

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

|  | Notes | <u>INDIVIDUAL QUARTER</u> |                                       | <u>CUMULATIVE QUARTERS</u>            |                              |
|--|-------|---------------------------|---------------------------------------|---------------------------------------|------------------------------|
|  |       | Current Quarter Ended     | Preceding Corresponding Quarter Ended | Current Year to Date Ended (18-month) | Preceding Year To Date Ended |
|  |       | 31.12.2023                | 31.12.2022                            | 31.12.2023                            | 31.12.2022                   |
|  |       | RM '000                   | RM '000                               | RM '000                               | RM '000                      |
| Revenue  |       | 23,866                    | N/A                                   | 132,208                               | N/A                          |
| Cost of sales  |       | (26,414)                  | N/A                                   | (115,125)                             | N/A                          |
| Gross profit   |       | (2,548)                   | N/A                                   | 17,083                                | N/A                          |
| Other income   |       | 5,814                     | N/A                                   | 7,895                                 | N/A                          |
| Administrative expenses  |       | (3,794)                   | N/A                                   | (13,188)                              | N/A                          |
| Other operating expenses   |       | (16,976)                  | N/A                                   | (22,058)                              | N/A                          |
| Finance costs  |       | (385)                     | N/A                                   | (1,660)                               | N/A                          |
| Net reversal/(impairment losses) on financial assets and contract assets         |       | (124)                     | N/A                                   | 1,654                                 | N/A                          |
| Profit/(Loss) before taxation  |       | (18,013)                  | N/A                                   | (10,274)                              | N/A                          |
| Taxation   |       | 406                       | N/A                                   | (2,087)                               | N/A                          |
| Profit/(Loss) after taxation/total comprehensive income for the financial period |       | (17,607)                  | N/A                                   | (12,361)                              | N/A                          |
| Attributable to:   |       |                           |                                       |                                       |                              |
| - Owners of the Company  |       | (17,228)                  | N/A                                   | (13,388)                              | N/A                          |
| - Non-controlling interests  |       | (379)                     | N/A                                   | 1,027                                 | N/A                          |
|  |       | (17,607)                  | N/A                                   | (12,361)                              | N/A                          |
| Earnings per share attributable to holders of the Company:                       |       |                           |                                       |                                       |                              |
| (sen per share) <sup>2</sup>   |       |                           |                                       |                                       |                              |
| - Basic  | B10   | (4.44)                    | N/A                                   | (3.45)                                | N/A                          |
| - Diluted  | B10   | (4.44)                    | N/A                                   | (3.45)                                | N/A                          |

**Note:**

- (1) As announced on 9 October 2023, the financial year end of the Group has been changed from 30 June 2023 to 31 December 2023. As such, there will be no comparative financial information available for the preceding year corresponding periods.
- (2) The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022.
- (3) Earnings per share is based on weighted average number of shares of 388,295,506 (2022: 388,295,506) for the period of 18 months.

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**BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**  
**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|  | Notes | UNAUDITED<br>AS AT<br>31.12.2023<br>RM'000 | AUDITED<br>AS AT<br>30.06.2022<br>RM'000 |
|--|-------|--|--|
| <b>ASSETS</b>                                |       |  |  |
| NON-CURRENT ASSETS                           |       |  |  |
| Property, plant and equipment                |       | 31,233                                     | 29,771                                   |
| Investment properties                        |       | 3,912                                      | 9,417                                    |
| Goodwill                                     |       | -  | 16,099                                   |
| Intangible assets                            |       | -  | 409                                      |
| Right of use assets                          |       | 12,639                                     | 12,696                                   |
| Deferred tax assets                          |       | 45   | 45                                       |
|  |       | <u>47,829</u>                              | <u>68,437</u>                            |
| CURRENT ASSETS                               |       |  |  |
| Trade receivables and contract assets        |       | 74,239                                     | 45,069                                   |
| Other receivables, deposits and prepayments  |       | 8,155                                      | 1,060                                    |
| Inventory                                    |       | 3,026                                      | 3,857                                    |
| Current tax assets                           |       | 6,321                                      | 5,857                                    |
| Short-term investments                       |       | 22,945                                     | 26,872                                   |
| Cash and bank balances                       |       | 7,262                                      | 15,657                                   |
|  |       | <u>121,948</u>                             | <u>98,372</u>                            |
| <b>TOTAL ASSETS</b>                          |       | <u><b>169,777</b></u>                      | <u><b>166,809</b></u>                    |
| <b>EQUITY AND LIABILITIES</b>                |       |  |  |
| EQUITY                                       |       |  |  |
| Share capital                                |       | 97,046                                     | 97,181                                   |
| Merger deficit                               |       | (16,052)                                   | (16,052)                                 |
| Retained profits                             |       | 32,120                                     | 45,508                                   |
| Equity attributable to owners of the Company |       | <u>113,114</u>                             | <u>126,637</u>                           |
| Non-controlling interests                    |       | 6,029                                      | 5,002                                    |
| <b>TOTAL EQUITY</b>                          |       | <u><b>119,143</b></u>                      | <u><b>131,639</b></u>                    |
| NON-CURRENT LIABILITIES                      |       |  |  |
| Borrowings                                   | B8    | 5,914                                      | 6,440                                    |
| Lease liabilities                            |       | 11,662                                     | 12,281                                   |
| Deferred tax liabilities                     |       | 1,027                                      | 1,099                                    |
|  |       | <u>18,603</u>                              | <u>19,820</u>                            |

**BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**  
**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

|   |              | <b>UNAUDITED</b>  | <b>AUDITED</b>    |
|---|--------------|-------------------|-------------------|
|   |              | <b>AS AT</b>      | <b>AS AT</b>      |
|   |              | <b>31.12.2023</b> | <b>30.06.2022</b> |
|   | <b>Notes</b> | <b>RM'000</b>     | <b>RM'000</b>     |
| <b>CURRENT LIABILITIES</b>              |              |                   |                   |
| Trade payables and contract liabilities |              | 15,935            | 9,054             |
| Other payables, deposits and accruals   |              | 12,526            | 3,497             |
| Borrowings                              | B8           | 3,520             | 1,561             |
| Lease liabilities                       |              | 520               | 416               |
| Current tax liabilities                 |              | (470)             | 822               |
|   |              | <u>32,031</u>     | <u>15,350</u>     |
| <b>TOTAL LIABILITIES</b>                |              | <u>50,634</u>     | <u>35,170</u>     |
|   |              | <u>169,777</u>    | <u>166,809</u>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>     |              |                   |                   |
|   |              | <u>169,777</u>    | <u>166,809</u>    |
| Net asset per share (RM) <sup>2</sup>   |              | <u>0.31</u>       | <u>0.34</u>       |

Notes:

- (1) As announced on 9 October 2023, the financial year end of the Group has been changed from 30 June 2023 to 31 December 2023. As such, there will be no comparative financial information available for the preceding year corresponding periods.
- (2) The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022.
- (3) Based on the Company's issued share capital of 388,295,506 ordinary shares for financial period ended 31 December 2023 and for financial year ended 30 June 2022.

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**BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**  
**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|   | <-----Non-Distributable-----> |                 | <Distributable>  |                                       |                           |                |
|---|-------------------------------|-----------------|------------------|---------------------------------------|---------------------------|----------------|
|   | Share Capital                 | Merger Deficit  | Retained Profits | Attributable to Owners of the Company | Non-Controlling Interests | Total          |
|   | RM'000                        | RM'000          | RM'000           | RM'000                                | RM'000                    | RM'000         |
| <b>Balance at 1.7.2021</b>  | 63,390                        | (16,052)        | 40,704           | 88,042                                | 308                       | 88,350         |
| Profit after taxation/Total comprehensive income for the financial year | -                             | -               | 4,804            | 4,804                                 | 615                       | 5,419          |
| <u>Contributions by owners of the Company:</u>                          |                               |                 |                  |                                       |                           |                |
| Issuance of shares:   |                               |                 |                  |                                       |                           |                |
| - Private placement   | 19,557                        | -               | -                | 19,557                                | -                         | 19,557         |
| - Listing expenses  | (274)                         | -               | -                | (274)                                 | -                         | (274)          |
| - Acquisition of new subsidiary   | 14,857                        | -               | -                | 14,857                                | -                         | 14,857         |
| - Listing expenses  | (349)                         | -               | -                | (349)                                 | -                         | (349)          |
|   | 33,791                        | -               | -                | 33,791                                | -                         | 33,791         |
| Acquisition of a subsidiary   | -                             | -               | -                | -                                     | 3,956                     | 3,956          |
| Issuance of shares by subsidiaries to non-controlling interests         | -                             | -               | -                | -                                     | 123                       | 123            |
| <b>Balance at 30.06.2022</b>  | <b>97,181</b>                 | <b>(16,052)</b> | <b>45,508</b>    | <b>126,637</b>                        | <b>5,002</b>              | <b>131,639</b> |
| <b>Balance at 1.7.2022</b>  | 97,181                        | (16,052)        | 45,508           | 126,637                               | 5,002                     | 131,639        |
| Profit after taxation/Total comprehensive income for the financial year | -                             | -               | (13,388)         | (13,388)                              | 1,027                     | (12,361)       |
| Dividend paid   | -                             | -               | -                | -                                     | -                         | -              |
| <u>Contributions by owners of the Company:</u>                          |                               |                 |                  |                                       |                           |                |
| Issuance of shares:   |                               |                 |                  |                                       |                           |                |
| - Free warrants   | (125)                         | -               | -                | (125)                                 | -                         | (125)          |
| - Private placement   | (10)                          | -               | -                | (10)                                  | -                         | (10)           |
|   | (135)                         | -               | -                | (135)                                 | -                         | (135)          |
| Acquisition of a subsidiary   | -                             | -               | -                | -                                     | -                         | -              |
| Issuance of shares by subsidiaries to non-controlling interests         | -                             | -               | -                | -                                     | -                         | -              |
| <b>Balance at 31.12.2023</b>  | <b>97,046</b>                 | <b>(16,052)</b> | <b>32,120</b>    | <b>113,114</b>                        | <b>6,029</b>              | <b>119,008</b> |

Note:

- (1) As announced on 9 October 2023, the financial year end of the Group has been changed from 30 June 2023 to 31 December 2023. As such, there will be no comparative financial information available for the preceding year corresponding periods.
- (2) The unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022.

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**BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**  
**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

|  | <b>Current Year<br/>To Date Ended<br/>31.12.2023<br/>RM'000</b> | <b>Preceding Year<br/>To Date Ended<br/>31.12.2022<br/>RM'000</b> |
|--|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                              |   |   |
| Profit before taxation   | (10,275)  | N/A   |
| Adjustments for:   |   |   |
| Amortisation of intangible assets  | 409   | N/A   |
| Depreciation of property, plant and equipment                            | 4,885   | N/A   |
| Depreciation of right of use assets                                      | 647   | N/A   |
| Depreciation of investment properties                                    | 315   | N/A   |
| Gain on disposal of property, plant and equipment                        | 4,974   | N/A   |
| Gain on disposal of right of use assets                                  | 14  | N/A   |
| (Gain)/Loss on foreign exchange - unrealised                             | (2)   | N/A   |
| Net reversal/(impairment losses) on financial assets and contract assets | (1,654)   | N/A   |
| Impairment on goodwill   | 9,600   | N/A   |
| Interest expenses on lease liabilities                                   | 688   | N/A   |
| Interest expenses on hire purchase                                       | 339   | N/A   |
| Interest expenses on term loans  | 210   | N/A   |
| Interest income  | (1,806)   | N/A   |
| Operating profit before working capital changes                          | 8,344   | N/A   |
| Changes in working capital:  |   |   |
| (Decrease)/Increase in inventories                                       | 830   | -   |
| (Increase)/Decrease in trade and other receivables                       | (34,612)  | N/A   |
| (Decrease)/Increase in trade and other payables                          | 15,937  | N/A   |
| <b>CASH FOR OPERATIONS</b>   | (9,501)   | N/A   |
| Interest received  | 1,806   | N/A   |
| Income tax paid  | (3,946)   | N/A   |
| Income tax refund  | 8   | N/A   |
| Interest paid  | (210)   | N/A   |
| <b>NET CASH FOR OPERATING ACTIVITIES</b>                                 | (11,843)  | N/A   |
| <b>CASH FLOWS FOR INVESTING ACTIVITIES</b>                               |   |   |
| Purchase of property, plant and equipment                                | (3,076)   | N/A   |
| Purchase of right-of-use assets  | (605)   | N/A   |
| Proceeds from disposal of property, plant and equipment                  | 217   | N/A   |
| <b>NET CASH FOR INVESTING ACTIVITIES</b>                                 | (3,464)   | N/A   |

**BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**  
**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**

|  | <b>Current Year</b>  | <b>Preceding Year</b> |
|--|----------------------|-----------------------|
|  | <b>To Date Ended</b> | <b>To Date Ended</b>  |
|  | <b>31.12.2023</b>    | <b>31.12.2022</b>     |
|  | <b>RM'000</b>        | <b>RM'000</b>         |
| <b>CASH FLOWS FOR FINANCING ACTIVITIES</b>               |                      |                       |
| Drawdown of term loans                                   | (1,315)              | N/A                   |
| Repayment of lease liabilities                           | (1,202)              | N/A                   |
| Repayment of term loans                                  | (9,425)              | N/A                   |
| Repayment of hire purchase payables                      | (2,178)              | N/A                   |
| Settlement of term loans                                 | 10,741               | N/A                   |
| Share issuance expenses paid                             | (135)                | N/A                   |
| <b>NET CASH FOR FINANCING ACTIVITIES</b>                 | <b>(3,514)</b>       | <b>N/A</b>            |
| Net changes in cash and cash equivalents                 | (18,821)             | N/A                   |
| Effects of changes in foreign exchange rate              | -                    | N/A                   |
| Cash and cash equivalents at beginning of financial year | 42,530               | N/A                   |
| Cash and cash equivalents at end of financial year       | <u>23,709</u>        | <u>N/A</u>            |
| Cash and cash equivalents consist of:                    |                      |                       |
| Cash and bank balances                                   | 7,262                | N/A                   |
| Short- term investments                                  | 22,945               | N/A                   |
|  | <u>30,207</u>        | <u>N/A</u>            |

**Notes:**

- (1) As announced on 9 October 2023, the financial year end of the Group has been changed from 30 June 2023 to 31 December 2023. As such, there will be no comparative financial information available for the preceding year corresponding periods.
- (2) The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022.

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**BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**  
**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

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**A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 December 2023**

**A1 Basis of Preparation**

The interim financial statements of the Group are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30 June 2022.

**MFRSs and/or IC Interpretations (Including the Consequential Amendments)**

The Malaysian Accounting Standards Board had issued the following new standard, amendments and improvements to MFRSs and IC interpretation, all of which are effective for the financial period beginning on or after 1 January 2022.

- MFRS 17: Insurance Contracts
- Amendments to MFRS 3: Reference to the Conceptual Framework
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 17: Insurance Contracts
- Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018 - 2020

The Group has not applied in advance any new or revised MFRS and IC interpretation which are applicable to the Group but are not yet effective for the Group’s current financial period.

**A2 Auditor’s Report of preceding annual financial statements**

The preceding year’s audited financial statements of the Group did not contain any qualification.

**A3 Comments about Seasonal and Cyclical Factors**

The Group did not experience significant fluctuations in operations due to seasonal factors or cyclical factors during the period under review.

**A4 Items of Unusual Nature and Amount**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the period under review.

**A5 Material Changes in Estimates**

There were no material changes in estimates that may have a material effect in the period under review and the financial period to date.

**BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**  
**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 December 2023 (Cont'd)**

**A6 Debt and Equity Securities**

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities since the last annual reporting date.

**A7 Dividends Paid**

No dividend has been paid in the current financial quarter under review and the previous corresponding period.

**A8 Segmental Reporting**

The segmental results of the Group for the period ended 31 December 2023 based on segment activities are as follows:

| Cumulative Quarter ended<br>31 December 2023 | Satellite, mobile<br>and fibre optic<br>telecommunication<br>networks | Power and<br>telecommunication<br>infrastructure<br>works | Elimination | Group    |
|--|---|---|-------------|----------|
|  | RM'000  | RM'000  | RM'000      | RM'000   |
| Revenue                                      | 92,093  | 40,213  | (98)        | 132,208  |
| Profit before tax                            | 2,906   | 3,125   | (16,305)    | (10,274) |
| Taxation                                     | (982)   | (1,203)   | 98          | (2,087)  |
| Profit for the financial year                | 1,924   | 1,922   | (16,207)    | (12,361) |

**A9 Valuation of Property, Plant and Equipment**

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

**A10 Capital Commitments**

|                                  | As at<br>31.12.2023<br>RM'000 | As at<br>30.06.2022<br>RM'000 |
|----------------------------------|-------------------------------|-------------------------------|
| Approved and contracted for:     |                               |                               |
| - Property, plant and equipment  | -                             | 1,989                         |
| - Office building                | -                             | 1,917                         |
| Approved and not contracted for: |                               |                               |
| - Telecommunication equipment    | 290                           | -                             |
|                                  | 290                           | 3,906                         |

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**BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**  
**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

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**A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 December 2023 (Cont'd)**

**A11 Material Subsequent Event**

**Proposed Free Warrants Issue**

On 13 October 2022, TA Securities Holdings Berhad ("TA Securities") had, on behalf of the Company announced that the Company proposes to undertake the Proposed Free Warrants Issue, and the listing application has been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") on 17 October 2022.

The Proposed Free Warrants Issue entails the issuance of up to 194,147,743 free warrants ("Warrant(s)") for every 2 existing ("Binasat Shares" or "Shares") held by the shareholders whose names appear in the record of depositors of the Company at the close of business on an entitlement date which will be determined later.

On 14 November 2022, TA Securities had, on behalf of the Company announced that Bursa Securities had, vide its letter dated on 14 November 2022, resolved to approve the following:

- (i) admission to the Official List and listing and quotation of up to 194,147,753 Warrants to be issued pursuant to the Proposed Free Warrants Issue; and
- (ii) listing and quotation of up to 194,147,753 new Binasat Shares to be issued arising from the exercise of the Warrants.

The approval granted by Bursa Securities for the Proposed Free Warrants Issue is subject to the following conditions:

- (i) Binasat and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Free Warrants Issue;
- (ii) Binasat and TA Securities to inform Bursa Securities upon the completion of Proposed Free Warrants Issue;
- (iii) Binasat to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Free Warrants Issue is completed; and
- (iv) Binasat to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.

The Proposed Free Warrants Issue were duly passed by the shareholders of the Company at the Extraordinary General Meeting ("EGM") held on 30 November 2022.

On 29 December 2022, the Company had executed the deed poll constituting the Warrants. In addition, the Company has resolved to fix the exercise price of the Warrants at RM0.32 each, representing a premium of approximately 1.23% to the 5-day volume weighted average market price of Binasat Shares up to and including 28 December 2022, being the last trading day of Binasat Shares immediately preceding the price-fixing date, of RM0.3161 per Binasat Shares.

On 27 January 2023, the Company completed a free Warrants issue, issuing a total of 194,147,748 Warrants. The Warrants were issued at no cost and on a pro-rata basis to all Binasat's shareholders. The maturity date of the Warrants is 17 January 2026.

The Stock Short Name, Stock Number and ISIN Code of the Warrants are "BINACOM-WA", "0195WA" and "MYQ0195WA610".

There were no Warrants-A been exercised as at the period ended 31 December 2023.

**BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**  
**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

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**A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 December 2023 (Cont'd)**

**A11 Material Subsequent Event**

**Proposed Private Placement**

On 21 November 2023, TA Securities had, on behalf of the Company announced that the Company proposes to undertake the Proposed Private Placement of up to 58,244,300 new ordinary shares in Binasat ("Binasat Share(s)" or "Share(s)") ("Placement Share(s)"), representing not more than 10% of the total number of issued shares of the Company (excluding treasury shares, if any) to third party investor(s) at an issue price to be determined later. The listing application has been submitted to Bursa Securities on 27 November 2023.

The Proposed Private Placement will be undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act") obtained from the shareholders of Binasat in its 6<sup>th</sup> annual general meeting ("AGM") convened on 30 November 2022 whereby the Board had been authorised to allot and issue Shares not exceeding 10% of the total number of issued shares of the Company (excluding treasury shares) for the time being and that such authority shall continue to be in force until the conclusion of the next AGM of the Company ("General Mandate"). In the event the Proposed Private Placement transcends beyond the next AGM, approval will be sought from the shareholders of the Company at the next AGM to approve Binasat to allot and issue Shares pursuant to Sections 75 and 76 of the Act.

On 31 January 2024, Bursa Securities had approved the listing and quotation of up to 58,244,300 Placement Shares to be issued pursuant to the Private Placement subject to the following conditions:-

- (i) Binasat and TA Securities must fully comply with the relevant provisions under the ACE Market Listing Requirements pertaining to the implementation of the Private Placement;
- (ii) Binasat and TA Securities to inform Bursa Securities upon the completion of the Private Placement;
- (iii) Binasat to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Private Placement is completed; and
- (iv) Binasat to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders of the Company pursuant to Sections 75 and 76 of the Companies Act 2016, in the event the current general mandate expires prior to the completion of the Private Placement.

**A12 Changes in Composition of the Group**

There were no changes in the composition of the Group in the period under review.

**A13 Contingent Assets or Liabilities**

Contingent liabilities of the Group as at 31 December 2023 will be RM3,157,287 which comprises bank guarantees issued to our customers for the purpose of performance bonds and bank guarantee served as tender deposit for tendering new project.

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**BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**  
**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**B Additional Information Required by the Listing Requirements**

**B1 Comparison with Immediate Preceding Quarter**

|                          | <u>Quarter ended</u> |            | Variance |          |
|--------------------------|----------------------|------------|----------|----------|
|                          | 31.12.2023           | 30.09.2023 |          |          |
|                          | (6Q 23)              | (5Q 23)    |          |          |
|                          | RM'000               | RM'000     | RM'000   | %        |
| Revenue                  | 23,866               | 21,330     | 2,536    | 11.89%   |
| Gross profit/(loss)      | (2,548)              | 1,820      | (4,368)  | -240.00% |
| Profit/(loss) before tax | (18,013)             | (803)      | (17,210) | 2143.21% |

In 6Q23, the Group's revenue increased by RM2.536 million or 11.89% as compared to the immediate preceding quarter. The higher in revenue was mainly contributed from mobile operation and maintenance services, mobile civil mechanical engineering works and fiber optic cable engineering works.

The Group's gross loss decreased by RM3.214 million and loss before tax decreased by RM0.043 million, comparing to the immediate preceding quarter, mainly due to stock adjustment incurred during the quarter.

The Group's loss before tax was increased to RM18.0 million which contributed by impairment on goodwill amounting to RM16.1 million.

**B2 Commentary on Prospects**

In November 2023, the Company has been awarded with contract for the full turnkey for 1W underground civil and fiber infrastructure work in Kedah. The contract value is approximately RM4.15 million and the Company has commenced the site work and targeted to complete in 1Q 2024.

The Company also been awarded with contract for civil mechanical engineering (CME) clawback project which targeted to commence in 1Q 2024, approximately RM1.2 million.

Additionally, the Company had won a 1-year contract to setup additional of 76 satellite facilities in Pahang area, as an initial effort to roll out satellite internet broadband services to underserved areas, which the contract value approximately to be RM0.639 million.

The Company is expecting a new contract to be awarded in 1Q 2024, for enhancement of telecommunication services at Pusat Ekonomi Digital (PEDi) under MCMC initiative.

Premised on the above, the Board is looking forward to better economic prospects in 2024 and will continue to tender more projects and will take a prudent approach in monitoring operations of the Group.

**B3 Profit Forecast**

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

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**BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**  
**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**B Additional Information Required by the Listing Requirements (Cont'd)**

**B4 Taxation**

|   | Current Quarter<br>Ended | Preceding Year<br>Corresponding<br>Quarter Ended | Current Year To<br>Date Ended | Preceding Year<br>To Date Ended |
|---|--------------------------|--|-------------------------------|---------------------------------|
|   | 31.12.2023               | 31.12.2022                                       | 31.12.2023                    | 31.12.2022                      |
|   | RM'000                   | RM'000   | RM'000                        | RM'000                          |
| Malaysia income tax:                                    |                          |  |                               |                                 |
| - Current tax   | (265)                    | N/A  | 1,695                         | N/A                             |
| - Over/(Under) provision in the previous financial year | 489                      | N/A  | 489                           | N/A                             |
|   | <u>224</u>               | <u>N/A</u>                                       | <u>2,184</u>                  | <u>N/A</u>                      |
| Deferred tax:   |                          |  |                               |                                 |
| - Origination and reversal of temporary difference      | 142                      | N/A  | 44                            | N/A                             |
|   | <u>142</u>               | <u>N/A</u>                                       | <u>44</u>                     | <u>N/A</u>                      |
|   | <u>366</u>               | <u>N/A</u>                                       | <u>2,228</u>                  | <u>N/A</u>                      |
| Effective tax rate <sup>(1)</sup>                       | -16.50%                  | N/A  | -16.50%                       | N/A                             |

**B5 Status of Corporate Proposals**

On 21 November 2023, TA Securities had, on behalf of the Company announced that the Company proposes to undertake the Proposed Private Placement of up to 58,244,300 new ordinary shares in Binasat ("Binasat Share(s)" or "Share(s)") ("Placement Share(s)"), representing not more than 10% of the total number of issued shares of the Company (excluding treasury shares, if any) to third party investor(s) at an issue price to be determined later. The listing application has been submitted to Bursa Securities on 27 November 2023.

The Proposed Private Placement will be undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act") obtained from the shareholders of Binasat in its 6<sup>th</sup> annual general meeting ("AGM") convened on 30 November 2022 whereby the Board had been authorised to allot and issue Shares not exceeding 10% of the total number of issued shares of the Company (excluding treasury shares) for the time being and that such authority shall continue to be in force until the conclusion of the next AGM of the Company ("General Mandate"). In the event the Proposed Private Placement transcends beyond the next AGM, approval will be sought from the shareholders of the Company at the next AGM to approve Binasat to allot and issue Shares pursuant to Sections 75 and 76 of the Act.

On 31 January 2024, Bursa Securities had approved the listing and quotation of up to 58,244,300 Placement Shares to be issued pursuant to the Private Placement subject to the following conditions:-

- (v) Binasat and TA Securities must fully comply with the relevant provisions under the ACE Market Listing Requirements pertaining to the implementation of the Private Placement;
- (vi) Binasat and TA Securities to inform Bursa Securities upon the completion of the Private Placement;
- (vii) Binasat to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Private Placement is completed; and
- (viii) Binasat to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders of the Company pursuant to Sections 75 and 76 of the Companies Act 2016, in the event the current general mandate expires prior to the completion of the Private Placement.

**BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**  
**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**B Additional Information Required by the Listing Requirements (Cont'd)**

**B6 Utilisation of Proceeds**

**(i) Public Issue**

As at 18 May 2020, the gross proceeds from the Company's initial public offering ("IPO") amounting to RM39.55 million has been utilised in the following manner:

| Details of use of proceeds |  | Estimated Timeframe<br>for<br>Utilisation <sup>(1)</sup> | Proposed<br>Utilisation<br>RM'000 | Actual<br>Utilisation<br>RM'000 | Percentage<br>Utilised<br>% |
|----------------------------|--|--|-----------------------------------|---------------------------------|-----------------------------|
| 1                          | Setting up a teleport  | Within 24 months   | 14,360                            | 14,360                          | 100.00%                     |
| 2                          | Enhancing operations and<br>maintenance services capability                            | Within 36 months   | 4,900                             | 1,505                           | 30.71%                      |
| 3                          | Enhancing fiber optic network<br>installation and commissioning<br>services capability | Within 36 months   | 4,800                             | 58                              | 1.21%                       |
| 4                          | Regional business expansion in<br>ASEAN countries                                      | Within 36 months   | 1,500                             | 8                               | 0.53%                       |
| 5                          | Working capital  | Within 30 months   | 10,790                            | 10,790                          | 100.00%                     |
| 6                          | Estimated listing expenses   | Within 3 months  | 3,200                             | 3,200                           | 100.00%                     |
|                            |  |  | 39,550                            | 29,921                          | 75.65%                      |

Note:

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities on 8 January 2018. The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company dated 13 December 2017 and the company's announcement dated 28 February 2020.

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**BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**  
**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**B Additional Information required by the Listing Requirements (Cont'd)**

**B6 Utilisation of Proceeds (Cont'd)**

**(i) Public Issue (Cont'd)**

As announced on 15 June 2020, items 2, 3 and 4 of the above utilisation of proceeds will be varied. Post variation, the proceeds of IPO has been fully utilized as at the reporting date of 30 September 2023.

|                            |  | Estimated Timeframe<br>for<br>Utilisation | Initial<br>Utilisation<br>RM'000 | Actual<br>Utilisation as at<br>18 May 2020<br>RM'000 | Balance<br>unutilised as at<br>18 May 2020<br>RM'000 | Varied Amount<br>RM'000 | Total amount<br>after Variation<br>RM'000 | Actual<br>utilisation<br>RM'000 | Balance<br>unutilised as at<br>31 December<br>2023<br>RM'000 |
|----------------------------|--|---|----------------------------------|--|--|-------------------------|---|---------------------------------|--|
| Details of use of proceeds |  |   |                                  |  |  |                         |   |                                 |  |
| 2                          | Enhancing operations and maintenance services capability                         | Within 18 months <sup>(1)</sup>           | 4,900                            | 1,505  | 3,395  | -                       | 3,395                                     | 3,395                           | 0 <sup>(2)</sup>   |
| 3                          | Enhancing fiber optic network installation and commissioning services capability | Within 18 months <sup>(1)</sup>           | 4,800                            | 58   | 4,742  | 1,492                   | 6,234                                     | 6,234                           | -  |
| 4                          | Regional business expansion in ASEAN countries                                   | Within 18 months <sup>(1)</sup>           | 1,500                            | 8  | 1,492  | (1,492)                 | -   | -                               | -  |
|                            |  |   | 11,200                           | 1,571  | 9,629  | -                       | 9,629                                     | 9,629                           | 0  |

Note:

(1) From the date of announcement of variation as at 15 June 2020.

(2) As at 31 December 2021, the unutilised amount stood at RM1.37 million was earmarked for purchase of motor vehicle(s) to expand and replace some of the Group's aging fleet to improve its ability to deploy technicians to customers' sites. After careful deliberation of the economic climate, outbreak of COVID-19 and the operational needs of the Group, the Board has resolved to extend the timeframe for the utilisation of the remaining unutilised IPO proceeds for additional twenty-four (24) months from the date of this announcement. The extension of time is not subject to any regulatory authorities' or shareholders' approval. Nevertheless, the Board shall continue to be vigilant and prudent in managing the IPO proceeds and will continue to disclose the status of the utilization of the IPO proceeds in its quarterly reports and annual report until its full utilisation. The Board is of the opinion that the aforementioned extension of timeframe will not have any adverse effect on the financial performance of the Company and is in the best interest of the Company.

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**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**B Additional Information required by the Listing Requirements (Cont'd)**

**B7 Group Borrowings**

|                                  | As at<br>31.12.2023<br>RM'000 | As at<br>30.06.2022<br>RM'000 |
|----------------------------------|-------------------------------|-------------------------------|
| <b>Non-current:</b>              |                               |                               |
| Term loans (secured)             | 2,947                         | 4,862                         |
| Hire purchase payables (secured) | 2,967                         | 1,577                         |
|                                  | <u>5,914</u>                  | <u>6,439</u>                  |
| <b>Current:</b>                  |                               |                               |
| Term loans (secured)             | 2,532                         | 616                           |
| Hire purchase payables (secured) | 988                           | 945                           |
|                                  | <u>3,520</u>                  | <u>1,561</u>                  |

All the Group's borrowings are denominated in Ringgit Malaysia.

**B8 Material Litigation**

The Company does not has any on-going material litigation as of the reporting date.

**B9 Earnings per Share**

The basic and diluted earnings per share for the current quarter and financial year-to-date are computed as follows:

|   | Current<br>Quarter Ended<br>31.12.2023<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter Ended<br>31.12.2022<br>RM'000 | Current Year<br>To Date Ended<br>31.12.2023<br>RM'000 | Preceding Year<br>To Date Ended<br>31.12.2022<br>RM'000 |
|---|--|--|---|---|
| Profit/(Loss) after taxation attributable to owners of the Company (RM) | (17,228)   | N/A  | (13,388)  | N/A   |
| Weighted average number of shares                                       | 388,296  | N/A  | 388,296   | N/A   |
| Basic earnings per share (sen) <sup>(1)</sup>                           | (4.44)   | N/A  | (3.45)  | N/A   |
| Diluted earnings per share (sen) <sup>(2)</sup>                         | (4.44)   | N/A  | (3.45)  | N/A   |

Notes:

(1) The basic earnings per share is calculated by dividing the profit after taxation attributable to owners of the Company by the weighted average number of ordinary shares for the period under review.

(2) Diluted earnings per share is equivalent to the basic earnings per share as the Group does not have convertible securities as at 30 December 2023.

**B10 Derivatives**

The Group did not enter into any derivatives contracts during the current quarter under review.

**BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**  
**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**B Additional Information required by the Listing Requirements (Cont'd)**

**B11 Disclosure of gain/losses arising from fair value changes of financial liabilities**

The Group did not have any financial liabilities measured at fair value through profit and loss for the current quarter under review.

**B12 Notes to the Statement of Profit or Loss and Other Comprehensive Income**

Profit before taxation is arrived at after charging/(crediting):

|   | Current Quarter<br>Ended<br>31.12.2023<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter Ended<br>31.12.2022<br>RM'000 | Current Year To<br>Date Ended<br>31.12.2023<br>RM'000 | Preceding Year<br>To Date Ended<br>31.12.2022<br>RM'000 |
|---|--|--|---|---|
| Amortisation of intangible assets   | 409  | N/A  | 608   | N/A   |
| Net reversal/(impairment losses) on<br>financial assets and contract assets | (1,654)  | N/A  | (2,321)   | N/A   |
| Depreciation of property, plant and<br>equipment                            | 4,885  | N/A  | 7,915   | N/A   |
| Depreciation of investment properties                                       | 315  | N/A  | 560   | N/A   |
| Depreciation of right of use assets   | -  | N/A  | -   | N/A   |
| Unrealised (gain)/loss on foreign<br>exchange                               | (2)  | N/A  | 158   | N/A   |
| Realised (gain)/loss on foreign exchange                                    | 21   | N/A  | 37  | N/A   |
| Interest expenses   | 1,587  | N/A  | 2,224   | N/A   |
| Rental income   | (298)  | N/A  | (872)   | N/A   |
| Interest income   | (1,806)  | N/A  | (2,239)   | N/A   |
| Gain on disposal of property, plant and<br>equipment                        | (5,408)  | N/A  | (288)   | N/A   |
| Other income <sup>(1)</sup>   | (343)  | N/A  | (265)   | N/A   |
| Impairment on goodwill  | 16,099   | N/A  | 16,099  | N/A   |

Notes:

(1) Other income includes, amongst others, compensation from the Group's customer and processing fees.

Same as disclosed above and in the Condensed Consolidated Statement of Profit or Loss, other disclosure items pursuant to Note 16 of Appendix 9B Part A of the Listing Requirements are not applicable to the Group.

**BY ORDER OF THE BOARD**

**WONG YOUN KIM (MAICSA 7018778)**  
**WONG MEE KIAT (MAICSA 7058813)**  
**LIM LI HEONG (MAICSA 7054716)**  
**COMPANY SECRETARIES**

**KUALA LUMPUR**  
**29 FEBRUARY 2024**