

BETAMEK BERHAD

Registration No. 202101041577 (1441877-P)

ANNUAL REPORT 2024

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.

OUR VALUE

ICE2

- Integrity
- Customer Focus
- Execution
- Innovation
- Commercial Rules
- Excellence





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CORPORATE INFORMATION



**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

Chairperson

Azlina Binti Abdul Aziz

Members

Yap Suan See

Mohd Shahrman Bin Mohd Sidek

NOMINATION AND REMUNERATION COMMITTEE

Chairperson

Yap Suan See

Members

Azlina Binti Abdul Aziz

Mohd Shahrman Bin Mohd Sidek

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
Email:
bsr.helpdesk@boardroomlimited.com

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

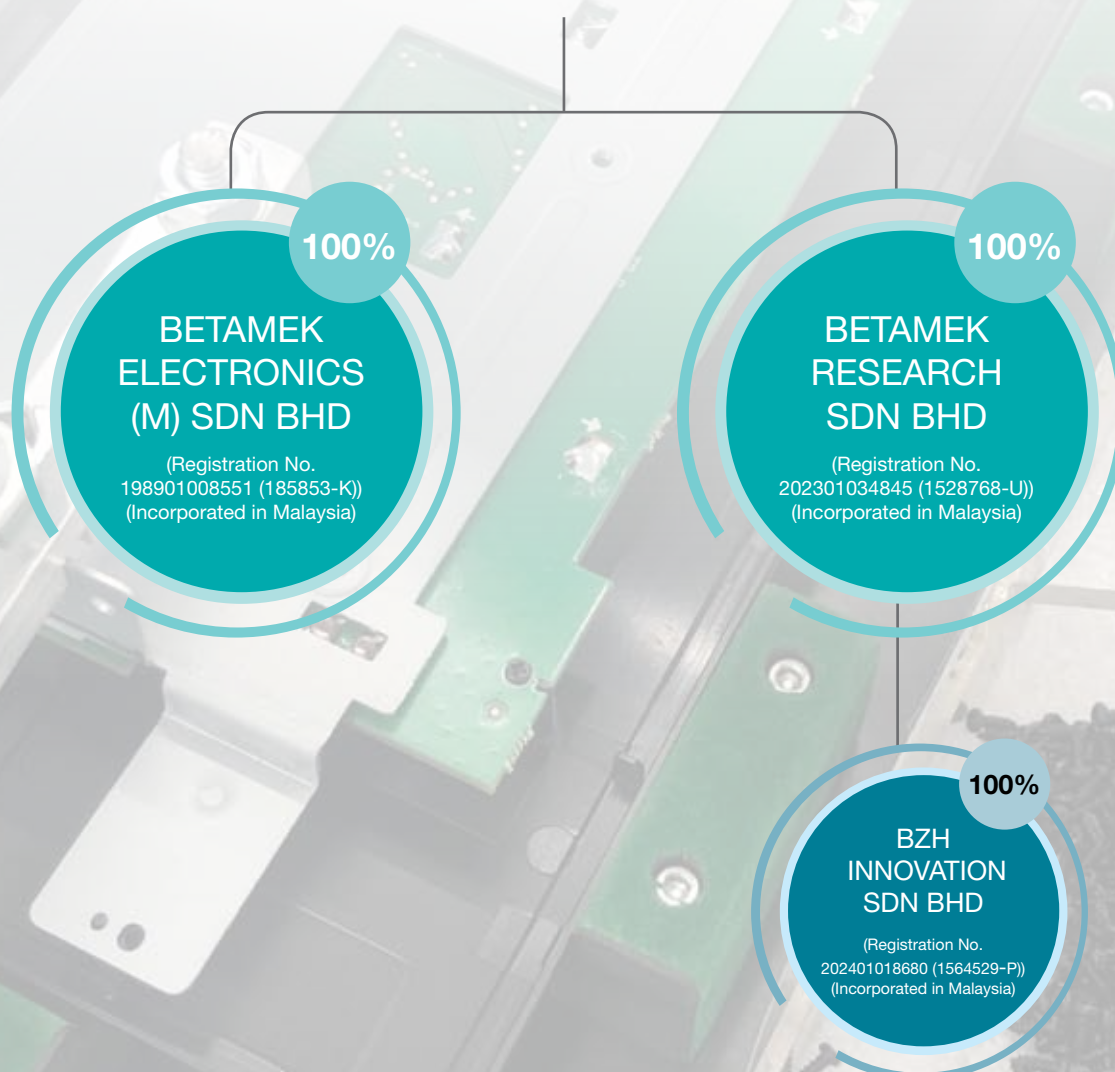
CORPORATE STRUCTURE



BETAMEK

BETAMEK BERHAD

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



COMPANY PROFILE

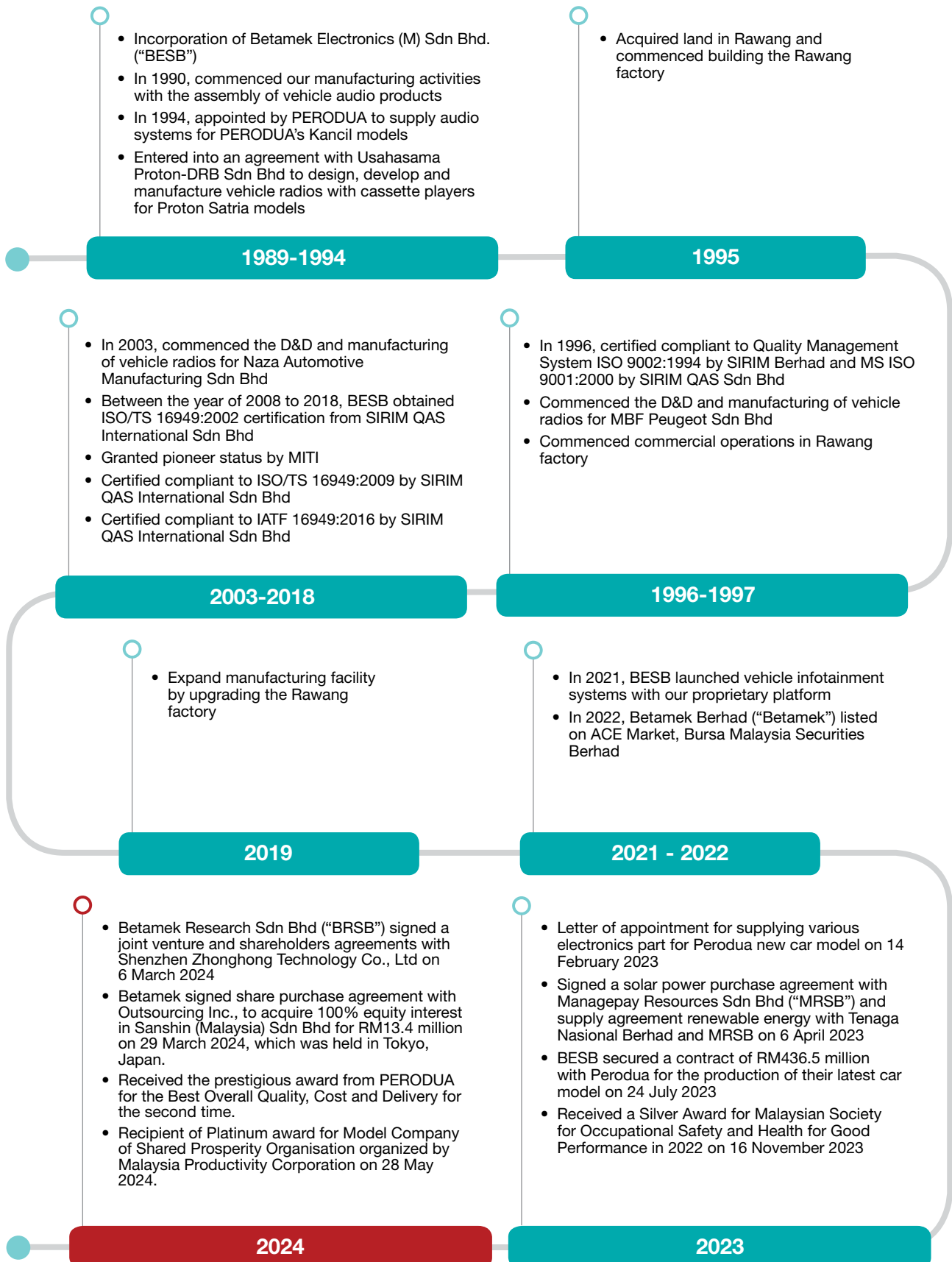
The Company was incorporated in Malaysia under the Companies Act 2016, as a private limited company on 7 December 2021 under the name of Betamek Sdn. Bhd.. On 18 March 2022, we converted into a public limited company and adopted our present name. The Company was officially listed on the ACE Market of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



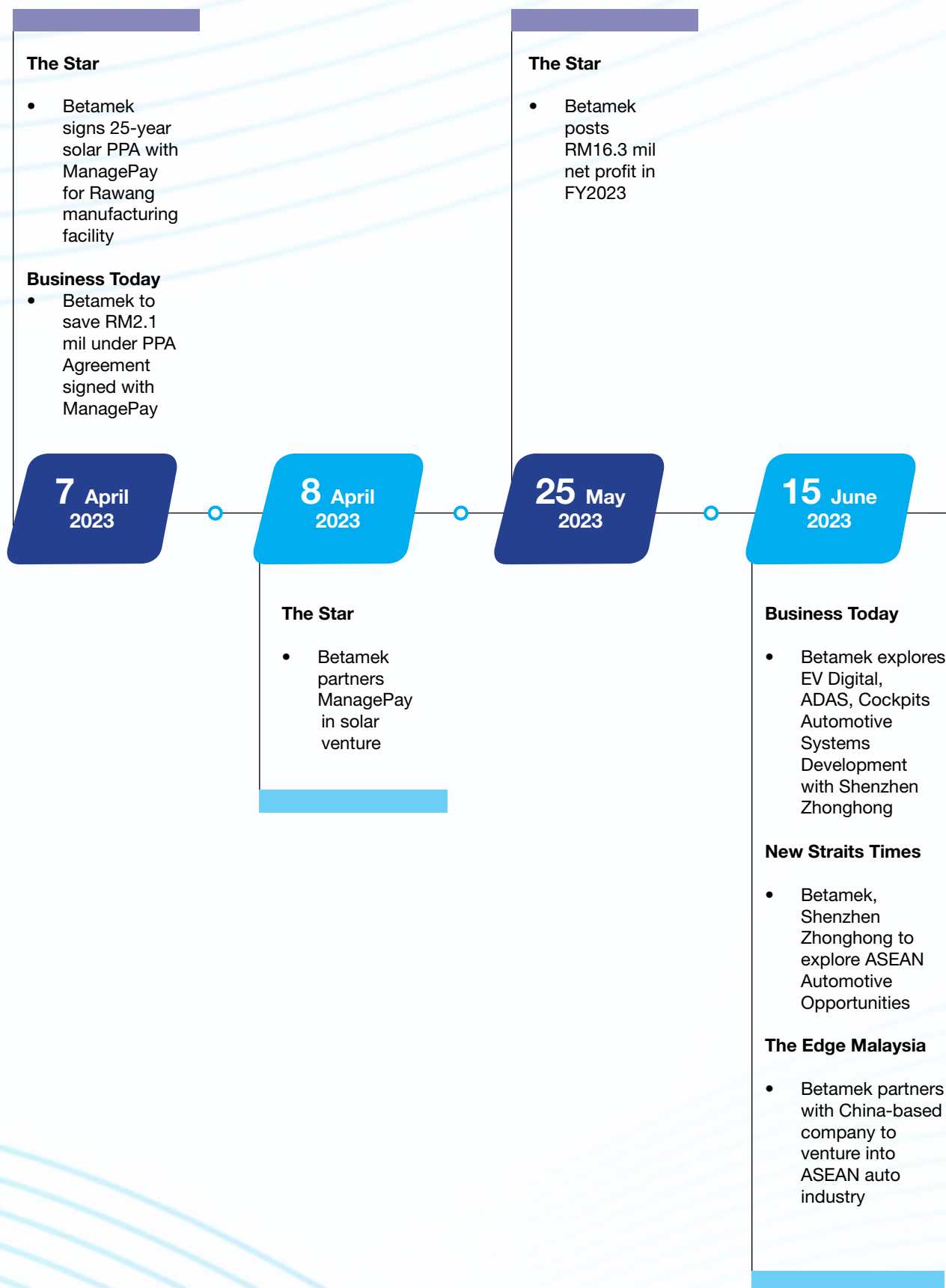
Through our subsidiary, Betamek Electronics (M) Sdn. Bhd. ("BESB"), we are principally engaged in the provision of electronics manufacturing services for the automotive markets predominantly in Malaysia, where we undertake design and development ("D&D"), procurement and manufacturing as well as after-sales services in respect of the assembly and production of fully-assembled automotive electronic products.



OUR MILESTONES



MEDIA HIGHLIGHTS



Media Highlights

The Edge Malaysia

- Betamek post 1Q net profit of RM4.8 mil, declares 1.0 sen dividend

20 July
2023

The Star

- Betamek invests RM3 mil to boost automation in manufacturing facility

The Edge Malaysia

- Betamek to invest RM3 mil in software and system development

24 August
2023

24 July
2023

The Edge Malaysia

- Betamek bags RM437 mil job for Perodua's new car model
- Betamek bags RM436.5 mil supply contract from Perodua

2 April
2024

The Star

- Betamek buys Sanshin for RM13.4mil

Media Highlights

Betamek posts two-fold rise in 3Q net profit

The Star - 25 Jan 2024

Betamek posts two-fold rise in 3Q net profit

PETALING JAYA: Betamek Bhd's net profit surged two-fold to RM5.05mil in the third quarter of its 2024 financial year (3Q24), bringing its basic earnings per share to 1.12 sen.

It reported a revenue of RM59.22mil, as compared to RM54.73mil in 3Q23.

The board of directors declared a second interim single-tier dividend of two sen per share, with the entitlement date of Feb 9, 2024 to be paid on Feb 23, 2024.

For the nine-month period to Dec 31, 2023, its net profit was RM15.51mil as compared to RM10.56mil in the year-ago period, while revenue rose to RM166.01mil from RM149.76mil in the comparative period.

Betamek seeks new growth opportunities

The Star - 5 Aug 2023

CORPORATE

By KIRANMITH KALAI
kiranmith@the-star.com.my

It is a bold move reflecting the ever-evolving nature of the electronics manufacturing industry, Betamek said it is now looking to diversify its client base as it aims to unlock new avenues of growth and increase long-term sustainability.

From its modest beginnings, the electronics manufacturing services (EMS) provider has navigated the dynamic sector with a blend of adaptability and determination.

In moving ahead to expand skills and accelerating emerging trends, it has set the stage for a promising future.

Speaking with *The Star*, managing director Mirzan Mirza, managing director speaking to various media and social channels, Betamek has also expanded its product range to encompass a variety of electronic assemblies.

These additions include amongst the phone, car clocks, air purifiers, routers, lighters, power sockets, and personal electronic devices, USB chargers, digital and connecting controllers and a range of other electronic components.

"Generally speaking, we deal with the electronic sector, which is the middle tier of a car, including the transmission and the electronic system," Mirzan said.

He adds that as technology advanced, in the process, the car sales sector or the electronic system is increasingly integrated, whereas in the past, it used to exist as distinct and separate components.

This evolution has fundamentally changed the group's skill set from selling to third parties.

"It is difficult to sell to third parties due to the integration of electronic components, which no longer cater for electronic products," Mirzan, who leads a 72% stake in Betamek through his shareholding, told *The Star*.

However, he adds that the group could still address customer needs with the product line it has been completed.

The achievement follows the group's earlier contract win in February 2023, when it secured a contract valued at RM12.1mil from Perodua. This order

comes on the heels of securing the contract from Perodua to build the car's electronic system in the fourth quarter of the financial year ending March 31, 2023 (FY23).

The group says the contract is expected to contribute positively to its earnings over a six-month period, starting from FY23.

Mirzan, with although the contract is expected to contribute in Q4, group work the product research and development (R&D) is already in progress.

The success of Betamek in securing the contract from Perodua is linked to the latter's initiative to purchase RM1.8bil worth of automotive components from local suppliers this year, the highest amount in its history.

The RM1.8bil represents an increase of 20% over the RM1.5bil spent on component purchases in the prior 2022.

Perodua president and chief executive officer (CEO) Dato Seri Ahmad Zabih Mirzan says

circumstances including the Covid-19 pandemic and the weakening of the ringgit.

Before the pandemic, Betamek enjoyed a profit margin in the double digits but since FY20, the group has maintained a high single-digit margin.

Nevertheless, Mirzan believes the outlook in Malaysia appears to be positive, contingent on the stability of the economy.

Mirzan's perspective underscores the dependence of Betamek on Perodua, as he believes that Betamek's trajectory is closely intertwined with Perodua's stability.

"And what Perodua faces generally is what the automotive industry faces. For instance, if financing becomes difficult to get, then of course demand for cars will also be affected," he explains. This, in turn,

affects the group's turnover and profitability.

Moreover, Mirzan highlights the significance of the strength of the ringgit as a matter of concern for Betamek, given that a substantial portion of its raw materials is procured from international sources.

He emphasises that a significant number of these raw materials must be acquired from abroad, with more than 50% originating from China, due to its competitive pricing.

"There are certain components that perhaps we can get from here (Malaysia), but again, they have to be price competitive because we are addressing the affordable market," he explains.

However, he asserts that the group is actively working to minimise the extent of this exposure.

He notes that the ringgit is very

Betamek seeks new growth opportunities

EMS provider to diversify markets, clientele base

"We have an active programme which looks at other potential customers. In the medium term, it's about looking for expansion into other vehicle markets."

Mirzan Mirza



the group is committed to ensuring competitive leads to strengthen the broader supply chain and foster collaboration within the local automotive industry.

Meanwhile, the latest contract, worth RM12.1mil, is also for the supply of various electronic parts for Perodua's new car model.

But in order to an agreement would have yet to be officially announced, the contract is expected to contribute to the fourth quarter of the financial year ending March 31, 2023 (FY23).

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However, he says the group is seeking for opportunities within its expertise and is ready for expansion, as it is not tied to any exclusive partnership with Perodua.

Sampling the potential risks associated with a single-client dependency in the competitive EMS landscape, the group is taking proactive measures to broaden its reach and tap into previously untapped markets.

"We have an active programme which looks at other potential customers. In the medium term, it's about looking for expansion into other vehicle markets," he highlights.

He points out that Malaysia produces about 100,000 to 150,000 motor vehicles annually, whereas up north, Thailand produces close to two million.

"We are also looking at Indonesia, of course, as it is a growing market. In we are going to place plans to be able to address these two markets," he conveys.

Over the years, Mirzan says, he has observed an increasing number of electronic components that go into cars, which in turn has propelled growth for Betamek itself.

"It's not difficult to determine what's coming next but the business for us, the focus is bringing of the business to a factory car to the street electronic market," he says.

For the year 2023, Perodua aims to produce 300,000 vehicles, up 14.1% from 263,000 units in 2022.

It also aims to register 114,000 units, up 11.1% from 102,000 units last year, on the back of strong demand for its cars, despite the effects of sales tax exemption.

Growth prospects
Betamek, which has worked with Perodua since the introduction of the latter's first model, the Kancil back in 1984, has expanded through time electronic parts and to date the group has dealt with all Perodua's car models.

Mirzan acknowledges that currently the group is dependent on Perodua, as it is on the facility supply or introduction of new models.

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EMS player Betamek contemplates diversification strategy

The Edge Malaysia
- 29 May 2023

EMS player Betamek contemplates diversification strategy

A unit of RM7mil, or 20.7% of the IPO proceeds was kept aside to fund R&D while another RM3.5mil, or 10.1%, is earmarked for expanding its R&D office space, new material storage and auxiliary facilities to cater for growth.

Investment towards our R&D department would give us multiple returns," he acknowledges.

By concentrating on what it does best and staying updated with industry advancements, Betamek is demonstrating growth as an EMS provider.

Evidence: the group recorded revenue of RM305.7mil in FY23, a growth of over 50% from its FY22 revenue of RM203.13mil.

Profit margin, however, has been impacted widely due to the external

circumstances including the Covid-19 pandemic and the weakening of the ringgit.

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Nevertheless, Mirzan believes the outlook in Malaysia appears to be positive, contingent on the stability of the economy.

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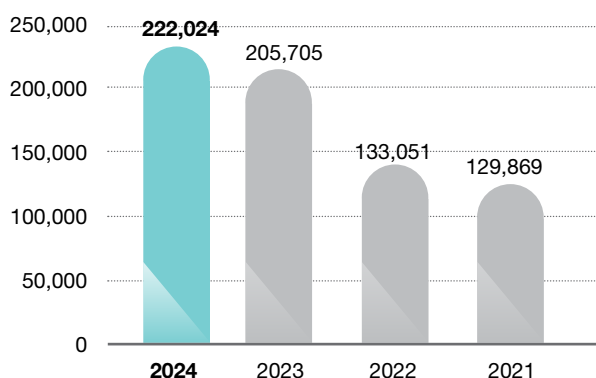
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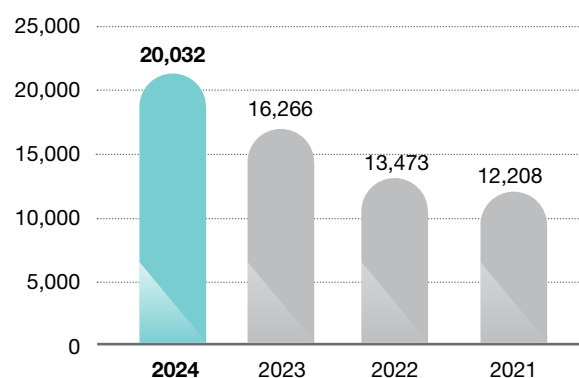
FINANCIAL HIGHLIGHTS

	FY2024 RM'000	FY2023 RM'000	FY2022 RM'000	FY2021 RM'000
Financial Result				
Revenue	222,024	205,705	133,051	129,869
Gross Profit	35,451	36,445	24,531	30,282
Profit Before Taxation	26,396	22,422	17,317	19,052
Profit After Taxation	20,032	16,266	13,473	12,208
Financial Position				
Shareholders' Funds	143,222	136,690	93,434	86,961
Total Assets	181,336	175,857	141,214	125,685
Net Current Assets	106,047	108,949	71,920	67,829
Total Borrowings	11,156	13,421	31,311	23,409
Cash and Cash Equivalents	50,765	54,967	15,881	14,196
Earnings per share (sen)	4.45	3.61	2.99	2.71

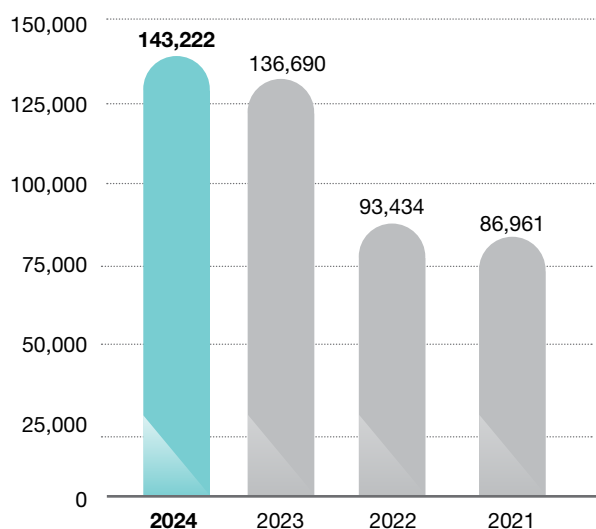
REVENUE (RM'000)



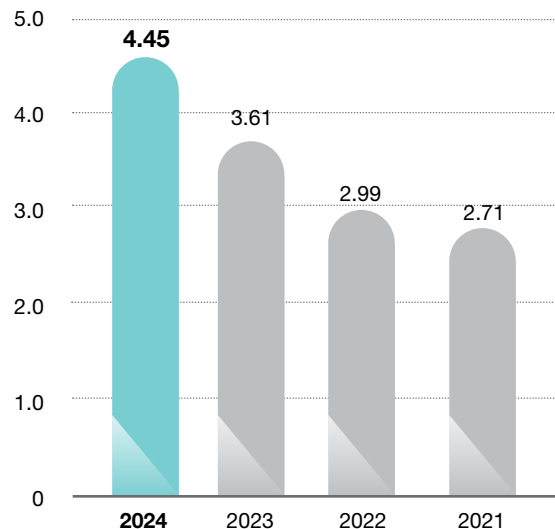
PROFIT AFTER TAXATION (RM'000)



SHAREHOLDERS' FUNDS (RM'000)



EARNINGS PER SHARE (sen)



BOARD OF DIRECTORS



AZLINA BINTI ABDUL AZIZ
("AZLINA")

MIRZAN BIN MAHATHIR
("MIRZAN")

YAP SUAN SEE

MUHAMMAD FAUZI
BIN ABD GHANI
("MUHAMMAD FAUZI")

AHMAD SUBRI BIN
ABDULLAH
("AHMAD SUBRI")

MOHD SHAHRIMAN BIN
MOHD SIDEK ("MOHD
SHAHRIMAN")

BOARD OF DIRECTORS' PROFILE



**AHMAD SUBRI
BIN ABDULLAH**
("AHMAD SUBRI")

Independent Non-Executive
Chairman

Aged 74 / Male / Malaysian

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 Sampo Insurance Berhad and Malaysian Life Reinsurance Group 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 four (4) out of the five (5) Board meetings held during the financial year ended 31 March 2024 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 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 Philippines Stock Exchange.

Mirzan is deemed to be a major shareholder of the Company through his 100% shareholding in Iskandar Holdings Sdn. Bhd., a major shareholder which holds 71.30% 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 four (4) out of the five (5) Board meetings held during the financial year ended 31 March 2024 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

Aged 65 / Male / Malaysian

Board of Directors' Profile



**MUHAMMAD FAUZI
BIN ABD GHANI
("MUHAMMAD
FAUZI")**

Executive Director

Aged 62 / Male / Malaysian

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 five (5) Board meetings held during the financial year ended 31 March 2024 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 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 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.

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**AZLINA BINTI
ABDUL AZIZ
("AZLINA")**

Independent Non-Executive
Director

Aged 62 / Female / Malaysian

Board of Directors' Profile

**YAP SUAN SEE**

Independent Non-Executive Director

Aged 57 / Female / Malaysian

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 five (5) Board meetings held during the financial year ended 31 March 2024 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 Shahrman 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 Shahrman obtained his Diploma in Architecture from the MARA Institute of Technology. He then graduated with a Bachelor of Arts (Honours) in Architectural Studies and later Post Graduate Diploma in Architecture and Urban Design from Oxford Brookes University, 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. He subsequently focused on technology and been involved in several companies.

In recent years, saw him as CEO of MSA Resources, a digital infrastructure group, Digi Telecommunications, HATI International and VP of CREST (Collaborative Research in Engineering, Science & Technology). He is currently the Regional Director of International Data Center Authority, USA and as advisor to several technology companies.

He is also an Independent Non-Executive Director of Dataprep Holdings Berhad, a company which is listed on the Main Market of Bursa Securities.

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 five (5) Board meetings held during the financial year ended 31 March 2024 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

Aged 60 / Male / Malaysian

KEY SENIOR MANAGEMENT'S PROFILE



MEGAT ISKANDAR
HASHIM BIN
ISMAIL ("MEGAT
ISKANDAR")

Chief Operating Officer

Age 50 / Male / Malaysian

Megat Iskandar 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 28 years of experience in diverse industries ranging from oil and gas, construction, property development and electronic manufacturing services.



Nor' Azrin 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 28 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.



NOR' AZRIN BIN
NUSI
("NOR' AZRIN")

Chief Financial Officer

Age 50 / Male / Malaysian

Key Senior Management's Profile



AHMAD RIZAN BIN IBRAHIM ("RIZAN")

Chief Business Officer

Age 61 / Male / Malaysian

Rizan joined BESB as the Chief Business Officer on 18 June 2024, a position he holds till today. He is responsible for overseeing the overall business development for the Group.

Rizan graduated with a Bachelor of Business Administration (1985), Bachelor of Science in Computer Science (1986), Masters of Science (1987) and Masters of Business Administration (1988), all of which from Oregon State University, Corvallis, Oregon USA.

He has more than 35 years of experience in international business, strategy consulting, information and communication technology, enterprise resource planning implementation and operation. Main focus industries include government, oil & gas, research & development and logistics. He was on the board on three (3) listed companies, numerous privately held companies and also two government agencies.



Safuan 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 more than 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.



SAFUAN BIN YUSOF ("SAFUAN")

Chief Technology Officer

Age 56 / Male / Malaysian

Key Senior Management's Profile



TAY YOKE THENG

Senior General Manager and
Head of Procurement and
Administration

Age 53 / Female / Malaysian

Tay Yoke Theng is the Senior 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 bookkeeping 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), Deputy General Manager (2013) and General Manager (2018) before assuming the role of Senior General Manager and Head of Procurement and Administration on 1 July 2023, 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 of Betamek Berhad, it is my pleasure to present the Annual Report and Audited Financial Statements for the financial year ended 31 March 2024 (“**FYE 2024**”).

Ahmad Subri Bin Abdullah (“Ahmad Subri”)

Independent Non-Executive Chairman

Chairman's Statement

THE YEAR UNDER REVIEW



In a dynamic environment, our Group navigated challenges by actively adjusting and progressing. We prioritised the enhancement of our research and development ("R&D") team's capabilities through strategic investments in state-of-the-art equipment and technological advancements. The successful utilisation of initial public offering ("IPO") proceeds allowed us to bolster our skills, capacity and innovation.

With this in mind, Betamek has invested close to RM8 million in FYE 2024 on capital expenditure to bolster its investments in cutting-edge technology, infrastructure and equipment aimed at improving operating efficiency and deliver superior quality products.

In the 4Q FYE 2024, Betamek entered into a joint venture and shareholders agreement with Shenzhen Zhonghong Technologies Co. Ltd ("SZH") to develop new technologies by combining the strengths of both partners' existing businesses. Additionally, this partnership aims to explore new prospects and enter into untapped markets in ASEAN.

Notably, our recent acquisition of Sanshin (Malaysia) Sdn Bhd ("SMSB") underscores our commitment to business growth and diversifying clientele base, not only in the automotive sectors but also in the industrial and consumer segments.

REVIEW OF FINANCIAL PERFORMANCE

For FYE 2024, the Group achieved another record revenue of RM222.0 million, marking a 7.9% increase compared to RM205.7 million in the previous financial year. This resulted in a higher profit after tax of RM20.0 million, a commendable 23.2% increase from RM16.3 million in FYE 2023.

My sincere appreciation to the Board of Directors and Management Team for their excellent performance in steering the Group through challenges, achieving significant financial milestones.

PROSPECTS FOR FYE 2025

As we move into FYE 2025, we expected to be another year filled with challenges. More exciting developments will be happening for the newly incorporated joint venture with SZH whilst at the same time implementing the integration process with SMSB. It will be another busy, yet fruitful year for Betamek Group.

On a broader scale, the Malaysian economy is expected to recover with a GDP growth forecast of between 4.0% to 5.0% in calendar year 2024. The Group will continue to monitor the dynamic changes in the business environment and execute our business plan accordingly. With the expected continuous expansion of the Malaysian economy, Betamek Group will endeavour and seize the opportunities that may come. The Malaysian government support on the electric vehicles ("EV") industry will inevitably incentivize and promote for the EVs production to grow and attract new investment. Tax incentives, R&D funding and infrastructural expenditures could encourage EV and green technology adoption for the industry.

The Group is dedicated to executing strategies that enhance operational efficiency, modernise facilities and closely monitor market uncertainties. Despite potential risks, we are optimistic about our ability to capitalize on economic recovery and internal initiatives, anticipating another strong performance.

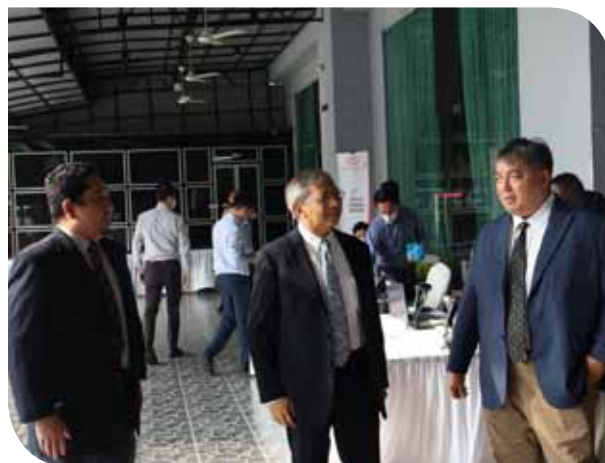


Chairman's Statement

APPRECIATION

I would like to express my deepest gratitude to our stakeholders for their continued trust and confidence in our Company. Your unwavering support has been instrumental in driving our growth and success. We remain firmly committed to creating long-term value for our shareholders by delivering sustainable returns.

FYE 2024 has been a milestone year for the Company, marked by several accolades and recognition from our stakeholders. The Board is pleased with the Company's achievement in receiving the prestigious award from PERODUA for Best Overall Quality, Cost and Delivery. Additionally, the Company has been honoured with the highest Platinum Award from the Malaysia Productivity Corporation under the Sustainability Shared Prosperity Organisation Assessment recognition program. Furthermore, the Malaysian Society for Occupational Safety and Health conferred a Silver Award for Good Performance in 2022.



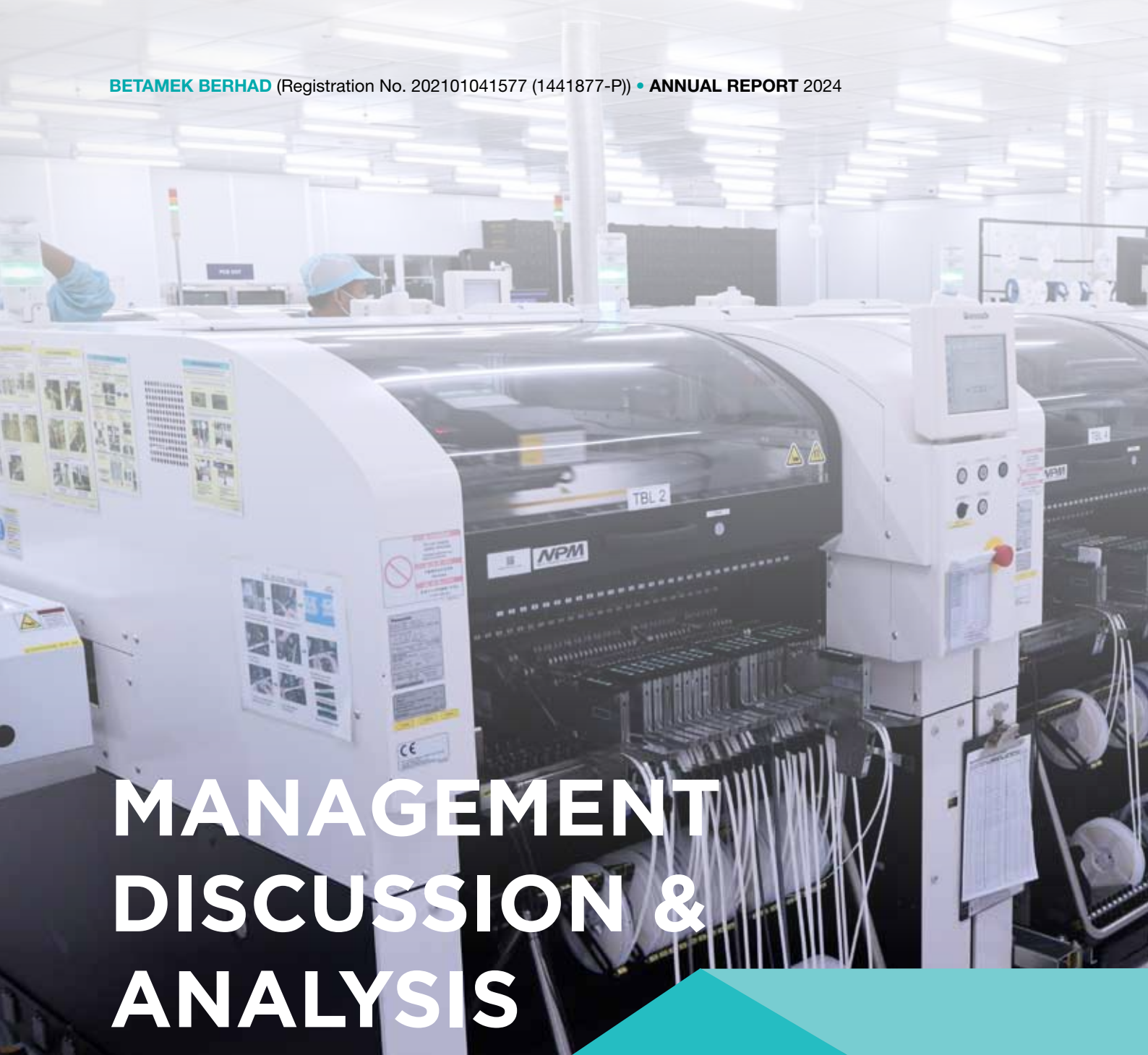
It was truly a remarkable year for Betamek Group, achieving these recognitions despite the challenges and shortcomings faced by the Company. All credit goes to our employees for their well-deserved appreciation for their tireless efforts and relentless pursuit of excellence. Your passion, creativity and dedication are the driving forces behind our achievements.

Whether on the production floor, in the boardroom or out in the field, your hard work and commitment to our Company's vision are truly commendable. With a diverse and experienced team, both at the Board and management levels, Betamek is poised for new heights and greater success.

I look forward to working together to drive the success and growth of the Group, bestowing enduring value on our shareholders and all stakeholders.

Thank you for believing in Betamek Berhad.





MANAGEMENT DISCUSSION & ANALYSIS

Dear Valued Shareholders,

I am pleased to present the Management Discussion and Analysis (“**MD&A**”) of Betamek Berhad (“**Betamek**” or “**the Group**”) for the financial year ended 31 March 2024 (“**FYE 2024**”).

This report provides insights into our company’s performance, strategic initiatives and future outlook. We extend our sincere appreciation to our shareholders for their continued support and trust in our company.

Mirzan Bin Mahathir (“Mirzan”)
Managing Director

Management Discussion & Analysis

1.0 Overview of Betamek

In FYE 2024, Betamek has continued its progress in upgrading the factory facilities, enhancing its research and development (“R&D”) capabilities and strengthening its financial and capital resources. Betamek has spent about 78.6% of its initial public offer (“IPO”) proceeds at the end of FYE 2024 as stipulated by the planned IPO proceeds.

On the corporate front, Betamek signed a joint venture agreement with Shenzhen Zhonghong Technology Co. Ltd to collaborate on the design, development, customization, commercialization, marketing and sale of electronics product solutions and innovative technology solutions for the electric vehicle and automotive market in Malaysia and other South East Asia countries. Shortly after, Betamek signed a share purchase agreement with Outsourcing Inc, to acquire 100% equity interest in Sanshin (Malaysia) Sdn Bhd.

With these corporate developments, Betamek is on the right path to expanding its presence beyond the domestic market, positioning itself to enter overseas markets. Betamek is expected to be hands full in the upcoming financial year ended 31 March 2025 (“FYE 2025”) with these developments while continuing to serve its existing market.

2.0 Business and Operational Overview

We provide one-stop electronic manufacturing services (“EMS”) solutions to automotive makers with 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, involving almost every stage of product development, from conceptual design to delivery of finished products.

We have established a long-standing relationship of approximately 30 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 every car model of PERODUA Group and this track record has remained unbroken to date. Additionally, PERODUA and our Group have heavily invested in training and joint R&D, making us familiar with PERODUA’s needs, which solidifies our position as PERODUA’s supplier.

FYE 2024 has been an exceptional year for Betamek, recording another record revenue and this was achieved in the past two consecutive years. With a solid track record and excellent quality and services, Betamek has been awarded with the highest award in PERODUA, namely Best Overall Quality, Cost and Delivery for the second time. Betamek first received the award in 2019.

Since the 1990s, Betamek has received numerous awards from PERODUA. Betamek has also received accolades and recognitions from other stakeholders for its social commitment and operational excellence. The Malaysia Productivity Corporation has awarded Betamek the prestigious Platinum Award for the Sustainability Shared Prosperity Organisation Assessment recognition program. This honour underscores our dedication to creating a positive impact on society and the environment and recognises our efforts in building a better and more sustainable future.

In addition to that, Betamek received the Silver Award from the Malaysian Society for Occupational Safety and Health for Good Performance in 2022 for its exceptional in-house safety procedures.

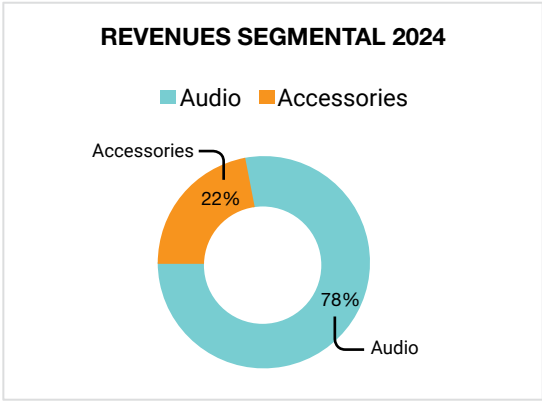
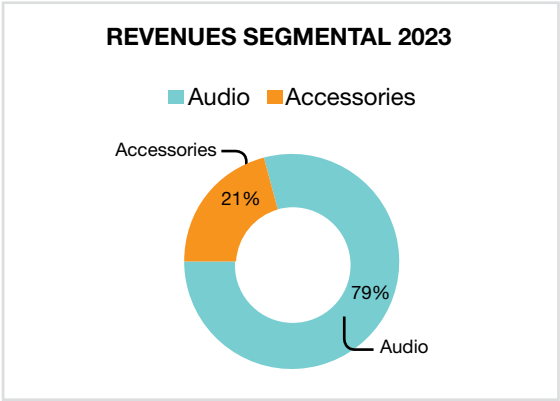
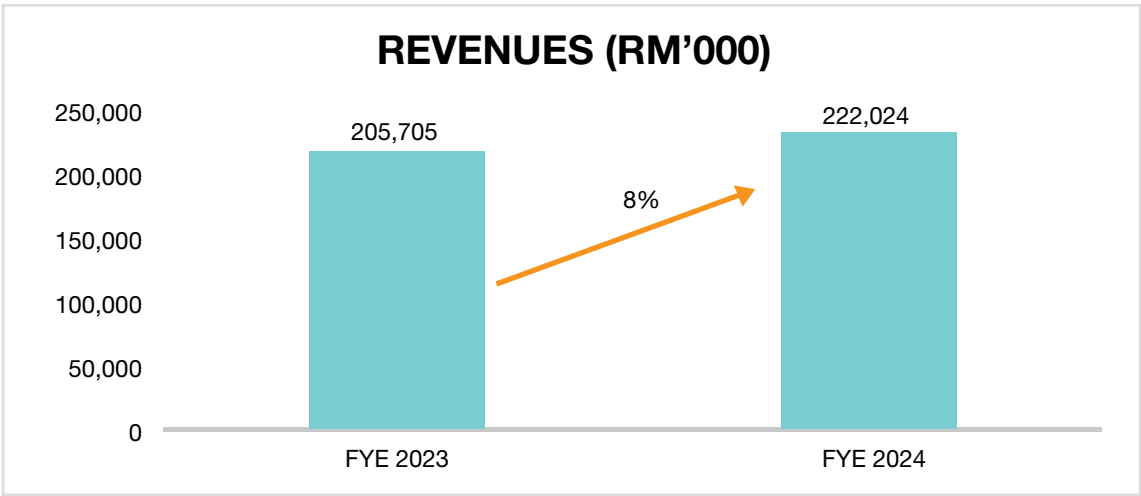
Overall, Betamek is gearing for greater heights in the business and operational excellence in the future with focus on efficiency, quality and customer satisfaction, employing best practices in electronics manufacturing to deliver reliable products to its customers.

Management Discussion & Analysis

3.0 Review of Financial Performance

	FYE 2024 RM'000	FYE 2023 RM'000	Changes	
			RM'000	%
Revenue	222,024	205,705	16,319	8%
Gross Profit ("GP")	35,451	36,445	(994)	(3%)
Profit Before Tax ("PBT")	26,396	22,422	3,974	18%
Profit After Tax ("PAT")/ Net Profit	20,032	16,266	3,766	23%
GP margin (%)	16.0	17.7		
PBT margin (%)	11.9	10.9		
Net profit margin (%)	9.0	7.9		
Basic EPS (sen)	4.5	3.6		
Number of shares ('000)	450,000	450,000		

3.1 Revenue



Management Discussion & Analysis

3.1 Revenue (Cont'd)

Our revenue is derived from the sale of manufactured goods, which is recognised net of sales returns and discounts upon the transfer of control of the goods to the customers.

	FYE 2024		FYE 2023	
	RM'000	%	RM'000	%
Vehicle audio and visual products	173,674	78	163,367	79
Vehicle accessories	48,350	22	42,338	21
	222,024	100.0	205,705	100.0

Our revenue recorded an increase of RM16.3 million or 8% from RM205.7 million in FYE 2023 to RM222.0 million in FYE 2024. The growth was driven by an increase in revenue from both vehicle audio and visual products, as well as vehicle accessories.

Vehicle audio and visual products

Revenue from vehicle audio and visual products increased by RM10.3 million or 6% from RM163.4 million in FYE 2023 to RM173.7 million in FYE 2024, which was attributed to the increase in revenue from vehicle infotainment systems of RM5.6 million, primarily from higher orders for 2022 MYVI and 2021 ATIVA vehicle model.

There was no individual component under the vehicle audio and visual products recorded a decrease in sales compared to FYE 2023.

Vehicle accessories

Revenue from vehicle accessories increased by RM6.0 million or 14% from RM42.3 million in FYE 2023 to RM48.4 million in FYE 2024. The growth was driven by an overall increased volume in most product categories, in particular the air conditioning control panel which recorded an increase of RM4.9 million, mainly attributable to the 2022 MYVI and 2021 ATIVA models.

3.2 Financial Result & Analysis

	FYE 2024	FYE 2023	Changes	
	RM'000	RM'000	RM'000	%
GP	35,451	36,445	(994)	(3%)
Other Income	1,936	582	1,354	233%
Administrative expenses	(9,381)	(11,581)	2,200	19%
Selling and distribution expenses	(192)	(96)	(96)	(100%)
Finance costs	(51)	(912)	861	94%
Other expenses	(1,367)	(2,016)	649	32%
PBT	26,396	22,422	3,974	18%
Taxation	(6,364)	(6,156)	(208)	(3%)
PAT	20,032	16,266	3,766	23%

Management Discussion & Analysis

3.2 Financial Result & Analysis (Cont'd)

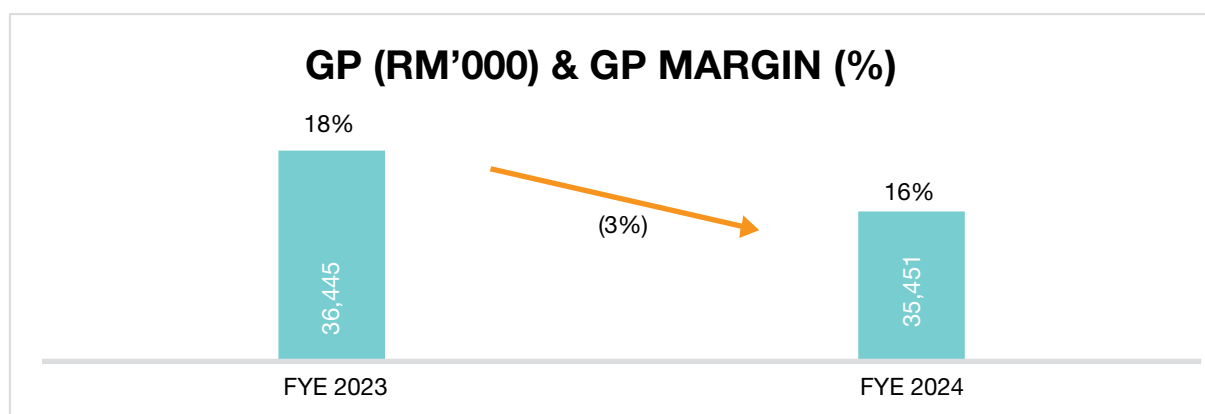
Cost of Sales

Our cost of sales increased by RM17.3 million or 10% from RM169.3 million in FYE 2023 to RM186.6 million in FYE 2024 mainly due to a 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 4.64 during the financial year under review.

Our production labour cost meanwhile decreased 7% from RM14.0 million in FYE 2023 to RM13.0 million in FYE 2024. This was attributable to the addition of advanced machineries and equipment which improved our productivity and reduce the number of manpower required. This in turn led to decrease in salary and bonus costs.

Our production overheads, meanwhile, recorded an increase of RM1.2 million or 40% from RM3.0 million in FYE 2023 to RM4.2 million in FYE 2024, attributable to higher utilities and depreciation charges.

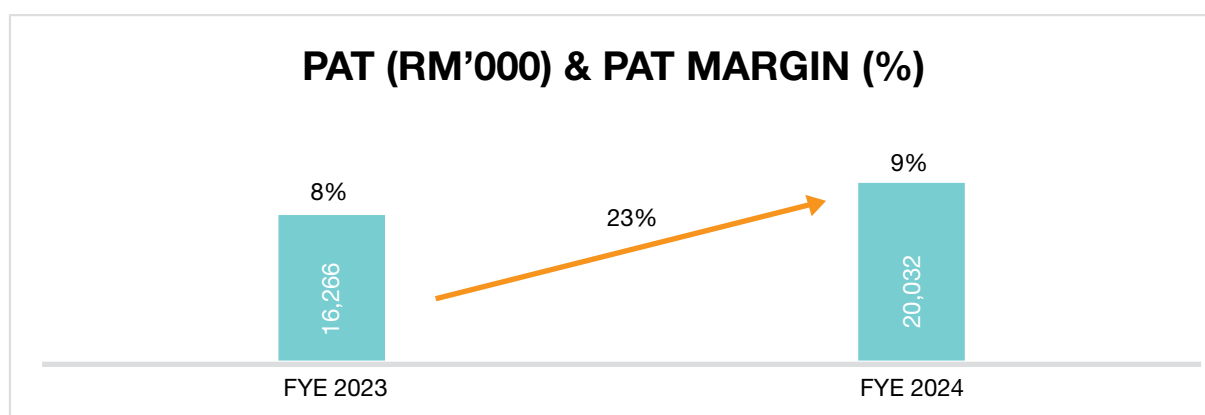
Gross Profit



Our overall GP decreased by RM1.0 million or 3% from RM36.4 million in FYE 2023 to RM35.4 million in FYE 2024. The GP margin also recorded a dip, from 18% in FYE 2023 to 16% in FYE 2024, due to higher direct materials costs 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 customer for the price adjustments. Once an agreement is reached with our major customer, our selling price will be adjusted upwards to reflect the increased costs. Until such negotiations be finalised, our Group will continue to be exposed to price fluctuations.

Our Group used the hedging instrument to mitigate the foreign exchange risk. It has been closely monitored to protect the operating margin when dealing in foreign currencies.

Profit After Tax



Our Group PAT increased by RM3.8 million or 23% from RM16.3 million in FYE 2023 to RM20.0 million in FYE 2024. The increase was attributed to improved management and control of the financial and operating resources of the Group. Correspondingly, the PAT Margin has increased from 8% to 9% in FYE 2024.

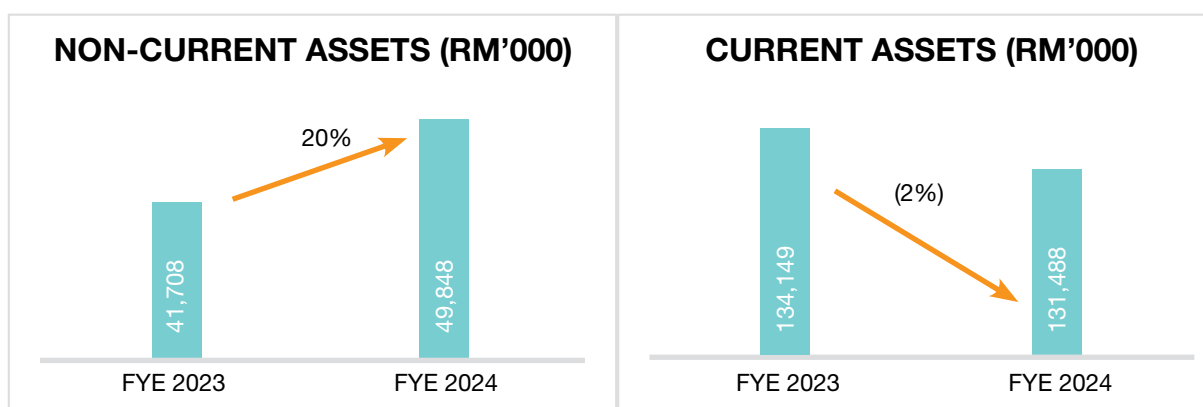
Management Discussion & Analysis

4.0 Financial Position Review

4.1 Financial Position Analysis

	FYE 2024 RM'000	FYE 2023 RM'000	Changes	
			RM'000	%
Non-current assets	49,848	41,708	8,140	20%
Current assets	131,488	134,149	(2,661)	(2%)
Total assets	181,336	175,857	5,479	3%
Non-current liabilities	12,673	13,967	1,294	9%
Current liabilities	25,441	25,200	(241)	(1%)
Total liabilities	38,114	39,167	1,053	3%
Net assets	143,222	136,690	6,532	5%
Current ratio (times)	5.2	5.3		

Assets



Our non-current assets increased by RM8.1 million due to:

- Addition of property, plant and equipment of RM7.7 million, mainly comprising building (RM4.0 million), plant & machinery (RM2.2 million), motor vehicles (RM0.1 million), tools equipment and mould (RM0.3 million), furniture and office equipment (RM1.1 million);
- Addition of right-of-use assets of RM0.3 million;
- Addition of capitalised research and development expenditure of RM3.5 million; and
- The increase was offset by RM3.4 million, due to higher depreciation charges of RM1.3 million, asset disposals of RM1.7 million and amortization of intangible assets of RM0.4 million.

Our current assets reduced by RM2.7 million due to:

- An increase in inventories by RM3.4 million due to high purchases prior to year-end;
- An increase in advance purchases of raw materials by RM6.2 million due to higher sales forecast; and
- An increase in deposits of RM0.3 million.

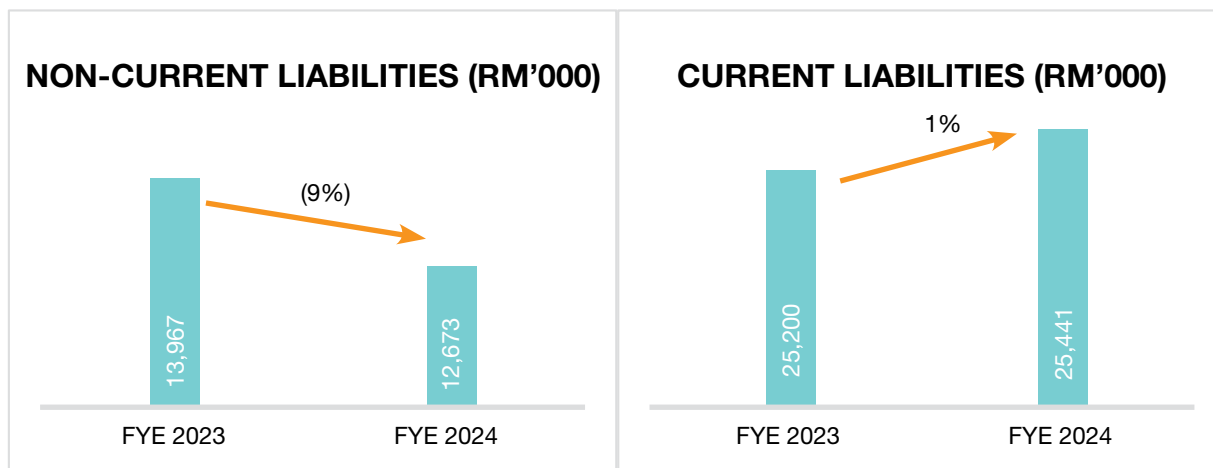
The increase in current assets was offset by:

- A decrease in trade receivables of RM8.0 million;
- A decrease in prepaid expenses of RM0.3 million and RM0.1 million in investments; and
- A decrease in cash and bank balances of RM4.2 million.

Management Discussion & Analysis

4.1 Financial Position Analysis (Cont'd)

Liabilities



Our non-current liabilities decreased by RM1.3 million due to:

- A decrease in borrowings and lease liabilities of RM1.2 million; and
- A decrease in deferred tax liabilities of RM0.1 million.

Our current liabilities remained relatively stable compared to FYE 2023. The key changes of the components of current liabilities are as follows:

- An increase in trade payables of RM1.3 million, mainly due to higher purchase towards the year end;
- An increase in other payables of RM0.3 million; and
- The increase in (i) and (ii) has been offset by a decrease in borrowings and lease liabilities of RM1.1 million and decrease in provision for taxation of RM0.3 million.

4.2 Cash Flow Analysis

	FYE 2024 RM'000	FYE 2023 RM'000	Changes	
			RM'000	%
Net cash from operating activities	21,845	25,232	(3,387)	(13%)
Net cash used in investing activities	(11,131)	(1,411)	(9,720)	(689%)
Net cash (used in)/ from financing activities	(14,916)	15,470	(30,386)	(196%)
Net (decrease) / increase in cash and cash equivalents	(4,202)	39,291	(43,493)	(111%)
Cash and cash equivalents at beginning of the financial year	54,967	15,676	39,291	251%
Net increase in cash and cash equivalents at the end of the financial year	50,765	54,967	(4,202)	(8%)

Management Discussion & Analysis

4.2 Cash Flow Analysis (Cont'd)

Net cash from operating activities

We recorded net cash inflow from operating activities of RM21.8 million, after accounting for an operating profit before working capital changes of RM29.6 million, and the following working capital changes:

- i. A decrease in receivables of RM1.7 million, mainly due to settlement of receivables prior to year end;
- ii. An increase in payables of RM1.7 million, mainly due to higher purchases in the last quarter of FYE 2024 as well as higher provisions and accruals; and
- iii. Interest received from financial institution amounting to RM0.1 million.

The cash inflow was offset by the following:

- i. An increase in inventories of RM3.4 million, mainly due to increased purchase made in advance;
- ii. Settlement of trust receipts amounting to RM1.1 million; and
- iii. Payment of income tax of RM6.8 million.

Net cash used in investing activities

We recorded a net cash outflow for our investing activities of RM11.1 million, due to the outright purchase of property, plant and equipment of RM7.7 million, purchase of right-of-use asset RM0.1 million, and development expenditure of RM4.4 million.

The cash outflow was offset by the proceeds from disposal of property, plant and equipment of RM0.2 million, proceeds from disposal of quoted investments of RM0.1 million and interest received from placement with financial institution of RM0.8 million.

Net cash (used in) / from financing activities

We recorded a net cash outflow for our financing activities of RM14.9 million, primarily due to dividend paid of RM13.5 million and net repayment of term loan and lease liabilities of RM1.4 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 comprise term financing, trade financing as well as finance leases.

After taking the following into consideration, 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 2025:

- i. Our deposits, cash and bank balances as at 31 March 2024 of RM50.7 million;
- ii. Current ratio as at 31 March 2024 at a comfortable level of 5.2 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 RM89.9 million, of which only RM10.8 million has been utilised; and
- v. Our net assets position and gearing level as at 31 March 2024 of RM143.2 million and 0.1 times respectively.

Management Discussion & Analysis

5.0 Operation Outlook

5.1 Business expansion

Betamek has high ambition to grow our business. The aim is to broaden Betamek's customer base. By expanding into new markets and offering a comprehensive range of electronic automotive solutions, we can enhance revenue streams and ensure long-term sustainability.

Betamek will conduct comprehensive market research to identify lucrative markets with high electric vehicle ("EV") adoption rates, favorable regulatory environments and untapped opportunities. The Group intends to extend its presence beyond the Malaysian market. We believe that the new transformation and structure will improve employees' work experience and enable them to fully leverage the benefits provided by the company. As our electronic automotive business stands at the forefront of this transformation, the time is ripe to embark on a strategic expansion journey.

6.0 Challenges and Risks

The Group continues to face challenges and risk from industry:

- a) Reliance on PERODUA Group.
- b) Rising manpower and material costs which eventually increase overall manufacturing cost.
- c) Increased turnover of employees.
- d) Rising levels of competition from the same industry.
- e) High competition from multinational corporations as well as local companies.
- f) The automotive sector is experiencing rapid technological advancements and failure to embrace new technologies will result in being left behind.
- g) Persistent limitations of the global supply chain.
- h) Heightened tension in the US-China trade and technology.
- i) Shortage of skilled staff and labour.

7.0 Business Mitigation

- a) Attracting new talent to the company through proactive recruitment and reviewing staff benefits and remuneration.
- b) Differentiating our products by offering high-end features at competitive prices with high quality.
- c) Continue to invest in new manufacturing practices such as using robot arms to increase our productivity and efficiency.
- d) Adopting industry 4.0 technologies which encompass artificial intelligence.
- e) Expanding and developing further in collaboration with technology partners.
- f) Collaborate with customers to identify market trends and invest accordingly.

8.0 Future Plans

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

8.1 R&D for new product development

Our R&D has spent about 33.8% or RM2.4 million out of RM7.0 million from the IPO proceeds for new product development. We will continue to invest in the new vehicle visual and sensor features, telematics and Internet of Things ("IoT") connected mobility applications. We expect to fully utilise the funds by Q3 FYE 2026.

Management Discussion & Analysis

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

The Company has bought over two unit of shoplots to accommodate the expansion of our research and development office space, storage and auxiliary services. We are currently undergoing the approval process from local authorities to commence the renovation process which is expected to be completed by the end of FYE 2025.

8.3 Exploring ASEAN region

We are preparing to explore opportunities to expand our customer base beyond Malaysia into the ASEAN region. Our goal is to diversify our product offerings, catering not just to the automotive industry but also to the two-wheeler market.

8.4 To invest in our employee development

We have conducted a series of internal training programs for our staff, as well as training programs conducted by third party. These initiatives aim to boost employee engagement, productivity and satisfaction while creating a trained and adaptable workforce that drives business success.

8.5 Purchase of machinery and equipment

We intend to upgrade our manufacturing facility as part of the Fourth 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.

8.6 Focus on advanced technologies adoption

We aim to focus on adopting advanced technologies such as AI, machine learning, IoT and robotics to enhance production efficiency, product quality and innovation.

8.7 Sustainability initiatives

With increasing awareness of environmental issues, we have prioritised sustainability initiatives, including activities that reduce our carbon footprint, minimise electronic waste and utilising eco-friendly materials and manufacturing processes.

8.8 Focus on other industries that can be leverage our electronic design and expertise

With rising healthcare requirements present a potential surge in the need for electronic devices and equipment in the healthcare and biomedical industries. We are considering venturing into the production of medical gadgets, diagnostic instruments and wearable health technologies.

9.0 Dividends

The decision to declare interim dividends and propose final payments is at the discretion of our Board. Any final dividends for the year are contingent upon approval from shareholders. The actual dividends that are suggested and officially announced may differ based on the financial performance and cash flows of our Group.

Nevertheless, during FYE 2024, the Board of Directors of the Company declared and distributed a total dividend of 3.0 sen, amounting to RM13.5 million. These dividends were paid via internally generated funds and are not expected to affect our future plans or strategy.

The Board is pleased to propose a final single-tier dividend of 1.0 sen per ordinary share for the financial year, subject to shareholders' approval at the upcoming Annual General Meeting. Upon approval, total dividend per share for FYE 2024 amounts to 4.0 sen per ordinary share. This will translate to a total dividend payout of RM18.0 million, or 89.9% of PAT.

Management Discussion & Analysis

10.0 Material Litigation

The Group is not involved in any significant litigation, claim or arbitration, either as the plaintiff or defendant, that could have a material and negative impact on our financial or business position.

On top of that, there are no ongoing or possible legal processes that could potentially have a major negative impact on our financial status. There are no contingent commitments that we have accumulated that, if enforced, would have a major impact on either our financial status or the financial situation of our subsidiary.



1999	Best Overall Vendor (Perodua)
2001	Top Three Best Overall Vendor (Perodua)
2002	Best Delivery Vendor (Perodua)
2004	Most Improved Vendor (Perodua)
2005	Excellent Performance Vendor – Non-SMI (Perodua)
2006	<ul style="list-style-type: none"> Excellent Performance Vendor – Non-SMI (Perodua) Rank A - Vendor Environmental Awareness (Perodua)
2007	<ul style="list-style-type: none"> Excellent Performance Vendor – Non-SMI (Perodua) Outstanding SME Winner (Golden Bull)
2008	<ul style="list-style-type: none"> Excellent Performance Vendor – Non-SMI (Perodua) Top 10 Outstanding SME Award (Golden Bull) Special Appreciation for PSSB Delivery (Perodua)
2009	<ul style="list-style-type: none"> Asia Pacific Super Excellent Brand Excellent Delivery Vendor (Perodua) Excellent Performance Vendor – Non-SMI (Perodua)
2010	Excellent Performance Vendor – Non-SMI (Perodua)
2011	PSSB Excellent Performance for Service (Perodua)
2013	Special Recognition Award (Perodua)
2015	Excellent Delivery Vendor (Perodua)
2017	Excellent Delivery Vendor (Perodua)
2018	<ul style="list-style-type: none"> Special Award of Vendor Export to DMC Group Excellent Cost Competitiveness Vendor
2019	Overall achievement QCD
2022	Special Appreciation Award (Perodua)

SUSTAINABILITY STATEMENT

SUSTAINABILITY OVERVIEW STATEMENT

Sustainability & Environment, Social and Governance (“ESG”)

- **Sustainability** is a broad concept that includes environmental, social and economic factors
- The key to **sustainability is balancing** the three factors
- **ESG** is a metric that is used to evaluate the performances in specific areas based on environmental, social and governance

At Betamek Berhad (“Betamek”), we prioritise continuous development in key sustainability areas for our company, stakeholders and communities. We actively review and update our goals and progress in these important areas to align with our company profile, industry norms and stakeholder expectations.

Our goal is to deliver long-term value to stakeholders by ensuring high-quality products are delivered on schedule and balancing profitability with ESG initiatives within the organisation.



Betamek Sustainability Goal

“To become a global leader in sustainable electronics, aligned with ESG goals”

SCOPE & BOUNDARIES

The reporting period for this sustainability statement covers Betamek ESG initiatives from 1 April 2023 to 31 March 2024 (“FYE 2024”). It has been prepared in accordance with Paragraph 30, Appendix 9C of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and is guided by the Environment and Social Reporting Guide. Betamek made its successful debut on the ACE Market of Bursa Securities in 2022, with Betamek Electronics (M) Sdn Bhd (“BESB”) serving as its wholly-owned subsidiary. Additionally, Betamek’s inaugural non-financial statement was included in the previous Annual Report.

AUDIT AND ASSURANCE

We are committed to enhancing our data collection processes within the Betamek and its subsidiaries (“Betamek Group” or “the Group”) to ensure the accuracy and reliability of our sustainability data. Betamek Group will engage external assurance in seeking an independent evaluation of the performance data published, from the subsequent financial year onwards, as we have just officially started to capture sustainability key performance data in FYE 2024. The contents of this statement have been compiled and prepared by the sustainability team, with the support of the ESG Committee, and subsequent review, revision and approval have been obtained through top management and Board of Directors (“BOD”).

CORPORATE GOVERNANCE STRUCTURE

A robust sustainability governance and leadership structure is vital to spearhead our sustainability agenda and provide clear and definitive guidance to achieve our company objectives.

At Betamek, we have established a sustainability governance structure to identify, evaluate and manage significant risks and opportunities related to economic, environmental and social domains. This structure incorporates well-defined roles and responsibilities, regular reporting and review frameworks and stakeholder interaction. We foster awareness of sustainability efforts throughout our organization, enabling us to identify opportunities for improvement and attain our sustainability objectives by integrating sustainability into our decision-making processes.

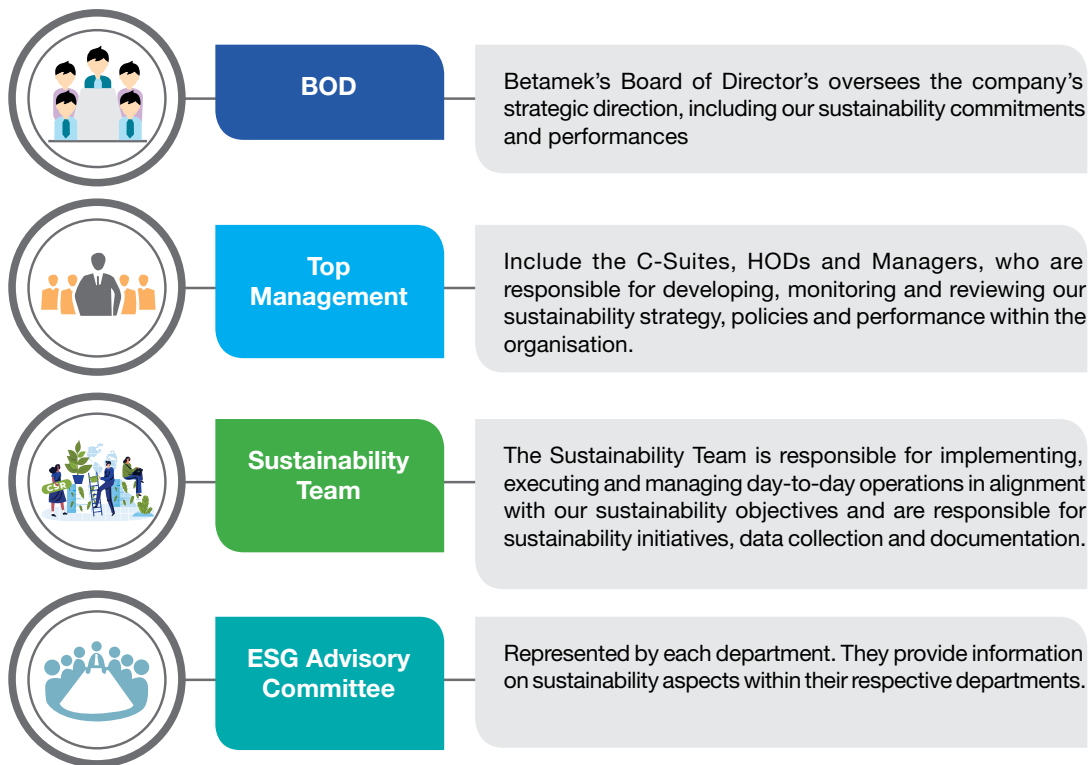
Sustainability Statement

Corporate Governance Structure (Cont'd)

We undertake various measures to embed sustainable business practices into our day-to-day operations progressively. Betamek has the following governance structure in place, particularly to manage and monitor environmental and social matters.



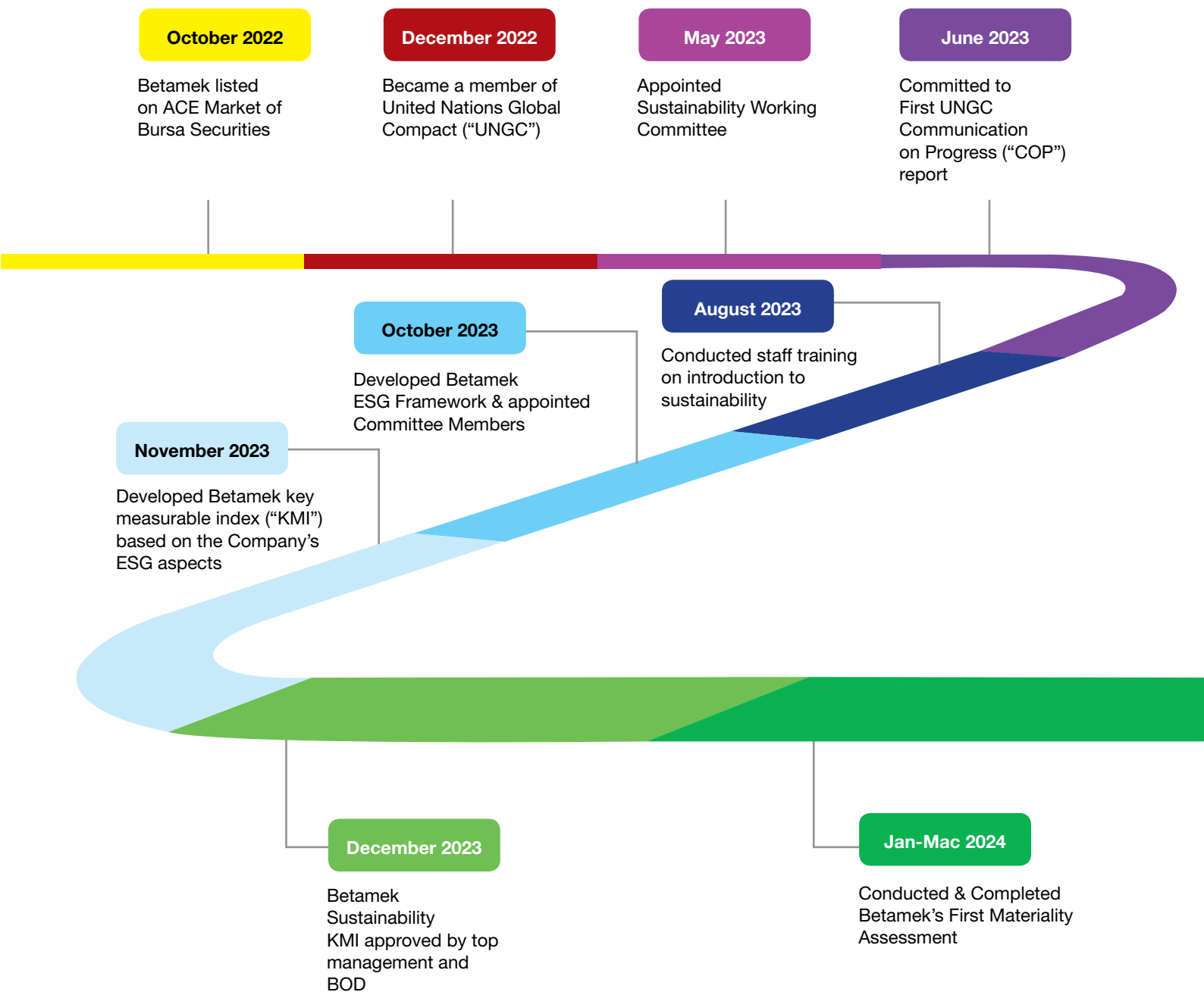
Roles and Responsibility of Betamek's Corporate Governance



Sustainability Statement

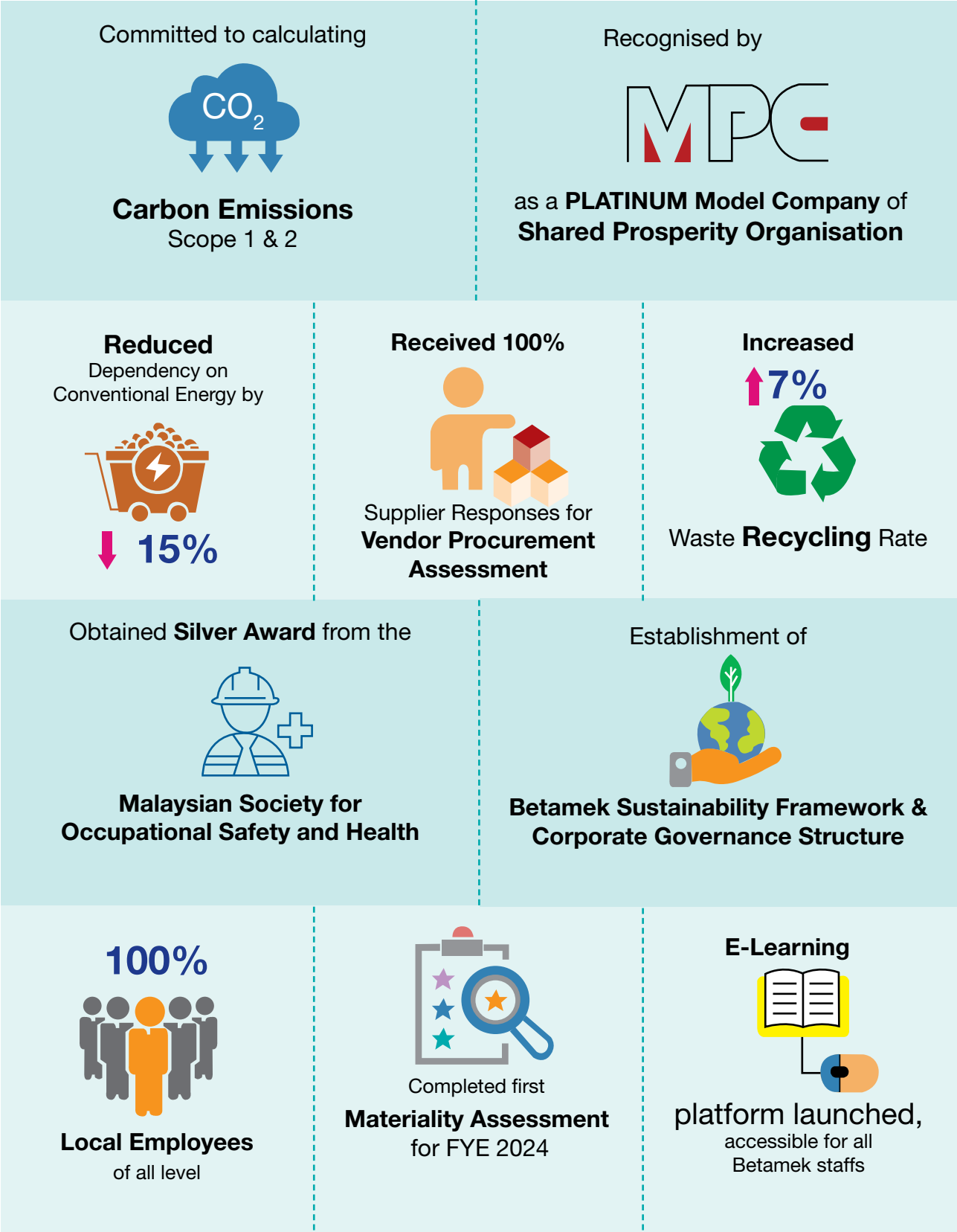
SUSTAINABILITY JOURNEY AND COMMITMENTS

Sustainability is an ongoing journey at Betamek. Betamek prioritises continuous improvement by regularly reviewing and updating practices, technologies and goals to align with evolving environmental priorities and regulations. Through embedding sustainability into each facet of our manufacturing process, we aim to minimise our environmental impact, mitigate risks and play our part in fostering a sustainable tomorrow. The diagram below shows Betamek's journey in sustainability, encompassing various stages and considerations related to the organisation's ESG development.



Sustainability Statement

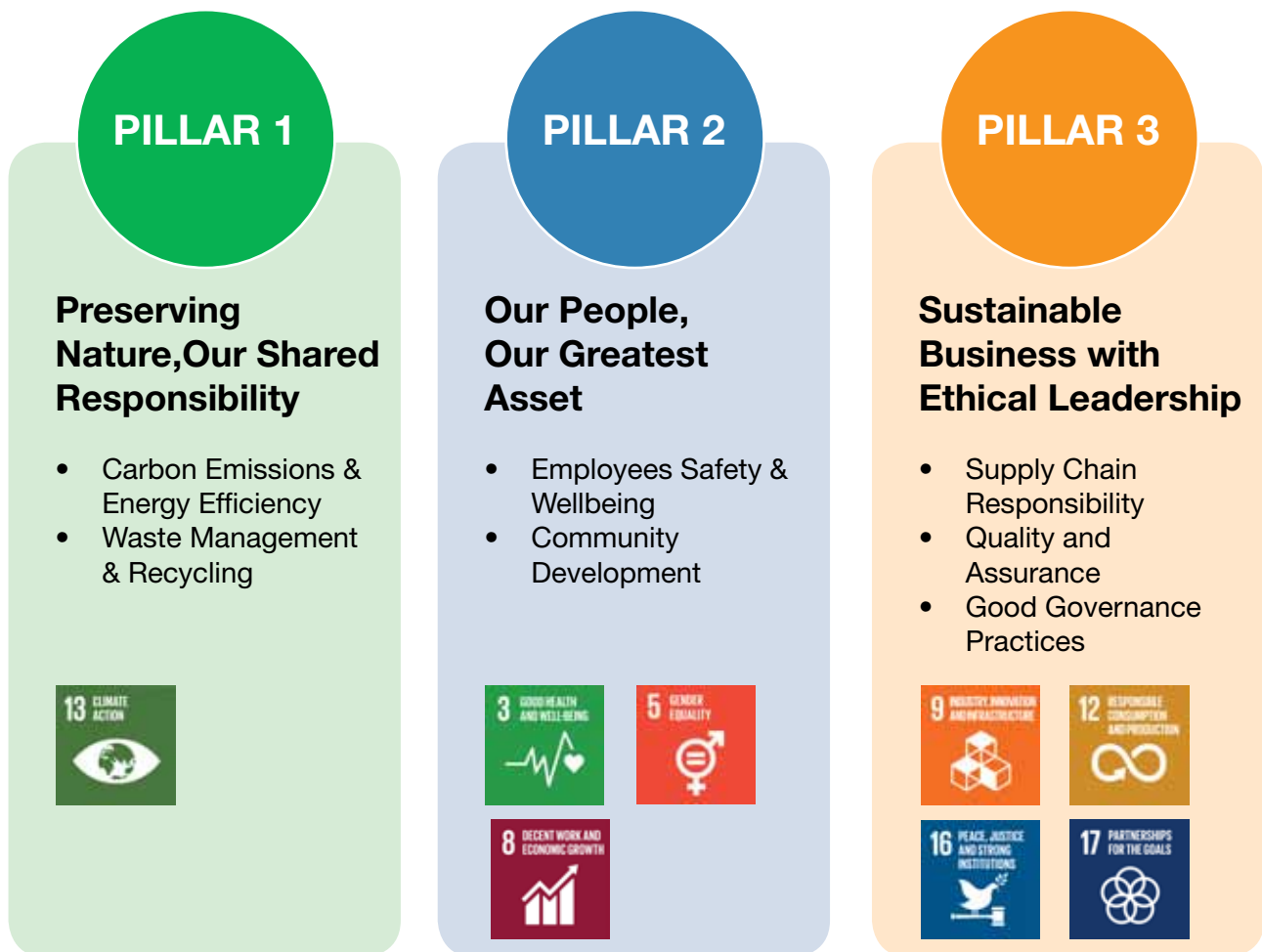
KEY DELIVERABLE HIGHLIGHTS 2023



Sustainability Statement

BETAMEK'S SUSTAINABILITY PILLARS & MATTERS

Betamek's commitment to sustainability revolves around three core pillars: "Preserving Nature, Our Shared Responsibility", "Our People, Our Greatest Asset" and "Sustainable Business with Ethical Leadership", each embodying our fundamental values. Each of these sustainability pillars is intricately aligned with the United Nations Sustainable Development Goals ("UNSDGs"), reinforcing our global commitment to address social, environmental and economic challenges. Through our concerted efforts across these pillars, we strive to make a positive impact driving meaningful progress towards a more sustainable and equitable future.































ENGAGING BETAMEK'S STAKEHOLDER

In our ongoing commitment to sustainability at Betamek, fostering active engagement with stakeholders is foundational to our approach. By actively involving stakeholders, we aim to create shared value, drive innovation and ensure enduring sustainability. We recognize the importance of engaging with all relevant parties to strengthen our enterprise and make meaningful contributions to societal well-being and environmental preservation.

Our stakeholder engagement process begins with thorough mapping to identify and understand the diverse range of stakeholders involved in our operations. This initial step is vital as it enables us to identify their needs, expectations and concerns. Through this mapping process shown below, we delineate focus areas, determine appropriate engagement platforms and select effective communication tools. This comprehensive understanding serves as the foundation for crafting tailored strategies that resonate with each stakeholder group.








Sustainability Statement

Engaging Betamek's Stakeholder (Cont'd)

Stakeholder	Focus Area	Platform/tools
Customers	    	<ul style="list-style-type: none"> Monthly survey engagements and submissions Implementing effective solutions for future automotive infotainment systems Monitor project advancement Business strategy review and optimisation Financial performance monitoring and optimisation
Suppliers & Vendors	    	<ul style="list-style-type: none"> Strategic expansion & supplier relations Knowledge transfer, quality assurance and continuous improvement Logistics optimisation, payment efficiency and enterprise resource planning ("ERP") integration Hardware, personal protective equipment ("PPE") management and integration of mobile network operator and cloud
Employees	     	<ul style="list-style-type: none"> Visitor safety and presentation standards Market segmentation and profit maximization strategies Production "Morning Briefing" Multimedia development for enhanced vehicle features
Regulators and Government	   	<ul style="list-style-type: none"> Exploring opportunities for government support in facilitating cross-border business expansion Regulatory compliance and governance oversight Financial management and transactional optimisation Advancing smart microcontroller technology
Board of Directors	 	<ul style="list-style-type: none"> Identifying and cultivating future business prospects for sustainable growth Implementing effective compensation management strategies to ensure fair remuneration and employee retention
Local Communities		<ul style="list-style-type: none"> Support community engagement and social responsibility
Media		<ul style="list-style-type: none"> Reviewing process reports from job advertisement platforms
Business Partners	 	<ul style="list-style-type: none"> Ensuring visitor safety with proper PPE Targeted market strategies for optimisation Transparent information sharing for visitors Innovative multimedia features for vehicles
Investors Shareholders	 	<ul style="list-style-type: none"> Exploring business expansion and networking opportunities at industry exhibitions Streamline financial processes

Sustainability Statement

Engaging Betamek's Stakeholder (Cont'd)

Stakeholder	Focus Area	Platform/tools
Industry Association	  	<ul style="list-style-type: none"> Exploring business expansion and networking at exhibitions Implementing internship programs for undergraduate development Streamlining financial processes for efficiency Facilitating transparent information sharing for visitors Cultivating donations to support community engagement
NGO		<ul style="list-style-type: none"> Collaborating with occupational safety and health authorities to stay updated on regulations and best practices
Contractors	  	<ul style="list-style-type: none"> Logistics and facility maintenance Financial transactions and customer complaints Production optimization and equipment maintenance

Legend

	Corporate Growth & Business Strategy		Innovation & Product Development
	Product & Quality Assurance Management		Regulatory & Compliance
	Financial Management		Social Responsibility Outreach
	Knowledge Sharing		

Following this mapping exercise, we conducted a stakeholder prioritisation survey involving representatives from every department. Through this survey, we identified the top three stakeholders with the highest impact and influence on our organization: our employees, our suppliers/vendors and our customers. Recognising the significance of these stakeholders, we subsequently tailored a sustainability survey to address their specific concerns and priorities.

By incorporating their voices into our sustainability initiatives, we ensure that our efforts are responsive to their needs and expectations, ultimately driving greater value for both our organisation and society as a whole.

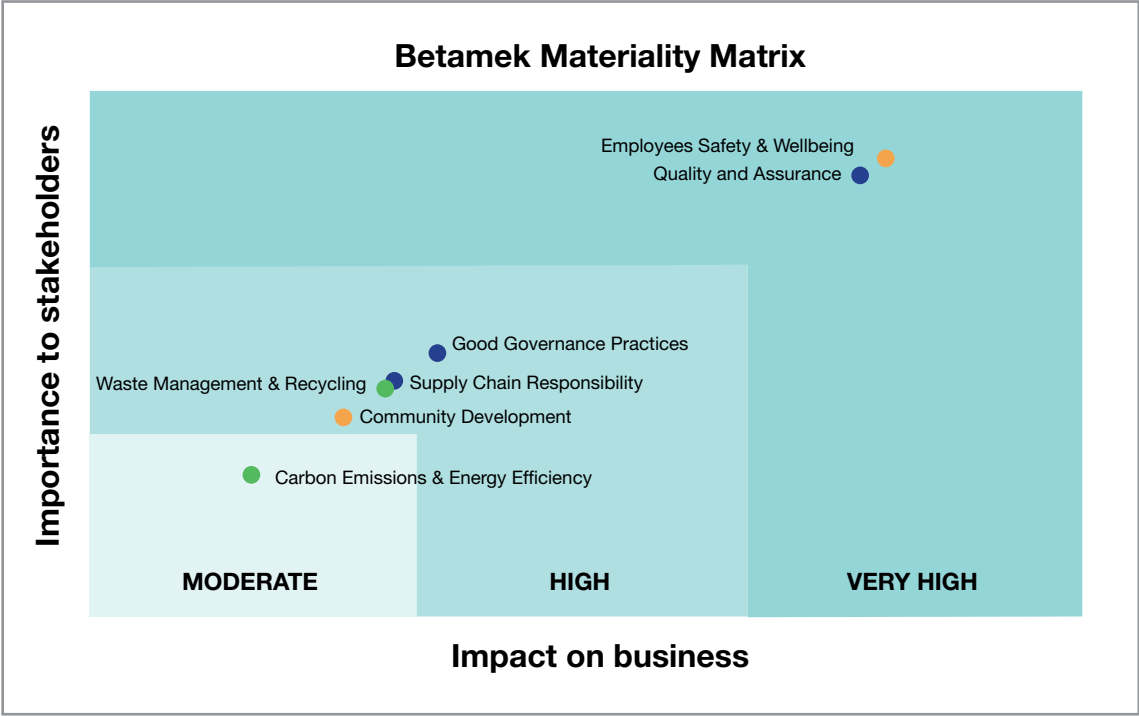
WHAT IS MATERIAL TO BETAMEK

In FYE 2024, we enhanced our sustainability practices by crafting a comprehensive materiality matrix. This matrix serves as a tool to identify and prioritize sustainability concerns that hold significance for our stakeholders. By integrating ESG considerations into our decision-making processes, we aim to align our strategic direction with the values and expectations of our stakeholders.

During the materiality assessment, we engaged with the top three stakeholders: employees, suppliers/vendors and customers, receiving a total of 381 responses. Through this effort, we gained valuable insights into the sustainability landscape, enabling us to prioritise issues into three distinct quadrants based on importance and impact. Refer to the Materiality Matrix below.

Sustainability Statement

What is Material to Betamek (Cont'd)



Legend

- Pillar 1: Preserving Nature, Our Shared Responsibility
- Pillar 2: Our People, Our Greatest Asset
- Pillar 3: Sustainable Business with Ethical Leadership

Sustainability Statement



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PILLAR 1: PRESERVING NATURE, OUR SHARED RESPONSIBILITY

Our Environmental Management Approach

Betamek places paramount emphasis on its environmental responsibilities, focusing on enhancing and compliance with all pertinent environmental, legal and regulatory standards. Our commitment to environmental compliance is underscored by our zero-tolerance policy for violations, through monitoring and assessment on an annual basis. Notably, during FYE 2024 Betamek experienced no significant instances of non-compliance with regulatory authorities.

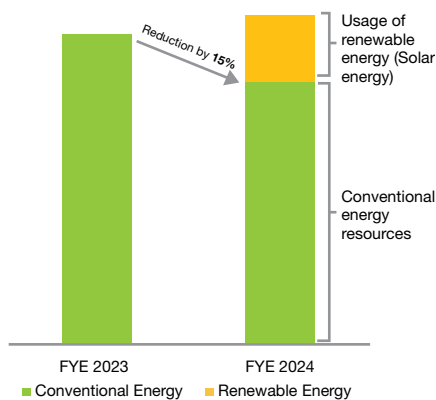
Furthermore, BESB is a certified ISO 14001:2015 (Environmental Management System) company, a testament to our commitment to continuously monitor and enhance environmental performance across our operations and supply chain. This certification reflects Betamek's proactive approach towards environmental stewardship and sustainability.

Our Environmental Policy serves as a guiding framework, diligently implemented by the Health, Safety & Environment ("HSE") Committee to ensure compliance with Environmental, Health and Safety ("EHS") standards, as well as matters related to ISO 14001 certification. Each year, Betamek conducts a thorough Environmental Aspect and Impact Assessment, in line with ISO 14001 standards, to identify and mitigate potential environmental risks and impacts.

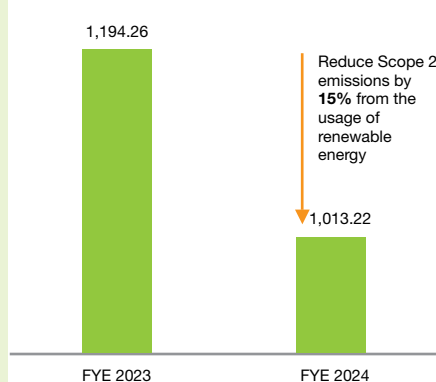
Efficient Energy Management

FYE 2024 ENERGY MANAGEMENT PERFORMANCE


Total Electricity Consumption (kWh)




Total Scope 2 Emissions (tCO₂e)



328,164 kWh 
of renewable energy was generated since September 2023

46,880 kWh 
of renewable energy are generated in average each month

↓ 15.2% 
of emissions from purchased electricity were reduced from previous reporting year by shifting towards consuming more renewable energy sources.

The Group remains unwavering in its dedication to prudent electricity consumption management during production activities, consistently striving to maintain sustainable levels. Building upon our milestone achievement in September 2023, where significant strides were made with the installation of solar energy systems to reduce reliance on coal-fired sources and mitigate indirect greenhouse gas ("GHG") emissions.

Sustainability Statement

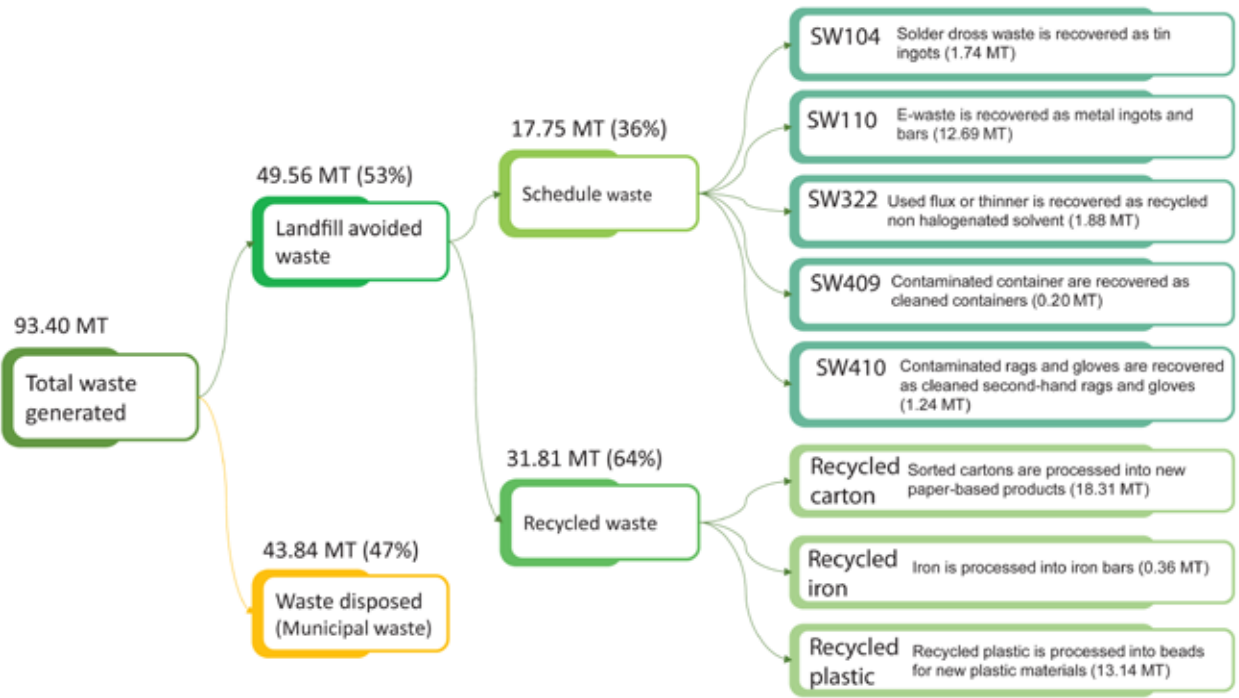
Efficient Energy Management (Cont'd)

In tandem with these achievements, the Group is intensifying its efforts in energy management, alongside the continued ongoing initiatives. These combined efforts epitomize our proactive stance towards environmental stewardship and exemplify our enduring commitment to reducing our carbon footprint while promoting sustainable business practices.



Responsible Waste Management

Strategic waste management serves as a cornerstone for mitigating the environmental repercussions resulting in landfill waste. Throughout FYE 2024, Betamek is committed to managing landfill-avoided waste, which includes scheduled and recyclable municipal waste streams.



Betamek Berhad oversees the management of five categories of scheduled waste: SW104, SW110, SW322, SW409 and SW410. Our commitment to sustainability extends to comprehensive internal training programs provided to Betamek employees. These initiatives ensure that our staff are well-versed in identifying the sources of scheduled waste within our manufacturing processes and are equipped with the necessary knowledge to handle and dispose of these materials responsibly. Furthermore, Betamek also implements initiatives to segregate recyclable materials such as cartons, plastics and metal waste. Once separated, these recyclables are directed to dedicated areas for collection by recycling vendors. Even in selecting our recycling vendors, Betamek emphasizes responsible waste management practices throughout the downstream lifecycle to ensure that our partners adhere to environmental stewardship, promoting a circular economy and minimizing our ecological footprint.

Sustainability Statement

Responsible Waste Management (Cont'd)



Waste management training



Waste segregation activity in Betamek



Recycling vendors process waste into new products for downstream use



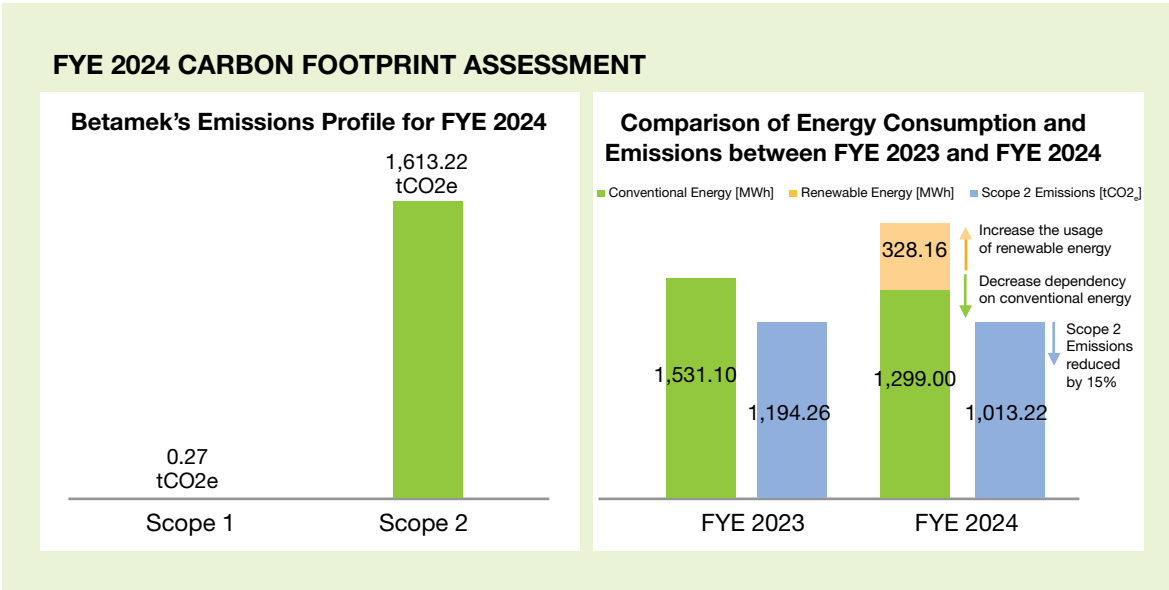
Waste collection by recycling vendors

Sustainability Statement

Carbon Management Strategy

Recognizing the urgency of addressing climate change as a global issue, Betamek initiated its carbon management strategy in January 2024. The first phase involved thorough data collection, targeting both direct emissions from sources owned or controlled by the company and indirect emissions arising from purchased electricity.

As we complete this round of reporting, our calculations are based on these available datasets, reflecting our commitment to transparency and accountability in sustainability disclosure. This preliminary analysis serves as an important initial step towards understanding the environmental footprint of Betamek’s manufacturing operations. Recognising that some data might still be incomplete due to time constraints, this assessment lays the groundwork for comprehensive carbon management strategies aimed at minimizing our ecological impact and fostering sustainable practices throughout our operations.



Looking ahead, we expect to finalise data collection in the coming year to complete our carbon footprint analysis. Furthermore, we are committed to transparency and accountability and will engage a third-party verifier to validate our data and calculations, bolstering the integrity of our sustainability endeavours.



Strategic Approach: Betamek is dedicated to enhancing energy efficiency and optimizing waste management systems to promote positive environmental outcomes. Additionally, we are committed to conducting a comprehensive annual carbon footprint assessment in the coming year, furthering our commitment to sustainability and environmental stewardship.

Sustainability Statement

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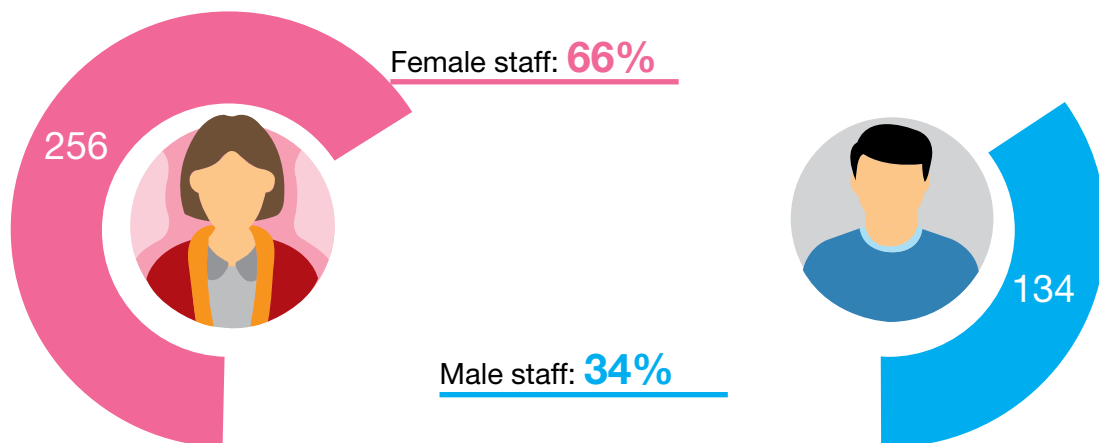
GOVERNANCE

PILLAR 2: OUR PEOPLE, OUR GREATEST ASSET

Employee Compensation and Benefits

At Betamek, we ensure that compensation paid to our employees complies with all applicable wage laws including minimum wages, overtime hours and legally mandated benefits. Betamek has adopted workplace policies that recognise the need to offer attractive salaries and benefits to attract and retain top talents. Our compensation structure is based on market data and industry best practices. Additionally, our Remuneration Framework aligns employee performance with the Company's overall objectives, providing a fair and transparent system that rewards contributions to the Company's success.

Betamek employs 390 staff members, with females comprising 66% of our workforce and males 34% as shown in the chart below. As we continue to uphold our principles of diversity, equity and inclusion, we remain dedicated to providing equal opportunities for professional growth, advancement and success for all employees, irrespective of gender.



We believe that fostering a healthy work-life balance is essential for the well-being and happiness of our employees. By offering a range of sports activities and external events, we demonstrate our commitment to supporting work-life balance and creating a positive, inclusive and supportive workplace culture. At Betamek, we understand that happy and fulfilled employees are more engaged, motivated and productive, and we are dedicated to providing them with the resources and opportunities they need to thrive professionally and personally.



Betamek sports activities: futsal (left), football-friendly match (right)

Sustainability Statement

Employee Compensation and Benefits (Cont'd)

Our sports activities include badminton, futsal and football, which offer employees a chance to unwind, stay active and bond with colleagues in a fun and competitive setting. Whether it is a friendly match after work or a weekend tournament, these activities promote teamwork, camaraderie and physical well-being among our staff.

In addition to sports, Betamek also organises other external activities such as fully sponsored company trips and annual dinners. These events provide opportunities for our employees to relax, rejuvenate and create lasting memories with their coworkers outside of the office environment. Whether it is exploring new destinations together, enjoying delicious meals or participating in exciting team-building activities, our company trips and annual dinners are designed to strengthen bonds, foster connections and celebrate our shared achievements.

Moreover, we embrace a tradition of conducting a morning workout, known as “Taisho”. Taisho refers to a daily exercise activity commonly practised in Japanese workplaces. At Betamek, we embrace the Taisho activity as a valuable ritual that fosters team cohesion, communication, alignment and signals every worker’s readiness and fitness to start work.



Other benefits that our employees enjoy include:



Free meals including breakfast & lunch



Standard working hours



Group Hospitalisation Insurance



Performance-based incentives and bonuses



Opportunities for professional development and training



Competitive salary and compensation packages



Rewards and incentives such as AEON voucher, food and etc

Sustainability Statement

Betamek Occupational Safety and Health

As an organisation that is involved in electronics, the health and safety of our employees, contractors and visitors are our top priorities. We continuously enhance our safety processes and procedures to uphold the highest standards of health and safety throughout our operations.

Betamek prioritizes employee safety and well-being through a structured health and safety framework, guided by the Malaysian Occupational Safety and Health Act (“OSHA”) 1994. Betamek has a Safety Committee, consisting of management and employees, to ensure safety procedures are properly adhered to. Any HSE incidents are investigated and remedial actions are taken to prevent recurrence. We organise regular training programs and maintain ongoing communication to keep everyone updated on safety protocols. In recognition of our performance, Betamek received the Silver Award from the Malaysian Society for Occupational Safety and Health (“MSOSH”) in November 2023.



Betamek received the MSOSH Silver Award 2023

We are committed to creating a positive and safe work environment while also instilling a culture of health and safety awareness throughout all aspects of our business. By doing so, we not only reduce risks and liabilities, but also increase employee satisfaction and productivity, boosting our Group’s long-term viability. As a result, Betamek has a perfect safety record in FYE 2023 and FYE 2024 with ZERO workplace incidents or injuries reported.

Health & Safety Incidents	FYE 2023	FYE 2024
Fatality/ illness	–	–
Minor Injury	–	–
Major Injury	–	–

Dojo Training

Our employees are the backbone of our organisation and their skills and knowledge are crucial in achieving our goals. We promote social sustainability through comprehensive training and development initiatives for all employees.

At Betamek, our internal trainers, known as the Dojo team are integral to our training system. The Dojo training system serves as a cornerstone of our commitment to social sustainability, providing a comprehensive cultural mindset and practical training to all employees. Betamek’s Human Resource (“HR”) Department has policies and procedures for all employees, regardless of their level, to complete a minimum of 16 hours of training annually, demonstrating our commitment to continuous learning and development across the organisation.

In September 2023, Betamek achieved a significant milestone by launching an e-learning platform, developed in-house by the HR and Dojo teams. The e-learning platform offers a wide range of modules from culture and mindset, technical skills and leadership development, to policies and compliance training. One of its key features is the user-friendly interface and intuitive navigation, making it easy for employees to access from their desktop computers or mobile devices anytime, anywhere.



The e-learning platform that can be accessed through desktop and mobile phone by all Betamek staffs

Sustainability Statement

Community Social Responsibility and Contribution

Our values and principles guide our selection and implementation of community development programmes that contribute to the well-being of our employees and the communities where we operate.



We are proud to share that Betamek recently made a meaningful contribution to our local community by donating food items to a nearby orphanage “Rumah Anak Yatim dan Asnaf” at Rawang, Selangor. As a company deeply committed to social responsibility and community engagement, we recognize the importance of supporting those in need and giving back to the communities that support us. By providing financial support, resources and assistance to the orphanage, we aim to help create a nurturing and supportive environment where children can thrive, grow and fulfil their potential.



To commemorate the month of Ramadhan, Betamek contributed a box of dates for all employees. This gesture not only acknowledges and respects the religious and cultural practices of those observing fasting but also ensures that employees have a nutritious and energy-boosting snack to break their fast with.

Sustainability Statement

Community Social Responsibility and Contribution (Cont'd)



Additionally, Betamek Berhad sponsored the “Malaysian Open Lawn Tennis” tournament. This sponsorship reflects our dedication to supporting sports and recreational activities that promote physical well-being, teamwork and community engagement.



Strategic Approach: Betamek aims to implement various Community Social Responsibility initiatives focusing on environmental concerns, within the organisation and in the broader community. This includes encouraging employee participation in volunteer activities and enhancing their learning and development through digital platforms.

Sustainability Statement

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PILLAR 3: SUSTAINABLE BUSINESS WITH ETHICAL LEADERSHIP

At Betamek, corporate governance is central to our operations and is a fundamental pillar of our organisational culture. Effective governance is essential for maintaining trust, integrity and accountability within our organisation and with all stakeholders. Our commitment to corporate governance extends across all the various areas of our operations, including quality assurance, supply chain responsibility and adherence to governance policies.

Quality Assurance



Quality assurance is a fundamental aspect of our corporate governance framework. We are dedicated to delivering products and services of the highest quality to our customers and this commitment begins with rigorous quality assurance processes based on IATF 16949:2016 Quality Management Systems (“QMS”). From product development to manufacturing and distribution, we adhere to strict quality standards and procedures to ensure our offerings meet customer expectations, especially for the automotive industry. Our quality assurance protocols are regularly reviewed and updated to reflect industry best practices and audited annually by an external third-party certification body.

Supply Chain Responsibility

We recognize the importance of responsible and ethical practices throughout our supply chain. As part of our corporate governance efforts, we emphasise supply chain responsibility by partnering with suppliers who share our commitment to social and environmental sustainability. We conduct thorough surveys and audits to assess the ethical, environmental and labour practices of our suppliers, ensuring compliance with relevant regulations and industry standards. Through ongoing engagement and collaboration with our supply chain partners, we strive to promote fair labour practices, protect human rights and minimize environmental impact across our supply chain.

Sustainability Statement

Governance Policies

Betamek adheres to a comprehensive set of policies designed to uphold ethical standards, transparency and accountability in all aspects of our business. These policies cover a wide range of areas including financial reporting, anti-bribery and integrity, whistleblowing, risk management, data privacy and corporate social responsibility. We regularly review and update our corporate governance policies to align with regulatory requirements, industry standards and emerging best practices.

Betamek conducts comprehensive induction training to equip new hires with essential skills and uphold company values. The training courses additionally cover key topics in corporate governance procedures such as anti-bribery and corruption, code of conduct, cybersecurity and whistleblower policies. Existing staff will receive refresher training from time to time.



Strategic Approach: Promote ethical leadership at all levels of the organization by setting a tone of integrity, fairness and responsibility. Betamek focuses on providing training and support to empower employees to make ethical decisions.

THE UNITED NATIONS GLOBAL COMPACT

Betamek signed the United Nations Global Compact in 2022 and expressed its support for the UNGC's ten principles addressing human rights, labour, the environment and anti-corruption as shown in the table below. We actively work with our stakeholders to uphold these principles through participation in the United Nations Global Compact Network of Malaysia & Brunei. As a member company, our practices uphold international standards for human rights, labour, the environment and the prevention of corruption.



United Nations
Global Compact



Human Rights

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights
- **Principle 2:** Make sure that they are not complicit in human rights abuses



Labour

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- **Principle 4:** The elimination of all forms of forced and compulsory labour
- **Principle 5:** The effective abolition of child labour
- **Principle 6:** The elimination of discrimination in respect of employment and occupation



Environment

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges
- **Principle 8:** Undertake initiatives to promote greater environmental responsibility
- **Principle 9:** Encourage the development and diffusion of environmentally friendly technologies



Anti-Corruption

- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery

Sustainability Statement

SUSTAINABILITY SHARED PROSPERITY ORGANISATION ASSESSMENT (“SSPOA”)



The team involved in the SSPOA Audit

In December 2023, Betamek underwent an SSPOA audit by the Malaysia Productivity Corporation (“MPC”). This assessment evaluated our organisation’s sustainability and commitment to shared prosperity by examining various aspects of our operations, policies and impact on stakeholders and the environment. The key elements of the assessment are based on the 5P’s: People, Planet, Product, Process and Prosperity.

Based on its evaluation, MPC recognised Betamek as a Model Company of Shared Prosperity Organization and recently has been awarded the prestigious Platinum Award. This accolade was given in recognition of Betamek’s outstanding performance in the SSPOA. This award reflects Betamek’s commitment to fostering a sustainable business model focusing on profitability, environmental stewardship and positive societal impact.



Trophy and certificate of recognition for achieving platinum award

STRATEGIC LONG-TERM PLANS FOR IMPROVEMENT

We have established the Betamek sustainability framework and measurable performance indices in key areas of our three pillars to guide our efforts and monitor progress effectively. We have conducted detailed trend and peer benchmarking to identify remaining gaps and guide decisions on where to focus our activity and attention. We seek to accelerate our sustainability journey by implementing good governance, strengthening reporting, monitoring and elevating ESG efforts across 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 subsidiaries (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 2024 (“**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 2024 (“**FYE 2024**”).

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) Reviewing 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 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 Independent Non-Executive Chairman of the Company is En Ahmad Subri Bin Abdullah, 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

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	74	Male
2. Mirzan Bin Mahathir	Managing Director	65	Male
3. Muhammad Fauzi Bin Abd Ghani	Executive Director	62	Male
4. Azlina Binti Abdul Aziz	Independent Non-Executive Director	62	Female
5. Yap Suan See	Independent Non-Executive Director	57	Female
6. Mohd Shahrman Bin Mohd Sidek	Independent Non-Executive Director	60	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 Mohd Shahrman Bin Mohd Sidek and Madam Yap Suan See 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) years must resign or be redesignated 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 Board has adopted a Directors' Fit and Proper Policy which sets out the approach, guidelines and procedures to ensure that a formal, rigorous and transparent process is adhered to for the appointment, re-appointment and/or re-election of the Directors of the Group. The said policy is available on the Company's corporate website.

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 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 Shahrman 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 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 Shahrman 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 in the FYE 2024:-

- Performance of Executive Directors;
- Performance of Non-Executive Directors;
- Independence of the Independent Directors; and
- Performance of the ARMC.

Based on the evaluations conducted in the FYE 2024, 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 five (5) times and the attendance record of each of the Board members is tabulated as follows:-

Directors	Attendance					
	25 May 2023	20 July 2023	23 November 2023	24 January 2024	21 March 2024	Total
Ahmad Subri Bin Abdullah (Independent Non-Executive Chairman)	✓	✓	✓	–	✓	4/5
Mirzan Bin Mahathir (Managing Director)	✓	✓	✓	✓	–	4/5
Muhammad Fauzi Bin Abd Ghani (Executive Director)	✓	✓	✓	✓	✓	5/5
Azlina Binti Abdul Aziz (Independent Non-Executive Director)	✓	✓	✓	✓	✓	5/5
Yap Suan See (Independent Non-Executive Director)	✓	✓	✓	✓	✓	5/5
Mohd Shahrman Bin Mohd Sidek (Independent Non-Executive Director)	✓	✓	✓	✓	✓	5/5

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

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.

The training programmes and seminars attended by the Directors during the FYE 2024 are as follows:-

Name of Director	Date	Organiser	Title of Training programmes/ Seminars
Ahmad Subri Bin Abdullah	18 May 2023	BNM	Sharing on Suspicious Transaction Reporting -General session with Capital Market Sector
	23 May 2023	FIDE Forum	MetaFinance: The Next Frontier of Global Economy
	7 - 9 Jun 2023	InsureTech Connect Asia	The Future of Insurance is Here
	30 Aug 2023	Malaysian Institute of Management	Enhancing Governance Excellence
Mirzan Bin Mahathir	28 - 29 Feb 2024	Institute of Corporate Directors Malaysia ("ICDM")	MAP Part II : Leading for Impact
Muhammad Fauzi Bin Abd Ghani	24 Oct 2023	Tricor Taxand	2024 Malaysian Budget
Azlina Binti Abdul Aziz	4 - 5 Mar 2024	ICDM	MAP Part II : Leading for Impact
Yap Suan See	26 - 27 Feb 2024	ICDM	MAP Part II : Leading for Impact
Mohd Shahrman Bin Mohd Sidek	28 - 29 Feb 2024	ICDM	MAP Part II : Leading for Impact

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 Group'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 Third ("3rd") AGM for Directors' fees and benefits payable to the Directors for the period from 28 August 2024 until the next AGM of the Company in 2025.

The details of the Directors' remuneration of the Company and the Group on the named basis for the FYE 2024 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 2024 on an unnamed basis in bands of RM50,000 as follows:-

Remuneration Band	No. of Key Senior Management
RM 501,000 – RM 550,000	1
RM 451,000 – RM 500,000	1
RM 301,000 – RM 350,000	1
RM 200,000 – RM 250,000	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 Auditors

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 ARMC

The ARMC 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 Shahrman 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 2024 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 Second ("2nd") AGM of the Company was issued on 25 July 2023, providing shareholders with at least twenty-eight (28) days' notice before the 2nd AGM scheduled for 24 August 2023. This timeline ensures that shareholders were given sufficient time to read, consider the resolutions to be resolved and prepare themselves to attend the AGM or to appoint a proxy to attend and vote on their behalf.

The Company's 2nd AGM held on 24 August 2023 was held physically at Nice Banquet Hall, No 6, Jalan BJ 1, Taman Belmas Johan, 48000 Rawang, Selangor Darul Ehsan, Malaysia.

In line with the AMLR of Bursa Securities, all resolutions set out in the Notice of the 2nd AGM were voted by poll. The Company also appointed an independent scrutineer, SKY Corporate Services Sdn Bhd, to validate the votes cast before the poll results is announced by the Chairman of the meeting.

The minutes of the 2nd AGM detailing the meeting proceedings were published on the Company's corporate website within thirty (30) business days after the conclusion of the 2nd AGM.

8.2 Effective Communication and Proactive Engagement

All Directors will be attending the 3rd 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 3rd 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 3rd AGM and meaningful engagement with the shareholders. The Minutes of the 3rd 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 2024. 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 25 July 2024.

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 2024.

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 ARMC also reviews related party transactions and conflict of interest situations that may arise within the Group.

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 Requirements (“**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 AT MEETINGS

The members of ARMC and their attendance of each at the ARMC meetings during the financial year ended 31 March 2024 (“**FYE 2024**”) are tabulated as follows:-

ARMC Members	Designation	Attendance				Total
		25 May 2023	20 July 2023	23 November 2023	24 January 2024	
Azlina Binti Abdul Aziz (Chairperson of ARMC)	Independent Non-Executive Director	✓	✓	✓	✓	4/4
Yap Suan See	Independent Non-Executive Director	✓	✓	✓	✓	4/4
Mohd Shahrman Bin Mohd Sidek	Independent Non-Executive Director	✓	✓	✓	✓	4/4
Total Attendance		3/3	3/3	3/3	3/3	

Audit And Risk Management Committee Report

SUMMARY OF WORKS UNDERTAKEN BY 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 2024, amongst others, included the following:-

- I. 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;
- II. 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 2024 before the audit commenced to ensure that the scope of the external audit is comprehensive;
- III. 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;
- IV. Assessed the performance of external auditors and recommended to the Board for re-appointment;
- V. Reviewed the Statement on Risk Management and Internal Control together with the internal auditors and external auditors and received assurance from both Managing Director and Chief Financial Officer of the Company that the Group's risk management and internal control systems were operating adequately and effectively in all material aspects before recommending the said Statement to the Board for its approval;
- VI. Reviewed and recommended the draft ARMC Report to the Board for approval and inclusion in the Company's Annual Report 2023;
- VII. Reviewed the related party transactions, if any, entered into by the Group;
- VIII. 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; and
- IX. Reviewed and monitored all conflict of interest ("COI") situations within the Group. The COI review was extended to encompass Directors and Key Senior Management within the Group. There were no COI nor potential COI reported in FYE 2024.

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 2024, the Internal Auditors conducted audits on the operations, management and financial systems of the Group. The results of the internal audit reviews 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 subsidiaries (“**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 2024 (“**FYE 2024**”). This has been prepared in accordance with Rule 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 2024, 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 emphasized 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 2024, two (2) internal audit reviews had been carried out by the Internal Auditors: -

Reporting Month	Name of Entity Audited	Audited areas	Fee
June 2023	Betamek Electronics (M) Sdn Bhd	1. Research and Development 2. Management Information System	RM12,000
December 2023	Betamek Electronics (M) Sdn Bhd	1. Production 2. Safety, Health and Environment	RM12,000

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 25 July 2024.

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 2024 (“**FYE 2024**”).

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 Senior 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 Shahrman Bin Mohd Sidek	Member	Independent Non-Executive Director

ATTENDANCE OF MEETINGS

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

NRC Members	Designation	Attendance		Total
		25 May 2023	20 July 2023	
Yap Suan See (Chairperson of NRC)	Independent Non-Executive Director	✓	✓	2/2
Azlina Binti Abdul Aziz	Independent Non-Executive Director	✓	✓	2/2
Mohd Shahrman Bin Mohd Sidek	Independent Non-Executive Director	✓	✓	2/2
Total Attendance		3/3	3/3	

Nomination And Remuneration Committee Report

SUMMARY OF WORKS OF THE NOMINATION AND REMUNERATION COMMITTEE

The main activities undertaken by the NRC during the FYE 2024 were summarised as follows:-

- (a) Discussed the performance incentive program, compensation and benefit structure;
- (b) Discussed the performance of the key senior management;
- (c) Reviewed the composition of the Board and Board Committees with regards to the mix of skills, independence and diversity in accordance with its policy to ensure compliance;
- (d) Assessed and reviewed the independence and their tenure of service;
- (e) Assessed the effectiveness and performance of the Board, Directors and Board Committees for the FYE 2023. This was carried out through a self-assessment document that was completed by each Director and reviewed by the NRC. Assessment criteria include the following:-
 - Board composition
 - Board process
 - Performance of Board Committees
 - Information provided to the Board
 - Role of the Board in strategy and planning
 - Risk management framework
 - Accountability and standard of conduct of Directors;
- (f) Discussed and recommended the Directors' fees and benefits payable to Non-Executive Directors for the FYE 2023;
- (g) Reviewed and recommended the remuneration package for the Executive Directors of the Company for the FYE 2023;
- (h) Reviewed and assessed on behalf of the Board the training record and needs of each Director to ensure all Directors receive appropriate continuous training programmes;
- (i) Determined the Directors to stand for re-election at the 2023 Annual General Meeting on 24 August 2023 through application of the criteria established in the Directors' Fit and Proper Policy of the Company;
- (j) Reviewed the character, experience, integrity and competence of all the Directors, the Managing Director and Chief Financial Officer and assessed their performance in the FYE 2023, paying attention to whether each of the Non-Executive Directors has made available sufficient time to discharge their responsibilities and duties; and
- (k) Reviewed and recommended the draft Report of the NRC to the Board for approval and inclusion in the Company's Annual Report 2023.

The NRC is governed by its TOR, and its primary role is to periodically suggest to the Board that the Chairman, Executive Directors and Key Senior 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.

As in the case of the Executive Directors and key 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.

Nomination And Remuneration Committee Report

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

The resolution on Directors' fees and benefits for the period from 28 August 2024 until the next Annual General Meeting in 2025 is tabled for shareholders' approval at the forthcoming Third Annual General Meeting of the Company. The remuneration of the Company's Directors for the financial year ended 31 March 2024 on the named basis at the levels of the Group and the Company are as follows:-

Group Level								
No.	Name	Directorate	RM'000					Total
			Fee	Salary	Bonus	Benefits-in-kind	Other emoluments	
1	Ahmad Subri Bin Abdullah	Independent Non-Executive Chairman	65	0	0	0	2	67
2	Mirzan Bin Mahathir	Managing Director	0	528	368	15	37	948
3	Muhammad Fauzi Bin Abd Ghani	Executive Director	0	264	368	11	29	672
4	Azlina Binti Abdul Aziz	Independent Non-Executive Director	60	0	0	0	3	63
5	Yap Suan See	Independent Non-Executive Director	60	0	0	0	3	63
6	Mohd Shahrman Bin Mohd Sidek	Independent Non-Executive Director	50	0	0	0	3	53

Company Level								
No.	Name	Directorate	RM'000					Total
			Fee	Salary	Bonus	Benefits-in-kind	Other emoluments	
1	Ahmad Subri Bin Abdullah	Independent Non-Executive Chairman	65	0	0	0	2	67
2	Mirzan Bin Mahathir	Managing Director	0	0	0	0	0	0
3	Muhammad Fauzi Bin Abd Ghani	Executive Director	0	0	0	0	0	0
4	Azlina Binti Abdul Aziz	Independent Non-Executive Director	60	0	0	0	3	63
5	Yap Suan See	Independent Non-Executive Director	60	0	0	0	3	63
6	Mohd Shahrman Bin Mohd Sidek	Independent Non-Executive Director	50	0	0	0	3	53

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS RAISED FROM LISTING EXERCISE

The details of the utilisation of total proceeds raised as at 31 March 2024 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	(2,367)	4,633	Within 36 months
To expand R&D office space, raw material storage and ancillary facilities	6,500	(3,923)	2,577	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	(26,540)	7,210	

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 2024 (“**FYE 2024**”) are as follows:-

Type of fees	Company RM'000	Group RM'000
Audit fees	43,000	121,000
Non-audit fees	80,000	80,000

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

There were no recurrent related party transactions of revenue or trading nature during FYE 2024.

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

There were no material contracts entered into by the Company and its subsidiaries involving the interests of Directors, Chief Executive who is not a Director or major shareholders during the FYE 2024.

CONTRACTS RELATING TO LOANS

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

Additional Compliance Information

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company did not implement any ESOS during the FYE 2024.

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 Malaysia Securities Berhad 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 2024 and of the financial performance and cash flows of the Group for the year then ended and of the Company for the financial year ended 31 March 2024.

During the process of preparing the financial statements for the FYE 2024, the Directors have:-

- (i) applied the appropriate and relevant accounting policies consistently and in accordance with 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 25 July 2024.



FINANCIAL STATEMENTS

BETAMEK BERHAD

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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 2024.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year	20,031,686	14,069,659

DIVIDENDS

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

	RM
<u>In respect of the financial year ended 31 March 2024:-</u>	
Interim single tier dividend of 1 sen per ordinary share, paid on 18 August 2023	4,500,000
Interim single tier dividend of 2 sen per ordinary share, paid on 23 February 2024	9,000,000
	13,500,000

The Directors propose the payment of a final single-tier dividend of 1 sen per ordinary share, amounting to net dividend payment of RM4,500,000 in respect of the current financial year. The proposed final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 March 2025.

RESERVES AND PROVISIONS

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

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:-

Directors of the Company

Mirzan Bin Mahathir
Muhammad Fauzi Bin Abd Ghani
Mohd Shahrman Bin Mohd Sidek
Yap Suan See
Ahmad Subri Bin Abdullah
Azlina Binti Abdul Aziz

Name of subsidiaries

Betamek Electronics (M) Sdn. Bhd.

Betamek Research Sdn. Bhd.

Name of Directors

Mirzan Bin Mahathir
Muhammad Fauzi Bin Abd Ghani

Mirzan Bin Mahathir
Muhammad Fauzi Bin Abd Ghani

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the ordinary shares of the immediate holding company and ultimate holding company of those who were Directors as at the financial year end are as follows:-

	Number of ordinary shares			
	At 1.4.2023	Bought	Sold	At 31.3.2024
The Company				
<u>Direct interests</u>				
Ahmad Subri Bin Abdullah	69,000	–	–	69,000
Muhammad Fauzi Bin Abd Ghani	5,753,300	250,000	–	6,003,300
Azlina Binti Abdul Aziz	69,000	–	–	69,000
Yap Suan See	400,000	–	–	400,000
Mohd Shahrman Bin Mohd Sidek	760,000	–	–	760,000
<u>Deemed interests</u>				
Mirzan Bin Mahathir*	324,112,500	–	(1,000,000)	323,112,500
Holding company				
<u>Direct interests</u>				
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.

En. Mirzan Bin Mahathir, by virtue of his interests in the ordinary shares of Iskandar Holdings Sdn. Bhd., is deemed to have an interest in the shares and/or options over shares of the Company and its subsidiaries to the extent that Iskandar Holdings Sdn. Bhd. has an interest pursuant to Section 8 of the Companies Act 2016 during the financial year.

Other than as disclosed above, none of the Directors in office at the end of the financial year held any direct interest in shares of the Company or its related corporation.

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:-

	Subsidiaries RM	Company RM	Total RM
Directors' fee	–	235,000	235,000
Directors' salaries and other emoluments	1,532,331	11,500	1,543,831
Defined contribution plans	61,123	–	61,123
	1,593,454	246,500	1,839,954
Benefits-in-kind	26,250	–	26,250
	1,619,704	246,500	1,866,204

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

There were no changes in the issue and paid-up capital and no issuance of debentures during the financial year.

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 RM10,000,000 and RM18,560 respectively.

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.

OTHER STATUTORY INFORMATION

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

- 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
- 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.

Directors' Report

OTHER STATUTORY INFORMATION (CONT'D)

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 EVENTS SUBSEQUENT TO THE REPORTING PERIOD

The significant events subsequent to the reporting period are disclosed in Note 32 to the financial statements.

Directors' Report

AUDITORS

The total amount of fee paid to or receivable by the Auditors, Grant Thornton Malaysia PLT, as remuneration for their services as Auditors of the Company and its subsidiaries for the financial year ended 31 March 2024 as follows:

	Group RM	Company RM
Auditors' remuneration:		
- Statutory audit	121,000	43,000
- Assurance-related services	80,000	80,000

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT as permitted under Section 289 of the Companies Act 2016 in Malaysia. No payment has been made to indemnify Grant Thornton Malaysia PLT for the financial year ended 31 March 2024.

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)	
)	
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MUHAMMAD FAUZI BIN ABD GHANI)	

DIRECTORS

Kuala Lumpur
25 July 2024

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 85 to 128 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 2024 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
25 July 2024

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 85 to 128 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provision of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
25 July 2024).....

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 2024 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 material accounting policy information, as set out on pages 85 to 128.

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 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 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 7 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 5 to the financial statements. The Group holds intangible assets with definite useful lives of RM7,666,167 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, IFRS Accounting 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
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

Kuala Lumpur
25 July 2024

FOO LEE MENG
(NO: 03069/07/2025(J))
CHARTERED ACCOUNTANT

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	41,763,587	37,024,352	–	–
Right-of-use assets	4	418,302	203,673	–	–
Intangible assets	5	7,666,167	4,479,995	–	–
Investment in subsidiaries	6	–	–	127,769,000	123,789,000
Total non-current assets		49,848,056	41,708,020	127,769,000	123,789,000
Current assets					
Inventories	7	57,148,572	53,736,330	–	–
Trade receivables	8	13,569,673	21,597,587	–	–
Other receivables	9	10,004,605	3,719,258	79,300	63,833
Other investments	10	1	128,798	–	–
Cash and bank balances, deposits and placements	11	50,764,860	54,967,118	543,671	4,090,052
Total current assets		131,487,711	134,149,091	622,971	4,153,885
TOTAL ASSETS		181,335,767	175,857,111	128,391,971	127,942,885
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company:-					
Share capital	12	127,029,001	127,029,001	127,029,001	127,029,001
Merger deficit	13	(85,789,000)	(85,789,000)	–	–
Retained earnings		101,981,957	95,450,271	1,140,663	571,004
Total equity		143,221,958	136,690,272	128,169,664	127,600,005
LIABILITIES					
Non-current liabilities					
Borrowings	14	9,542,760	10,862,760	–	–
Lease liabilities	15	229,446	122,796	–	–
Deferred tax liabilities	16	2,901,000	2,981,000	–	–
Total non-current liabilities		12,673,206	13,966,556	–	–
Current liabilities					
Trade payables	17	16,626,500	15,287,166	–	–
Other payables	18	7,106,073	6,799,588	218,509	342,880
Borrowings	14	1,317,240	2,408,240	–	–
Lease liabilities	15	66,232	27,204	–	–
Tax payable		324,558	678,085	3,798	–
Total current liabilities		25,440,603	25,200,283	222,307	342,880
TOTAL LIABILITIES		38,113,809	39,166,839	222,307	342,880
TOTAL EQUITY AND LIABILITIES		181,335,767	175,857,111	128,391,971	127,942,885

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 2024

	Note	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Revenue	19	222,023,890	205,704,675	14,500,000	6,000,000
Cost of sales		(186,572,889)	(169,259,494)	–	–
Gross profit		35,451,001	36,445,181	14,500,000	6,000,000
Other income		1,012,781	246,457	–	–
Distribution expenses		(192,213)	(95,999)	–	–
Administration expenses		(9,381,339)	(11,580,455)	(431,499)	(3,379,206)
Other expenses		(1,366,794)	(2,016,319)	–	–
Operating profit		25,523,436	22,998,865	14,068,501	2,620,794
Finance income	20	923,168	335,844	64,136	207,959
Finance costs	21	(51,240)	(912,388)	–	–
Profit before tax	22	26,395,364	22,422,321	14,132,637	2,828,753
Tax expense	23	(6,363,678)	(6,156,168)	(62,978)	–
Profit/Total comprehensive income for the financial year		20,031,686	16,266,153	14,069,659	2,828,753
Earnings per share attributable to Owners of the Company (sen):- Basic/Diluted	24	4.45	3.61		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		← Non-distributable →		Distributable	
	Note	Share capital RM	Merger deficit RM	Retained earnings RM	Total RM
Group					
At 1 April 2022		8,000,001	–	85,434,118	93,434,119
Transactions with owners:-					
Acquisition of a subsidiary	12	(8,000,000)	8,000,000	–	–
Issuance of ordinary shares pursuant to acquisition of a subsidiary	12	93,789,000	(93,789,000)	–	–
Issuance of shares	12	33,750,000	–	–	33,750,000
Share issuance expenses	12	(510,000)	–	–	(510,000)
Dividends	25	–	–	(2,250,000)	(2,250,000)
Dividends paid by a subsidiary to its former owners	25	–	–	(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
Transactions with owners:-					
Dividends	25	–	–	(13,500,000)	(13,500,000)
Total comprehensive income for the financial year		–	–	20,031,686	20,031,686
At 31 March 2024		127,029,001	(85,789,000)	101,981,957	143,221,958

Statements Of Changes In Equity

	Note	Non-distributable Share capital RM	Distributable (Accumulated losses)/ Retained earnings RM	Total RM
Company				
At 1 April 2022				
		1	(7,749)	(7,748)
Transactions with owners:-				
Issuance of ordinary shares pursuant to acquisition of a subsidiary	12	93,789,000	–	93,789,000
Issuance of shares	12	33,750,000	–	33,750,000
Share issuance expenses	12	(510,000)	–	(510,000)
Dividends	25	–	(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
Transaction with owners:-				
Dividends	25	–	(13,500,000)	(13,500,000)
Total comprehensive income for the financial year		–	14,069,659	14,069,659
At 31 March 2024		127,029,001	1,140,663	128,169,664

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Note	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
OPERATING ACTIVITIES				
Profit before tax	26,395,364	22,422,321	14,132,637	2,828,753
Adjustments for:-				
Amortisation of intangible assets	1,267,636	1,214,969	–	–
Depreciation of property, plant and equipment	2,705,528	2,953,766	–	–
Depreciation of right-of-use assets	86,611	3,452	–	–
Dividend income	(3,589)	(9,332)	(14,500,000)	(6,000,000)
Fair value (gain)/loss on other investments	(32,426)	7,664	–	–
Interest expenses	51,240	912,388	–	–
Interest income	(923,168)	(335,844)	(64,136)	(207,959)
Loss on disposal of other investments	3,006	–	–	–
Loss on disposal of property, plant and equipment	96,152	–	–	–
Operating profit/(loss) before working capital changes	29,646,354	27,169,384	(431,499)	(3,379,206)
Changes in working capital:-				
Inventories	(3,412,242)	2,131,442	–	–
Receivables	1,742,567	(1,786,351)	(3,948,429)	(63,833)
Payables	1,645,819	9,131,787	(124,371)	335,131
Trust receipts	(1,091,000)	(7,060,321)	–	–
Cash generated from/(used in) operations	28,531,498	29,585,941	(4,504,299)	(3,107,908)
Tax paid	(6,797,205)	(4,268,275)	(59,180)	–
Interest received	120,132	81,739	22,259	18,067
Interest paid	(9,574)	(167,889)	–	–
Net cash flows from/(used in) operating activities	21,844,851	25,231,516	(4,541,220)	(3,089,841)
INVESTING ACTIVITIES				
Dividend received	3,589	9,332	14,500,000	6,000,000
Interest received	803,036	254,105	41,877	189,892
Proceeds from disposal of other investments	158,217	–	–	–
Proceeds from disposal of property, plant and equipment	207,919	–	–	–
Purchase of intangible assets	(4,453,808)	–	–	–
Purchases of property, plant and equipment	(7,748,834)	(1,617,278)	–	–
Purchase of right-of-use assets	(101,240)	(57,125)	–	–
Subscription of shares in a subsidiary	A B –	–	(47,038)	(30,000,000)
Net cash flows (used in)/from - investing activities	(11,131,121)	(1,410,966)	14,494,839	(23,810,108)

Statements Of Cash Flows

		Group		Company	
Note		2024 RM	2023 RM	2024 RM	2023 RM
FINANCING ACTIVITIES					
Dividend paid		(13,500,000)	(6,250,000)	(13,500,000)	(2,250,000)
Drawdown of deposits pledged with a financial institution		–	204,830	–	–
Repayment of revolving credit		–	(8,040,956)	–	–
Drawdown of term loans		–	12,180,000	–	–
Interest paid		(41,666)	(744,499)	–	–
Proceeds from issuance of shares	12	–	33,750,000	–	33,750,000
Repayment of lease liabilities		(54,322)	–	–	–
Repayment of term loans		(1,320,000)	(15,119,326)	–	–
Share issuance expenses	12	–	(510,000)	–	(510,000)
Net cash flows (used in)/from financing activities		(14,915,988)	15,470,049	(13,500,000)	30,990,000
CASH AND CASH EQUIVALENTS					
Net changes		(4,202,258)	39,290,599	(3,546,381)	4,090,051
Brought forward		54,967,118	15,676,519	4,090,052	1
Carried forward	C	50,764,860	54,967,118	543,671	4,090,052

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF RIGHT-OF-USE ASSETS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Total purchase of right-of-use assets	301,240	207,125	–	–
Less: Acquired under lease arrangement	(200,000)	(150,000)	–	–
Cash payment	101,240	57,125	–	–

B. SUBSCRIPTION OF SHARES IN A SUBSIDIARY

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Total subscription of shares	–	–	3,980,000	30,000,000
Less: Capitalisation of amount due from a subsidiary	–	–	(3,932,962)	–
	–	–	47,038	30,000,000

Statements Of Cash Flows

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

C. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	10,404,860	7,587,118	543,671	890,052
Deposits and placements with financial institutions	40,360,000	47,380,000	–	3,200,000
	50,764,860	54,967,118	543,671	4,090,052

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	1 April 2023 RM	Net cash flows RM	31 March 2024 RM
Lease liabilities	150,000	145,678	295,678
Term loans	12,180,000	(1,320,000)	10,860,000
	12,330,000	(1,174,322)	11,155,678

	1 April 2022 RM	Net cash flows RM	31 March 2023 RM
Lease liabilities	–	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

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 MARCH 2024

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

The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and of its subsidiaries 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 25 July 2024.

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"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the 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:-

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

2.4.1 Adoption of new standards/amendments/improvements to MFRSs

At the beginning of the current financial year, the Group and the Company adopted new/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 April 2023.

Initial application of the amendments to MFRSs did not have any material impact on the financial statements of the Group and the Company, except for disclosed below:-

Amendments to MFRS 101 - Presentation of Financial Statements - Disclosure of Accounting Policies

The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant" with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Malaysian Accounting Standards Board ("MASB") has also developed guidance and examples to explain and demonstrate the application of the "four-step materiality process" described in MFRS Practice Statement 2.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

Notes to the Financial Statements

2. BASIS OF PREPARATION (CONT'D)

2.4 MFRSs (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 intends to adopt these new and amended standards, if applicable, when they become effective.

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 MFRS 107* and MFRS 7*	Statement of Cash Flows and Financial Instruments: Disclosures - Supplier Financial Arrangements

Effective for financial period beginning on or after 1 January 2025:-

Amendments to MFRS 121*	The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability
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Effective for financial period beginning on or after 1 January 2027:-

MFRS 18	Presentation and Disclosure in Financial Statements
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Deferred to a date to be determined by the MASB:-

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 Group's and the Company's operation

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

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 2024, 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.

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)

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.

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 5 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.

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)

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. 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 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
Additions	-	3,976,702	2,211,639	139,172	338,501	1,082,820	7,748,834
Disposal	-	-	-	(172,188)	(1,516,041)	(8,850)	(1,697,079)
Written off	-	-	-	-	-	(3,750)	(3,750)
At 31 March 2024	3,056,107	26,498,392	13,750,205	1,169,655	15,380,927	4,355,588	64,210,874
Accumulated depreciation							
At 1 April 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
Charge for the financial year	-	450,852	951,803	124,042	925,132	253,699	2,705,528
Disposal	-	-	-	(130,950)	(1,261,968)	(90)	(1,393,008)
Written off	-	-	-	-	-	(3,750)	(3,750)
At 31 March 2024	-	1,660,002	6,884,526	884,583	10,977,872	2,040,304	22,447,287
Net carrying amount							
At 31 March 2024	3,056,107	24,838,390	6,865,679	285,072	4,403,055	2,315,284	41,763,587
At 31 March 2023	3,056,107	21,312,540	5,605,843	311,180	5,243,759	1,494,923	37,024,352

In the prior financial year, the freehold land and freehold building with net carrying amount amounted to RM19,612,778 were pledged as securities for bank borrowings as disclosed in Note 14 to the financial statements.

Material accounting policy information**Recognition and measurement**

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

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Material accounting policy information (Cont'd)

Depreciation

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.

The estimated useful lives for the current and comparative periods are as follows:-

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

4. 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 2022	—
Addition	207,125
At 31 March 2023	207,125
Addition	301,240
At 31 March 2024	508,365
Accumulated depreciation	
At 1 April 2022	—
Charge for the financial year	3,452
At 31 March 2023	3,452
Charge for the financial year	86,611
At 31 March 2024	90,063
Net carrying amount	
At 31 March 2024	418,302
At 31 March 2023	203,673

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

Notes to the Financial Statements

4. RIGHT-OF-USE ASSETS (CONT'D)**Material accounting policy information****Recognition and measurement**

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 accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities.

Depreciation

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

Motor vehicles	20%
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Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5. INTANGIBLE ASSETS

Group	Development costs RM
Cost	
At 1 April 2022/31 March 2023	6,646,594
Additions	4,453,808
At 31 March 2024	11,100,402
Accumulated amortisation	
At 1 April 2022	951,630
Charge for the financial year	1,214,969
At 31 March 2023	2,166,599
Charge for the financial year	1,267,636
At 31 March 2024	3,434,235
Net carrying amount	
At 31 March 2024	7,666,167
At 31 March 2023	4,479,995

The development costs are incurred for developing new technology system.

Notes to the Financial Statements

5. INTANGIBLE ASSETS (CONT'D)

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.

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:-

	2024 %	2023 %
Projected growth rate	2.00	2.00
Discount rate	11.30	8.05

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.

Material accounting policy information

Recognition and measurement

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.

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.

Amortisation

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.

Development costs have finite useful life and are amortised over the period of 5 years on a straight-line basis.

Notes to the Financial Statements

6. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Unquoted shares, at cost	127,769,000	123,789,000

The particulars of the subsidiaries are as follows:-

Name of companies	Principal place of business	Principal activities	Effective equity interest	
			2024	2023
			%	%
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	100
Betamek Research Sdn. Bhd.	Malaysia	Engaged in research and development services provider, commercialisation and product development and electric vehicle (EV) solutions.	100	–

2024

Incorporation of a subsidiary

On 7 September 2023, the Company had incorporated Betamek Research Sdn. Bhd., a wholly-owned subsidiary of the Company, with an issued and paid-up capital of RM1 comprising of 1 ordinary share.

As at 27 March 2024, the Company subscribed for additional 3,979,999 ordinary shares in Betamek Research Sdn. Bhd. for a consideration of RM3,979,999 which was satisfied by the way of capitalisation of RM3,932,962 being part of the amount due from subsidiary and cash consideration RM47,037.

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.

In 2023 financial year, 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.

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.

Notes to the Financial Statements

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Impairment of subsidiaries

The Company assesses whether there is any indicator of impairment at the reporting date. If any such indication exists, the management of the Company assesses the recoverable amount of the investment in subsidiaries and an impairment loss is recognised when the recoverable amount of the investment in subsidiaries is less than their carrying amount.

The recoverable amount of the investments in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or value-in-use of the respective subsidiaries.

Estimating a value in use requires significant judgements and estimates about the future results and key assumptions applied to the cash flow projections of the subsidiaries in determining the recoverable amounts. These key assumptions include different forecast growth in future revenue and operating cash flows, as well as determining an appropriate pre-tax discount rate for used for each subsidiary.

Fair value less cost to sell method are within Level 3 of the fair value hierarchy.

Details of the Level 3 fair value method used in obtaining the recoverable amounts are as follows:-

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Adjusted net asset method which derives the fair value of an investee's equity by reference to the fair value of its assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

Material accounting policy information

Investment in subsidiaries, which are eliminated on consolidation, are stated in the Company's statement of financial position at cost less any impairment losses.

7. INVENTORIES

	2024 RM	Group 2023 RM
<u>At cost:-</u>		
Raw materials	35,690,006	38,183,280
Work-in-progress	15,739,131	9,459,445
Finished goods	5,719,435	6,093,605
	57,148,572	53,736,330
<u>Recognised in profit or loss:-</u>		
Inventories recognised in cost of sales	166,968,238	149,479,015

Notes to the Financial Statements

7. INVENTORIES (CONT'D)**Material accounting policy information**

Inventories, comprising raw materials, 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.

8. 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 (2023: 30 days to 60 days). Other credit terms are assessed and approved by the management on case-by-case basis.

9. OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-trade receivables	5,082	7,647	–	–
Deposits	770,421	480,105	2,000	2,000
Advances to suppliers	9,058,036	2,845,856	–	–
Prepayments	171,066	385,650	77,300	61,833
	10,004,605	3,719,258	79,300	63,833

10. OTHER INVESTMENTS

	Group	
	2024 RM	2023 RM
<u>Financial assets at fair value</u>		
Quoted shares in Malaysia	–	128,797
Unquoted shares outside Malaysia	1	1
	1	128,798

The fair value of unquoted shares are determined based on the valuation techniques supported by available inputs comprising precedent transaction for similar financial instruments.

Notes to the Financial Statements

11. CASH AND BANK BALANCES, DEPOSITS AND PLACEMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	10,404,860	7,587,118	543,671	890,052
Deposits and placements with financial institutions	40,360,000	47,380,000	–	3,200,000
	50,764,860	54,967,118	543,671	4,090,052

Group and Company

The deposits and placements with financial institutions will mature within 1 day to 63 days (2023: 12 days to 365 days) with interest rates ranging from 1.90% to 3.60% (2023: 1.15% to 2.56%) per annum.

12. SHARE CAPITAL

	Group		Amount	
	Number of ordinary shares 2024 Unit	2023 Unit	2024 RM	2023 RM
Issued and fully paid with no par value:-				
At 1 April 2023/2022	450,000,000	6,000,001	127,029,001	8,000,001
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	–	33,750,000
Share issuance expenses	–	–	–	(510,000)
At 31 March	450,000,000	450,000,000	127,029,001	127,029,001

	Company		Amount	
	Number of ordinary shares 2024 Unit	2023 Unit	2024 RM	2023 RM
Issued and fully paid with no par value:-				
At 1 April 2023/2022	450,000,000	1	127,029,001	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	450,000,000	450,000,000	127,029,001	127,029,001

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.

Notes to the Financial Statements

12. SHARE CAPITAL (CONT'D)Invested equity

	Number of ordinary shares		Group	
	2024 Unit	2023 Unit	2024 RM	Amount 2023 RM
Issued and fully paid with no par value:-				
At 1 April 2023/2022	–	6,000,000	–	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	–	–	–	–

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

13. 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 6 to the financial statements.

14. BORROWINGS

	Group	
	2024 RM	2023 RM
<u>Non-current</u>		
Secured:-		
Term loans	9,542,760	10,862,760
<u>Current</u>		
Secured:-		
Term loans	1,317,240	1,317,240
Trust receipts	–	1,091,000
	1,317,240	2,408,240
	10,860,000	13,271,000

Notes to the Financial Statements

14. BORROWINGS (CONT'D)

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

	Group	
	2024 RM	2023 RM
Within 1 year	1,317,240	2,408,240
After 1 year but not later than 5 years	5,268,960	5,268,960
Later than 5 years	4,273,800	5,593,800
	9,542,760	10,862,760
	10,860,000	13,271,000

Group

The borrowings are secured by:-

- (i) Corporate guarantee by the Company.

In the prior financial year, the borrowings were secured by:-

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

The effective interest rates of term loans of the Group are ranging from 4.20% to 4.50% (2023: at 4.20%) per annum.

The effective interest rate of trust receipts of the Group is charged at rate 3.08% (2023: 3.84%) per annum.

15. LEASE LIABILITIES

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

	Group	
	2024 RM	2023 RM
Brought forward	150,000	–
Addition	200,000	150,000
Payment	(54,322)	–
Carried forward	295,678	150,000
Represented by:-		
Non-current	229,446	122,796
Current	66,232	27,204
	295,678	150,000

The maturity analysis of lease liability is disclosed in Note 29.2.2 to the financial statements.

Notes to the Financial Statements

15. LEASE LIABILITIES (CONT'D)

The following amounts are recognised in profit or loss:-

	2024 RM	Group 2023 RM
Depreciation of right-of-use assets	86,611	3,452
Interest expense on lease liabilities	13,118	–
Short-term leases	188,717	38,825
	288,446	42,277

The total cash outflows for leases of the Group amounted to RM 256,157 (2023: RM38,825).

The effective interest rates of lease liabilities of the Group are ranging from 4.63% to 4.77% (2023: at 4.77%) per annum.

16. DEFERRED TAX LIABILITIES

	2024 RM	Group 2023 RM
Brought forward	2,981,000	3,513,000
Recognised in profit or loss	(80,000)	(532,000)
Carried forward	2,901,000	2,981,000

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 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
Recognised in profit or loss	(102,000)	9,000	95,000	(82,000)	(80,000)
At 31 March 2024	3,332,000	14,000	743,000	(1,188,000)	2,901,000

17. 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 (2023: 30 days to 90 days).

Notes to the Financial Statements

18. OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-trade payables	326,044	479,203	14,759	5,880
Accruals	6,761,217	6,309,451	203,750	337,000
Sales and service tax payable	18,812	10,934	–	–
	7,106,073	6,799,588	218,509	342,880

19. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Revenue from contracts with customers</u>				
<u>recognised at a point in time:</u>				
- Sales of trading goods	222,023,890	205,704,675	–	–
<u>Revenue from other sources of income:</u>				
- Dividend income	–	–	14,500,000	6,000,000
	222,023,890	205,704,675	14,500,000	6,000,000
<u>Primary geographical market:</u>				
- Malaysia	222,023,890	205,704,675		

Sales of goods

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.

Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established.

20. FINANCE INCOME

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest income:				
- Deposits and placements with financial institutions	803,036	254,105	41,877	189,892
- Bank balances	120,132	70,449	22,259	6,777
- Others	–	11,290	–	11,290
	923,168	335,844	64,136	207,959

Notes to the Financial Statements

21. FINANCE COSTS

	Group	
	2024	2023
	RM	RM
Interest expenses:		
- Lease liabilities	13,118	–
- Term loans	28,548	507,425
- Bank overdraft	–	2,816
- Revolving credit	–	237,074
- Trust receipts	9,574	165,073
	51,240	912,388

22. PROFIT BEFORE TAX

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

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<u>Charging:-</u>				
Auditors' remuneration:				
- Statutory audit	121,000	105,000	43,000	30,000
- Assurance-related services	–	460,000	–	360,000
Amortisation of intangible assets	1,267,636	1,214,969	–	–
Directors' fee	235,000	190,000	235,000	190,000
Depreciation of property, plant and equipment	2,705,528	2,953,766	–	–
Depreciation of right-of-use assets	86,611	3,452	–	–
Expenses relating to short term leases	188,717	38,825	–	–
Fair value loss on other investments	–	7,664	–	–
Realised loss on foreign exchange	–	793,685	–	–
Loss on disposal of property, plant and equipment	96,152	–	–	–
Loss on disposal of other investments	3,006	–	–	–
<u>Crediting:-</u>				
Dividend Income:-				
- Quoted shares in Malaysia	(3,589)	(9,332)	–	–
- Unquoted shares in Malaysia	–	–	(14,500,000)	(6,000,000)
Fair value gain on other investments	(32,426)	–	–	–
Realised gain on foreign exchange	(514,386)	–	–	–

Notes to the Financial Statements

23. TAX EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax:				
- Current financial year	6,395,748	6,888,425	15,048	–
- Under/(Over) provision in prior financial year	47,930	(200,257)	47,930	–
	6,443,678	6,688,168	62,978	–
Deferred tax:				
- Origination and reversed at temporary differences	(80,000)	(532,000)	–	–
	6,363,678	6,156,168	62,978	–

Malaysian income tax is calculated at statutory tax rate of 24% (2023: 24%) of the estimated assessable profits for the financial year.

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	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	26,395,364	22,422,321	14,132,637	2,828,753
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	6,334,887	5,381,357	3,391,833	678,901
Tax effects in respect of:-				
Expenses not deductible for tax purposes	300,198	977,308	103,215	765,409
Under/(Over) provision of tax expense in prior financial year	47,930	(200,257)	47,930	–
Reinvestment tax allowance granted during the financial year	(318,476)	–	–	–
Income not subject to tax	(861)	(2,240)	(3,480,000)	(1,444,310)
	6,363,678	6,156,168	62,978	–

24. 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.

Notes to the Financial Statements

24. EARNINGS PER SHARE (CONT'D)

- (a) Basic earnings per ordinary share (Cont'd)

Profits attributable to equity holders of the Company

	2024 RM	Group 2023 RM
Profit used for the computation of basic/diluted:		
- Profit attributable to equity holders of the Company	20,031,686	16,266,153
Weighted average number of ordinary shares after deducting treasury shares used for the computation of basic	450,000,000	450,000,000
Basic earnings per ordinary share (sen)	4.45	3.61

- (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.

25. DIVIDENDS

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
<u>In respect of the financial year ended 31 March 2024:-</u>				
Interim single tier dividend of 1 sen per ordinary share, paid on 18 August 2023	4,500,000	—	4,500,000	—
Interim single tier dividend of 2 sen per ordinary share, paid on 23 February 2024	9,000,000	—	9,000,000	—
<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
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	—	—
	13,500,000	6,250,000	13,500,000	2,250,000

* Dividend declared prior to the completion of acquisition of Betamek Electronics (M) Sdn. Bhd. by the Company as disclosed in Note 6 to the financial statements.

Notes to the Financial Statements

25. DIVIDENDS (CONT'D)

The Directors propose the payment of a final single-tier dividend of 1 sen per ordinary share, amounting to net dividend payment of RM4,500,000 in respect of the current financial year. The proposed final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as liability in the financial statements. Upon approval by the shareholders, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 March 2025.

26. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Staffs' remuneration				
Salaries and other emoluments	17,452,748	17,774,472	–	–
Defined contribution plans	1,451,082	1,574,337	–	–
	18,903,830	19,348,809	–	–
Directors' remuneration				
Directors' salaries and other emoluments	1,543,831	1,222,304	11,500	–
Defined contribution plans	61,123	35,508	–	–
Benefits-in-kind	26,250	15,000	–	–
	1,631,204	1,272,812	11,500	–
	20,535,034	20,621,621	11,500	–

27. RELATED PARTY DISCLOSURES

Related party transactions

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

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Dividend received from a subsidiary	–	–	14,500,000	6,000,000
Payment made on behalf to a subsidiary which has been capitalised	–	–	3,932,962	–
Rental expenses paid to holding company	144,000	–	–	–

There is no outstanding balance arising from related party transactions as at the reporting date.

Notes to the Financial Statements

27. 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 subsidiaries and certain members of senior management of the Group and of the Company.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors' remuneration	1,631,204	1,272,812	11,500	–
Key management personnel:-				
Salaries and other emoluments	1,381,626	1,462,788	–	–
Defined contribution plans	178,078	148,076	–	–
Benefits-in-kind	19,028	23,700	–	–
	1,578,732	1,634,564	–	–
	3,209,936	2,907,376	11,500	–

28. CAPITAL COMMITMENT

	Group	
	2024 RM	2023 RM
Authorised and contracted for:		
- Property, plant and equipment	215,658	129,080

Notes to the Financial Statements

29. FINANCIAL INSTRUMENTS

29.1 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
2024			
Financial assets			
Trade receivables	13,569,673	13,569,673	–
Other receivables*	9,833,539	9,833,539	–
Other investments	1	–	1
Cash and bank balances, deposits and placements	50,764,860	50,764,860	–
	74,168,073	74,168,072	1
Financial liabilities			
Trade payables	16,626,500	16,626,500	–
Other payables#	7,087,261	7,087,261	–
Borrowings	10,860,000	10,860,000	–
	34,573,761	34,573,761	–
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	–

Notes to the Financial Statements

29. FINANCIAL INSTRUMENTS (CONT'D)**29.1 Categories of financial instruments (Cont'd)**

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

Company	Carrying amount RM	AC RM	FVTPL RM
2024			
Financial assets			
Other receivables*	2,000	2,000	–
Cash and bank balances, deposits and placements	543,671	543,671	–
	545,671	545,671	–
Financial liability			
Other payables	218,509	218,509	–
2023			
Financial assets			
Other receivables*	2,000	2,000	–
Cash and bank balances, deposits and placements	4,090,052	4,090,052	–
	4,092,052	4,092,052	–
Financial liability			
Other payables	342,880	342,880	–

* excluded prepayments

excluded sales and service tax payable

29.2 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 29.1 to the financial statements.

29.2.1 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.

Notes to the Financial Statements

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial risk management (Cont'd)

29.2.1 Credit risk (Cont'd)

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	
	2024 RM	2023 RM	2024 RM	2023 RM
Classes of financial assets:-				
Trade receivables	13,569,673	21,597,587	–	–
Other receivables	9,833,539	3,252,966	2,000	2,000
Cash and bank balances, deposits and placements	50,764,860	54,967,118	543,671	4,090,052
	74,168,072	79,817,671	545,671	4,092,052

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		Group	
	2024 RM	%	2023 RM	%
By country:-				
Malaysia 2 customers (2023: 2 customers)	11,575,207	85	19,845,361	92

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.

Notes to the Financial Statements

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial risk management (Cont'd)

29.2.1 Credit risk (Cont'd)

Credit risk concentration (Cont'd)**Recognition and measurement of impairment loss (Cont'd)**

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.

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 2024			
Not past due	12,396,339	–	12,396,339
Past due 1 to 30 days	841,330	–	841,330
Past due 31 to 60 days	332,004	–	332,004
	13,569,673	–	13,569,673
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

Notes to the Financial Statements

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial risk management (Cont'd)

29.2.1 Credit risk (Cont'd)

Other receivables

As at the end of the reporting period, there was no indication that other receivables are not recoverable.

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.

29.2.2 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:-

	Carrying amount RM	Contractual cash flows RM	← Maturity → Within 1 year RM	1 to 5 years RM	Later than 5 years RM
Group					
2024					
Trade payables	16,626,500	16,626,500	16,626,500	–	–
Other payables	7,087,261	7,087,261	7,087,261	–	–
Borrowings	10,860,000	12,842,484	1,769,151	6,490,491	4,582,842
Lease liabilities	295,678	325,860	78,660	247,200	–
	34,869,439	36,882,105	25,561,572	6,737,691	4,582,842
Financial guarantee*	204,830	204,830	204,830	–	–
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 liabilities	150,000	168,900	33,780	135,120	–
	35,496,820	37,906,167	24,967,649	6,815,394	6,123,124
Financial guarantee*	204,830	204,830	204,830	–	–

Notes to the Financial Statements

29. FINANCIAL INSTRUMENTS (CONT'D)**29.2 Financial risk management (Cont'd)****29.2.2 Liquidity risk (Cont'd)**

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as follow:- (Cont'd)

				Maturity	
	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	1 to 5 years RM	Later than 5 years RM
Company					
2024					
Other payables	218,509	218,509	218,509	–	–
Corporate guarantee*	10,860,000	10,860,000	10,860,000	–	–
2023					
Other payables	342,880	342,880	342,880	–	–
Corporate guarantee*	12,180,000	12,180,000	12,180,000	–	–

* 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.

29.2.3 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.

Notes to the Financial Statements

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial risk management (Cont'd)

29.2.3 Interest rate risk (Cont'd)

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	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed rate instruments				
<u>Financial asset</u>				
Deposits and placements	40,360,000	47,380,000	–	3,200,000
<u>Financial liabilities</u>				
Lease liabilities	(295,678)	(150,000)	–	–
Trust receipts	–	(1,091,000)	–	–
	(295,678)	(1,241,000)	–	–
Net financial asset	40,064,322	46,139,000	–	3,200,000
Floating rate instruments				
<u>Financial liability</u>				
Term loans	(10,860,000)	(12,180,000)	–	–

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 (2023: +/-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
2024	(54,300)	54,300
2023	(60,900)	60,900

Notes to the Financial Statements

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial risk management (Cont'd)

29.2.4 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"), Singapore Dollar ("SGD") and Chinese Yuan ("CNY").

Foreign currency denominated financial assets and financial liabilities 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:-

	2024 RM	Group 2023 RM
<u>Denominated in USD</u>		
Cash and bank balances, deposits and placements	64,306	2,190,906
Other receivables	5,764,250	2,773,776
Trade payables	(6,394,479)	(6,101,866)
	(565,923)	(1,137,184)
<u>Denominated in SGD</u>		
Cash and bank balances, deposits and placements	10,017	4,480
Trade payables	(744,435)	(501,459)
	(734,418)	(496,979)
<u>Denominated in CNY</u>		
Cash and bank balances, deposits and placements	56,333	1,267,215
Other receivables	3,441,682	–
Trade payables	(3,890,171)	(2,988,019)
	(392,156)	(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% (2023: 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

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 Financial risk management (Cont'd)

29.2.4 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
<u>RM/USD</u>		
2024	(5,659)	5,659
2023	(11,372)	11,372
<u>RM/SGD</u>		
2024	(7,344)	7,344
2023	(4,970)	4,970
<u>RM/CNY</u>		
2024	(3,922)	3,922
2023	(17,208)	17,208

29.3 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.

29.4 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:-

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024				
Financial assets				
Non-derivative financial assets at FVTPL	–	–	1	1
2023				
Financial assets				
Non-derivative financial assets at FVTPL	128,797	–	1	128,798

There was no transfer between Level 1 and Level 3 in 2024 and 2023.

Notes to the Financial Statements

29. FINANCIAL INSTRUMENTS (CONT'D)**29.5 Net gain or losses arising from financial instruments**

	2024 RM	Group 2023 RM
<u>Net (gain)/loss on:-</u>		
Financial assets at FVTPL		
- recognised in profit or loss	(32,426)	7,664

30. OPERATING SEGMENTSBusiness 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.

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.

Notes to the Financial Statements

30. OPERATING SEGMENTS (CONT'D)

Business segments (Cont'd)**Operating segments**

	Note	Vehicle audio and visual products RM	Vehicle accessories RM	Investment holding RM	Elimination RM	Total RM
2024						
Revenue						
External revenue		173,673,483	48,350,407	–	–	222,023,890
Inter-segment revenue	(i)	–	–	14,500,000	(14,500,000)	–
Total revenue		173,673,483	48,350,407	14,500,000	(14,500,000)	222,023,890
Results						
Finance income						(923,168)
Finance costs						51,240
Amortisation of intangible assets						1,267,636
Depreciation of property, plant and equipment						2,705,528
Depreciation of right-of-use assets						86,611
Other non-cash expenses	(ii)					66,732
Tax expense						6,363,678
Segment profit	(iii)					19,159,758
Assets						
Unallocated segment assets	(iv)					173,669,600
Additions to non-current assets	(v)					12,503,882
Liabilities						
Unallocated segment liabilities	(vi)					23,732,573

Notes to the Financial Statements

30. 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
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 expenses	(ii)					7,664
Tax expense						6,156,168
Segment profit	(iii)					16,842,697
Assets						
Unallocated segment assets	(iv)					171,377,116
Additions to non-current assets	(v)					1,824,403
Liabilities						
Unallocated segment liabilities	(vi)					22,086,754

Notes to the nature of adjustments and eliminations to arrive at amount reported in the financial statements.

Notes to the Financial Statements

30. 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:-

	2024 RM	2023 RM
Fair value (gain)/loss on other investments	(32,426)	7,664
Loss on disposal of other investments	3,006	–
Loss on disposal of property, plant and equipment	96,152	–
	<hr/> 66,732	<hr/> 7,664

- (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:-

	2024 RM	2023 RM
Segment profit	19,159,758	16,842,697
Finance income	923,168	335,844
Finance costs	(51,240)	(912,388)
Profit after tax	<hr/> 20,031,686	<hr/> 16,266,153

- (iv) The following items are added to segment assets to arrive at total assets reported in the statements of financial position:-

	2024 RM	2023 RM
Segment assets	173,669,600	171,377,116
Intangible assets	7,666,167	4,479,995
Total assets	<hr/> 181,335,767	<hr/> 175,857,111

- (v) Additions to non-current assets other than the financial instruments and deferred tax assets consist of:-

	2024 RM	2023 RM
Property, plant and equipment	7,748,834	1,617,278
Right-of-use assets	301,240	207,125
Intangible assets	4,453,808	–
	<hr/> 12,503,882	<hr/> 1,824,403

Notes to the Financial Statements

30. OPERATING SEGMENTS (CONT'D)Business segments (Cont'd)**Operating segments** (Cont'd)

- (vi) The following items are added to segment liabilities to arrive at total liabilities reported in the statements of financial position:-

	2024 RM	2023 RM
Segment liabilities	23,732,573	22,086,754
Deferred tax liabilities	2,901,000	2,981,000
Lease liabilities	295,678	150,000
Borrowings	10,860,000	13,271,000
Tax payable	324,558	678,085
Total liabilities	38,113,809	39,166,839

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.

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
<u>2024</u>			
Customer A	111,439,788	50	Vehicle audio, visual products and vehicle accessories
Customer B	94,596,041	43	Vehicle audio, visual products and vehicle accessories
	206,035,829	93	
<u>2023</u>			
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	

Notes to the Financial Statements

31. 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.

32. SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Incorporation of a subsidiary – BZH Innovation Sdn. Bhd. ("BZH")

On 13 May 2024, BZH was incorporated as an indirect subsidiary of the Company with an issued and paid-up share capital of RM1 comprising of 1 ordinary share. BZH is 100% owned by Betamek Research Sdn. Bhd., a wholly owned subsidiary of the Company.

BZH is principally engaged in the design, development, customisation, commercialisation marketing and sale of electronics product solutions and innovative technology solutions for the electric vehicle market. However, BZH has not commenced operation up to date of this report.

Acquisition of a subsidiary

On 1 April 2024, the Company had entered into a conditional Share Sale and Purchase Agreement ("**SSPA**") with Outsourcing Inc. for the acquisition of 15,600,000 ordinary shares in Sanshin (Malaysia) Sdn. Bhd. ("**SMSB**"), representing 100% equity shares in SMSB, for a cash consideration of RM13.44 million ("**Acquisition**").

On 28 June 2024, the Acquisition has been completed consequent to the fulfilment and/or waiver of all the conditions precedent. SMSB will become a wholly-owned subsidiary of the Company upon the registration of the share transfer.

LIST OF PROPERTIES

PROPERTIES OWNED BY OUR GROUP

No	Address	Description	Land Area	Date of Acquisition	Age of Property	Net book value as at 31 March 2024 (RM'000)
1	Lot 137, Lingkaran Taman Industri Integrasi Rawang 2, Taman Industri Integrasi Rawang, 48000 Rawang, 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	29 years	20,167
2	No. 2, Jalan Indah 1, Taman Industri Indah, 48000 Rawang, Selangor	3-storey shop offices/ Research & development office/ freehold	241 sq m	27.11.2023	1 year	2,500
3	No. 2A, Jalan Indah 1, Taman Industri Indah, 48000 Rawang, Selangor	2-storey shop offices/ Research & development office/ freehold	181 sq m	27.11.2023	1 year	1,300

ANALYSIS OF SHAREHOLDINGS

AS AT 28 JUNE 2024

Total Number of Issued Shares	:	450,000,000
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote per Ordinary Share
Number of Shareholders	:	3,935

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
1 to 99	3	0.08	92	Negligible
100 to 1,000	478	12.15	242,800	0.05
1,001 to 10,000	1,841	46.78	11,363,208	2.53
10,001 to 100,000	1,431	36.37	47,027,000	10.45
100,001 to less than 5% of issued shares	180	4.57	70,540,400	15.68
5% and above of issued shares	2	0.05	320,826,500	71.30
Total	3,935	100.00	450,000,000	100.00

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Name of Substantial Shareholders	Direct Interest	% of Issued Shares	No. of Shares Held Indirect Interest	% of Issued Shares
Iskandar Holdings Sdn. Bhd.	320,826,500	71.30	—	—
Mirzan bin Mahathir	—	—	320,826,500 ⁽¹⁾	71.30

⁽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

Names	Direct Interest	% of Issued Shares	No. of Shares Held Indirect Interest	% of Issued Shares
Ahmad Subri bin Abdullah	73,000	0.02	—	—
Mirzan bin Mahathir	—	—	320,826,500 ⁽¹⁾	71.30
Muhammad Fauzi bin Abd Ghani	6,003,300	1.33	—	—
Azlina binti Abdul Aziz	69,000	0.02	—	—
Yap Suan See	400,000	0.09	—	—
Mohd Shahrman 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

as at 28 June 2024

TOP THIRTY (30) SHAREHOLDERS

No.	Names	No. of Shares	% of Issued Shares
1.	Iskandar Holdings Sdn. Bhd.	208,326,500	46.30
2.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Iskandar Holdings Sdn. Bhd.	112,500,000	25.00
3.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chin Chin Seong	7,072,700	1.57
4.	Muhammad Fauzi bin Abd Ghani	4,833,300	1.07
5.	Chin Chin Seong	3,000,000	0.67
6.	Nor' Azrin bin Nusi	2,711,400	0.60
7.	Tay Yoke Theng	2,387,300	0.53
8.	Megat Iskandar Hashim bin Ismail	2,182,000	0.49
9.	Siti Padillah binti Abdul Wahab	1,944,100	0.43
10.	Cartaban Nominees (Tempatan) Sdn. Bhd. Exempt an for Standard Chartered Bank Malaysia Berhad (Wealth Management) (Tempatan)	1,647,000	0.37
11.	Maybank Nominees (Tempatan) Sdn. Bhd. Muhammad Fauzi bin Abd Ghani	1,170,000	0.26
12.	Wong Gak Yonn	1,070,000	0.24
13.	Goh Chew Hoon	1,045,400	0.23
14.	Hong Yeam Wah	1,000,000	0.22
15.	Maybank Nominees (Tempatan) Sdn. Bhd. Exempt an for Fortress Capital Asset Management (M) Sdn. Bhd.	944,900	0.21
16.	Federlite Holdings Sdn. Bhd.	842,900	0.19
17.	Mohd Shahrman bin Mohd Sidek	760,000	0.17
18.	Tan Meng Han	735,400	0.16
19.	Chong Chiew Tshung	700,000	0.16
20.	Liow Yun Chun	700,000	0.16
21.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teh Boon Chiew	675,000	0.15
22.	Tan Lian Chuan	620,000	0.14
23.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Soon Hui	592,700	0.13
24.	Soon Kian Yoon	559,600	0.12
25.	Tan Gaik Hoon	542,800	0.12
26.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Lee Wee	505,600	0.11
27.	Chow See Jan	500,000	0.11
28.	Lye Chee Leong	500,000	0.11
29.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Syed Mudzaffar bin Syed Zainul Abidin	500,000	0.11
30.	Maybank Nominees (Tempatan) Sdn. Bhd. Teoh Saw Khim	500,000	0.11

NOTICE OF THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Third (“3rd”) 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 Tuesday, 27 August 2024 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 2024 together with the Directors’ and Auditors’ Reports thereon. | Explanatory Note 1 |
| 2. | To approve the payment of a final single-tier dividend of 1.0 sen per ordinary share for the financial year ended 31 March 2024. | Ordinary Resolution 1 |
| 3. | To approve the fees up to an aggregate amount of RM333,000 and benefits of up to RM20,000 payable to the Non-Executive Directors of the Company and its subsidiaries for the period from 28 August 2024 until the next AGM of the Company and the payment thereof. | Ordinary Resolution 2 |
| 4. | To re-elect Madam Yap Suan See who retires by rotation in accordance with Clause 102 of the Constitution of the Company. | Ordinary Resolution 3 |
| 5. | To re-elect En Mohd Shahrman bin Mohd Sidek 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 (THE “ACT”) 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 Third Annual General Meeting

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT a final single-tier dividend of 1.0 sen per ordinary share for the financial year ended 31 March 2024, if approved, will be paid on 12 September 2024. The entitlement date for the payment is 28 August 2024.

A depositor shall qualify for entitlement only in respect of:-

- (a) Shares transferred into the Depositor's Securities Accounts before 4:30 p.m. on 28 August 2024 in respect of transfer; and
- (b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

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
29 July 2024

Notes:-

1. In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at **20 August 2024** 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 Third Annual General Meeting

EXPLANATORY NOTES ON ORDINARY BUSINESS AND SPECIAL BUSINESS

1. Audited Financial Statements for the financial year ended 31 March 2024

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 Resolution 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 subsidiaries shall be approved at a general meeting. In this respect, the Board of Directors ("**Board**") wishes to seek shareholders' approval on the fees up to an aggregate amount of RM333,000 and benefits of up to RM20,000 payable to the Non-Executive Directors of the Company and its subsidiaries for the period from 28 August 2024 until the next AGM of the Company to be held in 2025. The details are set out in the Nomination and Remuneration Committee ("**NRC**") Report on page 71 of the Annual Report 2024. 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 structure of annual and Board Committees fees payable to the Directors as set out below:-

Director's fee per annum	
Chairman of the Board of Director	RM65,000
Chairman of Board Committees	RM60,000
Board Committee Member	RM50,000

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 3rd AGM.

The current structure of annual Non-Executive Directors' fees has been reviewed by NRC. During a review in 2024, the NRC recommended and the Board has approved that the fees payable to Directors as members of the Board and Board Committees shall remain unchanged, subject to shareholders' approval at this 3rd AGM. Additional fees are included for shareholders' approval to meet the shortfall for the period from 1 April 2024 until 27 August 2024 as the amount of RM235,000 for the period from 1 April 2023 until the AGM held in 2024 approved at the last AGM was insufficient for payment to Non-Executive Directors.

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 3rd 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;
- (ii) Independence of the Independent Director; and
- (iii) Fit and proper assessment.

The NRC and the Board are satisfied that the Directors, namely Madam Yap Suan See and En Mohd Shahrman bin Mohd Sidek (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 3rd 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 page 13 of the Annual Report 2024.

Notice of Third Annual General Meeting

EXPLANATORY NOTES ON ORDINARY BUSINESS AND SPECIAL BUSINESS (CONT'D)

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 2025. 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.

5. 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.

Details of Section 85(1) of the Act and Clause 63 of the Constitution of the Company

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."

Notice of Third Annual General Meeting

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.



BETAMEK

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 Third 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 Tuesday, 27 August 2024 at 10:00 a.m. and at each and every adjournment thereof, on the following resolutions referred to in the Notice of the Third 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 a final single-tier dividend of 1.0 sen per ordinary share for the financial year ended 31 March 2024.		
Ordinary Resolution 2	To approve the fees up to an aggregate amount of RM333,000 and benefits of up to RM20,000 payable to the Non-Executive Directors of the Company and its subsidiaries for the period from 28 August 2024 until the next AGM of the Company and the payment thereof.		
Ordinary Resolution 3	To re-elect Madam Yap Suan See who retires by rotation in accordance with Clause 102 of the Constitution of the Company.		
Ordinary Resolution 4	To re-elect En Mohd Shahriman bin Mohd Sidek 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 _____ 2024

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:-

- If you are an individual member, please sign where indicated.
- 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.
- 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:-
 - at least two (2) authorised officers, of whom one shall be a director; or
 - 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 **20 August 2024** 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
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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

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BETAMEK

BETAMEK BERHAD

Registration No. 202101041577 (1441877-P)

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

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