
14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION

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

**PRO FORMA COMBINED STATEMENTS OF
FINANCIAL POSITION
AS AT 31 MARCH 2022**

GRANT THORNTON MALAYSIA PLT
CHARTERED ACCOUNTANTS
Member Firm of Grant Thornton International Ltd.

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)



**REPORTING ACCOUNTANTS' REPORT ON
COMPILATION OF PRO FORMA COMBINED
STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2022**
(Prepared for inclusion in the Prospectus)

Date: 13 September 2022

The Board of Directors
Betamek Berhad
Lot 137
Lingkarman Taman Industri Integrasi Rawang 2
Taman Industri Integrasi Rawang
48000 Rawang
Selangor Darul Ehsan

Dear Sirs,

**BETAMEK BERHAD ("COMPANY" OR "BETAMEK")
REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENTS OF
FINANCIAL POSITION AS AT 31 MARCH 2022**

We have completed our assurance engagement to report on the compilation of the Pro Forma Combined Statements of Financial Position of the Company and its subsidiary ("Group" or "Betamek Group") as at 31 March 2022 together with the notes and assumptions thereto (which we have stamped for the purpose of identification), have been compiled and prepared by the Directors of the Company for inclusion in the prospectus of the Company ("Prospectus") in connection with the initial public offering ("IPO") and the listing of and quotation for the entire issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing").

The applicable criteria on the basis of which the Directors of the Company have compiled the Pro Forma Financial Position are specified in the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and described in the notes thereon to the Pro Forma Financial Position.

The Pro Forma Combined Statements of Financial Position as at 31 March 2022 have been compiled by the Directors of the Company, for illustrative purposes only, to illustrate the impact of the Listing on the financial position of the Group had the Listing been effected on 31 March 2022. As part of this process, information about the Group's Combined Statements of Financial Position has been extracted by the Directors of the Company ("Directors") from the audited statements of financial position of Betamek Berhad and Betamek Electronics (M) Sdn. Bhd. ("BESB") as at 31 March 2022, on which was reported by us to the members of the Company and BESB on 16 June 2022 without any modification.

Directors' Responsibility for the Pro Forma Combined Statements of Financial Position

The Directors of the Company are responsible for compiling the Pro Forma Combined Statements of Financial Position on the basis set out in Note 3 to the Pro Forma Combined Statements of Financial Position ("Applicable Criteria").

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14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (*Cont'd*)



Our Independence and Quality Control

We are independent 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 of 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.

Our firm applies International Standard on Quality Control (“ISQC”) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by the prospectus Guidelines, about whether the Pro Forma Combined Statements of Financial Position have been properly compiled, in all material respects, by the Directors on the basis of the Applicable Criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements (“ISAE”) 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus”, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Combined Statements of Financial Position on the basis of the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the Pro Forma Combined Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Combined Statements of Financial Position.

The purpose of the Pro Forma Combined Statements of Financial Position included in the Prospectus is solely to illustrate the impact as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at that date would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Combined Statements of Financial Position have been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the Pro Forma Combined Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions enumerated in the notes thereto, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Combined Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)



Reporting Accountants' Responsibilities (cont'd)

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Combined Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Combined Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

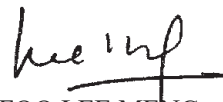
In our opinion, the Pro Forma Combined Statements of Financial Position have been compiled, in all material respects, on the basis set out in the notes thereon to the Pro Forma Combined Statements of Financial Position and in accordance with requirements of Prospectus Guidelines.

Other Matter

This report has been prepared at your request for inclusion in the Prospectus in connection with the IPO and the Listing. As such, this report should not be used or relied upon for any other purposes without the prior written consent from us. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,


GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)


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

Kuala Lumpur

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)**BETAMEK BERHAD AND ITS SUBSIDIARY
PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022**

Stamped for the purpose of identification on:
13 SEP 2022
GRANT THORNTON MALAYSIA, PLT

The Pro Forma Combined Statements of Financial Position of the Group as at 31 March 2022 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note on the assumption that these transactions were completed on 31 March 2022, and should be read in conjunction with the accompanying notes to the Pro Forma Combined Statements of Financial Position.

	Note	Statement of Financial Position as at 31 March 2022 RM	Adjustments for Acquisition RM	Pro Forma I After Internal Restructuring Exercise RM	Adjustments for Proposed After Proposed Public Issue ("IPO") RM	Pro Forma II After Proposed IPO RM	Adjustments for After Utilisation of Proceeds from IPO RM	Pro Forma III After Utilisation of Proceeds from IPO RM
ASSETS								
Non-current assets								
Property, plant and equipment	4.01	-	38,360,840	38,360,840	-	38,360,840	9,500,000	47,860,840
Intangible assets	4.02	-	5,694,964	5,694,964	-	5,694,964	7,000,000	12,694,964
Total non-current assets		-	44,055,804	44,055,804	-	44,055,804	16,500,000	60,555,804
Current assets								
Inventories	4.03	-	55,867,772	55,867,772	-	55,867,772	-	55,867,772
Trade receivables	4.04	-	16,532,863	16,532,863	-	16,532,863	-	16,532,863
Other receivables	4.05	-	6,997,631	6,997,631	-	6,997,631	-	6,997,631
Other investments	4.06	-	136,462	136,462	-	136,462	-	136,462
Tax recoverable	4.07	-	1,741,808	1,741,808	-	1,741,808	-	1,741,808
Cash and bank balances, deposits and placements	4.08	1	15,881,348	15,881,349	33,750,000	49,631,349	(29,900,000)	19,731,349
Total current assets		1	97,157,884	97,157,885	33,750,000	130,907,885	(29,900,000)	101,007,885
Total assets		1	141,213,688	141,213,689	33,750,000	174,963,689	(13,400,000)	161,563,689

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)

Stamped for the purpose of identification on:
13 SEP 2022
 GRANT THORNTON MALAYSIA, PLT

**BETAMEK BERHAD AND ITS SUBSIDIARY
 PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022 (CONT'D)**

The Pro Forma Combined Statements of Financial Position of the Group as at 31 March 2022 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note on the assumption that these transactions were completed on 31 March 2022, and should be read in conjunction with the accompanying notes to the Pro Forma Combined Statements of Financial Position (cont'd).

	Note	Statement of Financial Position as at 31 March 2022 RM	Adjustments for Acquisition RM	Pro Forma I After Internal Restructuring Exercise RM	Adjustments for Proposed After Proposed Public Issue ("IPO") RM	Pro Forma II After Proposed IPO RM	Adjustments for After Utilisation of Proceeds from IPO RM	Pro Forma III After Utilisation of Proceeds from IPO RM
EQUITY AND LIABILITIES								
EQUITY								
Equity attributable to owners of parent:-								
Share capital	4.09	1	93,789,000	93,789,001	33,750,000	127,539,001	(510,000)	127,029,001
(Accumulated losses)/								
Retained earnings	4.10	(7,749)	85,441,867	85,434,118	-	85,434,118	(2,890,000)	82,544,118
Merger reserve	2	-	(85,789,000)	(85,789,000)	-	(85,789,000)	-	(85,789,000)
Total equity		(7,748)	93,441,867	93,434,119	33,750,000	127,184,119	(3,400,000)	123,784,119
LIABILITIES								
Non-current liabilities								
Borrowings	4.11	-	19,030,228	19,030,228	-	19,030,228	(10,000,000)	9,030,228
Deferred tax liabilities	4.12	-	3,513,000	3,513,000	-	3,513,000	-	3,513,000
Total non-current liabilities		-	22,543,228	22,543,228	-	22,543,228	(10,000,000)	12,543,228

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)

Stamped for the purpose of identification on:
13 SEP 2022
 GRANT THORNTON MALAYSIA, PLT

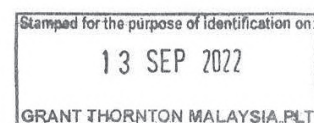
**BETAMEK BERHAD AND ITS SUBSIDIARY
 PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022 (CONT'D)**

The Pro Forma Combined Statements of Financial Position of the Group as at 31 March 2022 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note on the assumption that these transactions were completed on 31 March 2022, and should be read in conjunction with the accompanying notes to the Pro Forma Combined Statements of Financial Position (cont'd).

	Note	Statement of Financial Position as at 31 March 2022 RM	Adjustments for Acquisition RM	Pro Forma I After Internal Restructuring Exercise RM	Adjustments for Proposed After Proposed Public Issue ("IPO") RM	Pro Forma II After Proposed IPO RM	Adjustments for After Utilisation of Proceeds from IPO RM	Pro Forma III After Utilisation of Proceeds from IPO RM
EQUITY AND LIABILITIES (CONT'D)								
LIABILITIES (CONT'D)								
Current liabilities								
Trade payables	4.13	-	8,944,732	8,944,732	-	8,944,732	-	8,944,732
Other payables	4.14	7,749	4,002,486	4,010,235	-	4,010,235	-	4,010,235
Borrowings	4.11	-	12,281,375	12,281,375	-	12,281,375	-	12,281,375
Total current liabilities		7,749	25,228,593	25,236,342	-	25,236,342	-	25,236,342
Total liabilities		7,749	47,771,821	47,779,570	-	47,779,570	(10,000,000)	37,779,570
Total equity and liabilities		1	141,213,688	141,213,689	33,750,000	174,963,689	(13,400,000)	161,563,689
Issued ordinary share capital (Unit)	4.09	1	382,499,999	382,500,000	67,500,000	450,000,000	-	450,000,000
Net assets per share (RM)		(7,748)		0.24		0.28		0.28
Borrowings (RM)		-		31,311,603		31,311,603		21,311,603
Gearing ratio (times)		-		0.34		0.25		0.17

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)

BETAMEK BERHAD AND ITS SUBSIDIARY



1. BACKGROUND

Betamek Berhad (“Company” or “Betamek”) was incorporated on 7 December 2021 as a private 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.

2. BASIS OF PREPARATION

The Pro Forma Combined Statements of Financial Position of Betamek Berhad and its subsidiary (collectively referred to as “Group” or “Betamek Group”) have been prepared for illustrative purposes only.

The Pro Forma Combined Statements of Financial Position of the Group have been prepared on the basis consistent with the accounting policies adopted by the Group for the financial year ended 31 March 2022, in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Prospectus Guidelines.

Merger method of accounting

For the purpose of accounting for the acquisition of its subsidiary, Betamek Electronics (M) Sdn. Bhd. (“BESB”), the Company has adopted the merger accounting principles as the Combined entities are under common control by the same party before and after the Initial Public Offering. Under merger method of accounting, the difference between the cost of investment recorded by the Company (i.e. the consideration for the acquisition of BESB) and the share capital of BESB is accounted for as merger reserve, computed as follows:-

	RM
Consideration for the acquisition of BESB	93,789,000
Less: Issued share capital of BESB as at 31 March 2022	<u>(8,000,000)</u>
Merger reserve	<u>85,789,000</u>

3. EVENT AFTER THE FINANCIAL YEAR AND LISTING SCHEME

(i) Pro Forma I: Internal Restructuring Exercise

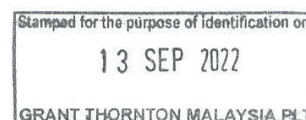
The Internal Restructuring Exercise entails acquiring the entire equity interest of BESB, the combining entity for a total purchase consideration of RM93,789,000 satisfied via the issuance of 382,499,999 new Betamek shares at an issue price of RM0.2452 per share based on the net assets of BESB as at 31 October 2021. The acquisition was completed on 6 September 2022.

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)

BETAMEK BERHAD AND ITS SUBSIDIARY

3. EVENT AFTER THE FINANCIAL YEAR AND LISTING SCHEME (CONT'D)

(ii) Pro Forma II: Proposed Initial Public Offering ("IPO")



(a) Proposed Public Issue

A total of 67,500,000 new Betamek ordinary shares ("Issued Shares") representing 15.00% of the enlarged share capital of Betamek are offered at an issue price of RM0.50 per share and shall be allocated in the following manner:-

- 22,500,000 Issue Shares, representing 5.00% of the enlarged share capital are made available for application by the Malaysian Public,
- 13,500,000 Issue Shares, representing 3.00% of the enlarged share capital are reserved for the pink form, and
- 31,500,000 Issue Shares, representing 7.00% of the enlarged share capital are reserved for private placement to selected investors.

(b) Proposed Offer for Sale

Iskandar Holdings Sdn Bhd will undertake an offer for sale of 45,000,000 existing ordinary shares in Betamek ("Offer Shares"), representing approximately of 10.00% of the enlarged share capital of Betamek, at RM0.50 per Offer Share, by way of private placement to selected investors.

(c) Proposed Listing

Subsequent to the above, the Company's entire enlarged share capital of RM127,539,001 comprising 450,000,000 ordinary shares shall be listed on the ACE Market of Bursa Malaysia Securities Berhad.

(iii) Pro Forma III: Proposed Utilisation of Proceeds from IPO

Gross proceeds from the IPO of RM33,750,000 are expected to be utilised as follows:

Details of utilisation	Estimated timeframe for utilisation upon listing	RM
Capital expenditure		
- Research and development ("R&D") – new product development	Within 36 months	7,000,000
- Expansion of R&D office space, raw material storage and ancillary facilities	Within 36 months	6,500,000
- Purchase of new process equipment	Within 12 months	3,000,000
Working capital requirement	Within 3 months	3,850,000
Repayment of bank borrowings	Within 3 months	10,000,000
Estimated listing expenses *	Within 1 month	3,400,000
Total estimated proceeds		33,750,000

* The estimated listing expenses of RM510,000 arising from the issuance of new Betamek Shares pursuant to the Listing are to be offset against the share capital and the remaining estimated listing expenses of RM2,890,000 will be expensed off to profit or loss and this represents one-off expenditure in conjunction with the IPO.

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)**BETAMEK BERHAD AND ITS SUBSIDIARY****NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION****4.01 PROPERTY, PLANT AND EQUIPMENT**

The movements of property, plant and equipment are as follows:-

	<u>RM</u>
As at 31 March 2022	-
Pursuant to Internal Restructuring Exercise	<u>38,360,840</u>
As per Pro Forma I/II	38,360,840
Pursuant to Utilisation of Proceeds from IPO	
- Expansion of R&D office space, raw material storage and ancillary facilities	6,500,000
- Purchase of new process equipment	<u>3,000,000</u>
As per Pro Forma III	<u><u>47,860,840</u></u>

4.02 INTANGIBLE ASSETS

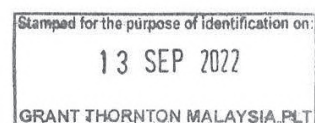
The movements of intangible assets are as follows:-

	<u>RM</u>
As at 31 March 2022	-
Pursuant to Internal Restructuring Exercise	<u>5,694,964</u>
As per Pro Forma I/II	5,694,964
Pursuant to Utilisation of Proceeds from IPO	
- Research and development costs	<u>7,000,000</u>
As per Pro Forma III	<u><u>12,694,964</u></u>

4.03 INVENTORIES

The movements of inventories are as follows:-

	<u>RM</u>
As at 31 March 2022	-
Pursuant to Internal Restructuring Exercise	<u>55,867,772</u>
As per Pro Forma I/II/III	<u><u>55,867,772</u></u>

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)

BETAMEK BERHAD AND ITS SUBSIDIARY
NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)
4.04 TRADE RECEIVABLES

The movements of trade receivables are as follows:-

	<u>RM</u>
As at 31 March 2022	-
Pursuant to Internal Restructuring Exercise	<u>16,532,863</u>
As per Pro Forma I/II/III	<u><u>16,532,863</u></u>

4.05 OTHER RECEIVABLES

The movements of other receivables are as follows:-

	<u>RM</u>
As at 31 March 2022	-
Pursuant to Internal Restructuring Exercise	<u>6,997,631</u>
As per Pro Forma I/II/III	<u><u>6,997,631</u></u>

4.06 OTHER INVESTMENTS

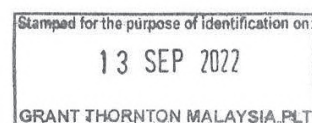
The movements of other investments are as follows:-

	<u>RM</u>
As at 31 March 2022	-
Pursuant to Internal Restructuring Exercise	<u>136,462</u>
As per Pro Forma I/II/III	<u><u>136,462</u></u>

4.07 TAX RECOVERABLE

The movements of tax recoverable are as follows:-

	<u>RM</u>
As at 31 March 2022	-
Pursuant to Internal Restructuring Exercise	<u>1,741,808</u>
As per Pro Forma I/II/III	<u><u>1,741,808</u></u>

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)**BETAMEK BERHAD AND ITS SUBSIDIARY****NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)****4.08 CASH AND BANK BALANCES, DEPOSITS AND PLACEMENTS**

The movements of cash and bank balances, deposits and placements are as follows:-

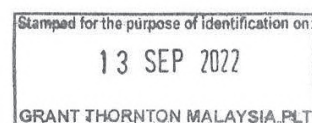
	<u>RM</u>
Current assets	
As at 31 March 2022	1
Pursuant to Internal Restructuring Exercise	<u>15,881,348</u>
As per Pro Forma I	15,881,349
Pursuant to IPO	<u>33,750,000</u>
As per Pro Forma II	49,631,349
Pursuant to Utilisation of Proceeds from IPO	
- Research and development costs	(7,000,000)
- Expansion of R&D office space, raw material storage and ancillary facilities	(6,500,000)
- Purchase of new process equipment	(3,000,000)
- Repayment of bank borrowings	(10,000,000)
- Estimated listing expenses	<u>(3,400,000)</u>
As per Pro Forma III	<u><u>19,731,349</u></u>

4.09 SHARE CAPITAL

The movements of the issued share capital are as follows:-

	Number of <u>ordinary shares</u> <u>Unit</u>	<u>Amount</u> <u>RM</u>
As at 31 March 2022	1	1
Pursuant to Internal Restructuring Exercise	<u>382,499,999</u>	<u>93,789,000</u>
As per Pro Forma I	382,500,000	93,789,001
Pursuant to IPO	<u>67,500,000</u>	<u>33,750,000</u>
As per Pro Forma II	450,000,000	127,539,001
Pursuant to Utilisation of Proceeds from IPO		
- Estimated listing expenses	<u>-</u>	<u>(510,000)</u>
As per Pro Forma III	<u><u>450,000,000</u></u>	<u><u>127,029,001</u></u>

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)



BETAMEK BERHAD AND ITS SUBSIDIARY

NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

4.10 (ACCUMULATED LOSSES)/RETAINED EARNINGS

The movements of (accumulated losses)/retained earnings are as follows:-

	<u>RM</u>
As at 31 March 2022	(7,749)
Pursuant to Internal Restructuring Exercise	<u>85,441,867</u>
As per Pro Forma I/II	85,434,118
Pursuant to Utilisation of Proceeds from IPO - Estimated listing expenses	<u>(2,890,000)</u>
As per Pro Forma III	<u><u>82,544,118</u></u>

4.11 BORROWINGS

The movements of borrowings are as follows:-

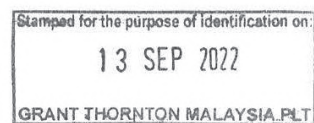
	<u>RM</u>
Non-current liabilities	
As at 31 March 2022	-
Pursuant to Internal Restructuring Exercise	<u>19,030,228</u>
As per Pro Forma I/II	19,030,228
Pursuant to Utilisation of Proceeds from IPO - Repayment of bank borrowings	<u>(10,000,000)</u>
As per Pro Forma III	<u><u>9,030,228</u></u>
Current liabilities	
As at 31 March 2022	-
Pursuant to Internal Restructuring Exercise	<u>12,281,375</u>
As per Pro Forma I/II/III	<u><u>12,281,375</u></u>

4.12 DEFERRED TAX LIABILITIES

The movements of deferred tax liabilities are as follows:-

	<u>RM</u>
As at 31 March 2022	-
Pursuant to Internal Restructuring Exercise	<u>3,513,000</u>
As per Pro Forma I/II/III	<u><u>3,513,000</u></u>

14. REPORTING ACCOUNTANTS' REPORT ON PRO FORMA COMBINED FINANCIAL INFORMATION (Cont'd)

**BETAMEK BERHAD AND ITS SUBSIDIARY****NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)****4.13 TRADE PAYABLES**

The movements of trade payables are as follows:-

	<u>RM</u>
As at 31 March 2022	-
Pursuant to Internal Restructuring Exercise	<u>8,944,732</u>
As per Pro Forma I/II/III	<u><u>8,944,732</u></u>

4.14 OTHER PAYABLES

The movements of other payables are as follows:-

	<u>RM</u>
As at 31 March 2022	7,749
Pursuant to Internal Restructuring Exercise	<u>4,002,486</u>
As per Pro Forma I/II/III	<u><u>4,010,235</u></u>

15. STATUTORY AND OTHER INFORMATION

15.1 SHARE CAPITAL

- (a) As at the date of this Prospectus, we only have one class of shares, namely, ordinary shares, all of which rank equally with one another.
- (b) Save for the Pink Form Allocations as disclosed in Section 4.3.2;
- (i) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our subsidiary; and
- (ii) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiary.
- (c) Save for the new Shares issued for the Acquisition and to be issued for the Public Issue as disclosed in Sections 6.2 and 4.3.1 respectively, no shares of our Company have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past 2 years immediately preceding the date of this Prospectus.
- (d) Other than our Public Issue as disclosed in Section 4.3.1, there is no intention on the part of our Directors to further issue any Shares on the basis of this Prospectus.
- (e) As at the date of this Prospectus, our Company does not have any outstanding convertible debt securities.

15.2 SHARE CAPITAL OF OUR SUBSIDIARY

Details of our share capital are set out in Section 6.1. Details of the share capital of our subsidiary are set out below.

15.2.1 BESB

BESB's share capital as at LPD is RM8,000,000 comprising 6,000,000 ordinary shares. The movements in its share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital RM
23 August 1989	2	RM2/Cash	2
20 March 1990	1,199,999	RM1,199,999/Cash	1,200,001
20 March 1990	799,999	RM799,999/Cash	2,000,000
27 November 1996	2,040,000	RM2,040,000/Cash	4,040,000
27 November 1996	1,960,000	⁽¹⁾ RM1,960,000/Otherwise than cash	6,000,000
31 January 2019	-	RM2,000,000/Transfer from share premium	8,000,000

Note:

⁽¹⁾ Being the capitalisation of amount due to a former director, namely Lin Shih-Hsien.

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in BESB. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15. STATUTORY AND OTHER INFORMATION (*Cont'd*)

15.3 CONSTITUTION

The following provisions are extracted from our Constitution. Terms defined in our Constitution shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires.

15.3.1 Changes in share capital and variation of class rights

The provisions in our Constitution dealing with changes in share capital and variation of class rights, which are no less stringent than those required by law, are as follows:

Clause 11

Subject to the Act and this Constitution, shares in the Company may be issued by the Directors and any such shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may from time to time by ordinary resolution determine.

Clause 12

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of this Constitution, the Act and the provisions of any resolution of the Company, shares in the Company may be issued by the Directors, who may allot, or otherwise dispose of such shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights, and subject to such restrictions and at such times as the Directors may determine but the Directors in making any issue of shares shall comply with the following conditions:

- (a) in the case of shares of a class, other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution and in the resolution creating the same;
- (b) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the members in general meeting;
- (c) no Director shall participate in a share scheme for employees unless the Members in general meeting have approved of the specific allotment to be made to such Director (including Non-Executive Directors);
- (d) except in the case of an issue of securities on a pro rata basis to shareholders or pursuant to a back-to-back placement undertaken in compliance with the Listing Requirements, a Director, major shareholders, Chief Executive or person connected to any Director, major shareholder or Chief Executive of the Company shall not participate, directly or indirectly, in an issue of ordinary shares or other securities with rights of conversion to ordinary shares unless the shareholders of the Company in general meeting have approved the specific allotment to be made to the Director, major shareholders, Chief Executive or person connected to any Director, major shareholder or Chief Executive and the Director, major shareholders, Chief Executive or person connected to any Director, major shareholder or Chief Executive has abstained from voting on the relevant resolution;

In this Clause, "Major Shareholder", "Chief Executive" and "Person connected to any Director, major shareholder or Chief Executive" shall have the same meaning described thereto in the Listing Requirements.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

- (e) subject to the Listing Requirements and without limiting the generality of Sections 75 and 76 of the Act, the Company must not issue any ordinary shares or other securities with rights of conversion to ordinary shares, except where the shares or securities are issued with the prior shareholders' approval in a general meeting of the precise terms and conditions of the issue; and
- (f) in working out the number of shares or securities that may be issued by the Company, if the security is a convertible security, each such security is counted as the maximum number of shares into which it can be converted or exercised.

Clause 13

Subject to the Act, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed. The Company shall have the power to issue preference capital ranking equally with, or in priority to, preference shares already issued. Preference shareholders shall have the same rights as ordinary shareholders as regards to receiving notices, reports and audited financial statements and attending meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the share capital or winding up or during the winding up of the Company, or on a proposal for the disposal of the whole of the Company's property, business and undertaking, or where any resolution to be submitted to the meeting directly affects their rights and/or privileges attached to the shares, or when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months.

Clause 14

Notwithstanding Clause 13, the repayment of preference share capital other than redeemable preference capital or any other alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from not less than seventy-five per centum (75%) of the total voting rights of the preference shareholders within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

Clause 15

Subject to the provisions of Sections 71 and 91 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to shares in any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with:

- (a) a special resolution passed at a separate meeting of the shareholders of that class; or
- (b) where necessary majority of such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of not less than seventy-five per centum (75%) of the total voting rights of the shareholders of that class within two (2) months of the meeting,

15. STATUTORY AND OTHER INFORMATION (Cont'd)

shall be as valid and effectual as a special resolution carried at the meeting. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons who are shareholders present in person or represented by proxy holding at least one-third (1/3) of the number of issued shares of the class, excluding any shares of that class held as treasury shares and that any holder of shares of the class present in person or by proxy may demand a poll. For adjourned meeting, quorum is one person present holding shares of such class. To every such special resolution, the provisions of Section 292 of the Act shall with such adaptations as are necessary, apply.

Clause 16

The right conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in profits or assets of the Company in some or all respects *pari passu* therewith.

Clause 17

The Company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company PROVIDED THAT (i) the rate in percentage or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act, that such commission shall not exceed the rate of ten per centum (10%) of the price at which such shares are issued, or an amount equivalent to such percentage of that price, whichever is the lesser, and (ii) the requirements of Section 80 of the Act shall be observed. Subject to the provisions of Section 78 of the Act, such commission may be satisfied by the payment of cash or allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

Clause 18

Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest on so much share capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in Section 130 of the Act and may charge the same to capital as part of the cost of the plant construction of any works or buildings or the provision of any plant.

Clause 19

Except as required by this Constitution or by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even with notice thereof) any equitable, contingent, future or partial interest in any share or any unit of share or any other right in respect of any shares, except an absolute right to the entirety thereof in the registered holder.

15. STATUTORY AND OTHER INFORMATION (Cont'd)**Clause 20**

The Company must ensure that all new issues of securities for which listing is sought are made by way of crediting the Securities Accounts of the allottees with such Securities save and except where they are specifically exempted from compliance with Section 38 of the Central Depositories Act, in which event they shall so similarly be exempted from compliance with this provision. For this purpose, the Company must notify the Bursa Depository of the names of the allottees and all such particulars required by the Bursa Depository, to enable the Bursa Depository to make the appropriate entries in the Securities Accounts of such allottees. The Company must not cause or authorise its Registrar to cause the Securities Accounts of the allottees to be credited with the additional securities until after the Company has filed with the Exchange an application for listing of such additional securities and has been notified by the Exchange that they have been authorised for listing.

Clause 22

The certificate of title to share, stock, debentures, debenture stock, notes and other securities of the Company shall be issued under the Seal and bear the signatures or the autographic signatures of one Director and the Secretary or a second Director or such other person as may be authorised by the Board, and shall specify the shares to which it relates, and the amount paid up thereon provided that the Board may by resolution determine that such signatures, or either of them, shall be dispensed with or shall be affixed by such other person as may be authorised by the Board or some method or system of mechanical signature.

Clause 62

The Company may from time to time, by ordinary resolution increase its share capital by the creation and issue of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and (subject to any special, limited or conditional voting rights for the time being attached to any existing class of shares) to carry such preferential rights or to be subjected to such conditions or restrictions in regard to dividend, return of capital or otherwise as the Company may, by the resolution authorising such increase, directs.

Clause 63

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.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

Clause 64

Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered as part of the original share capital of the Company, and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.

Clause 65

The Company may by ordinary resolution:

- (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the shares from which the subdivided share is derived; or
- (b) convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; or
- (c) subdivide its share capital or any part thereof, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the shares from which the subdivided share is derived; or
- (d) cancel any shares which at the date of the passing of the resolution which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

Clause 66

Subject to the provisions of the Act and the requirements of the Exchange and such other relevant law, regulation or guideline, the Company may, with the sanction of an ordinary resolution, to the fullest extent permitted, to purchase its own shares and/or provide financial assistance to any person for the purpose of purchasing its own shares. Any shares in the Company so purchased by the Company and/or any person shall be dealt with in accordance with the Act, the requirements of the Exchange and/or any other relevant authority.

Clause 67

The Company may reduce its share capital by:

- (a) a special resolution and confirmation by the Court in accordance with Section 116 of the Act; or
- (b) a special resolution supported by a solvency statement in accordance with Section 117 of the Act.

15. STATUTORY AND OTHER INFORMATION (Cont'd)**Clause 87**

Subject to any rights or restrictions for the time being attached to any class of shares at meetings of members or classes of members and Clause 74, Clause 75 and Clause 76 above, each member shall be entitled to be present and to vote at any general meeting in respect of any share or shares of which he is the registered holder and upon which all calls due to the Company have been paid, and may vote in person or by proxy or by attorney or by duly authorised representative for a corporation, and on a resolution to be decided on a show of hands, each holder of an ordinary share, and each holder of a preference share who has a right to vote, shall be entitled to one (1) vote and on a poll, every such member present in person or by proxy or attorney or representative for a corporation shall have one (1) vote for each share he holds. A proxy shall be entitled to vote on a show of hands or on a poll, on any question, at any general meeting. In a voting by poll, each proxy shall be entitled to such number of votes equal to the proportion of the member's shareholdings represented by such proxy. A proxy may only vote as directed in the proxy form. However, if the appointor or representative attend and vote on a resolution, the proxy or attorney must not vote.

Clause 89

A member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorder may vote, whether on a show of hands or on a poll, by his committee or by such other person as properly has the management of his estate, and any such committee or other person may vote by proxy or attorney. Any person entitled under Clause 43 to transfer any shares, may vote at any general meeting in the same manner as if he was the registered holder of such shares provided that he shall satisfy the Directors of his right to transfer such shares, unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof, at least forty-eight (48) hours prior to the time of the meeting or adjourned meeting, at which he proposes to vote.

Clause 90

No person shall be entitled to be present or to vote on any resolution either as a member or otherwise as a proxy or attorney or representative for a corporation at any general meeting or demand a poll or be reckoned in the quorum in respect of any shares upon which calls are due and unpaid.

Clause 92

- (1) A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead at the meeting, and that a proxy may but need not be a member. There shall be no restriction as to the qualification of the proxy. Where a member appoints more than one (1) proxy, he shall specify the proportion of his holdings to be represented by each proxy, failing which the appointment shall be invalid. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
- (2) 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.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

Clause 180

Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid, but no amount paid or credited as paid on a share in advance of call shall be treated for the purposes of this Constitution as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

Clause 181

The Directors may deduct from any dividend payable to any Member, all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company held by him.

Clause 182

The Directors may retain any dividend or other moneys payable on or in respect of a share other than fully paid shares on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Clause 183

The Directors may retain the dividends payable upon shares in respect of which any person is entitled to become a member under the provision as to the transmission of shares in this Constitution, or which any person is under this Constitution entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

Clause 185

Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus, wholly or partly by the distribution of specific assets and in particular, of paid-up shares, debenture or debenture stock of any other company or in any one or more of such ways and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and fix the value for the distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

15. STATUTORY AND OTHER INFORMATION (*Cont'd*)

15.3.2 Borrowing and voting power of the directors

The provisions in our Constitution dealing with voting and borrowing powers of our Directors including voting powers in relation to proposals, arrangements or contract in which they are interested in are as follows:

Clause 115

The Directors shall not without the prior approval of the Company in general meeting:

- (a) exercise any power of the Company to issue shares unless otherwise permitted under the Act;
- (b) arrange or enter or carry into effect any proposal or execute any transaction for the acquisition of an undertaking or property of a substantial value, or the disposal of a substantial portion of or controlling interest in the Company's undertaking or property (includes the whole or substantially the whole of the rights, including developmental rights and benefits);
- (c) subject to Sections 228(2) and 229 of the Act, cause the Company to enter or carry into effect any arrangement or transaction with a Director or a substantial shareholder of the Company or its holding company, or its subsidiary, or with a person connected with such a Director or substantial shareholder to acquire from or dispose to such Director or substantial shareholder or person connected with such a Director any shares or non-cash assets of the requisite value as stated in the Act; or
- (d) issue any securities on such terms and subject to such conditions which confer a right to subscribe for new shares of the Company.

Clause 116

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or subsidiary company or associate company or any related third party subject to the law including but not limited to the provisions of the Act and the Listing Requirements, as they may think fit.

Clause 117

The Directors shall not borrow any money or mortgage or charge any of the Company's or its subsidiaries' undertaking, property or uncalled capital, or issue debentures or other securities, whether outright or as security, for any debt, liability or obligation of an unrelated third party.

Clause 124

Every Director shall give notice to the Company of such events and matters affecting or relating to himself as may be necessary or expedient to enable the Company and its officers to comply with the requirements of the Act.

15. STATUTORY AND OTHER INFORMATION (Cont'd)**Clause 125**

Subject always to the Act and requirements of the Exchange, a Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise nor shall any such contracts, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established but the nature and extent of interest must be declared by him at the meeting of the Directors at which the contract or arrangement is determined, if the interest then exists or in any other case, at the first meeting of the Directors after the acquisition of the interest.

15.3.3 Remuneration of directors

The provisions in our Constitution dealing with remuneration of Directors are as follows:

Clause 111

The fees and any benefits payable to the Directors of the Company and its subsidiaries including any compensation for loss of employment of Director or former Director shall from time to time be determined by the Company in general meeting and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS that:

- (a) fee payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover and which shall not exceed the amount approved by shareholders in general meeting;
- (b) remuneration and other emoluments (including salary, bonus, benefits or any other elements) payable to Executive Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover. Nothing herein shall prejudice the powers of the Directors to appoint any of their members to be the employee or agent of the Company at such remuneration and upon such terms as they think fit provided that such remuneration shall not include commission on or percentage of turnover;
- (c) fees of Directors and any benefits payable to Directors shall be subject to annual approval at a general meeting;
- (d) any fee paid to an alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and
- (e) the monetary fees and/or benefits payable to Non-Executive Directors of the Company, including those who are also Director of the subsidiaries includes fees, meeting allowances, travelling allowances, benefits, gratuity and compensation for loss of employment of Director or former Director of the Company provided by the Company and subsidiaries, but does not include insurance premium or any issue of securities.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

Clause 112

- (1) The Directors shall be paid or reimbursed for all their travelling, hotel and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending meetings of the Directors or any committee of the Directors or general meetings or otherwise.
- (2) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of Non-Executive Directors, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an Executive Director, such fee may be either in addition to or in substitution for his share in the fee from time to time provided for the Directors.

Clause 146

The remuneration of the Directors appointed to an executive position pursuant to this Constitution shall, subject to Clause 111, be fixed by the Board and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement. The remuneration of the Director(s) appointed to an executive position under Clause 145 shall be determined by the Board or any committee authorised by the Board and can either be in addition to or in lieu of his/their fees as a Director.

15.3.4 Transfer of Shares

The provisions in our Constitution dealing with transfer of shares as follows:

Clause 36

The instrument of transfer of any securities lodged with the Company shall be in writing and in the form approved in the Rules and shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the securities until the name of the transferee is entered in the Record of Depositors in respect thereof. The transfer of any listed securities or class of listed securities of the Company, shall be made by way of book entry by the Bursa Depository in accordance with the Rules and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such listed securities.

Clause 37

Subject to the Rules and Listing Requirements, the transfer of any securities may be suspended at such times and for such periods as the Directors may from time to time determine. At least ten (10) Market Days' notice, or such other period as may from time to time be specified by the Exchange governing the Register concerned, of intention to close the Register shall be given to the Exchange. At least three (3) Market Days' prior notice shall be given to the Bursa Depository to prepare the appropriate Record of Depositors.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

Clause 38

The Bursa Depository may, in its absolute discretion, refuse to register any transfer of Deposited Security that does not comply with the Central Depositories Act and the Rules. No securities shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

Clause 39

Subject to the provisions of this Constitution, the Directors may recognise a renunciation of any share by the allottee thereof in favour of some other person.

Clause 40

Subject to any law in Malaysia for the time being in force, neither the Company nor the Directors nor any of its officers shall incur any liability for the act of the Bursa Depository in registering or acting upon a transfer of securities apparently made by a member or any person entitled to the securities by reason of death, bankruptcy or insanity of a member although the same may, by reason of any fraud or other causes not known to the Company or the Directors or the Bursa Depository or other officers, be legally inoperative or insufficient to pass the property in the securities proposed or professed to be transferred, and although the transfer may, as between the transferor and the transferee, be liable to be set aside and notwithstanding that the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in the blank as to the name of the transferee, of the particulars of the securities transferred or otherwise in defective manner. And in every case, the person registered as transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such securities and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

15.4 GENERAL INFORMATION

- (a) Save for the dividends paid to our shareholders in FYE 2019 to 2022 and up to LPD, and Directors' remuneration as disclosed in Sections 12.17 and 5.2.4 respectively, no other amount or benefit has been paid or given within the past 2 years immediately preceding the date of this Prospectus, nor is it intended to be paid or given, to any of our Promoter, Director or substantial shareholder.
- (b) None of our Directors or substantial shareholders have any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.
- (c) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the details of the summarised procedures for application of our Shares are set out in Section 16.
- (d) There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

15. STATUTORY AND OTHER INFORMATION *(Cont'd)*

15.5 CONSENTS

- (a) The written consents of the Adviser, Sponsor, Underwriter, Placement Agent, Solicitors, Share Registrar, Company Secretary and Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn;
- (b) The written consents of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report and report relating to the pro forma consolidated financial information in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn; and
- (c) The written consent of the IMR to the inclusion in this Prospectus of its name and the IMR Report, in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not been subsequently withdrawn.

15.6 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company during normal business hours for a period of 6 months from the date of this Prospectus:

- (a) Constitution;
- (b) Audited financial statements of Betamek from the date of incorporation up to 31 March 2022;
- (c) Audited financial statements of BESB for FYE 2019 to 2022;
- (d) Accountants' Report as set out in Section 13;
- (e) Reporting Accountants' Report relating to our pro forma combined financial information as set out in Section 14;
- (f) IMR Report as set out in Section 8;
- (g) Material contracts as set out in Section 6.5; and
- (h) Letters of consent as set out in Section 15.5.

15.7 RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Selling Shareholder have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

M&A Securities acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

16.1 OPENING AND CLOSING OF APPLICATION PERIOD

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 28 September 2022

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 7 October 2022

In the event of any changes to the date or time for closing, we will advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia, and make an announcement on Bursa Securities' website.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATIONS

16.2.1 Retail Offering

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors	Application Method
Applications by our eligible Directors, employees and persons who have contributed to the success of our Group	Pink Application Form only
Applications by the Malaysian Public:	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.2.2 Placement

Types of Application	Application Method
Applications by selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.

16.3 ELIGIBILITY

16.3.1 General

You must have a CDS Account and a correspondence address in Malaysia. If you do not have a CDS Account, you may open a CDS Account by contacting any of the ADAs set out in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities. The CDS Account must be in your own name. Invalid, nominee or third party CDS Accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

16.3.2 Application by Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

- (a) You must be one of the following:
 - (i) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or
 - (ii) a corporation / institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors / trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (iii) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (b) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (c) You must submit Applications by using only one of the following methods:
 - (i) White Application Form; or
 - (ii) Electronic Share Application; or
 - (iii) Internet Share Application.

16.3.3 Application by eligible Directors, employees and persons who have contributed to the success of our Group

The eligible Directors, employees and persons (including any entities, wherever established) who have contributed to the success of our Group will be provided with Pink Application Forms and letters from us detailing their respective allocation.

16.4 APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform STRICTLY to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.50 for each IPO Share.

Payment must be made out in favour of **"MIH SHARE ISSUE ACCOUNT NO. 619"** and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (a) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd (Registration No. 199301003608 (258345-X))
11th Floor, Menara Symphony
No. 5 Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

or

P.O. Box 00010
Pejabat Pos Jalan Sultan
46700 Petaling Jaya
Selangor Darul Ehsan

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

(b) DELIVER BY HAND AND DEPOSIT

In the drop-in boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, so as to arrive not later than 5.00 p.m. on 7 October 2022 or by such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

16.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

16.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

- (a) reject Applications which:
 - (i) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (ii) are illegible, incomplete or inaccurate; or
 - (iii) are accompanied by an improperly drawn up or improper form of remittance; or
- (b) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (c) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.8 OVER / UNDERSUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of our IPO shares and the balloting results in connection therewith will be furnished by the Issuing House to the SC, Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website www.mih.com.my within one business day after the balloting event.

Pursuant to the Listing Requirements, we are required to have at least 25.00% of our total number of Shares for which listing is sought to be held by a minimum number of 200 public shareholders holding not less than 100 Shares each upon our admission to the Official List and completion of our IPO. We expect to achieve this at the point of Listing. In the event this requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all the Applications will be returned in full (without interest or any share of revenue or benefits arising therefrom) and if such monies are not returned in full within 14 days after our Company becomes liable to do so, the provision of Section 243(2) of the CMSA shall apply accordingly.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

In the event of any undersubscription of the Retail Offering, subject to the clawback and reallocation provisions set out Section 4.3.3 of this Prospectus, any of the aforementioned Issue Shares not applied for will then be subscribed by our Sole Underwriter subject to the terms and conditions of the Underwriting Agreement.

16.9 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application Monies (without interest) will be refunded to you in the following manner.

16.9.1 For applications by way of Application Forms

- (a) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (b) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (a) and (b) above (as the case may be).
- (d) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (b) above (as the case may be).

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

16.9.2 For applications by way of Electronic Share Application and Internet Share Application

- (a) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.
- (b) You may check your account on the 5th Market Day from the balloting date.
- (c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

16.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

- (a) Our IPO Shares allotted to you will be credited into your CDS Account.
- (b) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (c) In accordance with Section 14(1) of the Central Depositories Act, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued / offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the Central Depositories Act and Depository Rules.
- (d) In accordance with Section 29 of the Central Depositories Act, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

16.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services Telephone at telephone no. 03-7890 4700
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House website at www.mih.com.my, **one Market Day** after the balloting date.

You may also check the status of your Application, **5 Market Days** after the balloting date by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.

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