Internal Auditors are also independent of the Board and management, and report directly to the Audit & Risk Management Committee ("**ARMC**"). In discharging its obligations and duties pursuant to its appointment, the Internal Auditors undertake rigorous, objective, independent and systematic reviews of the systems of internal control.

Following the assessment, the Internal Auditors provide a reasonable and continuous assurance on the satisfactory operations and effectiveness of the Group's system of internal controls. The purpose of the comprehensive process is to identify existing shortcomings and potential pitfalls which would eventually be brought to the attention of the Board and rectification measures would be proposed and recommended.

The Internal Auditors submit their reports and findings to the ARMC at least once a year at the ARMC Meeting. Issues arising thereto and shortfalls in internal controls are reviewed, deliberated at length and acted upon by the ARMC for remedial action. Where necessary, affirmative steps and measures will be introduced and initiated to address, mitigate, manage and arrest identified risks. Current internal control measures will also be further strengthened with compensating controls and appropriate check and balance mechanism, if required. Internal audit schedule and timetable for subsequent periods are tabled in the ARMC Meeting, outlining the entities which will be subject to the next internal audit exercise and the framework of the internal audit plan. Core internal audit scope and critical areas are also emphasised while internal audit issues highlighted in the preceding internal audit reports together with the progress and updates of the corresponding follow up works are also considered at length.

During the FYE 2023, one (1) internal audit review had been carried out by the Internal Auditors: -

Reporting Month	Name of Entity Audited	Audited areas	Fee
December 2022	Betamek Electronics (M) Sdn Bhd	1. Business Development 2. Credit Risk Management	RM 12,000

INTERNAL CONTROL

The Board acknowledges that a sound system of internal control reduces, but cannot eliminate, the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees, management overriding controls and the occurrence of unforeseeable circumstances.

The Group's key senior management team receives and reviews regular reports on key financial data, performance indicators and regulatory matters. This is to ensure that matters requiring the Board's attention are highlighted for review, deliberation and decision making on a timely basis. The Board will approve the appropriate responses or amendments to the Group's policies.

The internal control matters are reviewed and the Board is updated on the significant control gaps, if any, for the Board's attention and action. Issues relating to the business operations are also highlighted to the Board's attention during the Board meetings and any significant fluctuation or exception noted will be analysed and acted in a timely manner.

Statement On Risk Management And Internal Control

INTERNAL CONTROL (CONT'D)

The key elements of the internal control system established by the Board to provide effective governance and oversight of internal control include:

a) Organisation Structure

The Group has a clear organisational structure which formally defines the lines of reporting, as well as the accountabilities and responsibilities of the respective functions within the Group. In addition, the Board and Board Committees are all governed by clearly defined terms of reference.

b) Limits of Authority

The Group has defined limits of authority which outlines the approving limits that have been assigned and delegated to each approving authority within the Group. The limits of authority are reviewed periodically and updated in line with changes in the organisation.

c) Policies and Procedures

Elements of internal control have been embedded and documented in the Standard Operating Procedure ("**SOP**") which are continually reviewed and updated to reflect changes in the business environment. Accountability and responsibility for key processes have been established in the SOPs.

d) Board Committees

The Board has established various board committees to assist in discharging its duties. These include the ARMC and Nomination and Remuneration Committee ("**NRC**"). These Board Committees are delegated with specific duties to review and consider all matters within their scope of responsibility as defined in their respective terms of reference.

e) Anti-Bribery and Corruption Policy

The Group adopts a zero-tolerance approach to all forms of bribery and corruption. The Group is committed in conducting its business free from any acts of bribery and corruption by upholding high standards of ethics and integrity. The Group has established an Anti-Bribery and Corruption Policy which prohibits all forms of bribery and corruption practices. All employees are to read and understand the said policy. All business partners including consultants and contractors are required to acknowledge and agree to comply with the Group's Anti-Bribery and Corruption Policy. The said policy is also made available on the Company's website.

f) Whistleblowing Policy

The Group has put in place a Whistleblowing Policy which provides an avenue for its employees and members of the public to report and disclose any improper or illegal activities within the Group. The Whistleblowing Policy is made available on the Company's website.

g) Safety and Health Management

The Group has been emphasising on the safety and health of employees and stakeholders by enforcing precautionary measures and guidelines in all factory premises as stipulated by the relevant authorities.

Statement On Risk Management And Internal Control

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required under Paragraph 15.23 of the ACE Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control to the scope set out in the Audit and Assurance Practice Guide 3 ("**AAPG 3**"): Guidance for Auditors on Engagements to Report on Risk Management and Internal Control included in the Annual Report, issued by Malaysian Institute of Accountants ("**MIA**").

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that caused them to believe that the Statement is not prepared, in all material aspects:

(a) Has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out; or
(b) Is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group including the assessment and opinion by the Board and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact remedy the problems.

CONCLUSION

The Board is of the view that the Group's system of risk management and internal control is adequate to safeguard shareholders' investments and the Group's assets. However, the Board is also cognisant of the fact that the Group's system of internal controls and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will when necessary, put in place appropriate action plans to further enhance the Group's system of risk management and internal controls.

This Statement on Risk Management and Internal Control is made in accordance with a resolution passed in the Board of Directors' meeting held on 20 July 2023.

NOMINATION AND REMUNERATION **COMMITTEE REPORT**

The Board of Directors ("**Board**") of Betamek Berhad ("**Company**") is pleased to present the report of the Nomination and Remuneration Committee ("**NRC**") for the financial year ended 31 March 2023.

The NRC was established on 21 March 2022 with the primary objective to assist in discharging the Board's duties and responsibilities in accordance with its Terms of Reference ("**TOR**"), including but not limited to the following:-

(a) oversees matters related to the nomination of new Directors, annually reviews the required mix of skills, experience and other requisite qualities of Directors as well as undertakes the annual assessment of the effectiveness of the Board as a whole, its committees and the contribution of each individual Director; and
(b) recommending to the Board the remuneration framework for Directors, reviewing the remuneration package for Executive Directors and Key Management as well as the remuneration framework of employees of the Group.

The authorities and duties of the NRC are clearly governed by its TOR. The NRC's TOR is available on the Company's website at https://betamek.com.my.

COMPOSITION OF THE NOMINATION AND REMUNERATION COMMITTEE

The NRC currently comprises three (3) members, all of whom are Independent Non-Executive Directors which comply with the requirement of Rule 15.08(A) of the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

The members of the NRC and their respective designation are as follows:-

Member	Designation	Directorship
Yap Suan See	Chairperson	Independent Non-Executive Director
Azlina Binti Abdul Aziz	Member	Independent Non-Executive Director
Mohd Shahriman Bin Mohd Sidek	Member	Independent Non-Executive Director

ATTENDANCE OF MEETINGS

The Company was listed on the ACE Market of Bursa Securities on 26 October 2022 and the first NRC meeting was held on 25 May 2023 subsequent to the financial year ended 31 March 2023.

SUMMARY OF WORKS OF THE NOMINATION AND REMUNERATION COMMITTEE

Since the listing of the Company on the ACE Market of Bursa Securities, the main activities undertaken by the NRC were summarised as follows:-

(a) Discussed Board's succession plan;
(b) Discussed the performance incentive program, compensation and benefit structure;
(c) Discussed of the review of performance of the top management;
(d) Reviewed the relevant policies;
(e) Reviewed the Board and Board Committee Evaluation Form, Directors' Key Officers' Evaluation Form and Board Skill Matrix Evaluation Form;
(f) Discussed and recommended the Directors' fees and benefits payable to Non-Executive Directors for the financial year ended 31 March 2023;
(g) Reviewed the remuneration package for the Executive Directors of the Company for the financial year ended 31 March 2023.

The NRC is governed by its Terms of Reference, and its primary role is to periodically suggest to the Board that the Chairman, Executive Directors and Key Management of the Group receive remuneration packages that are commensurate with their individual contributions. The choice about the Executive Directors' own remuneration packages will not be discussed or voted on by them. The person in question should not participate in discussions about their own remuneration packages. The director's fee and benefits are subject to the approval of shareholders annually.

Nomination And Remuneration Committee Report

SUMMARY OF WORKS OF THE NOMINATION AND REMUNERATION COMMITTEE (CONT'D)

As in the case of the Executive Directors and senior management, remuneration is structured to link reward to both company and individual performance. Regarding the Non-Executive Directors, their fee is based on their level of expertise and the level of responsibility they have taken on.

The resolution on Directors' fees and benefits for the financial year ended 31 March 2023 is tabled for shareholders' approval at the forthcoming Second Annual General Meeting of the Company. The remuneration of the Company's Directors for the financial year ended 31 March 2023 on the named basis at the levels of the Group and the Company are as follows:-

Group Level

			RM'000					
No.	Name	Directorate	Fee	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Ahmad Subri Bin Abdullah	Independent Non-Executive Chairman	50	–	–	–	–	50
2	Mirzan Bin Mahathir	Managing Director	–	480	251	15	22	768
3	Muhammad Fauzi Bin Abd Ghani	Executive Director	–	240	251	–	13	504
4	Azlina Binti Abdul Aziz	Independent Non-Executive Director	50	–	–	–	–	50
5	Yap Suan See	Independent Non-Executive Director	50	–	–	–	–	50
6	Mohd Shahriman Bin Mohd Sidek	Independent Non-Executive Director	40	–	–	–	–	40

Company Level

			RM'000					
No.	Name	Directorate	Fee	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Ahmad Subri Bin Abdullah	Independent Non-Executive Chairman	50	–	–	–	–	50
2	Mirzan Bin Mahathir	Managing Director	–	–	–	–	–	–
3	Muhammad Fauzi Bin Abd Ghani	Executive Director	–	–	–	–	–	–
4	Azlina Binti Abdul Aziz	Independent Non-Executive Director	50	–	–	–	–	50
5	Yap Suan See	Independent Non-Executive Director	50	–	–	–	–	50
6	Mohd Shahriman Bin Mohd Sidek	Independent Non-Executive Director	40	–	–	–	–	40

ADDITIONAL COMPLIANCE **INFORMATION**

UTILISATION OF PROCEEDS RAISED FROM LISTING EXERCISE

Our Company was listed on ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on 26 October 2022. In conjunction with the listing, our Company undertook a public issue of 67,500,000 new ordinary shares at an issue price of RM0.50 per share, raising gross proceeds of RM33.8 million.

The details of the utilisation of total proceeds raised as at 31 March 2023 are summarised as follows:-

Details	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance of proceeds RM'000	Estimated timeframe for utilisation
R&D – new product development	7,000	(13)	6,987	Within 36 months
To expand R&D office space, raw material storage and ancillary facilities	6,500	–	6,500	Within 36 months
Purchase of new process equipment	3,000	–	3,000	Within 12 months
Working capital requirement	3,850	(3,850)	–	Within 3 months
Repayment of bank borrowings	10,000	(10,000)	–	Within 3 months
Estimated listing expenses	3,400	(3,400)	–	Within 1 month
Total	**33,750**	**(17,263)**	**16,487**	

Pending deployment of the proceeds raised from our Public Issue, funds will be placed in short-term deposits with financial institutions.

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable to the External Auditors, Grant Thornton Malaysia PLT and its local affiliate by the Company and the Group for the financial year ended 31 March 2023 ("**FYE 2023**") are as follows:-

Type of fees	Company RM'000	Group RM'000
Audit fees	30	105
Non-audit fees	360	460

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

There were no recurrent related party transactions of revenue or trading nature during FYE 2023.

Additional Compliance Information

MATERIAL CONTRACTS INVOLVING DIRECTORS, CHIEF EXECUTIVE OR MAJOR SHAREHOLDERS' INTEREST

Save as disclosed below, there were no material contracts entered into by the Company and its subsidiary involving the interests of Directors, Chief Executive who is not a Director or major shareholders during the FYE 2023:-

(i) Pursuant to the Share Sale Agreements dated 21 March 2022, the acquisition of the entire issued shares of Betamek Electronics (M) Sdn Bhd by the Company from Iskandar Holdings Sdn Bhd was completed on 6 September 2022. The Company allotted 382,499,999 new shares at an issue price of RM 0.2452 per share to satisfy the purchase consideration of the acquisition (the "**Acquisition**"); and

(ii) En Mirzan bin Mahathir is the interested person in the Acquisition by virtue of his directorship and shareholdings in Iskandar Holdings Sdn Bhd, which hold 72% of interest in the Company.

CONTRACTS RELATING TO LOANS

There were no contracts relating to loans by the Company which involved Directors' and Major Shareholders' interests.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company did not implement any ESOS during the FYE 2023.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required under Rule 15.26(a) of the ACE Market Listing Requirements of Bursa Securities to issue a statement on its responsibility in the preparation of the annual audited financial statements.

The Directors are responsible for ensuring that the financial statements are properly drawn up in accordance with the provisions of the Companies Act 2016 and applicable Malaysian Financial Reporting Standards approved by the Malaysian Accounting Standards Board in Malaysia so as to give a true and fair view of the financial position of the Company and the Group as at 31 March 2023 and of the financial performance and cash flows of the Group for the year then ended and of the Company for the financial period from 1 April 2022 to 31 March 2023.

During the process of preparing the financial statements for the FYE 2023, the Directors have:-

(i) applied the appropriate and relevant accounting policies consistently and in accordance with the applicable approved accounting standards;
(ii) made judgements and estimates that are reasonable and prudent; and
(iii) applied the going concern basis for the preparation of the financial statements.

The Directors are also responsible for taking such steps that are necessary and reasonable to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

The Statement is made in accordance with a resolution of the Board of Directors dated 20 July 2023.

FINANCIAL **STATEMENTS**

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services.

The principal activity of the subsidiary is disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and of its subsidiary during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year	16,266,153	2,828,753

DIVIDENDS

The amount of dividend declared and paid since the end of the previous financial year were as follows:-

	RM
In respect of the financial year ended 31 March 2023:-	
Interim single tier dividend of 0.5 sen per ordinary share, paid on 21 March 2023	2,250,000

The Directors do not recommend any final dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year except as disclosed in the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The amount of indemnity coverage and insurance premium paid for Directors and Officers of the Group and of the Company during the financial year are amounted to RM5,000,000 and RM10,610 respectively.

HOLDING COMPANY

The Company is a subsidiary of Iskandar Holdings Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia. The Directors regard Iskandar Holdings Sdn. Bhd. as the holding company.

Directors' Report

DIRECTORS

The name of the Directors of the Company and its subsidiaries in office during the financial year and during the period commencing from the end of the financial year to the date of this report are as follows:-

Director of the Company
Mirzan Bin Mahathir
Muhammad Fauzi Bin Abd Ghani
Mohd Shahriman Bin Mohd Sidek
Yap Suan See
Ahmad Subri Bin Abdullah
Azlina Binti Abdul Aziz

Name of subsidiary	Name of Directors
Betamek Electronics (M) Sdn. Bhd.	Mirzan Bin Mahathir Muhammad Fauzi Bin Abd Ghani

DIRECTORS' INTERESTS IN SHARES

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and of the Company and its related corporations during the financial year as recorded in the Register of Directors' Shareholdings kept by the Company pursuant to Section 59 of the Companies Act 2016 were as follows:-

	Number of ordinary shares			
	At 1.4.2022	**Bought**	**Sold**	**At 31.3.2023**
The Company				
Direct interests				
Ahmad Subri Bin Abdullah	–	569,000	(500,000)	69,000
Muhammad Fauzi Bin Abd Ghani	–	5,753,300	–	5,753,300
Azlina Binti Abdul Aziz	–	569,000	(500,000)	69,000
Yap Suan See	–	600,000	(200,000)	400,000
Mohd Shahriman Bin Mohd Sidek	–	920,000	(160,000)	760,000
Deemed interests				
Mirzan Bin Mahathir *	1	369,112,499	(45,000,000)	324,112,500
Holding company				
Direct interests				
Mirzan Bin Mahathir	2,000,000	–	–	2,000,000

* Deemed interest by virtue of his interests in Iskandar Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Directors' Report

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the Directors of the Group and of the Company are as follows:-

	Subsidiary RM	Company RM	Total RM
Directors' fee	–	190,000	190,000
Directors' salaries and other emoluments	1,222,304	–	1,222,304
Defined contribution plans	35,508	–	35,508
	1,257,812	190,000	1,447,812
Benefits-in-kind	15,000	–	15,000
	1,272,812	190,000	1,462,812

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued:-

(a) 382,499,999 new ordinary shares at an issue price of RM0.2452 per ordinary share, in total RM93,789,000 as the purchase consideration for an acquisition of a subsidiary, Betamek Electronics (M) Sdn. Bhd., during the financial year.

(b) 67,500,000 new ordinary shares at an issue price of RM0.50 per ordinary share for a total cash consideration of RM33,750,000 for cash pursuant to its initial Public Offering exercise.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

Directors' Report

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

(a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts written off and no provision for doubtful debts was required; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

(a) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

(a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transactions or event of a material and unusual nature; and

(c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 33 to the financial statements.

Directors' Report

AUDITORS

The total amount of fees paid to or receivable by the Auditors, Grant Thornton Malaysia PLT, as remuneration for their services as Auditors of the Company and its subsidiary for the financial year ended 31 March 2023 amounted to RM30,000 and RM75,000 respectively. Further details are disclosed in Note 23 to the financial statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the requirements of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

Signed on behalf of the Directors in accordance with a resolution of the Board of Directors.

....	)	
MIRZAN BIN MAHATHIR	)	
	)	
	)	DIRECTORS
	)	
	)	
....	)	
MUHAMMAD FAUZI BIN ABD GHANI		

Kuala Lumpur
20 July 2023

STATEMENT BY **DIRECTORS**

In the opinion of the Directors, the financial statements set out on pages 69 to 130 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Directors in accordance with a resolution of the Board of Directors.

....

MIRZAN BIN MAHATHIR

....

MUHAMMAD FAUZI BIN ABD GHANI

Kuala Lumpur
20 July 2023

STATUTORY **DECLARATION**

I, Nor' Azrin Bin Nusi, being the Officer primarily responsible for the financial management of Betamek Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 69 to 130 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
20 July 2023)

....

NOR' AZRIN BIN NUSI
(MIA NO: 14628)

Before me:

Commissioner for Oaths

INDEPENDENT **AUDITORS' REPORT**
TO THE MEMBERS OF BETAMEK BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Betamek Berhad., which comprise the statements of financial position as at 31 March 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 69 to 130.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matter that, in our professional judgement, were of most significant in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Inventories' valuation net

The risk

Referring to Note 8 to the financial statements. The Group holds a significant amount of inventories which are subject to a risk that the inventories become slow-moving or obsolete, such that they could not be sold or only be sold for selling prices that are less than the carrying value. There is inherent subjectivity and estimation required in determining the accuracy of inventory obsolescence provision and in making an assessment of its adequacy due to risk such as inventories not stated at the lower of cost or net realisable value.

Our response

We tested the methodology for calculating the provisions, challenged the appropriateness and consistency of judgements and assumptions, and considered the nature and suitability of historic data used in estimating the provisions. In doing so, we obtained understanding on the ageing profile of inventories, the process for identifying specific problem inventories and historic loss rates.

Independent Auditors' Report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Intangible assets

The risk

Referring to Note 6 to the financial statements. The Group holds intangible assets with definite useful lives of RM4,479,995 for developing new technology systems. The Group performs an annual impairment assessment for its intangible assets. This requires management to estimate the recoverable amount of the cash-generating units and this involves significant assumptions which are inherently judgmental.

Our response

We evaluated the model used in determining the value in use of the cash-generating units as well as assessing the discount rate used and challenging the reasonableness of key assumptions based on our knowledge of the business and industry. Besides that, we also compared the actual performance of the cash-generating units to assumptions applied in prior years model, to assess accuracy of management's estimates. We have performed sensitivity analysis on the key assumptions inputted to the model and understood the impact on the overall carrying value of intangible assets with the alterations to the key assumptions. We also assessed the adequacy of disclosures in the financial statements.

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determined those matters that were of most significant in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume the responsibility to any other person for the content of this report.

GRANT THORNTON MALAYSIA PLT	**FOO LEE MENG**
(201906003682 & LLP0022494-LCA)	(NO: 03069/07/2023(J))
CHARTERED ACCOUNTANTS (AF 0737)	CHARTERED ACCOUNTANT

Kuala Lumpur
20 July 2023

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	37,024,352	38,360,840	–	–
Right-of-use assets	5	203,673	–	–	–
Intangible assets	6	4,479,995	5,694,964	–	–
Investment in a subsidiary	7	–	–	123,789,000	–
Total non-current assets		41,708,020	44,055,804	123,789,000	–
Current assets					
Inventories	8	53,736,330	55,867,772	–	–
Trade receivables	9	21,597,587	16,532,863	–	–
Other receivables	10	3,719,258	6,997,631	63,833	–
Other investments	11	128,798	136,462	–	–
Tax recoverable		–	1,741,808	–	–
Cash and bank balances, deposits and placements	12	54,967,118	15,881,349	4,090,052	1
Total current assets		134,149,091	97,157,885	4,153,885	1
TOTAL ASSETS		175,857,111	141,213,689	127,942,885	1
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company:-					
Share capital	13	127,029,001	8,000,001	127,029,001	1
Merger deficit	14	(85,789,000)	–	–	–
Retained earnings		95,450,271	85,434,118	571,004	(7,749)
Total equity		136,690,272	93,434,119	127,600,005	(7,748)
LIABILITIES					
Non-current liabilities					
Borrowings	15	10,862,760	19,030,228	–	–
Lease liability	16	122,796	–	–	–
Deferred tax liabilities	17	2,981,000	3,513,000	–	–
Total non-current liabilities		13,966,556	22,543,228	–	–

Statements of Financial Position
As at 31 March 2023

		Group		Company	
	Note	**2023 RM**	**2022 RM**	**2023 RM**	**2022 RM**
LIABILITIES (CONT'D)					
Current liabilities					
Trade payables	18	15,287,166	8,944,732	–	–
Other payables	19	6,799,588	4,010,235	342,880	7,749
Borrowings	15	2,408,240	12,281,375	–	–
Lease liability	16	27,204	–	–	–
Tax payable		678,085	–	–	–
Total current liabilities		25,200,283	25,236,342	342,880	7,749
TOTAL LIABILITIES		39,166,839	47,779,570	342,880	7,749
TOTAL EQUITY AND LIABILITIES		175,857,111	141,213,689	127,942,885	1

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS **AND OTHER COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

		Group		Company	
	Note	1.4.2022 to 31.3.2023 RM	1.4.2021 to 31.3.2022 RM	1.4.2022 to 31.3.2023 RM	7.12.2021 to 31.3.2022 RM
Revenue	20	205,704,675	133,051,434	6,000,000	–
Cost of sales		(169,259,494)	(108,520,664)	–	–
Gross profit		36,445,181	24,530,770	6,000,000	–
Other income		246,457	1,086,412	–	–
Distribution expenses		(95,999)	(356,511)	–	–
Administration expenses		(11,580,455)	(6,054,026)	(3,379,206)	(7,749)
Other expenses		(2,016,319)	(976,772)	–	–
Operating profit/(loss)		22,998,865	18,229,873	2,620,794	(7,749)
Finance income	21	335,844	24,680	207,959	–
Finance costs	22	(912,388)	(937,021)	–	–
Profit/(loss) before tax	23	22,422,321	17,317,532	2,828,753	(7,749)
Tax expense	24	(6,156,168)	(3,844,186)	–	–
Profit/(loss)/Total comprehensive income/(loss) for the financial year/period		16,266,153	13,473,346	2,828,753	(7,749)
Earnings per share attributable to Owners of the Company (sen):- Basic/Diluted	25	3.61	224.56		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF **CHANGES IN EQUITY**
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	← Non-distributable → Share capital RM	Merge deficit RM	Distributable Retained earnings RM	Total RM
Group					
At 1 April 2021		8,000,000	–	78,960,772	86,960,772
Transactions with owners:-					
Dividends	26	–	–	(7,000,000)	(7,000,000)
Issuance of share		1	–	–	1
Total transactions with owners		1	–	(7,000,000)	(6,999,999)
Total comprehensive income for the financial year		–	–	13,473,346	13,473,346
At 31 March 2022		8,000,001	–	85,434,118	93,434,119
Transactions with owners:-					
Acquisition of a subsidiary	13	(8,000,000)	8,000,000	–	–
Issuance of ordinary shares pursuant to acquisition of a subsidiary	13	93,789,000	(93,789,000)	–	–
Issuance of shares	13	33,750,000	–	–	33,750,000
Share issuance expenses	13	(510,000)	–	–	(510,000)
Dividends	26	–	–	(2,250,000)	(2,250,000)
Dividends paid by a subsidiary to its former owners	26	–	–	(4,000,000)	(4,000,000)
Total transactions with owners		119,029,000	(85,789,000)	(6,250,000)	26,990,000
Total comprehensive income for the financial year		–	–	16,266,153	16,266,153
At 31 March 2023		127,029,001	(85,789,000)	95,450,271	136,690,272

Statements of Changes in Equity
For the Financial Year Ended 31 March 2023

	Note	Non-distributable Share capital RM	Distributable Retained earnings RM	Total RM
Company				
At date of incorporation		1	–	1
Total comprehensive loss for the financial period		–	(7,749)	(7,749)
At 31 March 2022		1	(7,749)	(7,748)
Transactions with owners:-				
Issuance of ordinary shares pursuant to acquisition of a subsidiary	13	93,789,000	–	93,789,000
Issuance of shares	13	33,750,000	–	33,750,000
Share issuance expenses	13	(510,000)	–	(510,000)
Dividends	26	–	(2,250,000)	(2,250,000)
Total transactions with owners		127,029,000	(2,250,000)	124,779,000
Total comprehensive income for the financial year		–	2,828,753	2,828,753
At 31 March 2023		127,029,001	571,004	127,600,005

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	Group 1.4.2022 to 31.3.2023 RM	Group 1.4.2021 to 31.3.2022 RM	Company 1.4.2022 to 31.3.2023 RM	Company 7.12.2021 to 31.3.2022 RM
OPERATING ACTIVITIES					
Profit/(loss) before tax		22,422,321	17,317,532	2,828,753	(7,749)
Adjustments for:-					
Amortisation of intangible assets		1,214,969	951,630	–	–
Bad debts written off		–	8,424	–	–
Depreciation of property, plant and equipment		2,953,766	2,934,078	–	–
Depreciation of right-of-use assets		3,452	29,512	–	–
Dividend income		(9,332)	(2,282)	(6,000,000)	–
Fair value loss on other investments		7,664	25,142	–	–
Gain on disposal of property, plant and equipment		–	(7,610)	–	–
Interest expenses		912,388	937,021	–	–
Interest income		(335,844)	(24,680)	(207,959)	–
Loss on strike off of a subsidiary		–	100	–	–
Operating profit/(loss) before working capital changes		27,169,384	22,168,867	(3,379,206)	(7,749)
Changes in working capital:-					
Inventories		2,131,442	(16,947,382)	–	–
Receivables		(1,786,351)	4,886,029	(63,833)	–
Payables		9,131,787	(360)	335,131	7,749
Trust receipts		(7,060,321)	8,151,321	–	–
Cash generated from/ (used in) operations		29,585,941	18,258,475	(3,107,908)	–
Income tax paid, net of refund		(4,268,275)	(4,166,667)	–	–
Interest received		81,739	19,589	18,067	–
Interest paid		(167,889)	(59,659)	–	–
Net cash flows from/(used in) operating activities		25,231,516	14,051,738	(3,089,841)	–
INVESTING ACTIVITIES					
Subscription of shares in a subsidiary		–	–	(30,000,000)	–
Dividend received		9,332	2,282	6,000,000	–
Purchase of intangible assets		–	(1,190,597)	–	–
Purchase of right-of-use asset	A	(57,125)	–	–	–
Purchase of property, plant and equipment		(1,617,278)	(3,410,738)	–	–
Proceeds from disposal of property, plant and equipment		–	87,653	–	–
Interest received		254,105	–	189,892	–
Net cash flows used in investing activities		(1,410,966)	(4,511,400)	(23,810,108)	–

Statements of Cash Flows
For the Financial Year Ended 31 March 2023

	Note	Group 1.4.2022 to 31.3.2023 RM	Group 1.4.2021 to 31.3.2022 RM	Company 1.4.2022 to 31.3.2023 RM	Company 7.12.2021 to 31.3.2022 RM
FINANCING ACTIVITIES					
Dividend paid		(6,250,000)	(7,000,000)	(2,250,000)	–
Drawdown of deposits pledged with a financial institution		204,830	146,493	–	–
(Repayment)/Drawdown of revolving credit		(8,040,956)	8,040,956	–	–
Drawdown of term loans		12,180,000	15,408,669	–	–
Interest received		–	5,091	–	–
Interest paid		(744,499)	(877,362)	–	–
Proceeds from issuance of shares	13	33,750,000	1	33,750,000	–
Repayment of lease liability		–	(115,601)	–	–
Repayment of term loans		(15,119,326)	(23,583,226)	–	–
Share issuance expenses	13	(510,000)	–	(510,000)	–
Net cash flows from/(used in) financing activities		15,470,049	(7,974,979)	30,990,000	–
CASH AND CASH EQUIVALENTS					
Net changes		39,290,599	1,565,359	4,090,051	–
Brought forward/At date of incorporation		15,676,519	14,111,160	1	1
Carried forward	**B**	54,967,118	15,676,519	4,090,052	1

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF RIGHT-OF-USE ASSET

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Total purchase of right-of-use asset	207,125	–	–	–
Less: Acquired under lease arrangement	(150,000)	–	–	–
Cash payment	57,125	–	–	–

Statements of Cash Flows
For the Financial Year Ended 31 March 2023

NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

B. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deposits and placements with financial institutions	47,380,000	476,414	3,200,000	–
Cash and bank balances	7,587,118	15,404,935	890,052	1
	54,967,118	15,881,349	4,090,052	1
Less: Deposits pledged with a financial institution	–	(204,830)	–	–
	54,967,118	15,676,519	4,090,052	1

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	1 April 2022 RM	Net cash flows RM	31 March 2023 RM
Lease liability	–	150,000	150,000
Term loans	15,119,326	(2,939,326)	12,180,000
Revolving credit	8,040,956	(8,040,956)	–
	23,160,282	(10,830,282)	12,330,000

	1 April 2021 RM	Net cash flows RM	31 March 2022 RM
Lease liability	115,601	(115,601)	–
Term loans	23,293,883	(8,174,557)	15,119,326
Revolving credit	–	8,040,956	8,040,956
	23,409,484	(249,202)	23,160,282

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
- 31 MARCH 2023

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Eshan. The principal place of business of the Company is located at Lot 137, Lingkaran Taman Industri Integrasi Rawang 2, Taman Industri Integrasi Rawang, 48000 Rawang, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and provision of management services.

The principal activity of the subsidiary is disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiary during the financial year.

The Company is a subsidiary of Iskandar Holdings Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia. The Directors regard Iskandar Holdings Sdn. Bhd. as the holding company.

The financial statements were authorised for issue by the Directors in accordance with a resolution of the Board of Directors on 20 July 2023.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of Companies Act 2016 in Malaysia.

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under historical cost convention, except for the equity financial assets that have been measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and its measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the Financial Statements

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

(a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
(b) Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
(c) Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2.4 MFRS

2.4.1 Adoption of Amendments/Improvements to MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted amendments/ improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 April 2022.

Initial application of the amendments/improvements to MFRSs did not have material impact to the financial statements.

2. BASIS OF PREPARATION (CONT'D)

2.4 MFRS (cont'd)

2.4.2 Standards issued but not yet effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards, if applicable, when they become effective.

Effective for financial period beginning on or after 1 January 2023:-

MFRS 17 * and Amendments to MFRS 17 *	Insurance Contracts
Amendments to MFRS 17 *	Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements: Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	Income Taxes - International Tax Reform : Pillar Two Model Rules

Effective for financial period beginning on or after 1 January 2024:-

Amendments to MFRS 16 *	Leases - Lease liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements - Non-current Liabilities with Covenants
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-current

Amendments to MFRSs – effective date deferred indefinitely:-

Amendments to MFRS 10 * and MFRS 128 *	Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

* Not applicable to the Group's and the Company's operation.

The initial application of the above applicable standards and amendments are not expected to have material financial impact to the financial statements of the Group and of the Company upon their first adoption.

Notes to the Financial Statements

2. BASIS OF PREPARATION (CONT'D)

2.5 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2.5.1 Key sources of estimation uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment and right-of-use assets to be within 5 to 50 years and reviews the useful lives of depreciable assets at end each of the reporting period. At 31 March 2023, management assesses that the useful lives represent the expected usage of the assets of the Group. Actual result, however, may vary due to change in the expected level of usage and technology developments, which resulting in adjustment to the assets of the Group.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows.

In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made. The Group's core business is subject to economic and social preference which may cause selling prices to change rapidly, and the Group's profit to change.

Notes to the Financial Statements

2. BASIS OF PREPARATION (CONT'D)

2.5 Significant accounting estimates and judgements (cont'd)

2.5.1 Key sources of estimation uncertainty (cont'd)

Development costs

The Group capitalises costs for product development. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The carrying amount of the Group's development costs at the end of the reporting period is disclosed in Note 6 to the financial statements.

This amount includes significant investment in the development of an innovative automotive electronics system. Prior to being marketed, it will need to obtain a quality certification issued by the relevant regulatory authorities. The innovative nature of the product gives rise to some uncertainty as to whether the certificate will be obtained.

The development costs of technology systems are amortised on a straight-line basis over their useful lives of 5 years. The Group assesses annually the useful lives of the intangible assets and if the expectation differs from the original estimate, such difference will impact the amortisation expenses in the period in which such estimate had been charged.

Provision for expected credit losses ("ECLs") of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on the repayment pattern of the customers, customers type and coverage by letters of credit.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Income taxes

Significant judgement is involved in determining the Group's and the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognised tax liabilities based on estimates of whether additional tax will be due. Where the final tax outcome is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

2.5.2 Significant management judgement

There is no significant management judgement in applying the accounting policies of the Group and of the Company that have the most significant effect on the financial statements.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements, unless otherwise stated.

3.1 Consolidation

3.1.1 Subsidiary

Subsidiary is entity, including structured entity, controlled by the Group and the Company. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group and the Company consider it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiary is stated at cost less any impairment losses in the Company's financial position unless the investment is held for sale or distribution. The cost of investments includes transaction costs. Where an indication of impairment exists, the carrying amount of the subsidiary is assessed and written down immediately to its recoverable amount.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

3.1.2 Basis of consolidation

The Group's financial statements consolidate the financial statements of the Company and its subsidiary, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiary are all drawn up to the same reporting date.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements.

Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in the notes to the financial statements.

Subsidiary is consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Consolidation (cont'd)

3.1.3 Business combination

Merger method

A business combination involving entity under common control is a business combination in which all the combining entity or business are ultimately controlled by same party or parties both before or after the business combination, and that control is not transitory. The acquisition of Betamek Electronics (M) Sdn. Bhd. resulted in a business involving common control entity since the management of all the entity which took part in the acquisition were controlled by common Directors and under common shareholders before and immediately after the acquisition, and accordingly the accounting treatment is outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entity in the consolidated financial statements. The merger method of accounting on a retrospective basis and restated its comparative as if the consolidation had taken place before the state of the earliest period presented in the combined financial statements.

Under the merger method of accounting, the results of subsidiary are presented as if the merger had been affected throughout the current year. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any reserves which are attributable to share capital of the merged entity, to the extent that they have not been capitalized by a debit difference, are reclassified and presented as movement in other capital reserves.

3.1.4 Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of the equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

3.1.5 Eliminations on consolidation

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset, such as inventory and property, plant and equipment) are eliminated in full in preparing the consolidated financial statements.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency transactions and balances

Transactions in foreign currencies are recorded in RM at rates of exchange ruling at the date of the transactions. Foreign currencies monetary assets and liabilities are translated at reporting date.

Gains and losses resulting from settlement of such transactions and conversion of monetary assets and liabilities, whether realised or unrealised, are included in the income statement as they arise.

All other foreign exchange differences are taken to the statements of comprehensive income in the financial year in which they arise.

3.3 Property, plant and equipment

Property, plant and equipment are initially stated at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. All property, plant and equipment are subsequently stated at cost less accumulated depreciation and less any impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bring the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful life. Freehold land with an infinite life is not depreciated.

Other property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Freehold building and renovation	2%
Plant and machinery	10%
Motor vehicles	20%
Tools, equipment and moulds	10%
Furniture and office equipment	10%

The residual values, useful life and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and expected pattern of consumption of future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss in the financial year in which the asset is derecognised.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

Motor vehicles	20%

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.6 to the financial statements.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to their short-term leases of machinery, equipment and premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the profit or loss in the period in which it incurred.

The useful life of intangible assets is assessed to be either finite or indefinite. Intangible assets with finite life are amortised on straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by charging the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful life are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gain or losses arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

3.5.1 Research and development costs

All research costs are immediately recognised in profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised as development costs and deferred only when the Group can demonstrate the technical feasibility of completing the asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Development costs which do not meet these criteria are recognised in profit or loss as incurred.

Capitalised development costs comprise direct attributable costs incurred for development. Capitalised development costs, considered to have finite useful lives, are stated at cost less accumulated amortisation and any accumulated impairment losses. Development costs are amortised using the straight-line basis over the commercial lives of the underlying products from the date the products are commercialised.

The amortisation period and method are reviewed at the end of each reporting year to ensure that the expected useful lives of the assets are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of intangible assets. Development costs have a finite useful life and are amortised over the period of five years on a straight-line basis.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly trade subsidiaries or other available fair value indicators.

The Group and the Company base their impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's and of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group and the Company estimate the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss has been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

3.7 Inventories

Inventories, comprising raw materials, accessories and consumables, work-in-progress and finished goods are stated at the lower of cost and net realisable value ("NRV") after adequate specific write down has been made by the Directors for deteriorated, obsolete and slow-moving inventories.

Cost of raw materials is determined using weighted average method and finished goods include direct materials, direct labour and an appropriate proportion of manufacturing overheads. Cost includes the original purchase price plus direct cost of bringing these inventories to their present condition and location.

Net realisable value represents estimated selling price in the ordinary course of business less estimated selling and distribution costs and all other estimated costs to completion.

When inventories are sold and revenue is recognised, the carrying amount of those inventories is recognised as cost of goods sold. Write-down to NRV and inventory losses are recognised as expenses when it occurred and any reversal is recognised in the profit or loss in the period in which the reversal occurs.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.8.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how they manage their financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVTOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at FVTPL.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

3.8.1 Financial assets (cont'd)

Subsequent measurement (cont'd)

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade and most of other receivables and cash and bank balances, deposits and placements.

Financial assets at FVTPL

Financial assets at FVTPL are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

This category includes listed equity investments which the Group and the Company had not irrevocably elected to classify at FVTOCI. Dividends on listed equity investments are recognised as other income in the profit or loss when the right of payment has been established.

The Group's equity instruments at FVTPL includes other investments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and Company have transferred their rights to receive cash flows from an asset or have entered into a passthrough arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

3.8.1 Financial assets (cont'd)

Impairment

The Group and the Company recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Impairment for trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment for financial assets other than trade receivables

The Group and the Company consider the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The assessment considers available, reasonable and supportable forward-looking information.

Credit impaired

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at FVTOCI is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The Group and the Company consider a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flows have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery of amounts due.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

3.8.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at FVTPL; or
- Financial liabilities at amortised cost.

The Group and the Company only have financial liabilities at amortised cost on their statements of financial position.

Financial liabilities at amortised cost

This is the category most relevant to the Group and the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss. This category generally applies to interest-bearing borrowings.

The Group's and the Company's financial liabilities include trade and most of other payables and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

3.8.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, deposits with licensed banks and highly liquid investments that are readily convertible to known amount of cash which are subject to an insignificant risk of changes in value.

For the purpose of statements of financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the end of the reporting period are classified as non-current asset.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

3.10 Equity, reserves and distribution to owners

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Share capital are recorded at the proceeds from ordinary shares issued, net of directly attributable incremental transactions costs.

Retained earnings include all current and prior periods' accumulated profits or losses.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

All transactions with owners of the Company are recorded separately within equity.

3.11 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group and the Company expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Employee benefits

3.12.1 Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial period, in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

3.12.2 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as expenses in the profit or loss incurred. As required by law, the Company and its subsidiary, all of which were incorporated in Malaysia, make such contributions to the Employees Provident Fund.

3.13 Revenue

Revenue from contracts with customers is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise in a contract with a customer to transfer to the customer either:-

(a) good or service (or a bundle of goods or services) that is distinct; or
(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Revenue from contracts with customers is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring the promised services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimate the amount of consideration to which it will be entitled based on the expected value or the most likely outcome.

If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative standalone selling prices of the goods or services promised in the contract.

The amount of variable consideration is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainly associated with the variable consideration is subsequently resolved.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue (cont'd)

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:-

(a) the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
(b) the Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(c) the Group's and the Company's performance does not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

For performance obligations where any one of the above conditions not met, revenue is recognised at a point in time at which the performance obligation is satisfied.

When the Group and the Company satisfy a performance obligation by delivering the promised goods or service, it creates a contract based on asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

3.13.1 Sales of goods

Revenue relating to sales of goods is recognised net of sales returns and discount upon the transfer of control of the goods to the customers. Revenue is not recognised to extent were there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

3.13.2 Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which is in the case of quoted securities is the ex-dividend date.

3.13.3 Other revenue recognition

Interest income

Interest income is recognised in the profit or loss on time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group and the Company.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Tax expense

Tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

3.14.1 Current tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting year, and any adjustment to tax payable in respect of previous years.

Current tax for current and prior periods is recognised in the statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3.14.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Sales and service tax ("SST")

Expenses and assets are recognised net of the amount of SST, except:-

(i) When the SST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the SST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
(ii) When payables are stated with the amount of SST included.

The amount of SST payable to taxation authority is included as part of payables in the statements of financial position.

3.16 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

All other borrowing costs are expensed in the period in which they are incurred.

3.17 Contingencies

3.17.1 Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3.17.2 Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

Notes to the Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Related parties

A related party is a person or entity that is related to the Group and the Company that is preparing its financial statements. A related party transaction is a transfer of resources, services or obligations between the reporting entity and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the reporting entity if that person:-

(i) Has control or joint control over the Group and the Company;
(ii) Has significant influence over the Group and the Company; or
(iii) Is a member of the key management personnel of the parent of the Group and of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:-

(i) The entity and the Group or the Company are members of the same group;
(ii) The entity is an associate or joint venture of the Group or the Company;
(iii) Both the Group or the Company and the entity are joint ventures of the same third party;
(iv) The Group or the Company is a joint venture of a third entity and the entity is an associate of the same third entity;
(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or the Company for an entity related to the Group or the Company;
(vi) The entity is controlled or jointly-controlled by a person identified in (a) above;
(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the corporate shareholders of the Group or the entity; or
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

3.19 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.20 Earnings per ordinary shares

The Group presents basic and diluted earnings per share ("EPS") date for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss after tax attributable to ordinary shareholders of the Company.

Diluted EPS is calculated by dividing the profit or loss after tax attributable to ordinary shareholders of the Company over the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares during the period.

Notes to the Financial Statements

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Freehold building and renovation RM	Plant and machinery RM	Motor vehicles RM	Tools, equipment and moulds RM	Furniture and office equipment RM	Total RM
Cost							
At 1 April 2021	3,056,107	20,231,805	11,538,566	1,251,253	14,786,209	2,769,926	53,633,866
Additions	–	1,483,388	–	71,020	1,643,188	213,142	3,410,738
Disposal	–	–	–	(489,207)	(262,766)	–	(751,973)
Transfer from right-of-use assets	–	–	–	252,960	–	–	252,960
At 31 March 2022	3,056,107	21,715,193	11,538,566	1,086,026	16,166,631	2,983,068	56,545,591
Additions	–	806,497	–	116,645	391,836	302,300	1,617,278
At 31 March 2023	3,056,107	22,521,690	11,538,566	1,202,671	16,558,467	3,285,368	58,162,869
Accumulated depreciation							
At 1 April 2021	–	339,978	3,796,024	1,025,822	9,292,752	1,371,059	15,825,635
Charge for the financial year	–	425,605	1,072,192	116,224	1,119,534	200,523	2,934,078
Disposal	–	–	–	(489,207)	(182,723)	–	(671,930)
Transfer from right-of-use assets	–	–	–	96,968	–	–	96,968
At 31 March 2022	–	765,583	4,868,216	749,807	10,229,563	1,571,582	18,184,751
Charge for the financial year	–	443,567	1,064,507	141,684	1,085,145	218,863	2,953,766
At 31 March 2023	–	1,209,150	5,932,723	891,491	11,314,708	1,790,445	21,138,517
Net carrying amount							
At 31 March 2023	3,056,107	21,312,540	5,605,843	311,180	5,243,759	1,494,923	37,024,352
At 31 March 2022	3,056,107	20,949,610	6,670,350	336,219	5,937,068	1,411,486	38,360,840

The freehold land and freehold building with net carrying amount amounted to RM19,612,778 (2022: RM19,960,436) are pledged as securities for bank borrowings as disclosed in Note 15 to the financial statements.

Notes to the Financial Statements

5. RIGHT-OF-USE ASSETS

As a lessee

The Group has lease for motor vehicles that run for 5 years.

The Group also has lease of premises and machine and equipment with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemption for these leases.

Set out are the carrying amounts of right-of-use assets recognised and the movements during the financial year:-

Group	**Motor vehicles RM**
Cost	
At 1 April 2021	252,960
Transfer to property, plant and equipment	(252,960)
At 31 March 2022	–
Addition	207,125
At 31 March 2023	207,125
Accumulated depreciation	
At 1 April 2021	67,456
Charge for the financial year	29,512
Transfer to property, plant and equipment	(96,968)
At 31 March 2022	–
Charge for the financial year	3,452
At 31 March 2023	3,452
Net carrying amount	
At 31 March 2023	203,673
At 31 March 2022	–

The motor vehicles above is held under lease arrangements and pledged as security for the related lease.

Notes to the Financial Statements

6. INTANGIBLE ASSETS

Group	Development costs RM
Cost	
At 1 April 2021	5,455,997
Additions	1,190,597
At 31 March 2022/31 March 2023	6,646,594
Accumulated amortisation	
At 1 April 2021	–
Charge for the financial year	951,630
At 31 March 2022	951,630
Charge for the financial year	1,214,969
At 31 March 2023	2,166,599
Net carrying amount	
At 31 March 2023	4,479,995
At 31 March 2022	5,694,964

The development costs are incurred for developing new technology system.

Impairment loss review of development costs

The Group tests annually for impairment or more frequently if there are indications that might be impaired.

For the purpose of impairment testing, development costs have been allocated to the Group's cash generating units ("CGU"). The Group identified according to the industry of the Group's operations.

Key assumptions made in determining the value-in-use are as follows:

- Cash flows were projected based on actual operating results and the five years business plan;
- The discount rate applied to the cash flows projections are derived from the weighted average cost of capital of the Group plus a reasonable risk premium; and
- The size of operation will remain at least or not lower than the current results.

Notes to the Financial Statements

6. INTANGIBLE ASSETS (CONT'D)

The key assumptions used for determining the value in use, which are determined based on management's past experience and expectation of the future development, are as follows:-

	Group	
	2023	**2022**
	%	**%**
Projected growth rate	2.00	2.00
Discount rate	8.05	8.26

The projected cash flows from use are derived from the most recent financial budgets approved by management.

With regards to the assessments, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying values of these units to differ materially from their recoverable amounts except for the changes in prevailing operating environment which is not ascertainable.

7. INVESTMENT IN A SUBSIDIARY

	Company	
	2023	**2022**
	RM	**RM**
Unquoted shares, at cost	123,789,000	–

The particulars of the subsidiary are as follows:-

Name of company	**Principal place of business**	**Principal activity**	**Effective equity interest**	
			2023	**2022**
			%	**%**
Betamek Electronics (M) Sdn. Bhd.	Malaysia	Providing full-service electronics manufacturing services starting from design, development, and manufacturing to marketing of electronic products and components for the automation and consumer markets.	100	–

Notes to the Financial Statements

7. INVESTMENT IN A SUBSIDIARY (CONT'D)

2023

Acquisition of subsidiary

(a) On 5 September 2022, the Company had acquired 6,000,000 ordinary shares representing 100% equity interest in Betamek Electronics (M) Sdn. Bhd., for a consideration of RM93,789,000 which was satisfied by issuance of new ordinary shares. After the acquisition, Betamek Electronics (M) Sdn. Bhd. become a wholly-owned subsidiary of the Company.

(b) On 29 March 2023, the Company subscribed for additional 2,000,000 ordinary shares in Betamek Electronics (M) Sdn. Bhd. for a cash consideration of RM30,000,000.

The consolidated financial statements have been prepared using the merger method to account for the acquisition of Betamek Electronics (M) Sdn. Bhd.. Merger reserve or deficit are determined as the difference between the cost of merger and nominal value of the share capital of the subsidiaries acquired and recognised in statements of financial position.

Impact of the acquisition on the consolidated statements of profit or loss and other comprehensive income

In the financial period when the merger took place, the subsidiary's profits are included in the Group's profits for the full financial period, regardless of the effective date of merger.

2022

Strike off a subsidiary

In the prior financial year, the Group struck off a wholly-owned subsidiary, Betamek Sales & Services Sdn. Bhd. with a loss on strike off of a subsidiary of RM100 being recognised in profit or loss.

8. INVENTORIES

	Group	
	2023	**2022**
	RM	**RM**
At cost:-		
Raw materials	38,183,280	36,857,219
Work-in-progress	9,459,445	14,947,687
Finished goods	6,093,605	4,062,866
	53,736,330	55,867,772
Recognised in profit or loss:-		
Inventories recognised in cost of sales	149,479,015	92,469,351

9. TRADE RECEIVABLES

The trade receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition. The normal credit terms granted to the customers ranging from 30 days to 60 days (2022: 30 days to 60 days). Other credit terms are assessed and approved by the management on case-by-case basis.

Notes to the Financial Statements

10. OTHER RECEIVABLES

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Non-trade receivables	7,647	2,670	–	–
Deposits	480,105	36,757	2,000	–
Advances to suppliers	2,845,856	6,076,543	–	–
Prepayments	385,650	881,661	61,833	–
	3,719,258	6,997,631	63,833	–

11. OTHER INVESTMENTS

	Group	
	2023 RM	**2022 RM**
Financial assets at fair value		
Quoted shares in Malaysia	128,797	136,461
Unquoted shares outside Malaysia	1	1
	128,798	136,462

12. CASH AND BANK BALANCES, DEPOSITS AND PLACEMENTS

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Cash and bank balances	7,587,118	15,404,935	890,052	1
Deposits and placements with financial institutions	47,380,000	476,414	3,200,000	–
	54,967,118	15,881,349	4,090,052	1

Group

In the prior financial year, deposits and placements with financial institutions amounting to RM204,830 was pledged to a bank for banking facilities granted to the Group.

Group and Company

The deposits and placements with financial institutions will mature within 12 days to 365 days (2022: 2 days to 365 days) with interest rates ranging from 1.15% to 2.56% (2022: 0.85% to 1.85%) per annum.

Notes to the Financial Statements

13. SHARE CAPITAL

	Group			
	Number of ordinary shares		Amount	
	2023 Unit	2022 Unit	2023 RM	2022 RM
Issued and fully paid with no par value:-				
At 1 April 2022/2021	6,000,001	6,000,000	8,000,001	8,000,000
Acquisition of a subsidiary	(6,000,000)	–	(8,000,000)	–
Issued pursuant to acquisition of a subsidiary	382,499,999	–	93,789,000	–
Issuance of shares	67,500,000	1	33,750,000	1
Share issuance expenses	–	–	(510,000)	–
At 31 March 2023/31 March 2022	450,000,000	6,000,001	127,029,001	8,000,001

	Company			
	Number of ordinary shares		Amount	
	2023 Unit	2022 Unit	2023 RM	2022 RM
Issued and fully paid with no par value:-				
At 1 April 2022/At date of incorporation	1	1	1	1
Issued pursuant to acquisition of a subsidiary	382,499,999	–	93,789,000	–
Issuance of shares	67,500,000	–	33,750,000	–
Share issuance expenses	–	–	(510,000)	–
At 31 March 2023/31 March 2022	450,000,000	1	127,029,001	1

The holders of ordinary shares are entitled to receive dividend as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

Invested equity

	Group			
	Number of ordinary shares		Amount	
	2023 Unit	2022 Unit	2023 RM	2022 RM
Issued and fully paid with no par value:-				
At 1 April 2022/2021	6,000,000	6,000,000	8,000,000	8,000,000
Reversed against the purchase consideration for the acquisition of Betamek Electronics (M) Sdn. Bhd.	(6,000,000)	–	(8,000,000)	–
At 31 March 2023/31 March 2022	–	6,000,000	–	8,000,000

The invested equity constitutes the share capital of Betamek Electronics (M) Sdn. Bhd..

Notes to the Financial Statements

14. MERGER DEFICIT

The merger deficit arises as and when the combination take place. It comprises the difference between the cost of merger and the nominal value of shares acquired in Betamek Electronics (M) Sdn. Bhd. as disclosed in Note 7 to the financial statements.

15. BORROWINGS

	Group	
	2023 RM	**2022 RM**
Non-current		
Secured:-		
Term loans	10,862,760	13,858,879
Revolving credit	–	5,171,349
	10,862,760	19,030,228
Current		
Secured:-		
Term loans	1,317,240	1,260,447
Revolving credit	–	2,869,607
Trust receipts	1,091,000	8,151,321
	2,408,240	12,281,375
	13,271,000	31,311,603

The maturity of the borrowings as at the reporting date are as follows:-

	Group	
	2023 RM	**2022 RM**
Within 1 year	2,408,240	12,281,375
After 1 year but not later than 5 years	5,268,960	11,139,203
Later than 5 years	5,593,800	7,891,025
	10,862,760	19,030,228
	13,271,000	31,311,603

Notes to the Financial Statements

15. BORROWINGS (CONT'D)

Group

2023

The borrowings are secured by:-

(i) Legal charge over the Group's property;
(ii) Corporate guarantee by the Company; and
(iii) Assignment of receivables proceeds.

2022

(i) Legal charge over the Group's property;
(ii) Personal guarantee by a Director; and
(iii) Fixed deposits as disclosed in Note 12 to the financial statements.

The effective interest rate of term loans of the Group are charged at rate 4.20% (2022: 3.20% to 3.56%) per annum.

In the prior financial year, the effective interest rate of revolving credit of the Group was charged at rate of 3.90% per annum.

The effective interest rate of trust receipts of the Group is charged at rate 3.84% (2022: 1.86% to 3.86%) per annum.

16. LEASE LIABILITY

The Group has leased for motor vehicles. Future minimum lease payments as at reporting date is as follows:-

	Group	
	2023 RM	**2022 RM**
Brought forward	–	115,601
Accretion of interest	–	3,402
Addition	150,000	–
Payment	–	(119,003)
Carried forward	150,000	–
Represented by:-		
Non-current	122,796	–
Current	27,204	–
	150,000	–

The maturity analysis of lease liability is disclosed in Note 30.2.2 to the financial statements.

Notes to the Financial Statements

16. LEASE LIABILITY (CONT'D)

The following amounts are recognised in profit or loss:-

	Group	
	2023	**2022**
	RM	**RM**
Depreciation of right-of-use asset	3,452	29,512
Interest expense on lease liability	–	3,402
Short-term leases	38,825	1,900
	42,277	34,814

The total cash outflows for leases of the Group amounted to RM38,825 (2022: RM120,903).

The effective interest rate of lease liability of the Group is charged at rate of 4.77% (2022: 4.28%) per annum.

17. DEFERRED TAX LIABILITIES

	Group	
	2023	**2022**
	RM	**RM**
Brought forward	3,513,000	2,360,000
Recognised in profit or loss	(532,000)	1,153,000
Carried forward	2,981,000	3,513,000

The balance in the deferred tax liabilities is made up of temporary differences arising from:-

	Property, plant and equipment RM	**Right-of-use assets RM**	**Intangible assets RM**	**Provisions RM**	**Total RM**
At 1 April 2021	2,757,000	4,000	–	(401,000)	2,360,000
Recognised in profit or loss	671,000	(4,000)	637,000	(151,000)	1,153,000
At 31 March 2022	3,428,000	–	637,000	(552,000)	3,513,000
Recognised in profit or loss	6,000	5,000	11,000	(554,000)	(532,000)
At 31 March 2023	3,434,000	5,000	648,000	(1,106,000)	2,981,000

18. TRADE PAYABLES

The trade payables are non-interest bearing and the normal credit terms granted by the trade payables ranging from 30 days to 90 days (2022: 30 days to 90 days).

Notes to the Financial Statements

19. OTHER PAYABLES

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Non-trade payables	479,203	338,595	5,880	5,749
Accruals	6,309,451	3,479,141	337,000	2,000
Sales and service tax payable	10,934	192,499	–	–
	6,799,588	4,010,235	342,880	7,749

Company

In the prior financial year, included in non-trade payables was an amount of RM5,749 due from a subsidiary. The said amount was unsecured, non-interest bearing and repayable on demand.

20. REVENUE

	Group		Company	
	1.4.2022 to 31.3.2023 RM	**1.4.2021 to 31.3.2022 RM**	**1.4.2022 to 31.3.2023 RM**	**7.12.2021 to 31.3.2022 RM**
Revenue from contracts with customers recognised at a point in time:				
- Sales of trading goods	205,704,675	133,051,434	–	–
Revenue from other sources of income:				
- Dividend income	–	–	6,000,000	–
	205,704,675	133,051,434	6,000,000	–

	Group	
Primary geographical market:		
- Malaysia	205,704,675	133,051,434

Performance obligation

The performance obligation of sales of goods is satisfied upon delivery of the goods.

There were no obligations for rebates, returns, warranty and other similar or related obligations.

There were no remaining performance obligations unsatisfied as at the reporting date.

Notes to the Financial Statements

21. FINANCE INCOME

	Group		Company	
	1.4.2022 to 31.3.2023 RM	1.4.2021 to 31.3.2022 RM	1.4.2022 to 31.3.2023 RM	7.12.2021 to 31.3.2022 RM
Interest income:				
- Deposits pledged with financial institution	–	5,091	–	–
- Deposits and placements with financial institutions	254,105	18,618	189,892	–
- Bank balances	70,449	971	6,777	–
- Others	11,290	–	11,290	–
	335,844	24,680	207,959	–

22. FINANCE COSTS

	Group	
	1.4.2022 to 31.3.2023 RM	7.12.2021 to 31.3.2022 RM
Interest expenses:		
- Lease liability	–	3,402
- Term loans	507,425	873,960
- Bank overdraft	2,816	13,753
- Revolving credit	237,074	–
- Trust receipts	165,073	45,906
	912,388	937,021

Notes to the Financial Statements

23. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax has been determined after charging/(crediting), amongst others items, the following:-

	Group		Company	
	1.4.2022 to 31.3.2023 RM	**1.4.2021 to 31.3.2022 RM**	**1.4.2022 to 31.3.2023 RM**	**7.12.2021 to 31.3.2022 RM**
Charging:-				
Auditors' remuneration:				
- Statutory audit	105,000	59,000	30,000	2,000
- Assurance-related services	460,000	–	360,000	–
Amortisation of intangible assets	1,214,969	951,630	–	–
Bad debts written off	–	8,424	–	–
Directors' fee	190,000	315,000	190,000	–
Depreciation of property, plant and equipment	2,953,766	2,934,078	–	–
Depreciation of right-of-use assets	3,452	29,512	–	–
Expenses relating to short term leases	38,825	1,900	–	–
Fair value loss on other investments	7,664	25,142	–	–
Loss on strike off of a subsidiary	–	100	–	–
Realised loss on foreign exchange	793,685	–	–	–
Crediting:-				
Dividend Income:-				
- Quoted shares in Malaysia	(9,332)	(2,282)	–	–
- Unquoted shares in Malaysia	–	–	(6,000,000)	–
Gain on disposal of property, plant and equipment	–	(7,610)	–	–
Realised gain on foreign exchange	–	(533,749)	–	–

24. TAX EXPENSE

	Group		Company	
	1.4.2022 to 31.3.2023 RM	**1.4.2021 to 31.3.2022 RM**	**1.4.2022 to 31.3.2023 RM**	**7.12.2021 to 31.3.2022 RM**
Current tax:				
- Current financial year	6,888,425	3,615,500	–	–
- Over provision in prior financial year	(200,257)	(924,314)	–	–
	6,688,168	2,691,186	–	–
Deferred tax:				
- Origination and reversed at temporary differences	(532,000)	612,000	–	–
- Under recognised in prior financial year	–	541,000	–	–
	(532,000)	1,153,000	–	–
	6,156,168	3,844,186	–	–

Malaysian income tax is calculated at statutory tax rate of 24% (2022: 24%) of the estimated assessable profits for the financial year.

Notes to the Financial Statements

24. TAX EXPENSE (CONT'D)

The numerical reconciliations between the effective tax rate and the statutory tax rate of the Group and of the Company are as follows:-

	Group		Company	
	1.4.2022 to 31.3.2023 RM	1.4.2021 to 31.3.2022 RM	1.4.2022 to 31.3.2023 RM	7.12.2021 to 31.3.2022 RM
Profit before tax	22,422,321	17,317,532	2,828,753	(7,749)
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	5,381,357	4,156,208	678,901	(1,860)
Tax effects in respect of:-				
Expenses not deductible for tax purposes	977,308	180,133	765,409	1,860
Over provision of tax expense in prior financial year	(200,257)	(924,314)	–	–
Under recognised of deferred tax liabilities in prior financial years	–	541,000	–	–
Income not subject to tax	(2,240)	(108,841)	(1,444,310)	–
	6,156,168	3,844,186	–	–

25. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

Basic earnings per share are calculated by dividing profit for the financial year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares and including mandatorily convertible instruments held by the Company.

Profits attributable to equity holders of the Company

	Group	
	2023 RM	2022 RM
Profit used for the computation of basic/diluted: - Profit attributable to equity holders of the Company	16,266,153	13,473,346
Weighted average number of ordinary shares after deducting treasury shares used for the computation of basic	450,000,000	6,000,001
Basic earnings per ordinary share (sen)	3.61	224.56

(b) Diluted earnings per ordinary share

There are no diluted earnings per share because the Company does not have any convertible financial instruments as at the end of the financial year.

Notes to the Financial Statements

26. DIVIDENDS

	Group		Company	
	1.4.2022 to 31.3.2023 RM	**1.4.2021 to 31.3.2022 RM**	**1.4.2022 to 31.3.2023 RM**	**7.12.2021 to 31.3.2022 RM**
<u>In respect of the financial year ended 31 March 2023:-</u>				
Interim single tier dividend of 0.5 sen per ordinary share, paid on 21 March 2023	2,250,000	–	2,250,000	–
Second interim single tier dividend of 33 sen per ordinary share, paid on 29 July 2022 *	2,000,000	–	–	–
Interim single tier dividend of 33 sen per ordinary share, paid on 30 June 2022 *	2,000,000	–	–	–
<u>In respect of the financial year ended 31 March 2022:-</u>				
Interim single tier dividend of 67 sen per ordinary share, paid on 28 March 2022	–	4,000,000	–	–
<u>In respect of the financial year ended 31 March 2021:-</u>				
Third interim single tier dividend of 50 sen per ordinary share, paid on 4 June 2021	–	3,000,000	–	–
	6,250,000	7,000,000	2,250,000	–

* Dividend declared prior to the completion of acquisition of Betamek Electronics (M) Sdn. Bhd. by the Company as disclosed in Note 7 to the financial statements.

The Directors do not recommend any final dividend payment for the current financial year.

Notes to the Financial Statements

27. EMPLOYEE BENEFITS EXPENSE

	Group	
	1.4.2022 to 31.3.2023 RM	**1.4.2021 to 31.3.2022 RM**
Staffs' remuneration		
Salaries and other emoluments	17,774,472	12,324,207
Defined contribution plans	1,574,337	1,377,119
	19,348,809	13,701,326
Directors' remuneration		
Directors' salaries and other emoluments	1,222,304	321,650
Defined contribution plans	35,508	10,800
Benefits-in-kind	15,000	15,000
	1,272,812	347,450
	20,621,621	14,048,776

28. RELATED PARTY DISCLOSURES

Related party transactions

The significant related party transactions of the Group and of the Company are as follows:-

	Group		Company	
	1.4.2022 to 31.3.2023 RM	**1.4.2021 to 31.3.2022 RM**	**1.4.2022 to 31.3.2023 RM**	**7.12.2021 to 31.3.2022 RM**
Disposal of a motor vehicle to a Director	–	1	–	–

The outstanding balance arising from related party transactions as at the reporting date is disclosed in Note 19 to the financial statements.

Notes to the Financial Statements

28. RELATED PARTY DISCLOSURES (CONT'D)

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly and entity that provides key management personnel services to the Group and the Company.

Key management includes all the Directors of the Company and its subsidiary and certain members of senior management of the Group and of the Company.

	Group		Company	
	1.4.2022 to 31.3.2023 RM	**1.4.2021 to 31.3.2022 RM**	**1.4.2022 to 31.3.2023 RM**	**7.12.2021 to 31.3.2022 RM**
Directors' remuneration	1,272,812	347,450	–	–
Key management personnel:-				
Salaries and other emoluments	1,462,788	1,139,119	–	–
Defined contribution plans	148,076	147,729	–	–
Benefits-in-kind	23,700	22,550	–	–
	1,634,564	1,309,398	–	–
	2,907,376	1,656,848	–	–

29. CAPITAL COMMITMENT

	Group	
	2023 RM	**2022 RM**
Authorised and contracted for:		
- Property, plant and equipment	129,080	13,000

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS

30.1 Categories of financial instruments

The table below provides an analysis of financial instruments categories as follows:-

(i) Financial assets and financial liabilities measured at amortised cost ("AC"); and
(ii) Financial assets at fair value through profit or loss ("FVTPL")

Group	Carrying amount RM	AC RM	FVTPL RM
2023			
Financial assets			
Trade receivables	21,597,587	21,597,587	–
Other receivables	3,252,966	3,252,966	–
Other investments	128,798	–	128,798
Cash and bank balances, deposits and placements	54,967,118	54,967,118	–
	79,946,469	79,817,671	128,798
Financial liabilities			
Trade payables	15,287,166	15,287,166	–
Other payables	6,788,654	6,788,654	–
Borrowings	13,271,000	13,271,000	–
	35,346,820	35,346,820	–
2022			
Financial assets			
Trade receivables	16,532,863	16,532,863	–
Other receivables	6,115,970	6,115,970	–
Other investments	136,462	–	136,462
Cash and bank balances, deposits and placements	15,881,349	15,881,349	–
	38,666,644	38,530,182	136,462
Financial liabilities			
Trade payables	8,944,732	8,944,732	–
Other payables	3,817,736	3,817,736	–
Borrowings	31,311,603	31,311,603	–
	44,074,071	44,074,071	–

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categories as follows:- (cont'd)

(i) Financial assets and financial liabilities measured at amortised cost ("AC"); and
(ii) Financial assets at fair value through profit or loss ("FVTPL")

Company	Carrying amount RM	AC RM	FVTPL RM
2023			
Financial assets			
Other receivable	2,000	2,000	–
Cash and bank balances, deposits and placements	4,090,052	4,090,052	–
	4,092,052	4,092,052	–
Financial liabilities			
Other payables	342,880	342,880	–
2022			
Financial assets			
Cash and bank balances, deposits and placements	1	1	–
Financial liabilities			
Other payables	7,749	7,749	–

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. They have established policies and procedures to ensure effective management of credit risk, liquidity risk, interest rate risk and foreign currency risk.

The following sections explain key risks faced by the Group and the Company and their management. Financial assets and financial liabilities of the Group and of the Company are summarised in Notes 3.8 and 30.1 to the financial statements.

30.2.1 Credit risk

Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in financial loss to the Group and the Company. For other financial assets, the Group and the Company adopt the policy of dealing with reputable institutions.

Following are the areas where the Group and the Company are exposed to credit risk.

Exposure to credit risk

Maximum exposure of the Group and of the Company to credit risk is limited to the carrying amount of financial assets recognised at reporting date, as summarised below:-

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Classes of financial assets:-				
Trade receivables	21,597,587	16,532,863	–	–
Other receivables	3,252,966	6,121,719	2,000	–
Cash and bank balances, deposits and placements	54,967,118	15,881,349	4,090,052	1
	79,817,671	38,535,931	4,092,052	1

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial risk management (cont'd)

30.2.1 Credit risk (cont'd)

Credit risk concentration

The credit risk concentration profile by geographical on trade receivables of the Group as at the reporting date is as follows:-

	Group			
	2023		2022	
	RM	%	RM	%
By country:-				
Malaysia 2 customers (2022: 2 customers)	19,845,361	92	14,488,126	88

Recognition and measurement of impairment loss

In managing credit risk of trade receivables the Group manages its debtors and takes appropriate actions to recover long overdue balances. For trade receivables' credit term that are past due but not impaired, the Group's debt recovery process is the Group will initiate a structured debt recovery process which is monitored via management reporting procedures.

The Group applies the simplified approach under MFRS 9 to measure expected credit losses, which uses a lifetime expected credit losses for all trade receivables and contract assets. The Group evaluates the credit losses on a case-by-case basis.

The Group assesses the expected loss rates based on historical payment profiles of the trade receivables and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on factors affecting the financial capability of the debtor and default or significant delay in payments. No significant changes to estimation techniques or assumptions were made during the reporting period.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired. The gross carrying amounts of credit impaired trade receivables are written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Trade receivables that are written off are still subjected to enforcement activities.

As at the reporting date, the management is of the opinion that all necessary impairment that is required has been provided for and trade receivables have not been impaired are credit worthy debtors whereby impairment is not required.

None of the Group's financial assets are secured by collateral or other credit enhancements.

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial risk management (cont'd)

30.2.1 Credit risk (cont'd)

Credit risk concentration (cont'd)

Recognition and measurement of impairment loss (cont'd)

Set out below is the information about the credit risk exposure and ECLs on the Group's trade receivables and contract assets which are grouped together as they are expected to have similar risk nature:-

	Gross carrying amount RM	Expected credit loss RM	Net carrying amount RM
Group			
2023			
Not past due	20,847,950	–	20,847,950
Past due 1 to 30 days	749,637	–	749,637
	21,597,587	–	21,597,587
2022			
Not past due	16,242,805	–	16,242,805
Past due 1 to 30 days	290,058	–	290,058
	16,532,863	–	16,532,863

Other receivables

As at the reporting date, the management is of the opinion that all necessary impairment that is required has been provided for.

Cash and bank balances, deposits and placements

The credit risk for cash and bank balances, deposits and placements is considered low, since the counterparties are reputable financial institutions with high quality external credit ratings and have no history of default. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial risk management (cont'd)

30.2.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due, due to shortage of funds.

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as follow:-

			Maturity		
	Carrying amount RM	**Contractual cash flows RM**	**Within 1 year RM**	**1 to 5 years RM**	**Later than 5 years RM**
Group					
2023					
Trade payables	15,287,166	15,287,166	15,287,166	–	–
Other payables	6,788,654	6,788,654	6,788,654	–	–
Borrowings	13,271,000	15,661,447	2,858,049	6,680,274	6,123,124
Lease liability	150,000	168,900	33,780	135,120	–
	35,496,820	37,906,167	24,967,649	6,815,394	6,123,124
2022					
Trade payables	8,944,732	8,944,732	8,944,732	–	–
Other payables	3,817,736	3,817,736	3,817,736	–	–
Borrowings	31,311,603	35,695,897	13,052,012	13,129,166	9,514,719
	44,074,071	48,458,365	25,814,480	13,129,166	9,514,719
Company					
2023					
Other payables	342,880	342,880	342,880	–	–
Corporate guarantee *	12,180,000	12,180,000	12,180,000	–	–
2022					
Other payables	7,749	7,749	7,749	–	–

* This exposure is included in liquidity risk for illustration only. No financial guarantee was called upon by the holders as at the end of the reporting period.

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of financial liabilities at the reporting date.

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial risk management (cont'd)

30.2.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to the risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

The Group's and the Company's interest rate management objective is to manage interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group and the Company target a mix of fixed and floating debts based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the reporting date is as follows:-

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Fixed rate instruments				
Financial asset				
Deposits and placements	47,380,000	476,414	3,200,000	–
Financial liabilities				
Lease liability	(150,000)	–	–	–
Trust receipts	(1,091,000)	(8,151,321)	–	–
	(1,241,000)	(8,151,321)	–	–
Net financial asset/ (liabilities)	46,139,000	(7,674,907)	3,200,000	–
Floating rate instruments				
Financial liabilities				
Term loans	(12,180,000)	(15,119,326)	–	–
Revolving credit	–	(8,040,956)	–	–
	(12,180,000)	(23,160,282)	–	–

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial risk management (cont'd)

30.2.3 Interest rate risk (cont'd)

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates as at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The following table illustrates the sensitivity of profit/equity to a reasonably possible change in interest rate of +/-50 (2022: +/-50) basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instrument held at each reporting date that is sensitive to changes in interest rate. All other variables are held constant.

	Group Impact on profit/equity (Decrease)/Increase	
	+50bp **RM**	**-50bp** **RM**
2023	(60,900)	60,900
2022	(115,801)	115,801

30.2.4 Foreign currency risk

The Group is exposed to foreign currency risk as a result of their normal operating activities, where the currency denomination differs from the local currency, Ringgit Malaysia ("RM"). The Group's policy is to keep the foreign exchange exposure to an acceptable level.

The Group is exposed to transactional currency risk primarily through costs of sales that are denominated in a currency other than the functional currency to which they related. The currency giving rise to this risk is primarily United States Dollar ("USD") and Singapore Dollar ("SGD").

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial risk management (cont'd)

30.2.4 Foreign currency risk (cont'd)

Foreign currency denominated financial assets which expose the Group to currency risk are disclosed below. The amount shown is those reported to key management translated into RM at the closing rate:-

	Group	
	2023 **RM**	**2022** **RM**
Denominated in USD		
Cash and bank balances, deposits and placements	2,190,906	–
Other receivables	2,773,776	6,076,543
Trade payables	(6,101,866)	(4,118,598)
	(1,137,184)	1,957,945
Denominated in SGD		
Cash and bank balances, deposits and placements	4,480	–
Trade payables	(501,459)	(448,700)
	(496,979)	(448,700)
Denominated in CNY		
Cash and bank balances, deposits and placements	1,267,215	–
Trade payables	(2,988,019)	–
	(1,720,804)	–

Foreign currency sensitivity analysis

The following table illustrates the sensitivity of profit/equity with regards to the Group's financial assets and financial liabilities and the RM/USD and RM/SGD exchange rate assuming all other things being equal. A +/-1% (2022: 1%) change in the RM/USD, RM/SGD and RM/CNY exchange rate at the reporting is deemed possible. Both of these percentages have been determined based on average market volatility in exchange rates in the previous 12 months.

Notes to the Financial Statements

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Financial risk management (cont'd)

30.2.4 Foreign currency risk (cont'd)

Foreign currency sensitivity analysis (cont'd)

The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates. If the RM had strengthened/weakened against the USD, SGD and CNY, then the impact would be as follows:-

	Group Impact on profit/equity Increase/(Decrease)	
	+1% RM	**-1% RM**
RM/USD		
2023	(11,372)	11,372
2022	19,579	(19,579)
RM/SGD		
2023	(4,970)	4,970
2022	(4,487)	4,487
RM/CNY		
2023	(17,208)	17,208
2022	–	–

30.3 Fair value of financial instruments

The carrying amounts of financial assets and financial liabilities of the Group and of the Company at the reporting date approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date or immaterial discounting impact.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:-

	Group			
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Total RM**
2023				
Financial assets				
Non-derivative financial assets at FVTPL	128,797	–	1	128,798
2022				
Financial assets				
Non-derivative financial assets at FVTPL	136,461	–	1	136,462

There was no transfer between Level 1 and Level 2 in 2023 and 2022.

30.5 Net gain or losses arising from financial instruments

	Group	
	2023 RM	**2022 RM**
Net loss on:-		
Financial assets at FVTPL		
- recognised in profit or loss	7,664	25,142

31. OPERATING SEGMENTS

Business segments

The Group has arrived at three reportable segments that are organised and managed separately according to the nature of products and technological requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:-

Business segments	**Business activities**
Vehicle audio and visual products	Design and manufacture of vehicle audio products and components comprising car infotainment systems and audio video accessories.
Vehicle accessories	Design and manufacture of vehicle accessories such as air conditioning control panels, USB chargers, mirror switches, switch clusters and power sockets.
Investment holding	Investment holding and provision of management services.

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the products.

Notes to the Financial Statements

31. OPERATING SEGMENTS (CONT'D)

Business segments (cont'd)

The Group evaluates performance on the basis of profit or loss from operations before tax.

Management monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the financial statements.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the financial statements. These policies have been applied consistently throughout the financial years.

The inter-segment assets are adjusted against the segment assets to arrive at total assets reported in the statements of financial position.

Operating segments

	Note	Vehicle audio and visual products RM	Vehicle accessories RM	Investment holding RM	Elimination RM	Total RM
1.4.2022 to 31.3.2023						
Revenue						
External revenue		163,366,548	42,338,127	–	–	205,704,675
Inter-segment revenue	(i)	–	–	6,000,000	(6,000,000)	–
Total revenue		163,366,548	42,338,127	6,000,000	(6,000,000)	205,704,675
Results						
Finance income						(335,844)
Finance costs						912,388
Amortisation of intangible assets						1,214,969
Depreciation of property, plant and equipment						2,953,766
Depreciation of right-of-use assets						3,452
Other non-cash income	(ii)					(1,668)
Tax expense						6,156,168
Segment profit	(iii)					16,842,697
Assets						
Unallocated segment assets	(iv)					171,377,216
Additions to non-current assets	(v)					1,824,403
Liabilities						
Unallocated segment liabilities	(vi)					22,086,754

Notes to the Financial Statements

31. OPERATING SEGMENTS (CONT'D)

Business segments (cont'd)

Operating segments (cont'd)

	Note	Vehicle audio and visual products RM	Vehicle accessories RM	Investment holding RM	Elimination RM	Total RM
1.4.2021 to 31.3.2022						
Revenue						
External revenue		107,196,555	25,854,879	–	–	133,051,434
Inter-segment revenue	(i)	–	–	–	–	–
Total revenue		107,196,555	25,854,879	–	–	133,051,434
Results						
Finance income						(24,680)
Finance costs						937,021
Amortisation of intangible assets						951,630
Depreciation of property, plant and equipment						2,934,078
Depreciation of right-of-use assets						29,512
Other non-cash expenses	(ii)					23,774
Tax expense						3,844,186
Segment profit	(iii)					14,385,687
Assets						
Unallocated segment assets	(iv)					133,776,917
Additions to non-current assets	(v)					4,601,335
Liabilities						
Unallocated segment liabilities	(vi)					12,954,967

Notes to the nature of adjustments and eliminations to arrive at amount reported in the financial statements.

Notes to the Financial Statements

31. OPERATING SEGMENTS (CONT'D)

Business segments (cont'd)

Operating segments (cont'd)

(i) Inter-segment revenues are eliminated on consolidation.

(ii) Other major non-cash (income)/expenses consist of the followings items are presented in the respective notes to the financial statements:-

	1.4.2022 to 31.3.2023 RM	**1.4.2021 to 31.3.2022 RM**
Bad debts written off	–	8,424
Dividend income	(9,332)	(2,282)
Fair value loss on other investments	7,664	25,142
Gain on disposal of property, plant and equipment	–	(7,610)
Loss on strike off of a subsidiary	–	100
	(1,668)	23,774

(iii) The following items are added to/(deducted from) segment profit to arrive at "profit after tax" presented in the statements of profit or loss:-

	1.4.2022 to 31.3.2023 RM	**1.4.2021 to 31.3.2022 RM**
Segment profit	16,842,697	14,385,687
Finance income	335,844	24,680
Finance costs	(912,388)	(937,021)
Profit after tax	16,266,153	13,473,346

(iv) The following items are added to segment assets to arrive at total assets reported in the statements of financial position:-

	2023 RM	**2022 RM**
Segment assets	171,377,216	133,776,917
Intangible assets	4,479,995	5,694,964
Tax recoverable	–	1,741,808
Total assets	175,857,211	141,213,689

Notes to the Financial Statements

31. OPERATING SEGMENTS (CONT'D)

Business segments (cont'd)

Operating segments (cont'd)

(v) Additions to non-current assets other than the financial instruments and deferred tax assets consist of:-

	2023 RM	2022 RM
Property, plant and equipment	1,617,278	3,410,738
Right-of-use assets	207,125	–
Intangible assets	–	1,190,597
	1,824,403	4,601,335

(vi) The following items are added to segment liabilities to arrive at total liabilities reported in the statements of financial position:-

	2023 RM	2022 RM
Segment liabilities	22,086,754	12,954,967
Deferred tax liabilities	2,981,000	3,513,000
Lease liabilities	150,000	–
Borrowings	13,271,000	31,311,603
Tax payable	678,085	–
Total liabilities	39,166,839	47,779,570

Geographical information

Revenue and non-current assets information by geographical segments are not presented as the Group's customers and activities are located and conducted principally in Malaysia.

Notes to the Financial Statements

31. OPERATING SEGMENTS (CONT'D)

Business segments (cont'd)

Information about major customers

The following are the major customers with revenue equal to or more than ten percent of revenue of the Group:-

	RM	%	Operating segment
2023			
Customer A	117,534,737	57	Vehicle audio, visual products and vehicle accessories
Customer B	79,249,348	39	Vehicle audio, visual products and vehicle accessories
	196,784,085	96	
2022			
Customer A	68,558,120	52	Vehicle audio, visual products and vehicle accessories
Customer B	49,918,946	38	Vehicle audio, visual products and vehicle accessories
	118,477,066	90	

32. CAPITAL MANAGEMENT

Total capital managed at the Group's and the Company's level are the shareholders' fund as shown in the statements of financial position.

The primary objective of the Group's and of the Company's capital management are to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions including the interest rate movements. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders, sell assets to reduce debt or issue new share capital.

No changes were made in the objective, policies or processes during the financial year and prior financial years.

33. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Listing on ACE Market

On 27 September 2022, Bursa Malaysia Securities Berhad has approved the admission of the Company to the official list and the listing of and quotation for its entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad. The ordinary shares of the Company were listing on the ACE Market of Bursa Malaysia Securities Berhad on 26 October 2022.

LIST OF **PROPERTIES**

PROPERTIES OWNED BY OUR GROUP

No.	Address / Title Details	Description / Existing Use / Tenure	Land Area (sq m)	Date of Acquisition	Age of Property	Net book value as at 31 March 2023 (RM'000)
1.	Lot 137, Lingkaran Taman Industri Integrasi Rawang 2, Taman Industri Integrasi Rawang, 48000 Rawang, Selangor / Geran 212264, Lot 21177, in the Mukim Rawang, District of Gombak, State of Selangor	Industrial land and a 2-storey factory building with a single storey ancillary building erected thereon/ Headquarters of Betamek comprising office and factory/ freehold	14,583 sq m	05.04.1995	28 years	20,613

ANALYSIS OF SHAREHOLDINGS
AS AT 30 JUNE 2023

Total Number of Issued Shares	:	450,000,000
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote per Ordinary Share
Number of Shareholders	:	4,300

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
1 to 99	3	0.07	92	Negligible
100 to 1,000	505	11.74	266,800	0.06
1,001 to 10,000	2,090	48.61	12,732,608	2.83
10,001 to 100,000	1,550	36.05	49,872,300	11.08
100,001 to less than 5% of issued shares	151	3.51	63,015,700	14.00
5% and above of issued shares	1	0.02	324,112,500	72.03
Total	**4,300**	**100.00**	**450,000,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

	No. of Shares Held			
Name of Substantial Shareholders	Direct Interest	% of Issued Shares	Indirect Interest	% of Issued Shares
Iskandar Holdings Sdn. Bhd.	324,112,500	72.03	–	–
Mirzan bin Mahathir	–	–	324,112,500[(1)]	72.03

[(1)] Deemed interest by virtue of his direct shareholding in Iskandar Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS

	No. of Shares Held			
Names	Direct Interest	% of Issued Shares	Indirect Interest	% of Issued Shares
Ahmad Subri bin Abdullah	69,000	0.02	–	–
Mirzan bin Mahathir	–	–	324,112,500[(1)]	72.03
Muhammad Fauzi bin Abd Ghani	5,753,300	1.28	–	–
Azlina binti Abdul Aziz	69,000	0.02	–	–
Yap Suan See	400,000	0.09	–	–
Mohd Shahriman bin Mohd Sidek	760,000	0.17	–	–

[(1)] Deemed interest by virtue of his direct shareholding in Iskandar Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Analysis of Shareholdings

TOP THIRTY (30) SHAREHOLDERS

No.	Names	No. of Shares	% of Issued Shares
1.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account - Maybank Islamic Berhad for Iskandar Holdings Sdn. Bhd.	324,112,500	72.03
2.	Chin Chin Seong	5,300,000	1.18
3.	Muhammad Fauzi bin Abd Ghani	4,833,300	1.07
4.	Nor' Azrin bin Nusi	2,711,400	0.60
5.	Chin Chin Seong	2,700,000	0.60
6.	Tay Yoke Theng	2,387,300	0.53
7.	Megat Iskandar Hashim bin Ismail	2,182,000	0.49
8.	Cheng Lee Kui	1,362,000	0.30
9.	Lee Heng Pui	1,300,000	0.29
10.	Amanahraya Trustees Berhad PMB Dana Al-Aiman	1,100,000	0.24
11.	Goh Chew Hoon	1,045,400	0.23
12.	Maybank Nominees (Tempatan) Sdn. Bhd. Muhammad Fauzi bin Abd Ghani	920,000	0.20
13.	Maybank Nominees (Tempatan) Sdn. Bhd. Chai Fuh Chin	900,000	0.20
14.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chin Wai Hon	810,000	0.18
15.	Tan Meng Han	785,400	0.18
16.	Mohd Shahriman bin Mohd Sidek	760,000	0.17
17.	Liow Yun Chun	700,000	0.16
18.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Soh Eng Choong	680,000	0.15
19.	Lim See Yang	632,000	0.14
20.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teh Boon Chiew	625,000	0.14
21.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Soon Hui	610,000	0.14
22.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ling Sing Hie	600,000	0.13
23.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Loh Yong Huat	600,000	0.13
24.	Soon Kian Yoon	559,600	0.12
25.	Ang Wing Fah	555,000	0.12
26.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Syed Mudzaffar bin Syed Zainul Abidin	504,000	0.11
27.	Cheah Chor Kooi	502,000	0.11
28.	Chow See Jan	500,000	0.11
29.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Yoon Fah	500,000	0.11
30.	Tan Boon Keong	500,000	0.11

NOTICE OF SECOND **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Second ("**2nd**") Annual General Meeting ("**AGM**") of Betamek Berhad (the "**Company**") will be held at Nice Banquet Hall, No 6, Jalan BJ 1, Taman Belmas Johan, 48000 Rawang, Selangor Darul Ehsan, Malaysia on Thursday, 24 August 2023 at 10:00 a.m. for the following purposes:-

As Ordinary Business

1.	To receive the Audited Financial Statements for the financial year ended 31 March 2023 together with the Directors' and Auditors' Reports thereon.	***Explanatory Note 1***
2.	To approve the payment of Directors' fees of RM190,000 to the Non-Executive Directors for the financial year ended 31 March 2023.	**Ordinary Resolution 1**
3.	To approve the fees up to an aggregate amount of RM235,000 and benefits of up to RM15,000 payable to the Non-Executive Directors of the Company and its subsidiary for the period from 1 April 2023 until the next AGM of the Company and the payment thereof.	**Ordinary Resolution 2**
4.	To re-elect En Mirzan bin Mahathir who retires by rotation in accordance with Clause 102 of the Constitution of the Company.	**Ordinary Resolution 3**
5.	To re-elect En Muhammad Fauzi bin Abd Ghani who retires by rotation in accordance with Clause 102 of the Constitution of the Company.	**Ordinary Resolution 4**
6.	To re-appoint Grant Thornton Malaysia PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 5**

As Special Business

To consider and if thought fit, to pass the following Resolution with or without modifications:-

7. **AUTHORITY UNDER SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES; AND WAIVER OF PRE-EMPTIVE RIGHTS OVER NEW ORDINARY SHARES ("SHARES") IN THE COMPANY UNDER SECTION 85(1) OF THE ACT READ TOGETHER WITH CLAUSE 63 OF THE CONSTITUTION OF THE COMPANY** — **Ordinary Resolution 6**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue new shares in the Company at any time, at such price, upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also hereby empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

THAT in connection with the above, pursuant to Section 85(1) of the Act read together with Clause 63 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of new shares above by the Company.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

Notice of Second Annual General Meeting

BY ORDER OF THE BOARD

TAI YIT CHAN
Membership No.: MAICSA 7009143
SSM Practicing Certificate No.: 202008001023

CHAN YOKE PENG
Membership No.: MAICSA 7053966
SSM Practicing Certificate No.: 202008001791

Secretaries

Selangor
26 July 2023

Notes:-

1. In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at ***17 August 2023*** shall be eligible to attend, participate, speak and vote at this meeting or appoint proxy(ies) to attend, participate, speak and vote on his/her behalf.
2. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies, and in the case of a corporation, a duly authorised representative to attend and vote in its stead.
3. A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy.
4. Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.
6. The original instrument appointing a proxy ("**Form of Proxy**") must be deposited at the Company's Share Registrar's Office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than forty-eight (48) hours before the time set for holding the AGM or at any adjournment thereof.
7. If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to attend our AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.
8. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of AGM will be put to vote by way of poll.

Notice of Second Annual General Meeting

EXPLANATORY NOTES ON ORDINARY BUSINESS AND SPECIAL BUSINESS

1. Audited Financial Statements for the financial year ended 31 March 2023

The Audited Financial Statements is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. Ordinary Resolutions 1 and 2 – Payment of Directors' Fees and Benefits Payable

Section 230(1) of the Act provides amongst others that the fees of the Directors and any benefits payable to the Directors of the Company and its subsidiary shall be approved at a general meeting. In this respect, the Board of Directors ("**Board**") wishes to seek shareholders' approval for the payment of Directors' fees of RM190,000 to the Non-Executive Directors for the financial year ended 31 March 2023. The Board also wishes to seek shareholders' approval on the fees up to an aggregate amount of RM235,000 and benefits of up to RM15,000 payable to the Non-Executive Directors of the Company and its subsidiary for the period from 1 April 2023 until the next AGM of the Company to be held in 2024. The details are set out in the Nomination and Remuneration Committee ("**NRC**") Report on page 55 of the Annual Report 2023. The amount of Directors' fees consists of the fees payable to Non-Executive Directors as members of the Board and Board Committees. Whilst, the amount of benefits payable to the Non-Executive Directors comprises meeting allowances only.

The payment of Non-Executive Directors' fees as members of the Board and Board Committees as well as the benefits payable to Non-Executive Directors are recommended for shareholders' approval at this 2nd AGM.

The current structure of annual Non-Executive Directors' fees has been reviewed by NRC. Based on the recommendation of the NRC, the Board has approved the proposed Directors' fees to be tabled to the shareholders for approval at this 2nd AGM.

3. Ordinary Resolutions 3 and 4 – Re-election of Directors

For the purpose of determining the eligibility of the Directors to stand for re-election at the 2nd AGM of the Company, the Board through its NRC undertakes a formal evaluation to determine the eligibility of each retiring Director in line with the Malaysian Code on Corporate Governance and AMLR of Bursa Securities, which includes the following:-

(i) Performance and effectiveness of the Board as a whole, Board Committees and individual Directors; and
(ii) Fit and proper assessment.

The NRC and the Board are satisfied that the Directors, namely En Mirzan bin Mahathir and En Muhammad Fauzi bin Abd Ghani (collectively, the "**retiring Directors**") standing for re-election have performed their duties as per the Board Charter and they will continue to bring to bear their knowledge, experience and skills and contribute effectively to the Board's discussions, deliberations and decisions. In view thereof, the Board recommends that they be re-elected as Directors of the Company.

The retiring Directors being eligible, have offered themselves for re-election at the 2nd AGM.

The retiring Directors have abstained from deliberations and decision on their own eligibility and suitability to stand for re-election at the relevant Board meeting.

The profiles of the Directors who are standing for re-election under Ordinary Resolutions 3 and 4 are set out in the Profiles of the Board on pages 9 and 10 of the Annual Report 2023.

4. Ordinary Resolution 5 – Re-appointment of Auditors

Grant Thornton Malaysia PLT, the auditors of the Company have expressed their willingness to continue in office as auditors of the Company for the financial year ending 31 March 2024. The Board has approved the Audit and Risk Management Committee's recommendation that they be retained after taking into account relevant feedback on their experience, performance and independence following a formal assessment.

Notice of Second Annual General Meeting

EXPLANATORY NOTES ON ORDINARY BUSINESS AND SPECIAL BUSINESS (CONT'D)

5. **Ordinary Resolution 6 – Authority under Sections 75 and 76 of the Act for the Directors to allot and issue shares; and Waiver of pre-emptive rights**

This proposed resolution, if passed, will renew the authority given to the Directors of the Company to allot and issue new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("**General Mandate**"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the total number of issued shares of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue. This renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

With this renewed General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investment, working capital and/or acquisition(s) without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

The waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 and Clause 63 of the Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

If there should be a decision to issue new shares after the General Mandate is obtained, the Company will make an announcement in respect thereof.

Please refer Section 85(1) of the Act and Clause 63 of the Constitution of the Company as detailed below.

<u>Details of Section 85(1) of the Act and Clause 63 of the Constitution of the Company</u>

Section 85(1) of the Act provides as follows:-

"85. Pre-emptive rights to new shares
(1) Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 63 of the Constitution of the Company provides as follows:-

"Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to the shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause."

Personal data privacy:-
By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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BETAMEK BERHAD
(202101041577 (1441877-P))
(Incorporated in Malaysia)

FORM OF PROXY

No. of Shares held	
CDS Account No.	

I/We, ______________________ NRIC/Registration No. ______________
(Full name in block letters)

of ____
(Full address)

and telephone/mobile no. ______________________ email address ______________

being a member of **BETAMEK BERHAD**, hereby appoint ______________________
(Full name in block letters)

NRIC/Passport No. ______________ of ______________________________

____
(Full address)

and telephone/mobile no. ______________________ email address ______________

or failing him/her, ______________________ NRIC/Passport No. ______________ of
(Full name in block letters)

____
(Full address)

and telephone/mobile no. ______________________ email address ______________

or failing him/her, *the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Second Annual General Meeting ("**AGM**") of Betamek Berhad (the "**Company**") to be held at Nice Banquet Hall, No 6, Jalan BJ 1, Taman Belmas Johan, 48000 Rawang, Selangor Darul Ehsan, Malaysia on Thursday, 24 August 2023 at 10:00 a.m. and at each and every adjournment thereof, on the following resolutions referred to in the Notice of the Second AGM.

** Please delete the words "the Chairman of the meeting" if you wish to appoint some other person to be your proxy.*

My/Our proxy is to vote as indicated below:-

	RESOLUTION	*FOR	*AGAINST
Ordinary Resolution 1	To approve the payment of Directors' fees of RM190,000 to the Non-Executive Directors for the financial year ended 31 March 2023.		
Ordinary Resolution 2	To approve the fees up to an aggregate amount of RM235,000 and benefits of up to RM15,000 payable to the Non-Executive Directors of the Company and its subsidiary for the period from 1 April 2023 until the next AGM of the Company and the payment thereof.		
Ordinary Resolution 3	To re-elect En Mirzan bin Mahathir who retires by rotation in accordance with Clause 102 of the Constitution of the Company.		
Ordinary Resolution 4	To re-elect En Muhammad Fauzi bin Abd Ghani who retires by rotation in accordance with Clause 102 of the Constitution of the Company.		
Ordinary Resolution 5	To re-appoint Grant Thornton Malaysia PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 6	Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares; and Waiver of pre-emptive rights.		

Subject to the abovestated voting instructions, my/our proxy/proxies may vote or abstain from voting on any resolutions as *he/*she/*they may think fit.

Signed this _______ day of ______________ 2023

____
Signature of Member(s)^

The proportion of my/our shareholdings to be represented by my/our proxies are as follows:-

	Percentage
First Proxy	%
Second Proxy	%
Total	100%

^ Manner of execution:-

(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this Form of Proxy should be executed under seal in accordance with the Constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this Form of Proxy should be affixed with the rubber stamp of your corporation (if any) and executed by:-
  (i) at least two (2) authorised officers, of whom one shall be a director; or
  (ii) any Director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:-

1. In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at ***17 August 2023*** shall be eligible to attend, participate, speak and vote at this meeting or appoint proxy(ies) to attend, participate, speak and vote on his/her behalf.
2. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies, and in the case of a corporation, a duly authorised representative to attend and vote in its stead.
3. A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy.
4. Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.
6. The original instrument appointing a proxy ("**Form of Proxy**") must be deposited at the Company's Share Registrar's Office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than forty-eight (48) hours before the time set for holding the AGM or at any adjournment thereof.
7. If you have submitted your Form(s) of Proxy and subsequently decide to appoint another person or wish to attend our AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.
8. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of AGM will be put to vote by way of poll.

Personal Data Privacy:-

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to Personal Data Protection Act, 2010.

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AFFIX
STAMP

BETAMEK BERHAD
(Registration No. 202101041577 (1441877-P))

c/o Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

2nd Fold Here

Fold This Flap For Sealing

Lot 137, Lingkaran Taman Industri Integrasi Rawang 2
Taman Industri Integrasi Rawang, 48000 Rawang, Selangor Darul Ehsan

Telephone: +603-6094 2999

www.betamek.com.my