

Press Release

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BETAMEK EXPANDS CUSTOMER BASE WITH ACQUISITION OF SANSHIN, FURTHER ENHANCING PRODUCT DIVERSITY

Milestone Acquisition to Amplify Betamek's Technological Leadership in Automotive Electronics Arena

TOKYO, 1 APRIL 2024 – **Betamek Berhad** ("Betamek" or the "Company"), the leading player in electronics manufacturing services ("EMS") for the automotive industry, is pleased to announce a significant expansion of its operations through the acquisition of **Sanshin (Malaysia) Sdn. Bhd. ("Sanshin")**, an established player in the automotive electronics manufacturing sector.



From L-R: Mr Kazuhiro Yoshida, Deputy Executive Manager, Overseas of OUTSOURCING Inc, Mr Yuya Ono, Executive Officer of OUTSOURCING Inc, En. Mirzan Bin Mahathir, Managing Director of Betamek Berhad, and En. Muhammad Fauzi Bin Abd Ghani, Executive Director of Betamek Berhad.

Betamek had on 29 March 2024, in a significant move signed in Japan, entered into a share purchase agreement with **OUTSOURCING Inc.**, a public listed company on the Tokyo Stock Exchange boasting a market capitalisation of JPY220.4 billion which is equivalent to approximately RM6.86 billion as at 29 March 2024. The agreement secures a 100.0% equity interest in Sanshin for Betamek, with a cash consideration set at RM13.4 million. This acquisition is valued at a price-to-earnings multiple of 10.0 times, based on the audited profit after tax of RM1.3 million for Sanshin, reflecting both the strategic value and the financial health of the acquired entity.

Sanshin, established as TWD Sanshin (Malaysia) Sdn. Bhd. in 1985 and later renamed, is renowned for its **expertise in manufacturing car audios, and other electronics components, serving markets in Malaysia, Japan, Hong Kong, and Thailand.** This acquisition will position Sanshin as a wholly-owned subsidiary of Betamek, significantly broadening Betamek's customer base and further cementing its market presence. The expanded clientele, coupled with a wider array of product offerings, reinforces Betamek's competitive edge and industry standing.

Encik Muhammad Fauzi Bin Abd Ghani, Executive Director of Betamek commented on the acquisition, "This acquisition is a testament to Betamek's strategic vision to lead and innovate within the automotive electronics industry. By integrating Sanshin's expertise and market presence with our own, we are setting a new benchmark for excellence and driving forward the evolution of automotive electronics amidst a thriving market, as evidenced by Malaysia's impressive Total Industry Volume (TIV). With the TIV reaching 799,731 units in 2023 and a resilient forecast of 740,000 units for 2024 despite global economic challenges, the potential for growth and innovation in automotive electronics has never been more exciting."

He added: "We are enthusiastic about the synergies this milestone will unlock for both companies, and we are committed to leveraging these new opportunities to deliver enhanced value to our customers and stakeholders, further solidifying our position in a robust automotive market."

As Betamek Berhad finalises the strategic acquisition of Sanshin, the Company now stand on the brink of a transformative phase. This acquisition is not just a merger of capabilities but a fusion of visions that propels Betamek toward a future where the boundaries of automotive electronics innovation are continually expanded. With Sanshin's diverse product range and established markets in Japan, Hong Kong, Thailand, and beyond, Betamek is set to widen its horizon, offering an enriched portfolio to a broader clientele. Building on this momentum, the recent Joint Venture and Shareholders Agreement signed with Shenzhen Zhonghong Technology Co., Ltd. on 6th March 2024 further exemplifies Betamek's forward-thinking approach. This collaboration, aimed at advancing Advanced Driver Assistance Systems ("ADAS") and smart cockpit solutions, underscores a strategic focus on the ASEAN market.

Leveraging the complementary strengths of both companies, this partnership is poised to elevate Betamek's offerings in innovative electronics and technology solutions, catering to the evolving needs of the electric vehicle and automotive sectors across Malaysia and Southeast Asia.

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ABOUT BETAMEK BERHAD

Betamek is an EMS provider specialising in design and development (D&D), procurement and manufacturing of customised electronics and components for the automotive industry.

The Company is principally involved in the D&D and manufacture of vehicle audio products and components comprising vehicle infotainment systems and audio video accessories as well as vehicle accessories such as air conditioning control panels, USB chargers, mirror switches, power sockets, reverse cameras and other car accessories.

For more information, visit <https://www.betamek.com.my/>.

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