



**BETAMEK**  
**BETAMEK BERHAD**

Registration No: 202101041577 (1441877-P)  
*(Incorporated in Malaysia)*

**INTERIM FINANCIAL REPORT**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
AND OTHER COMPREHENSIVE INCOME <sup>(1)(2)</sup>  
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current Year</b>	<b>Preceding Year</b>
	<b>Quarter</b>	<b>Corresponding</b>	<b>Year-To-Date</b>	<b>Corresponding</b>
	<b>31.12.2022</b>	<b>Quarter</b>	<b>Year-To-Date</b>	<b>Year-To-Date</b>
	<b>RM'000</b>	<b>31.12.2021</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	54,726	N/A	149,759	N/A
Cost of sales	(45,916)	N/A	(124,428)	N/A
<b>Gross profit ("GP")</b>	<b>8,810</b>	<b>N/A</b>	<b>25,331</b>	<b>N/A</b>
Other income	59	N/A	135	N/A
Administrative expenses <sup>(3)</sup>	(5,037)	N/A	(8,309)	N/A
Selling and distribution expenses	(12)	N/A	(62)	N/A
Other operating expenses	(464)	N/A	(1,650)	N/A
<b>Operating profit</b>	<b>3,356</b>	<b>N/A</b>	<b>15,445</b>	<b>N/A</b>
Finance income	99	N/A	122	N/A
Finance costs	(265)	N/A	(823)	N/A
<b>Profit before taxation ("PBT")</b>	<b>3,190</b>	<b>N/A</b>	<b>14,744</b>	<b>N/A</b>
Taxation	B5 (1,535)	N/A	(4,185)	N/A
<b>Net profit/ Total comprehensive income for the period</b>	<b>1,655</b>	<b>N/A</b>	<b>10,559</b>	<b>N/A</b>
<b>Net profit/ Total comprehensive income for the period attributable to:</b>				
Owners of the Company	<u>1,655</u>	<u>N/A</u>	<u>10,559</u>	<u>N/A</u>
Basic earnings per share ("EPS") (sen) <sup>(4)</sup>	B11 <u>0.37</u>	<u>N/A</u>	<u>2.35</u>	<u>N/A</u>

**Notes:-**

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 September 2022 and the accompanying explanatory notes attached to this interim financial report.

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- (2) This is the second interim financial report on the Company's unaudited condensed financial results for the third (3<sup>rd</sup>) quarter ended 31 December 2022 announced in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). There are no comparative figures for the preceding corresponding quarter and year-to-date as the Company was listed on the ACE Market of Bursa Securities on 26 October 2022 and as such no interim financial report was prepared for the comparative financial period concerned.
- (3) Administrative expenses included non-recurring listing expenses of RM2.9 million. For illustration purposes only, the Group's normalised financial performance after adjusting for the non-recurring listing expenses is as follows:-

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b><u>Current Year</u></b>	<b><u>Preceding Year</u></b>	<b><u>Current Year</u></b>	<b><u>Preceding Year</u></b>
	<b>Quarter</b>	<b>Quarter</b>	<b>Year-To-Date</b>	<b>Year-To-Date</b>
	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
PBT	3,190	N/A	14,744	N/A
Add: Listing expenses	2,890	N/A	2,890	N/A
Adjusted PBT	6,080	N/A	17,634	N/A

- (4) Basic EPS is calculated based on the Company's share capital of 450,000,000 ordinary shares after the Company was listed on the ACE market of Bursa Securities on 26 October 2022.
- (5) N/A – Not Applicable

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>**  
**AS AT 31 DECEMBER 2022**

	<b>Unaudited</b> <b>As at 31.12.2022</b> <b>RM'000</b>	<b>Audited</b> <b>As at 31.03.2022</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	37,353	38,361
Intangible assets	4,819	5,695
<b>Total non-current assets</b>	<b>42,172</b>	<b>44,056</b>
<b>Current assets</b>		
Inventories	55,849	55,868
Trade receivables	19,687	16,533
Other receivables, deposits and prepayments	5,628	6,998
Other investments	118	136
Tax recoverable	647	1,742
Cash and bank balances	47,563	15,881
<b>Total current assets</b>	<b>129,492</b>	<b>97,158</b>
<b>TOTAL ASSETS</b>	<b>171,664</b>	<b>141,214</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	127,029	93,789
Merger reserves	(85,789)	(85,789)
Retained profits	91,993	85,434
<b>Total equity</b>	<b>133,233</b>	<b>93,434</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	10,891	19,030
Deferred tax liabilities	3,585	3,513
<b>Total non-current liabilities</b>	<b>14,476</b>	<b>22,543</b>
<b>Current liabilities</b>		
Trade payables	15,953	8,945
Other payables and accruals	4,060	4,011
Borrowings	3,942	12,281
<b>Total current liabilities</b>	<b>23,955</b>	<b>25,237</b>
<b>Total liabilities</b>	<b>38,431</b>	<b>47,780</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>171,664</b>	<b>141,214</b>

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	<b>Unaudited</b> <b>As at 31.12.2022</b> <b>RM'000</b>	<b>Audited</b> <b>As at 31.03.2022</b> <b>RM'000</b>
Net assets per ordinary share attributable to owners of the Company (RM) <sup>(2)</sup>	<u>0.30</u>	<u>0.24</u>

**Notes:-**

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 September 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the Company's share capital of 450,000,000 ordinary shares after the Company was listed on the ACE market of Bursa Securities on 26 October 2022. The number of ordinary shares used in calculating the net assets as at 31 March 2022 has been restated to reflect the enlarged number of shares after the Company was listed on 26 October 2022 (31 March 2022: 382,500,000 shares; 31 December 2022: 450,000,000 shares).

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)(2)</sup>**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Attributable to owners of the parent			Total Equity RM'000
	Non-Distributable	Distributable		
	Share Capital RM'000	Merger Reserve RM'000	Retained Earnings RM'000	
<b><u>9 months ended 31 December 2022</u></b>				
<b>At 1 April 2022 (Audited)</b>	*(3)	-	(7)	(7)
Consideration for acquisition of subsidiary	93,789	(85,789)	85,441	93,441
Issuance of shares	33,750	-	-	33,750
Share issuance expenses	(510)	-	-	(510)
Dividend paid	-	-	(4,000)	(4,000)
Profit/ Total comprehensive income for the period	-	-	10,559	10,559
<b>At 31 December 2022 (Unaudited)</b>	<b>127,029</b>	<b>(85,789)</b>	<b>91,993</b>	<b>133,233</b>

**Notes:-**

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 September 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding quarter are available as this is the Company's second interim financial report on its consolidated results for the third quarter ended 31 December 2022 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.
- (3) \* Denotes less than RM1,000.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)(2)</sup>**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

	<b>Current</b>	<b>Preceding Year</b>
	<b>Year-To-Date</b>	<b>Corresponding</b>
	<b>31.12.2022</b>	<b>Year-To-Date</b>
	<b>RM'000</b>	<b>31.12.2021<sup>(2)</sup></b>
		<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
PBT	14,744	N/A
Adjustments for:-		
Amortisation of intangible assets	898	N/A
Depreciation of property, plant and equipment	2,215	N/A
Dividend income	(3)	N/A
Unrealised (gain) / loss on foreign exchange	(73)	N/A
Fair value adjustment on other investments	18	N/A
Interest expenses	823	N/A
Interest income	(122)	N/A
<b>Operating profit before working capital changes</b>	<b>18,500</b>	<b>N/A</b>
<b>Changes in working capital:-</b>		
Inventories	19	N/A
Receivables	(1,784)	N/A
Payables	7,130	N/A
<b>Cash generated from operations</b>	<b>23,865</b>	<b>N/A</b>
Income tax paid, net of refund	(3,018)	N/A
Interest received	122	N/A
Interest paid	(145)	
<b>Net cash flows from operating activities</b>	<b>20,824</b>	<b>N/A</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend received	3	N/A
Liquidation of pledged fixed deposits	205	N/A
Purchase of intangible assets	(22)	N/A
Purchase of property, plant and equipment	(1,207)	N/A
<b>Net cash flows used in investing activities</b>	<b>(1,021)</b>	<b>N/A</b>

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	<b>Current</b>	<b>Preceding Year</b>
	<b>Year-To-Date</b>	<b>Corresponding</b>
	<b>31.12.2022</b>	<b>Year-To-Date</b>
	<b>RM'000</b>	<b>31.12.2021<sup>(2)</sup></b>
		<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from issuance of shares	33,240	N/A
Dividend paid	(4,000)	N/A
Drawdown of term loans	881	N/A
Drawdown of other borrowing	16,255	N/A
Interest paid	(678)	N/A
Repayment of term loans	(3,759)	N/A
Repayment of other borrowings	(29,855)	N/A
<b>Net cash flows from financing activities</b>	<b>12,084</b>	<b>N/A</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>31,887</b>	<b>N/A</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<b>15,676</b>	<b>N/A</b>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b>47,563</b>	<b>N/A</b>
<b>Represented by:-</b>		
Deposits with financial institutions	-	N/A
Cash and bank balances	47,563	N/A
	47,563	N/A
Less: Fixed deposits pledged to a licensed bank	-	N/A
	<b>47,563</b>	<b>N/A</b>

**Notes:-**

- (1) The above Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 28 September 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding quarter are available as this is the Company's second interim financial report on its consolidated results for the third quarter ended 31 December 2022 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.
- (3) N/A – Not Applicable



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**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)**

**A1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 of Listing Requirements of Bursa Securities.

This is the Company’s second interim financial report on the unaudited condensed consolidated financial results for the third quarter ended 31 December 2022 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial statements should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 28 September 2022. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2022.

**A2. Significant Accounting Policies**

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Accountants’ Report as disclosed in the Prospectus dated 28 September 2022 except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

**Effective for annual period beginning on or after 1 January 2023**

*MFRS 17 Insurance Contracts*

*Amendments to MFRS 17 Insurance Contracts*

*Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current*

*Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies*

*Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*

*Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

*Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback*

*Amendments to MFRS 101 Presentation of Financial Statements: Non-current Liabilities with Covenants*

**Effective date yet to be confirmed**

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

The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group upon adoption.

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**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)**

**A3. Auditors' Report on Preceding Annual Financial Statements**

Betamek Berhad was incorporated under the Companies Act 2016 on 7 December 2021. The Company completed the acquisition of its subsidiary, Betamek Electronics (M) Sdn. Bhd. ("BESB") on 6 September 2022.

The auditors' report to the member of BESB on the financial statements for the financial year ended 31 March 2022 was not subject to any qualification.

**A4. Seasonal or Cyclical Factors**

The Group's operation was not significantly affected by any unusual seasonal or cyclical factors.

**A5. Unusual Items Due to Their Nature, Size or Incidence**

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the interim financial period ended 31 December 2022.

**A6. Material Changes in Estimates**

There were no material changes in estimates of amounts reported in prior interim periods or prior financial year that have a material effect in the current financial year to date.

**A7. Debt and Equity Securities**

In conjunction with the Company's listing on the ACE Market of Bursa Securities which was held on 26 October 2022, the Company issued 67,500,000 new shares ("Issue Shares") at an issue price of RM0.50 Per share via a public issue that were allocated in the following manner:-

- 22,500,000 Issue Shares available for application by the Malaysian Public;
- 13,500,000 Issue Shares available for application by our eligible Directors, employees and persons who have contributed to the success of the Company; and
- 31,500,000 Issue Shares by way of private placement to selected investors.

On 26 October 2022, the Company was admitted to the Official List of Bursa Securities and the Company's entire enlarged issue share capital of 450,000,000 shares was listed and quoted on the ACE Market of Bursa Securities.

Save as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

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*(Incorporated in Malaysia)***A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)****A8. Dividend Paid**

There was no dividend paid during the current quarter.

An interim single-tier dividend in respect of the current financial year was declared and paid by BESB to its previous sole shareholder on two occasions, on 30 June 2022 and 29 July 2022 as disclosed in Note B10.

The Board had declared on 23 February 2023 an interim single tier dividend of 0.5 sen per ordinary share for the financial year ending 31 March 2023 with the entitlement date on 9 March 2023 and payment date on 21 March 2023.

**A9. Segmental Information**

The management determines the business segments based on the reports reviewed and used by the management for strategic decisions making and resources allocation.

No segmental analysis by business segment is prepared as the Group operates predominantly in the electronic manufacturing services (“EMS”) focusing on design, development and manufacturing of electronic products and components for automotive manufacturers.

Revenue segmented by products

	Individual Quarter		Cumulative Period	
	<u>Current Year</u> Quarter 31.12.2022 RM'000	<u>Preceding Year</u> Corresponding Quarter 31.12.2021 <sup>(1)</sup> RM'000	<u>Current Year</u> Year-To-Date 31.12.2022 RM'000	<u>Preceding Year</u> Corresponding Year-To-Date 31.12.2021 <sup>(1)</sup> RM'000
Vehicle audio and video products	43,717	N/A	118,719	N/A
Vehicle accessories	11,009	N/A	31,040	N/A
	<b>54,726</b>	<b>N/A</b>	<b>149,759</b>	<b>N/A</b>

Revenue segmented by geographical market

	Individual Quarter		Cumulative Period	
	<u>Current Year</u> Quarter 31.12.2022 RM'000	<u>Preceding Year</u> Corresponding Quarter 31.12.2021 <sup>(1)</sup> RM'000	<u>Current Year</u> Year-To-Date 31.12.2022 RM'000	<u>Preceding Year</u> Corresponding Year-To-Date 31.12.2021 <sup>(1)</sup> RM'000
Malaysia	54,726	N/A	149,759	N/A
	<b>54,726</b>	<b>N/A</b>	<b>149,759</b>	<b>N/A</b>

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)**

**A9. Segmental Information (Continued)**

**Notes:-**

(1) No comparative figures for the preceding quarter are available as this is the Company's second interim financial report on its consolidated results for the third quarter ended 31 December 2022 being announced by the Company in compliance with the Listing Requirements of the Bursa Securities.

(2) N/A – Not Applicable

**A10. Valuation of property, plant and equipment**

There was no valuation of property, plant and equipment in the current financial quarter under review.

**A11. Material events subsequent to the end of the reporting period**

There were no other material events subsequent to the end of the current financial quarter under review.

**A12. Changes in composition of the Group**

On 26 October 2022, the Company's entire enlarged issue share capital of 450,000,000 shares was listed and quoted on the ACE Market of Bursa Securities.

Save as disclosed above, there were no other material changes in the composition of the Group and for the current financial quarter under review.

**A13. Contingent liabilities or contingent assets**

There were no contingent liabilities or contingent assets in the Group since the end of the last reporting period as at 31 December 2022.

**A14. Related Party Transactions Disclosures**

There were no related party transactions during the current financial quarter under review.

**A15. Capital Commitments**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31.12.2022</b>	<b>31.03.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Contracted but not provided for:</b>		
Property, plant and equipment	<u>245</u>	<u>13</u>

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**B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of Performance**

	<u>Current Year</u>	<u>Preceding Year</u>	<u>Current Year</u>	<u>Preceding Year</u>
	Quarter	Corresponding	Year-To-Date	Corresponding
	31.12.2022	Quarter	31.12.2022	Year-To-Date
	RM'000	31.12.2021 <sup>(1)</sup>	RM'000	31.12.2021 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Revenue	54,726	N/A	149,759	N/A
GP	8,810	N/A	25,331	N/A
Profit before interest and tax	3,356	N/A	15,445	N/A
PBT	3,190	N/A	14,744	N/A
Profit after tax	1,655	N/A	10,559	N/A
Profit attributable to owners of the Company	1,655	N/A	10,559	N/A

**Notes:-**

- (1) No comparative figures for the preceding quarter are available as this is the Company's second interim financial report on its consolidated results for the third quarter ended 31 December 2022 being announced by the Company in compliance with the Listing Requirements of the Bursa Securities.
- (2) N/A – Not Applicable

In the current quarter ended 31 December 2022 and financial year-to-date, the Group reported revenue of RM54.73 million and RM149.76 million, and it is mainly attributed from the vehicle audio and visual products segment which accounted for RM43.72 million and RM118.72 million, representing 79.88% and 79.27% of the total revenue respectively. For the current quarter and financial year-to-date, the Group's revenue was entirely derived from customers in Malaysia which contributed for 100.00% of the Group's total revenue.

The Group recognised PBT of RM3.19 million for current quarter and RM14.74 million for financial year-to-date after deducting expenses which are mainly attributed to distribution and administrative expenses amounting to RM5.05 million for the current quarter and RM8.37 million for the financial year-to-date. If excluding non-recurring listing expenses of RM2.89 million incurred in Q3 2023, adjusted normalised PBT for current quarter and financial year-to-date would be RM6.08 million and RM17.63 million respectively.

There are no comparative figures for the preceding year corresponding quarter's results as this is the second interim financial report being announced by the Company in compliance with the Listing Requirements of the Bursa Securities.

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*(Incorporated in Malaysia)***B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)****B2. Comparison with Immediate Preceding Quarter's Results**

	<b>Current Year Quarter 31.12.2022 RM'000</b>	<b>Current Year Preceding Quarter 30.09.2022 RM'000</b>
Revenue	54,726	48,598
GP	8,810	8,618
PBT	3,190	6,060

The Group's revenue for the current quarter under review increased to RM54.73 million compared to the preceding quarter. Majority of the revenue is contributed by the vehicle audio and video products at RM43.72 million (Preceding quarter: RM38.27 million). The vehicle accessories segment also recorded slight increment from RM10.33 million in the preceding quarter to RM11.01 million in the current quarter under review.

The GP margin has decreased from 17.73% in the preceding quarter to 16.10% for the current quarter under review. The decrease in GP margin was largely due to the appreciation of the United States Dollars (USD) against the Malaysian Ringgit (MYR), which peaked during the current quarter under review and affected approximately 47.96% of the quarterly purchases of the Group. PBT also record a decrease by 47.36% compared to the preceding quarter due to Group's non-recurring listing expenses of RM2.89 million which was charged to the profit and loss. If excluded, the normalised adjusted PBT would be RM6.08 million and that would record a 0.33% increase compared to the preceding quarter.

**B3. Prospects of the Group**

As disclosed in Sections 7.17 and 7.18 of the Company's Prospectus dated 28 September 2022 in relation to its IPO ("**Prospectus**"), the Group will implement the following future plans:-

- a) Expand its research & development ("**R&D**") office space, storage space and ancillary facilities in order to better anticipate future demands and also to accommodate the increasing order volume. The expansion will be carried out in 2 phases. Phase 1 will focus on demolition of the existing canteen building and to be replaced with a 3-storey annexe building with an estimated built-up area of 2,736 sq m. Phase 2 will focus on renovation of the existing office floor.
- b) In addition, the Group intends to upgrade its manufacturing capacities to adopt aspects of IR 4.0 by utilising automation, artificial intelligence (AI), internet of things (IoT) and real time data. Thus, the Group plans to invest in software and system development including smart warehousing and material handling system to better manage the movement of our inventories. The Group also plans to purchase additional machineries and equipment such as printed circuit boards (PCB) router and robotic soldering machines in order to improve the quality, efficiency and productivity.

**BETAMEK BERHAD**

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*(Incorporated in Malaysia)***B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)****B3. Prospects of the Group (Continued)**

The fast-paced nature of the automotive electronics industry means that products are constantly being phased out and replaced either by newer models or newer technology. In order to remain competitive, the Group strive to provide timely and technically sophisticated products to its customers. As of March 2022, the Group has spent approximately RM10.4 million on R&D alone on Smart Device Link Over USB and Daihatsu New Global Architecture platforms. The Group intends to develop further technologies and market intelligence to assist its customers in anticipating future trends and demands of the market.

Independent Market Research from Providence Strategic Partners Sdn. Bhd. has projected the sales value of the manufacture of parts and components for motor vehicles will grow from RM32.3 billion in 2021 to RM39.9 billion in 2025 at a Compound Annual Growth Rate of 5.4%.

Based on the above, the Board of Directors of the Company (“**Board**”) is optimistic about the future prospects of the Group.

**B4. Variance of actual profits from forecast profits**

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review.

**B5. Taxation**

	<u>Current Year</u> Quarter 31.12.2022 RM'000	<u>Preceding</u> <u>Year</u> Corresponding Quarter 31.12.2021 <sup>(1)</sup> RM'000	<u>Current Year</u> Year-To-Date 31.12.2022 RM'000	<u>Preceding</u> <u>Year</u> Corresponding Year-To-Date 31.12.2021 <sup>(1)</sup> RM'000
Income tax expense				
- Current period	1,535	N/A	4,185	N/A
Effective tax rate (%)	48.12	N/A	28.38	N/A
Statutory tax rate(%)	24.00	N/A	24.00	N/A

The Group’s effective tax rate for the current financial quarter is higher than the statutory tax rate mainly due to our non-recurring listing expenses which are non-tax deductible. If listing expenses are excluded, the current year-to-date effective tax rate would have been 23.73%.

**Notes:-**

(1) No comparative figures for the preceding quarter are available as this is the Company’s second interim financial report on its consolidated results for the third quarter ended 31 December 2022 being announced by the Company in compliance with the Listing Requirements.

(2) N/A – Not Applicable



**B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

**B6. Status of Corporate Proposals**

On 26 October 2022, the Company has been admitted to the Official List of Bursa Securities and the Company's entire enlarged share capital of 450,000,000 shares was listed and quoted on the ACE Market of Bursa Securities.

Save as disclosed above, there were no other corporate proposals announced but not yet implemented as at the date of this interim financial report.

**B7. Utilisation of proceeds from IPO**

The gross proceeds of RM33.75 million from the IPO is intended to be utilised in the following manner:-

	Details of utilisation of proceeds	Proposed utilisation RM'000	Percentage of proposed utilisation %	Actual utilisation RM'000	Balance to be utilised RM'000	Estimated timeframe for utilisation upon listing <sup>(1)</sup>
(i)	R&D - new product development	7,000	20.7	-	7,000	Within 36 months
(ii)	Expansion of R&D office space, raw material storage and ancillary facilities	6,500	19.3	-	6,500	Within 36 months
(iii)	Purchase of new process equipment	3,000	8.9	-	3,000	Within 12 months
(iv)	Working capital requirement	3,850	11.4	(3,850)	-	Within 3 months
(v)	Repayment of bank borrowings	10,000	29.6	(10,000)	-	Within 3 months
(vi)	Estimated listing expenses	3,400	10.1	(3,400)	-	Within 1 month
		<b>33,750</b>	<b>100.0</b>	<b>(17,250)</b>	<b>16,500</b>	

**Note:-**

(1) From the date of listing of the Company.

**B8. Group borrowings and debts securities**

As at 31 December 2022	Long Term RM'000	Short Term RM'000	Total Borrowings RM'000
<u>Secured</u>			
Trade financing	-	2,593	2,593
Term loan	10,891	1,349	12,240
<b>Total</b>	<b>10,891</b>	<b>3,942</b>	<b>14,833</b>

**BETAMEK BERHAD**

Registration No.: 202101041577 (1441877-P)

*(Incorporated in Malaysia)***B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)****B9. Material Litigation**

There was no material litigation by/against the Group as at 31 December 2022.

**B10. Dividends**

For information purposes, BESB, a wholly owned subsidiary of the Company, declared an interim single-tier dividend of RM0.66 per ordinary share amounting to RM4,000,000 in respect of the financial year ending 31 March 2023. The first payment of said dividend amounting to RM2,000,000 was paid on 30 June 2022 and the second payment amounting to RM2,000,000 was made on 29 July 2022 to Iskandar Holdings Sdn. Bhd., being the previous sole shareholder of BESB. The whole amount of RM4,000,000 was funded by BESB's internally generated fund.

The Board declared on 23 February 2023 an interim tax exempt (single tier) dividend of 0.5 sen per ordinary share for the financial year ending 31 March 2023 with the entitlement date on 9 March 2023 and payment date on 21 March 2023.

**B11. Earnings Per Share ("EPS")**

The basic EPS for the current quarter and financial year-to-date are computed as follows:-

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>Current Year</u>	<u>Preceding Year</u>	<u>Current Year</u>	<u>Preceding Year</u>
	<u>Quarter</u>	<u>Corresponding Quarter</u>	<u>Year-To-Date</u>	<u>Corresponding Year-To-Date</u>
	<u>31.12.2022</u>	<u>31.12.2021<sup>(1)</sup></u>	<u>31.12.2022</u>	<u>31.12.2021<sup>(1)</sup></u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit attributable to owners of the Company	1,655	N/A	10,559	N/A
Number of ordinary shares in issue ('000)	450,000	N/A	450,000	N/A
Basic EPS (sen) <sup>(2)</sup>	<u>0.37</u>	<u>N/A</u>	<u>2.35</u>	<u>N/A</u>

**Notes:-**

- (1) No comparative figures for the preceding quarter are available as this is the Company's second interim financial report on its consolidated results for the third quarter ended 31 December 2022 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.
- (2) Basic EPS is calculated based on the Company's share capital on 450,000,000 ordinary shares that was listed on the ACE Market of Bursa Securities.
- (3) N/A – Not Applicable

**B. ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**

**B12. Notes to Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**

Profit for the period was derived after taking into consideration of the following:-

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>Current Year</u>	<u>Preceding Year</u>	<u>Current Year</u>	<u>Preceding Year</u>
	<u>Quarter</u>	<u>Corresponding</u>	<u>Year-To-Date</u>	<u>Corresponding</u>
	<u>31.12.2022</u>	<u>31.12.2021<sup>(1)</sup></u>	<u>31.12.2022</u>	<u>31.12.2021<sup>(1)</sup></u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>After charging:</b>				
Amortisation of intangible assets	317	N/A	898	N/A
Depreciation of property, plant and equipment	744	N/A	2,215	N/A
Fair value (gain)/loss on investment in quoted shares	(12)	N/A	18	N/A
Interest expense on:				
- Term loan	160	N/A	441	N/A
- Revolving credit	77	N/A	237	N/A
- Trade financing	28	N/A	145	N/A
(Gain)/Loss on foreign exchange:				
- Realised	400	N/A	569	N/A
- Unrealised	(71)	N/A	(73)	N/A
<b>And crediting:</b>				
Dividend income	-	N/A	(3)	N/A
Interest income	(99)	N/A	(122)	N/A

**Notes:-**

- (1) No comparative figures for the preceding quarter are available as this is the Company's second interim financial report on its consolidated results for the third quarter ended 31 December 2022 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.
- (2) N/A – Not Applicable

**BY ORDER OF THE BOARD**  
**BETAMEK BERHAD**  
**23/02/2023**