

Registration No: 202101041577 (1441877-P)

BETAMEK BERHAD
(formerly known as Betamek Sdn. Bhd.)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 MARCH 2022

BETAMEK BERHAD

(formerly known as Betamek Sdn. Bhd.)
(Incorporated in Malaysia)

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BETAMEK BERHAD
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(Incorporated in Malaysia)

CORPORATE INFORMATION

DIRECTORS

Mirzan Bin Mahathir (Managing Director) (First Director)
Muhammad Fauzi Bin Abd Ghani (Executive Director) (First Director)
Mohd Shahrizan Bin Mohd Sidek (Independent Non-Executive Director) (Appointed on 27 January 2022)
Yap Suan See (Independent Non-Executive Director) (Appointed on 15 March 2022)
Ahmad Subri Bin Abdullah (Independent Non-Executive Director) (Appointed on 13 June 2022)
Azlina Binti Abdul Aziz (Independent Non-Executive Director) (Appointed on 13 June 2022)
Raja Azmi Bin Raja Nazuddin (Independent Non-Executive Chairman) (Appointed on 27 January 2022 and resigned on 1 May 2022)
Raja Noorma Binti Raja Othman (Independent Non-Executive Director) (Appointed on 15 March 2022 and resigned on 30 April 2022)

SECRETARIES

Tai Yit Chan (First Secretary)
Chan Yoke Peng (First Secretary)

AUDITORS

Grant Thornton Malaysia PLT
(Member Firm of Grant Thornton International Ltd.)
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS

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

BETAMEK BERHAD
(formerly known as Betamek Sdn. Bhd.)
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Company for the financial period from 7 December 2021 (date of incorporation) to 31 March 2022.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding and provision of management services. However, the Company has yet to commence its business operation during the financial period.

There have been no significant changes in the nature of these activities since the date of incorporation.

FINANCIAL RESULT

	RM
Loss for the financial period	<u>7,749</u>

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since date of incorporation.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period.

DIRECTORS

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

Mirzan Bin Mahathir (Managing Director) (First Director)

Muhammad Fauzi Bin Abd Ghani (Executive Director) (First Director)

Mohd Shahrizan Bin Mohd Sidek (Independent Non-Executive Director) (Appointed on 27 January 2022)

Yap Suan See (Independent Non-Executive Director) (Appointed on 15 March 2022)

Ahmad Subri Bin Abdullah (Independent Non-Executive Director) (Appointed on 13 June 2022)

Azlina Binti Abdul Aziz (Independent Non-Executive Director) (Appointed on 13 June 2022)

Raja Azmi Bin Raja Nazuddin (Independent Non-Executive Chairman) (Appointed on 27 January 2022 and resigned on 1 May 2022)

Raja Noorma Binti Raja Othman (Independent Non-Executive Director) (Appointed on 15 March 2022 and resigned on 30 April 2022)

DIRECTORS' INTERESTS IN SHARES

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

	<u>Number of ordinary shares</u>			<u>At 31.3.2022</u>
	<u>At date of incorporation</u>	<u>Bought</u>	<u>Sold</u>	
<u>Indirect interest</u>				
Mirzan Bin Mahathir*	1	-	-	1

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

DIRECTORS' REMUNERATION AND BENEFITS

There were no Directors' remuneration paid during the financial period.

During and at the end of the financial period, 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 period, the Company had issued 1 ordinary share (subscriber's share) at an issue price of RM1 per ordinary share for a total cash consideration of RM1.

There were no issuance of debentures during the financial period.

SHARE OPTIONS

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

OTHER STATUTORY INFORMATION

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

- (a) to ascertain that proper 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 to be 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 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 Company; or
- (b) which would render the values attributed to current assets in the financial statements 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 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 Company which has arisen since the end of the financial period which secures the liability of any other person; or
- (b) any contingent liability of the Company which has arisen since the end of the financial period.

OTHER STATUTORY INFORMATION (CONT'D)

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 period which will or may affect the ability of the Company to meet their obligations as and when they fall due;
- (b) the results of operations of the Company during the financial period 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 period 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 Company for the current financial period in which this report is made.

INDEMNITY AND INSURANCE

There was no indemnity coverage and insurance premium paid for Directors and Officers of the Company during the financial period.

HOLDING COMPANY

The Company is a wholly-owned 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.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD AND SUBSEQUENT TO THE REPORTING PERIOD

The significant events during the financial period and subsequent to the reporting period are disclosed in Note 13 to the financial statements.

BETAMEK BERHAD
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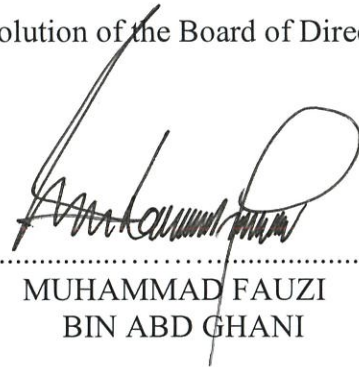
STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 13 to 31 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 Company as at 31 March 2022 and of its financial performance and its cash flows for the financial period from 7 December 2021 (date of incorporation) to 31 March 2022.

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
16 June 2022

STATUTORY DECLARATION

I, Mirzan Bin Mahathir, being the Director primarily responsible for the financial management of Betamek Berhad (formerly known as Betamek Sdn. Bhd.), do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 13 to 31 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)
16 June 2022)



MIRZAN BIN MAHATHIR

Before me:

Commissioner for Oaths



No. 30, Tingkat Bawah, Blok B,
Flat PKNS, Jalan Raja Muda Musa,
50300 Kg. Baru, Kuala Lumpur.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF

BETAMEK BERHAD

(formerly known as Betamek Sdn. Bhd.)

(Incorporated in Malaysia)

Registration No: 202101041577 (1441877-P)

Grant Thornton Malaysia PLT

Level 11, Sheraton Imperial Court

Jalan Sultan Ismail

50250 Kuala Lumpur

Malaysia

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Betamek Berhad (formerly known as Betamek Sdn. Bhd.), which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period from 7 December 2021 (date of incorporation) to 31 March 2022, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 13 to 31.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2022, and of its financial performance and its cash flows for the financial period from 7 December 2021 (date of incorporation) to 31 March 2022 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 for our opinion.

Independence and Other Ethical Responsibilities

We are independent 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.

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Report on the Audit of the Financial Statements (cont'd)

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 Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements 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 the Directors' Report, 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 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 Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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.

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Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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Report on the Audit of the Financial Statements (cont'd)

Other Matters

This report is made solely to the member 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
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

Kuala Lumpur
16 June 2022



FOO LEE MENG
(NO: 03069/07/2023(J))
CHARTERED ACCOUNTANT

BETAMEK BERHAD
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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	<u>Note</u>	<u>2022</u> RM
ASSET		
Current asset		
Cash in hand		<u>1</u>
Total current asset/Total asset		<u><u>1</u></u>
EQUITY AND LIABILITY		
Equity attributable to owner of the Company:-		
Share capital	5	1
Accumulated loss		<u>(7,749)</u>
Total equity		<u>(7,748)</u>
LIABILITY		
Current liability		
Other payables	6	<u>7,749</u>
Total current liability/Total liability		<u>7,749</u>
TOTAL EQUITY AND LIABILITY		<u><u>1</u></u>

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

BETAMEK BERHAD
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE FINANCIAL PERIOD FROM
7 DECEMBER 2021 (DATE OF INCORPORATION) TO 31 MARCH 2022**

	<u>Note</u>	7.12.2021 to <u>31.3.2022</u> RM
Revenue	7	-
Administration expenses		<u>(7,749)</u>
Loss before tax	8	(7,749)
Tax expense	9	<u>-</u>
Loss for the financial period/Total comprehensive loss for the financial period		<u><u>(7,749)</u></u>

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

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**STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD
FROM 7 DECEMBER 2021 (DATE OF INCORPORATION) TO 31 MARCH 2022**

	Share <u>capital</u> RM	Accumulated <u>loss</u> RM	<u>Total</u> RM
At date of incorporation	1	-	1
Total comprehensive loss for the financial period	<u>-</u>	<u>(7,749)</u>	<u>(7,749)</u>
At 31 March 2022	<u>1</u>	<u>(7,749)</u>	<u>(7,748)</u>

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

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**STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD
FROM 7 DECEMBER 2021 (DATE OF INCORPORATION)
TO 31 MARCH 2022**

	7.12.2021 to <u>31.3.2022</u> RM
OPERATING ACTIVITIES	
Loss before tax	(7,749)
Changes in working capital:-	
Payables	<u>7,749</u>
Net cash from operations/Net cash flows from operating activities	<u>-</u>
CASH AND CASH EQUIVALENTS	
Net changes	-
At date of incorporation	<u>1</u>
Carried forward	<u><u>1</u></u>

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

BETAMEK BERHAD
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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022

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 Ehsan. 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 Company is principally involved in investment holding and provision of management services. However, the Company has yet to commence its business operation during the financial period.

There have been no significant changes in the nature of these activities since the date of incorporation.

The Company is a wholly-owned 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 16 June 2022.

2. GOING CONCERN

As at financial period end, the Company has a capital deficiency and net current liability of RM7,748. In addition, the Company is making net loss of RM7,749 during the financial period.

The financial statements of the Company have been prepared on the going concern basis, the validity of continuation as a going concern is depend on the continuing support from the holding company and attaining future profitable operations. The financial statements do not include any adjustments that would result if financial support is not obtained from holding company in the foreseeable future. The holding company has agreed to provide financial support to the Company.

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

3.2 Basis of measurement

The financial statements of the Company are prepared under historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

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 by 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 Company uses 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.

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.

3. BASIS OF PREPARATION (CONT'D)

3.2 Basis of measurement (cont'd)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines 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 Company has 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.

3.3 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.

3.4 MFRSs

3.4.1 Standards issued but not yet effective

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

Effective for the financial period beginning on or after 1 April 2021:-

Amendments to MFRS 16*	Leases: Covid-19 Rent Concessions beyond 30 June 2021
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Effective for the financial period beginning on or after 1 January 2022:-

Amendments to MFRS 3*	Business Combinations: Reference to the Conceptual Framework
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Amendments to MFRS 116*	Property, Plant and Equipment: Proceeds before Intended Use
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Amendments to MFRS 137	Provision, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contracts
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Annual improvements to MFRS Standards 2018 – 2020 (MFRS 1*, MFRS 9, and MFRS 141*)

3. **BASIS OF PREPARATION (CONT'D)**

3.4 **MFRSs (cont'd)**

3.4.1 **Standards issued but not yet effective (cont'd)**

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

MFRS 17*	Insurance Contracts
Amendments to MFRS 4*	Insurance Contracts: Extension of the Temporary Exemption from Applying MFRS 9
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: Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Presentation of Financial Statements: Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Change 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 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
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* Not applicable to 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 Company upon its first adoption.

3.5 **Significant accounting estimates and judgements**

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 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.

4.1.1 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 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 Company has applied the practical expedient, the Company initially measures 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 the Company has 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 Company’s business model for managing financial assets refers to how it manages its 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 Company commits to purchase or sell the asset.

4. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

4.1 **Financial instruments (cont'd)**

4.1.1 **Financial assets (cont'd)**

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.

The Company only has financial assets at amortised cost on its statement of financial position.

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 Company's financial assets at amortised cost include cash in hand.

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 Company has 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

4. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

4.1 **Financial instruments (cont'd)**

4.1.1 **Financial assets (cont'd)**

Derecognition (cont'd)

When Company has 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 Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has 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 Company could be required to repay.

4.1.2 **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 Company's financial liabilities at amortised cost include other payables.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Financial instruments (cont'd)

4.1.2 Financial liabilities (cont'd)

Subsequent measurement (cont'd)

Financial liabilities at amortised cost

This is the category most relevant to 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.

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.

4.1.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement 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.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand which are readily convertible to known amount of cash which are subject to an insignificant risk of changes in value.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Equity, reserves and distribution to owner

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.

Accumulated loss include all current periods' loss.

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

4.4 Provisions

Provisions are recognised when the Company has 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 Company expects 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 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.

4.5 Tax expenses

Tax expenses comprise current tax and deferred tax. Current tax is 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.

4.5.1 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 statement of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Tax expenses (cont'd)

4.5.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and its 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.

4.6 Contingencies

4.6.1 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 statement 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.

4.6.2 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 statement 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.

4. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

4.7 **Related parties**

A related party is a person or entity that is related to the Company. 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 Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the parent of the Company, or the Company.

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

- (i) The entity and the Company are members of the same group;
- (ii) The entity is an associate or joint venture of the entity;
- (iii) Both entities are joint ventures of the same third party;
- (iv) The entity 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 benefits of employees of either the Company or an entity related to 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 parent of 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 Company or to the parent of the Company.

5. **SHARE CAPITAL**

2022
RM

Issued and fully paid with no par value:-

1 unit of ordinary share

1

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

6. **OTHER PAYABLES**

	<u>2022</u> RM
Related company	5,749
Accrual	<u>2,000</u>
	<u>7,749</u>

Related company refer to a member of Iskandar Holdings Sdn. Bhd.'s group of companies.

The amount due to a related company is unsecured, non-interest bearing and repayable on demand.

7. **REVENUE**

There was no revenue being generated during the current financial period.

8. **LOSS BEFORE TAX**

Loss before tax has been determined after charging, amongst other item, the following:-

	7.12.2021 to <u>31.3.2022</u> RM
Auditors' remuneration	<u>2,000</u>

9. **TAX EXPENSE**

There is no provision for tax expense for the current financial period as the Company has no chargeable income.

A reconciliation of tax expense applicable to loss before tax at the statutory income tax rate to tax expense at the effective tax expense of the Company is as follow:-

	7.12.2021 to <u>31.3.2022</u> RM
Loss before tax	<u>(7,749)</u>
Tax at Malaysian statutory tax rate of 24%	(1,860)
Tax effects in respect of:-	
Expenses not deductible for tax purposes	<u>1,860</u>
	<u>-</u>

10. **RELATED PARTY DISCLOSURES**

- (a) There is no significant related party transactions for the current financial period.
- (b) The outstanding balance arising from related party transactions as at the reporting date is disclosed in Note 6 to the financial statements.
- (c) Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly and entity that provides key management personnel services to the Company.

The Company has no other members of key management personnel apart from the Board of Directors. There is no remuneration paid to the Directors during the financial period.

11. **FINANCIAL INSTRUMENTS**

11.1 **Categories of financial instruments**

The table below provides an analysis of financial instruments measured at amortised cost.

	<u>2022</u> RM
Financial asset	
Cash in hand	<u>1</u>
Financial liability	
Other payables	<u>7,749</u>

11.2 **Financial risk management**

The Company is exposed to financial risks arising from its operations and the use of financial instruments. They have established policies and procedures to ensure effective management of credit risk and liquidity risk.

The following sections explain key risks faced by the Company and its management. Financial asset and financial liability of the Company is summarised in Notes 4.1 and 11.1 to the financial statements.

11. FINANCIAL INSTRUMENTS (CONT'D)

11.2 Financial risk management (cont'd)

11.2.1 Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

It is the Company's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Company adopts the policy of dealing with reputable financial institutions. The credit risk for cash in hand is considered negligible.

11.2.2 Liquidity risk

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

In managing its exposures to liquidity risk that arises principally from its various payables, the Company maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible that they will have sufficient liquidity to meet its liabilities as and when they fall due.

The liquidity risk arises principally from its payables. The maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows is less than one year.

11.3 Fair value of financial instruments

The carrying amounts of financial assets and financial liabilities 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.

11.4 Fair value hierarchy

No fair value hierarchy has been disclosed as the Company does not have financial instruments measured at fair value.

12. CAPITAL MANAGEMENT

Total capital managed at the Company's level is the shareholders' fund as shown in the statement of financial position.

The primary objective of the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholders' value.

The Company manages its 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 Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new share capital.

No changes were made in the objective, policies or processes during the financial period.

13. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD AND SUBSEQUENT TO THE REPORTING PERIOD

Coronavirus ("COVID-19") Pandemic

The global and domestic economics encountered unprecedented challenges during the financial period ended 31 March 2022 as a result of the continuing COVID-19 pandemic. The Malaysian government implemented several counter-measures by imposing strict lockdowns, movement restrictions and closing borders to curb the COVID-19 outbreak in Malaysia. Despite the challenges, the Company was not affected by the COVID-19 pandemic for the financial period ended 31 March 2022.

Given the fluidity of the situation, the Company will continuously monitor the impact of the COVID-19 and take appropriate and timely measures to minimise the impact of the outbreak on the Company's operations for the financial year ending 31 March 2023.

Proposed Initial Public Offering and acquisition of subsidiary

On 18 March 2022, the Company has converted into a public limited liability company and assumed its current name of Betamek Berhad.

The Company is proposed to undertake an Initial Public Offering ("Proposed IPO") on the ACE Market of Bursa Malaysia Securities Berhad.

The Company has entered into the shares swap and restructuring agreement on 21 March 2022 for the acquisition of the entire share capital of Betamek Electronics (M) Sdn. Bhd. For a total consideration of RM93,789,000, which was fully satisfied by the issuance of 382,499,999 new ordinary shares in the Company. However, the proposed acquisition is yet to completed as at reporting date.