

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021

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	Preceding Year To Date Ended
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
		RM '000	RM '000	RM '000	RM '000
Revenue		29,594	13,010	43,619	26,050
Cost of sales		(24,662)	(9,255)	(34,902)	(18,469)
Gross profit		4,932	3,755	8,717	7,581
Other income		179	190	425	402
Administrative expenses		(1,364)	(1,129)	(2,979)	(2,723)
Other operating expenses		(2,137)	(976)	(2,888)	(1,470)
Finance costs		(164)	(165)	(322)	(319)
Profit before taxation		1,446	1,675	2,953	3,471
Taxation		(348)	(400)	(808)	(858)
Profit after taxation/total comprehensive income for the financial period		1,098	1,275	2,145	2,613
Attributable to:					
- Owners of the Company		705	1,222	1,741	2,446
- Non-controlling interests		393	53	404	167
		1,098	1,275	2,145	2,613
Attributable to equity holders of the Company:					
- Basic earnings per share (sen)	B11	0.18	0.43	0.56	0.91
- Diluted earnings per share (sen)	B11	0.18	0.43	0.56	0.91

Note:

- (1) The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

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BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Notes	UNAUDITED AS AT 31.12.2021 RM'000	AUDITED AS AT 30.06.2021 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		26,699	25,659
Investment properties		9,529	9,641
Goodwill		16,100	-
Intangible assets		1,444	-
Right of use assets		14,572	13,741
		<u>68,344</u>	<u>49,041</u>
CURRENT ASSETS			
Contract costs		3,046	379
Trade receivables and contract assets		45,775	27,266
Other receivables, deposits and prepayments		1,166	750
Current tax assets		5,292	5,293
Short-term investments		28,579	7,788
Cash and bank balances		17,132	26,629
		<u>100,990</u>	<u>68,105</u>
TOTAL ASSETS		<u>169,334</u>	<u>117,146</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		97,181	63,390
Merger deficit		(16,052)	(16,052)
Retained profits		42,445	40,704
Equity attributable to owners of the Company		123,574	88,042
Non-controlling interests		4,668	308
TOTAL EQUITY		<u>128,242</u>	<u>88,350</u>
NON-CURRENT LIABILITIES			
Borrowings	B9	18,946	18,838
Deferred tax liabilities		638	287
		<u>19,584</u>	<u>19,125</u>

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021

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

	UNAUDITED AS AT 31.12.2021 RM'000	AUDITED AS AT 30.6.2021 RM'000
	Notes	
CURRENT LIABILITIES		
Trade payables and contract liabilities	14,946	5,319
Other payables, deposits and accruals	3,165	3,136
Borrowings	B9 1,835	1,216
Current tax liabilities	1,562	-
	<u>21,508</u>	<u>9,671</u>
TOTAL LIABILITIES	41,092	28,796
	<u>169,334</u>	<u>117,146</u>
TOTAL EQUITY AND LIABILITIES		
Net asset per share (RM) ²	<u>0.33</u>	<u>0.31</u>

Notes:

- (1) The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the FYE 30 June 2021 and accompanying explanatory notes attached to the interim financial statements.
- (2) Based on the Company's issued share capital of 388,295,506 ordinary shares for financial period ended 31 December 2021 and 286,436,750 ordinary shares for financial year ended 30 June 2021.

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BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<u>Non-Distributable</u>		<u>Distributable</u>		Non-Controlling Interests	Total
	Share Capital	Merger Deficit	Retained Profits	Attributable to Owners of the Company		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.7.2020	56,588	(16,052)	38,325	78,861	184	79,045
Total comprehensive income for the financial year	-	-	2,446	2,446	167	2,613
<u>Transactions with owners:</u>						
Issuance of ordinary shares	6,876	-	-	6,876	-	6,876
Balance at 31.12.2020	63,464	(16,052)	40,771	88,183	351	88,534
Balance at 1.7.2021	63,390	(16,052)	40,704	88,042	308	88,350
Total comprehensive income for the financial year	-	-	1,741	1,741	404	2,145
<u>Transactions with owners:</u>						
<u>Ordinary shares issued pursuant to:</u>						
- 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)
Business combination with non-controlling interest	-	-	-	-	3,956	3,956
Balance at 31.12.2021	97,181	(16,052)	42,445	123,574	4,668	128,242

Note:

- (1) The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

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BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Current Year To Date Ended 31.12.2021 RM'000	Preceding Year To Date Ended 31.12.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,953	3,471
Adjustments for:		
Amortization of intangible asstes	1,337	-
Allowance for impairment losses on trade and other receivables	248	202
Depreciation of property, plant and equipment	759	442
Depreciation of investment properties	112	112
Depreciation of right of use assets	421	444
Interest expenses	322	319
Gain on disposal of property, plant and equipment	(15)	-
Interest income	(162)	(249)
Reversal of impairment losses on trade receivables	-	(117)
Unrealised loss on foreign exchange	11	168
Operating profit before working capital changes	<u>5,986</u>	<u>4,792</u>
Changes in working capital:		
Receivables	(10,126)	(5,188)
Payables	<u>5,044</u>	<u>(984)</u>
CASH FROM/(FOR) OPERATIONS	<u>904</u>	<u>(1,380)</u>
Tax paid	(859)	(1,363)
Tax refund	-	10
Interest paid	(97)	(62)
Interest received	<u>162</u>	<u>249</u>
Net cash flows from/(for) operating activities	<u>110</u>	<u>(2,546)</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,733)	(8,299)
Purchase of right-of-use assets	(256)	-
Proceeds from disposal of property, plant and equipment	15	34
Acquisition of subsidiary company, net of cash acquired	(5,269)	-
Share issuance expenses	<u>(349)</u>	<u>-</u>
Net cash flows for investing activities	<u>(7,592)</u>	<u>(8,265)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issuance of shares	19,557	6,876
Share issuance expenses	(274)	-
Repayment of term loans	(288)	(147)
Repayment of lease liabilities	<u>(208)</u>	<u>(236)</u>
Net cash flows from financing activities	<u>18,787</u>	<u>6,493</u>

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021

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

	Current Year To Date Ended 31.12.2021 RM'000	Preceding Year To Date Ended 31.12.2020 RM'000
Net change in cash and cash equivalents	11,305	(4,318)
Effects of changes in foreign exchange rate	(11)	(168)
Cash and cash equivalents at beginning of financial year	<u>34,417</u>	<u>40,554</u>
Cash and cash equivalents at end of financial year	<u><u>45,711</u></u>	<u><u>36,068</u></u>
Cash and cash equivalents consist of:		
Cash and bank balances	17,132	15,452
Short- term investments	<u>28,579</u>	<u>20,616</u>
	<u><u>45,711</u></u>	<u><u>36,068</u></u>

Notes:

- (1) The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

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A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 December 2021

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 2021.

MFRS, amendments and improvements to MFRSs and IC Interpretation

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 2020.

- MFRS 17 Insurance Contracts
- Amendments to MFRS 3: Reference to the Conceptual Framework
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform-Phase 2
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 17: Insurance Contracts
- Amendments to MFRS 16: Covid-19-Related Rent Concessions
- Amendments to MFRS 16: Covid-19-Related Rent Concessions beyond by 30 June 2021
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- 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 2021****A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 December 2021 (Cont'd)****A6 Debt and Equity Securities**

During the current quarter, the Company (i) issued 37,142,856 new ordinary shares of RM0.35 each pursuant to acquisition of Borderless Connection Sdn Bhd (“Borderless”), (ii) and issued 21,375,000 new ordinary shares of RM0.345 each, 21,271,700 new ordinary shares of RM0.303 each and 22,069,200 new ordinary shares of RM0.26 each pursuant to the private placement in Note B8(ii).

A7 Dividends Paid

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

A8 Segmental Reporting

Information about operating segments has not been reported separately for previous announcement till recent acquired of new subsidiary. The segmental results of the Group for the FYE 31 December 2021 based on segment activities are as follows:

Cumulative Quarter as at 31 December 2021	Satellite, mobile and fibre optic telecommunications networks	Transmission and distribution network facility services and EPCC of solar farm facilities	Elimination	Group
	RM'000	RM'000	RM'000	RM'000
Revenue	30,927	12,692	-	43,619
Profit before tax	2,003	2,210	(1,260)	2,953
Taxation	(630)	(494)	316	(808)
Profit for the financial period	1,373	1,716	(944)	2,145

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 31.12.2021 RM'000	As at 30.06.2021 RM'000
Approved and contracted for:		
- Property, plant and equipment	31	1,989
- Office building	1,634	1,917
	1,665	3,906

A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 December 2021 (Cont'd)

A11 Material Subsequent Event

Incorporation of a New Subsidiary Company – Bina Jeth Sdn Bhd

On 8 February 2022, the Company had subscribed fifty- fifty-one (51) ordinary shares in Bina Jeth Sdn Bhd (“BJSB”) for a cash consideration of Ringgit Malaysia Fifty-One (RM51.00) only, representing 51% shareholding of BJSB while Jeth Niaga Sdn Bhd had subscribed forty-nine (49) ordinary shares for Ringgit Malaysia Forty-Nine (RM49.00) only. Consequently, BJSB became a direct 51% owned subsidiary of the Company.

The intended principal activity of BJSB is to provide support services for satellite, mobile and fibre optic telecommunications network.

A12 Changes in Composition of the Group

Saved as disclosed below, there were no other changes in the composition of the Group during the current period.

On 12 October 2021, all the required precedent conditions have been fulfilled by Borderless Connection Sdn Bhd (“Borderless”) and marking the acquisition completed accordingly. Following the completion, Borderless has become a 51% owned subsidiary of the Group.

A13 Contingent Assets or Liabilities

As at the reporting date, one of the subsidiaries of the Group, Binasat Sdn Bhd (“Binasat”) has claimed approximately RM1,177,000 (including profit portion) being the sum due and amount owing for work carried out and completed for Rosado Tradeline Sdn Bhd (“Rosado”).

Solicitors of Binasat are of the view that there is reasonably good chance for Binasat to succeed in it’s claim against Rosado.

Contingent liabilities of the Group as at 31 December 2021 comprises bank guarantees issued to our customers for the purpose of performance bonds amounting to RM1,648,433.22.

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021

Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 December 2021 (Cont'd)

B Additional Information Required by the Listing Requirements

B1 Comparison with Preceding Year Corresponding Quarter

	<u>Quarter ended</u>		Variance
	31.12.2021 (2Q 22) RM'000	31.12.2020 (2Q 21) RM'000	
Revenue	29,594	13,010	127.47%
Gross Profit	4,932	3,755	31.34%
Profit before taxation	1,446	1,675	-13.67%

In 2Q22, the Group's revenue increased significantly by RM16.58 million or 127.47% as compared to the preceding year corresponding quarter. The increase in revenue was mainly attributed to higher revenue on civil infrastructure and fiber optic cabling work and revenue on transmission and distribution network facility services and engineering, procurement, construction and commissioning ("EPCC") of solar farm facilities contributed by new acquisition of subsidiary.

The Group's gross profit ("GP") has increased by RM1.18 million or 31.34% as compared to the preceding year corresponding quarter. The increase in the Group's GP was due to higher revenue as explained above.

The Group's profit before taxation ("PBT") decreased by RM0.23 million or 13.67% as compared to the preceding year corresponding quarter, mainly due to amortisation of intangible assets of RM1.34 million.

B2 Comparison with Preceding Year Corresponding Period

	<u>Cumulative 6 months Period ended</u>		Variance
	31.12.2021 (2Q 22) RM'000	31.12.2020 (2Q 21) RM'000	
Revenue	43,619	26,050	67.44%
Gross Profit	8,717	7,581	14.98%
Profit before taxation	2,953	3,471	-14.92%

The Group's revenue of RM43.62 million for the current 6 months financial period increased by 67.44% as compared to preceding year corresponding period of RM26.05 million. The increase in revenue was mainly attributed to higher revenue on civil infrastructure and fiber optic cabling work and revenue on transmission and distribution network facility services and EPCC of solar farm facilities contributed by new acquisition of subsidiary.

The Group's GP increased by RM1.14 million or 14.98% as compared to the preceding year corresponding period. The increase in the Group's GP was due to higher revenue as explained above.

The Group's PBT decreased by RM0.52 million as compared to the preceding year corresponding period. This was mainly due to amortisation of intangible assets of RM1.34 million and lower interest income of RM0.16 million.

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

B3 Comparison with Immediate Preceding Quarter Results

	<u>Quarter ended</u>		
	31.12.2021	30.09.2021	Variance
	(2Q 22)	(1Q 22)	
	RM'000	RM'000	%
Revenue	29,594	14,025	111.01%
Gross Profit	4,932	3,785	30.30%
Profit before taxation	1,446	1,506	-3.98%

In 2Q22, the Group's revenue increased significantly by RM15.57 million or 111.01% as compared to the immediate preceding quarter. The increase in revenue was mainly attributed to higher revenue on transmission and distribution network facility services and EPCC of solar farm facilities contributed by new acquisition of subsidiary.

The Group's GP increased significantly by RM1.15 million as compared to the immediate preceding quarter. This was mainly due to higher revenue as explained above.

The Group's PBT slightly decreased by RM0.06 million or 3.98% as compared to the immediate preceding quarter, mainly due to amortisation of intangible assets incurred due to acquisition of new subsidiary.

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

B4 Commentary on Prospects (Cont'd)

The Group expects to complete another C-band gateway by June 2022, and in a view that it can contribute additional recurring revenue to the Group by July 2022.

In July 2021, Digital Nasional Berhad (DNB) has announced its partnership with Ericsson (Malaysia) Sdn Bhd (Ericsson) to accelerate the deployment of Malaysia's nationwide 5G network and ecosystem. Where the work will be undertaken by Ericsson at a total cost of RM11 billion. The Group has been awarded as one of the Ericsson's Approved Supplier & Partner (ASP) and has benefit from this project. Nevertheless, the Group also being awarded as one of the main TI Engineering sub-contractors from existing client.

In August 2021, one of our subsidiaries awarded by DBKL as one of the NFP panel to build the 5G Tower over the 5 years and it has started construction works for recent awarded sites. The Board believe that it can contribute new revenue stream to the Group.

In February 2022, one of our subsidiaries has participated in newly fiber infrastructure project, namely Point of Present ("POP") which consist of Phase 1 and Phase 2. These two projects worth nearly RM8 billion and both have to be completed in three years. We are actively participating for Phase 1 of this POP project and will continue involve in tendering for Phase 2 project when kick start by second half of 2022. With that we believe that this can generate more revenue for the Group for the next two to three years.

To date, all our staffs are fully vaccinated for 1st and 2nd doses, the Group will continue to monitor and ensure all staffs continue to take booster till 100% vaccinated rate.

Premised on the above, the Board is looking forward to better economic prospects in 2022 in view of the on-going vaccination programme and will take a prudent approach in monitoring operations of the Group.

B5 Profit Forecast

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

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

B6 Taxation

	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year To Date Ended	Preceding Year To Date Ended
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Malaysia income tax:				
- Current tax	664	400	1,124	858
	<u>664</u>	<u>400</u>	<u>1,124</u>	<u>858</u>
Deferred tax:				
- Origination and reversal of temporary difference	(316)	-	(316)	-
	<u>(316)</u>	<u>-</u>	<u>(316)</u>	<u>-</u>
	<u>348</u>	<u>400</u>	<u>808</u>	<u>858</u>
Effective tax rate ⁽¹⁾	25.74%	23.88%	28.26%	24.72%

Note:

- (1) The Group's effective tax rate of 25.74% for the current quarter is higher than the statutory tax rate mainly due to adjustment for non-deductible expenses.

B7 Status of Corporate Proposals

There is no outstanding corporate proposals which have been announced but are pending completion as at the date of this report.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021

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

B8 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 for Utilisation⁽¹⁾	Proposed Utilisation RM'000	Actual Utilisation RM'000	Percentage Utilised %
1	Setting up a teleport	Within 24 months	14,360	14,360	100.00%
2	Enhancing operations and maintenance services capability	Within 36 months	4,900	1,505	30.71%
3	Enhancing fiber optic network installation and commissioning services capability	Within 36 months	4,800	58	1.21%
4	Regional business expansion in 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.

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021****B Additional Information required by the Listing Requirements (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 status of utilisation as at 31 December 2021 is as follows:

Details of use of proceeds	Estimated Timeframe for Utilisation	Initial Utilisation	Actual Utilisation as at 18 May 2020	Balance unutilised as at 18 May 2020	Varied Amount	Total amount after Variation	Actual utilisation	Balance unutilised as 31 December 2021	
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
2	Enhancing operations and maintenance services capability	Within 18 months ⁽¹⁾	4,900	1,505	3,395	-	3,395	2,025	1,370 ⁽²⁾
3	Enhancing fiber optic network installation and commissioning services capability	Within 18 months ⁽¹⁾	4,800	58	4,742	1,492	6,234	6,234	-
4	Regional business expansion in ASEAN countries	Within 18 months ⁽¹⁾	1,500	8	1,492	(1,492)	-	-	-
			11,200	1,571	9,629	-	9,629	8,259	1,370

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.

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

(ii) Private Placement

On 14 October 2021, Company had announced to undertake a private placement of up to 64,715,900 new ordinary shares, representing not more than 20% of the total number of issued shares of the Company to third party investor(s).

Bursa Securities had on 1 November 2021 approved the listing and quotation of up to 64,715,900 Placement Shares to be issued pursuant to the Private Placement.

The Company had on 3 November 2021 issued the first tranche of 21,375,000 Placement Shares with the issue price of RM0.345 per Placement Share and second tranche of 21,271,700 Placement Shares with the issue price of RM0.303 per Placement Share on 19 December 2021.

The Private Placement was completed following the issuance of the third and final tranche of 22,069,200 Placement Share at an issue price of RM 0.260 per Placement Share on 21 December 2021.

The gross proceeds of RM19.56 million from the Company's Private Placement has been utilised in the following manner:

Details of use of proceeds	Estimated Timeframe for Utilisation	Proceed Utilisation RM'000	Actual Utilisation RM'000	Balance unutilised as 31 December 2021 RM'000
i. Enhancing the Group's fiber optic network installation and commissioning service capability	Within 24 months	1,290	31	1,259
ii. Working capital	Within 24 months	18,082	1,109	16,973
iii. Estimated expenses for the Proposed Private Placement	Immediate	185	185	-
		19,557	1,325	18,232

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

B9 Group Borrowings

	As at	As at
	31.12.2021	30.06.2021
	RM'000	RM'000
Non-current:		
Term loans (secured)	5,299	5,587
Lease liabilities (secured)	13,647	13,251
	<u>18,946</u>	<u>18,838</u>
Current:		
Term loans (secured)	470	470
Lease liabilities (secured)	1,365	746
	<u>1,835</u>	<u>1,216</u>

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

B10 Material Litigation

The Board wishes to report status of the suit case being commenced by its subsidiary, Binasat against the sub contract as below:

(i) Binasat ("Plaintiffs") and Rosado Tradeline Sdn Bhd ("Rosado") ("Defendant")

Binasat commenced this suit against Rosado claiming for the sum due and owing to Binasat for works carried out and completed for Rosado up to the date of the termination. This suit has been fixed for trial on 26 June 2022 to 30 June 2022.

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

B11 Earnings per Share

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

	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year To Date Ended	Preceding Year To Date Ended
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Profit after taxation attributable to owners of the Company (RM)	705	1,222	1,741	2,446
Weighted average number of shares	388,296	286,437	312,510	269,372
Basic earnings per share (sen) ⁽¹⁾	0.18	0.43	0.56	0.91
Diluted earnings per share (sen) ⁽²⁾	0.18	0.43	0.56	0.91

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 31 December 2021.

B12 Derivatives

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

B13 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.

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021****B Additional Information required by the Listing Requirements (Cont'd)****B14 Notes to the Statement of Profit or Loss and Other Comprehensive Income**

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

	Current Quarter Ended 31.12.2021 RM'000	Preceding Year Corresponding Quarter Ended 31.12.2020 RM'000	Current Year To Date Ended 31.12.2021 RM'000	Preceding Year To Date Ended 31.12.2020 RM'000
Amortisation of intangible assets	1,337	-	1,337	-
Allowance for impairment losses on trade and other receivables	131	202	248	202
Depreciation of property, plant and equipment	385	226	759	442
Depreciation of investment properties	56	56	112	112
Depreciation of right of use assets	223	222	421	444
Unrealised loss on foreign exchange	5	91	11	168
Interest expenses	164	165	322	319
Realised loss/ (gain) on foreign exchange	19	10	(27)	30
Rental income	(106)	-	(211)	-
Reversal of impairment losses on trade receivables	-	(73)	-	(117)
Interest income	(84)	(112)	(162)	(249)
Gain on disposal of property, plant and equipment	-	-	(15)	-
Other income ⁽¹⁾	(8)	(5)	(10)	(36)

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**TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
COMPANY SECRETARIES****KUALA LUMPUR
28 FEBRUARY 2022**