



BINASAT COMMUNICATIONS BERHAD

[Registration No: 201701008491 (1222656-D)]
(Incorporated in Malaysia under the Companies Act 2016)



2022

Annual Report



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Datuk Cham Hak Lim
*Independent Non-Executive
 Chairman*

Na Boon Aik
Managing Director

Zulamran bin Hamat
*Executive Director cum
 Chief Executive Officer*

Dato' Seow Thiam Fatt
*Senior Independent
 Non-Executive Director*

Dato' Tan Yee Boon
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Dato' Seow Thiam Fatt
Chairman

Tan Sri Datuk Cham Hak Lim
Member

Dato' Tan Yee Boon
Member

REMUNERATION COMMITTEE

Dato' Tan Yee Boon
Chairman

Tan Sri Datuk Cham Hak Lim
Member

Dato' Seow Thiam Fatt
Member

NOMINATION COMMITTEE

Dato' Tan Yee Boon
Chairman

Tan Sri Datuk Cham Hak Lim
Member

Dato' Seow Thiam Fatt
Member

COMPANY SECRETARIES

Ms Tai Yit Chan
*(SSM PC No. 202008001023)
 (MAICSA 7009143)*

Ms Tan Ai Ning
*(SSM PC No. 202008000067)
 (MAICSA 7015852)*

Ms Janice Chan Mei Ling
*(SSM PC No. 202208000047)
 (MAICSA 7058726)*

REGISTERED OFFICE

12th Floor, Menara Symphony
 No. 5, Jalan Prof. Khoo Kay Kim
 Seksyen 13
 46200 Petaling Jaya
 Selangor Darul Ehsan
 Tel : (03) 7890 4800
 Fax : (03) 7890 4650

HEAD OFFICE

Menara Binasat, Lot PT 13824,
 Jalan Teknologi 4,
 Technology Park Malaysia,
 Bukit Jalil, 57000 Kuala Lumpur.
 Tel : (03) 9546 1881
 Fax : (03) 9546 1850
 E-mail : contact@binagroup.com.my
 Website : www.binacom.com.my

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
 11th Floor, Menara Symphony
 No. 5, Jalan Prof. Khoo Kay Kim
 Seksyen 13
 46200 Petaling Jaya
 Selangor Darul Ehsan
 Tel : (03) 7890 4700
 Fax : (03) 7890 4670

AUDITORS

Crowe Malaysia PLT
 201906000005
 (LLP0018817-LCA & AF1018)
 Level 16, Tower C, Megan Avenue II
 12, Jalan Yap Kwan Seng
 50450 Kuala Lumpur
 Tel : (03) 2788 9999
 Fax : (06) 2788 9998

PRINCIPAL BANKER

Public Bank Berhad
 Menara Public Bank
 146 Jalan Ampang
 50450 Kuala Lumpur
 Tel : (03) 2176 6000
 Fax : (03) 2163 9917

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
 Securities Berhad
 Sector : Telecommunications &
 Media
 Stock Name : BINACOM
 Stock Code : 0195



CORPORATE STRUCTURE

Bina Jeth Sdn Bhd

202201004472 (1450169-D)

Dormant.

51%

Binasat Sdn Bhd

200001013483 (516089-U)

Provision of support services for satellite, mobile and fibre optic telecommunications networks.

100%

Binasat (Sabah) Sdn Bhd

201401013082 (1089166-U)

Dormant.

100%

Satellite NOC Sdn Bhd

201201041062 (1025540-P)

Provision of support services for satellite telecommunications network.

70%

51%

Borderless Connection Sdn Bhd

201301029960 (1059790-T)

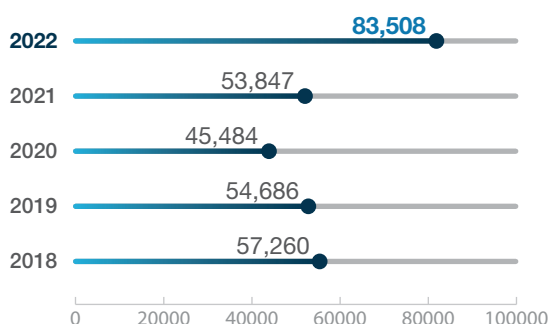
Provision of transmission and distribution network utility construction services, as well as engineering, procurement, construction and commissioning (EPCC) of solar facilities.



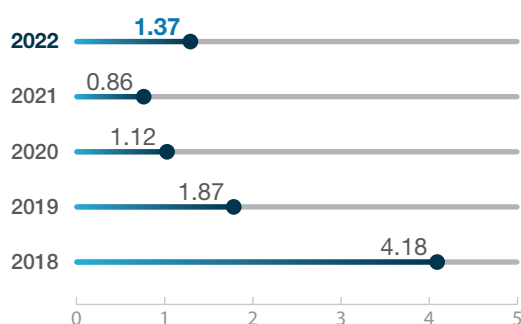
5 YEARS FINANCIAL HIGHLIGHTS

	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
PROFITABILITY	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	57,260	54,686	45,484	53,847	83,508
Profit Before Taxation ("PBT")	12,123	7,192	4,183	4,036	6,601
Profit After Taxation ("PAT")	9,105	4,599	3,211	2,427	5,420
Net Profit Attributable to Owners of the Company	9,071	4,874	2,926	2,378	4,804
FINANCIAL POSITION					
Total Assets	89,107	94,394	107,266	117,146	166,809
Equity Attributable to Owners of the Company	70,994	74,567	78,862	88,041	126,637
Total Borrowings	8,708	8,229	20,562	20,055	20,697
Number of Ordinary Shares ('000)	260,000	260,000	264,368	286,437	388,296
Weighted Average Number of Ordinary Shares in Issue ('000)	217,050	260,000	262,315	275,651	350,829
SHARE INFORMATION					
Earnings Per Share (Sen) ("EPS")	4.18	1.87	1.12	0.86	1.37
Net Assets Per Share Attributable to Owners of the Company (Sen)	27.31	28.68	29.83	30.74	32.61
Gross Gearing Ratio (Times)	0.12	0.11	0.26	0.23	0.16
Return on equity (%)	13	6	4	3	4

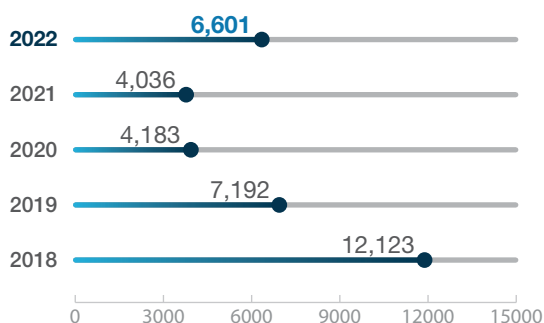
REVENUE
(RM'000)



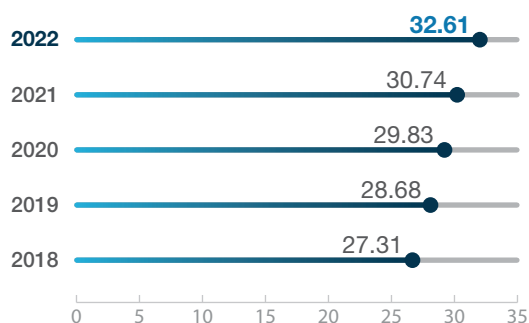
EPS
(Sen)



PBT
(RM'000)



NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY
(Sen)



MANAGEMENT DISCUSSION AND ANALYSIS

Dear Valued Shareholders,

On behalf of the Board of Directors (the “Board”), we are pleased to present the Annual Report and Audited Financial Statements of Binasat Communications Berhad (“Binasat” or the “Company”) and its subsidiaries (collectively the “Group”) for the financial year ended 30 June 2022 (“FYE2022”).

1. OVERVIEW OF THE GROUP’S BUSINESS

Binasat Group is principally involved in the provision of supporting services for the three (3) major telecommunications network mediums in Malaysia, namely satellite, mobile and fiber optic telecommunications networks. Through the Proposed Acquisition, the Group diversified its business to include the Power Utilities Business.

The Group provide services such as Very Small Aperture Terminal (“VSAT”) Network Engineering Services, Mobile Network Engineering Services, Fiber Network Engineering Services, Satellite Hub / Teleport & Digital Satellite News Gathering Services, Power and telecommunication infrastructure works. By obtaining the Application Service Provider license during the year, the Group is able to launch our BinaNet Satellite Internet Service targeted at underserved areas beginning with Kelantan. Through BinaNet we are able to narrow the digital divide and provide rural areas with Internet access as part of the nation building effort.

2. FINANCIAL PERFORMANCE

The Group’s revenue increased from RM53.85 million in the financial year ended 30 June 2021 (“FYE2021”) to RM83.51 million in FYE2022. The increase in revenue was contributed by:

- Civil and mechanical & engineering works on the rural and remote areas which align with MCMC plan of the expand the connectivity.
- Recurring income from the owned teleport service
- Revenue on transmission and distribution network facility service and EPCC of solar farm facilities contributed by new acquisition of subsidiary

The Group’s gross profit increased by RM5.34 million from RM12.09 million for the FYE2021 to RM17.43 million for the FYE2022 mainly due to higher revenue on transmission and distribution network facility service and EPCC of solar farm facilities contributed by the new acquisition of a subsidiary.



The Group’s PAT attributable to the owners of the Company increased by RM2.43 million (or 102.01%) from RM2.38 million in FYE2021 to RM4.80 million in FYE2022. This is mainly attributed to the increase in gross profit and increase in rental income of RM0.39 million which is generated from our investment properties.

The total assets have increased from RM117.15 million in FYE2021 to RM166.81 million in FYE2022, representing a YoY increase of RM49.66 million or 42.39%, which was largely due to the goodwill arises from the acquisition of the new subsidiary during the financial year.

The total liabilities have increased from RM28.8 million in FY2021 to RM35.17 million in FYE2022, which was largely due to consolidated the new subsidiary which has trade payables of RM5.30 million as at the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

As at 30 June 2022, the Group's gearing ratio stood at 0.16 (FYE2021: 0.23). The combination of the Group's low gearing position and its strong cash balance not only indicates that the Group is in a strong and healthy financial position but also displays the Group's abundant capacity to access more funding through debt should the need arise.

3. OPERATIONS REVIEW AND PROSPECTS

The Group satellite segment continues to focus on enterprise business through the provision of VSAT broadband services, uplink services and data centre colocation with the existing 3 satellite teleport. The satellite segment brings a stream of recurring income to the Group and contributed 3% of the total revenue in FYE 2022.

The Group is also in the midst of installing one satellite teleport C-band gateway to be completed by July 2022 with a secured contract start which would commence concurrently with the readiness of the teleport. The Group is focusing on expanding satellite operations by targeting the maritime and oil and gas industries as these industries are increasingly adopting VSAT system and expanding the capacity and customer based.

The Group is also focusing on further growing the business of building and owning telecommunication towers for leasing to telecommunication operators. Although the current revenue from this segment is not significant the Group believes moving forward it could become an important contributor once more towers are erected. The appointment by Dewan Bandaraya Kuala Lumpur as one of the Network Facility Provider panel to build Fifth Generation ("5G") Towers over the next 5 years

would provide the Group opportunities to increase the recurring revenue in this segment in line with the implementation of 5G.

The Group has also been appointed as one of Ericsson's Approved Supplier & Partner and expects to benefit from this partnership as Digital Nasional Berhad has awarded the nationwide rollout of 5G to Ericsson (Malaysia) Sdn Bhd ("Ericsson") to accelerate the deployment of Malaysia's nationwide 5G network and ecosystem. In addition, existing mobile network operators continue to increase their network capacity and coverage resulting in strong demand for Telecom Installation works provided by the Group to telecom equipment manufacturers such as Huawei and Ericsson.

In prior years, the Group provided its fiber optic installation and service on a small-scale to network operators and served mainly business enterprises. In line with the Malaysian Government Jalanan Digital Negara ("JENDELA") initiatives the country embarked on a national agenda since Sep 2020 to provide better mobile and fixed broadband connectivity nationwide, whilst preparing the country for 5G technology. This has spurred strong demand for full turnkey fiber engineering contractors to undertake fiber infrastructure rollout and the Group intends to continue focusing on expanding our fiber engineering segment. During the financial year, the group invested in another 3 horizontal directional drilling ("HDD") machines and operated by 3 in-house teams respectively. Plans are already in place to add more HDD teams in the coming financial year to take advantage of the strong demand for fiberisation by the telecommunication operators. With the capacity advantage, the Group can enhance operational efficiency as well as to reduce the Group's dependency on external subcontractors and actively participate in JENDELA projects nationwide.



MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

The utilities infrastructure services segment is carried out by the Company's 51%-owned subsidiary, Borderless Connection Sdn Bhd ("BCSB"). On 12 October 2021, Binasat completed the acquisition of 51% equity interest in BCSB for a purchase consideration of RM18.36 million, which was satisfied via a combination of RM5.36 million in cash and RM13.00 million via the issuance of 37,142,856 new Shares at an issue price of RM0.35 each. The Acquisition of BCSB involved an aggregate profit guarantee of RM8.00 million ("Profit Guarantee"), provided by the vendors for financial years ending 28 February 2022 and 28 February 2023 ("Profit Guarantee Period") or average profit guarantee of RM4.00 million per financial year during the Profit Guarantee Period. BCSB recorded a profit after tax of RM4.03 million for the financial year ended 28 February 2022. BCSB is registered with Construction Industry Development Board ("CIDB") as a Grade 7 contractor and able to bid and carry out any size projects irrespective of the contract values. BCSB will be continuously tender for more projects to meet the Profit Guarantee for the financial year ending 2023.

On 8 February 2022, the Company subscribed 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. As of FYE2022 end, the company still remains dormant.

4. RISK

Business risk

The Group is subject to risks inherent in the telecommunication industry which may include but not limited to changes in general economic conditions, government regulations, adverse changes in sale prices, rapid changes in technology, competition from other operators in the telecommunication network supporting services segment, risk of default in payment by its customers as well as the risk of non-renewal of our major licenses and permits.

The Group continues to mitigate these risks through the implementation of prudent business strategies, continuous review of operation and marketing strategies, improving on costs of operations and close monitoring of projects undertaken.



Operational risk

In the event of delay to delivery or perform our services in accordance with the stipulated timeframes and in the event of our personnel and sub-contractor failed to meet the customers service level requirement when perform work will material exposure to liquidated damages or service level penalties will materially and adversely affect our profitability, result of operations and financial performance.

The Group continues to mitigate these risks by closely monitor our project and delivery schedules to minimise any delay in the completion of our projects or delivery of equipment or services to our customers. We also closely monitor our operational processes, as well as training and certification of our personnel or sub-contractor with the aim to meet our customers; service level requirements.

5. DIVIDENDS

There is no dividend declared and/or paid for the FYE2022.

6. APPRECIATION

On behalf of the Board of Directors and management, I would like to express my utmost gratitude to our valued shareholders, customers, business associates, bankers, government authorities, consultants as well as our employees for their continued trust and unwavering support in the Group.

We will continue to explore new business opportunities and implement prudent business strategies and will proceed cautiously to enhance our existing businesses to deliver stakeholders' value in the years ahead.

Thank you.

Na Boon Aik
Group Managing Director

CORPORATE SUSTAINABILITY STATEMENT

The Board of Directors (“Board”) recognises the importance of continuously developing and improving the business operations of the Group in a sustainable and responsible manner. The Board believes that placing sustainability as the core of its business operations will drive the long-term business growth of the Group as well as establishing mutually favourable relationships with our stakeholders.

The Board is committed to continuously promote good sustainability practices and engage openly throughout the Group’s value chain. The Group believes that economic, environmental and social responsibility (“EES”) and corporate governance are at the core of a sustainable business, and has always been mindful of the way while ensuring the sustainability and operational success of the Group.

ECONOMIC

The Group is committed to ensure that the interests of all its important authority organisations, analysts, bankers, customers, suppliers, stakeholders, shareholders and public are well being taken care of. The Group emphasizes practices in good corporate governance, accountability and transparency to achieve shareholders’ confidence.

i. Quality Assurance

As part of our continuous efforts to achieve customer satisfaction, we place strong focus on quality assurance throughout the entire process of our project lifecycle. Our quality assurance department is responsible for the design of our quality management system, aside from being assigned to ensure that all quality objectives are met with strict adherence to the standards prescribed under our quality management system.

In line with this, three of our subsidiary companies, Binasat Sdn Bhd, Satellite NOC Sdn Bhd and Borderless Connection Sdn Bhd are an ISO 9001:2015 (the international standard that specifies requirements for a quality management system) accredited companies. Our quality management systems and specific quality control plans are structured to meet the ISO standards.

ii Supply Chain Management

The Group seeks to ensure that sustainable Supply Chain Management is practiced and embedded into the Group’s culture. Based on the past record, the Group has established a large pool of committed suppliers and sub-contractors in the market with many successful co-operation experience. The Board believes that the practice of supporting local suppliers could create a co-prosperity community as well as sustaining growth in the local economy.

iii Government and Regulators

Each employee of the Group is required to comply with local laws and regulations and maintain a high standard of personal conduct while dealing with various stakeholders. Non-compliance may lead to impaired reputation and unnecessary penalties imposed. We have established a proper channel for communication to all employees as well as stakeholders through the Group’s whistle blowing policy.

CORPORATE SUSTAINABILITY STATEMENT

cont'd

ENVIRONMENTAL

i Energy Conservation Initiatives

The office building is brightly lit with natural sunlight streaming through while high efficiency electrical, plumbing, HVAC and other systems were built into the entire building to achieve environmental sustainability.

Some of our energy conservation initiatives include the following:

- Light sensors are installed in common areas e.g. reception, corridors and toilets where necessary
- Usage of energy saving bulbs to minimise electricity consumption
- Turn off the lights and air conditioning system during lunch time (1.00pm to 2.00 pm)
- Turn off lights when daylight is sufficient in the office
- Ensure that doors and windows are kept closed at all times when air conditioning system is in use.

We also retain rainwater to be used on watering the ample greeneries planted inside our office compound.

ii Reduce, Reuse, Recycle (“3R”)

We are committed to minimise the impact of human footprint on the environment and ensure our business is operating in an environmentally responsible manner. Therefore, we are practicing the 3R principles in our daily operations such as minimising wastages through controlling our purchasing and channelling waste cables and other materials from its project sites for recycling.

We also encourage our stakeholders to go paperless whenever possible. Waste papers and envelopes are segregated for re-use purpose.

iii Digital environment

As part of our efforts to mitigate the environmental impact of our operations, we have continues moved towards a digital environment by establishing a centralised file server for more efficient information sharing and document filing system.

iv Solar System

As an effort to encourage the solar energy, Malaysia government has implemented Large Scale Solar (“LSS”) programme and the Net Energy Metering (“NEM”) 3.0 scheme. The solar panels has been installed in the office building which located in Technology Park, Bukit Jalil to support LSS and NEM 3.0. Solar energy is a truly renewable energy source, it can help the business to reduce electricity cost in a sustainable way. It allows participants to offset their electricity bills by sending excess solar power to the grid. By utilizing solar energy, the carbon released from electricity generation can be reduced and it also helping in restoring a clean and environmentally friendly world.

CORPORATE SUSTAINABILITY STATEMENT

cont'd

WORKPLACE

i Healthy and safe working environment

The Group endeavour to provide a healthy and safe working environment for all its employees and non-employees. Regular audits by internal auditors are performed for incident investigation and risks assessment relating to incidents, to determine corrective actions and improvements needed.

Fire and safety drills, as well as risk awareness briefing and workplace safety awareness campaign are held to increase employees' awareness and knowledge of the safety issues and to respond in the event of an emergency.

As COVID-19 is not expected to be eradicated for the time being, the management continuously enforced strict compliance to SOP including social distancing, self-test kit distribution and scheduled office sanitization to avoid new workplace COVID-19 cluster. All staffs are required to wear mask whenever in the office and body temperatures checked before entering into business premises.

ii Employee Training and Development

The Group consistently keeps our technical personnel trained and updated on the techniques and technologies in their respective area of responsibilities which help them to perform duties optimally, attain high productivity level and achieved desire result. The Group committed to staff development by providing on-the-job training and external training programs for all levels of staff which included but not limited to individual employee's duties and responsibilities to develop their skills and knowledge for their career enhancement.

iii Employee

Employee is one of the key success of a business. The Group committed to improve continuously in staff benefits to the employees including Hari Raya Celebrations and Weekly Badminton Activities. Its objective is not only to enhance the cohesiveness but also encourage collaboration and fosters better communication between management and the employees.



PROFILE OF DIRECTORS



TAN SRI DATUK CHAM HAK LIM
Independent Non-Executive Chairman
Malaysian • Male • aged 81

Tan Sri Datuk Cham Hak Lim was appointed as the Independent Non-Executive Chairman of the Company on 13 September 2018. He is also a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee.

Tan Sri Datuk Cham Hak Lim was elected as a Committee Member of Selangor Turf Club in 1996 and he was appointed as the Deputy Chairman of Selangor Turf Club in 1998. He was also a Committee Member of Malayan Racing Association. In 2004, he was elected as the Chairman of the Lembaga Totalisator Malaysia Technical Committee of the Equine Industry Development Project. He was also appointed as Joint Chairman by the State Government of Terengganu for the National Horse Show in Kuala Terengganu in 2008.

Tan Sri was elected as the Chairman of the Selangor Turf Club in 2009 and he has assumed the position of Chairman till to date 2022.

Tan Sri was appointed as Chief of Delegate representing Malaysia in the Asian Racing Conference Hong Kong held from 5 to 8 May 2014. Tan Sri became the Chief of Delegate again the Asian Racing Conference South Africa held from 18 to 23 February 2020.

Tan Sri was awarded The 2022 UPBH World Entrepreneur Branding Award and The UPBH Lifetime Achievement Award in 2022 and The BrandLaureate Most Eminent Brand ICON Leadership Awards by Asia Pacific Brands Association in 2011.

In 2012, Tan Sri was appointed as the Chairman of Lembaga Totalisator Malaysia by the Minister of Finance, for a duration of two years and went on to serve as Chairman another two years till July 2016. In August 2019, Tan Sri has again been appointed by the Minister of Finance as the Chairman of Lembaga Totalisator Malaysia for another three years till 2022.

In August 2022, Tan Sri once again has been appointed by the Minister of Finance as the Chairman of Lembaga Totalisator Malaysia for another two years from 1 August 2022 until 31 July 2024.

Tan Sri is also actively involved in the motor vehicle industry and served as the Chairman for several companies including Atiara Otomobil Pte Ltd, Advant Speed Motors Sdn Bhd, Atika Enterprise Pte Ltd and Affluent Centre Pte Ltd. Uni-Asia Insurance Berhad presented Tan Sri with the Award of Million-Dollar Producer in Motor Insurance in 2005.

A man with big heart, Tan Sri has made generous contributions to many charitable causes over the years, be they local or international. In appreciation of Tan Sri's contribution, he was honoured with the Paul Harris Fellow Award by the Rotary Club Foundation.

Tan Sri does not hold any directorship in other public companies and listed issuers in Malaysia.

Tan Sri does not have any family relationship with any Directors and/or major shareholders of the Company and does not have any conflict of interest with the Company.

Tan Sri has no convictions for any offences within the past 5 years (other than traffic offences, if any) and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Tan Sri Datuk Cham Hak Lim attended all the five (5) Board of Directors' Meetings held during the financial year ended 30 June 2022.

PROFILE OF DIRECTORS

cont'd



NA BOON AIK
Managing Director
Malaysian • Male • aged 58

Mr. Na Boon Aik was appointed as the Managing Director of the Company on 6 June 2017.

He started his career as a Mechanical and Electrical Trainee at Pan Asia Air-Cond & Electrical Engineering in 1978 and further built on his mechanical and electrical work experience when he was employed in Foo Electrical Works (Perkhidmatan Letrik Foo) from 1978 to 1980, Advance Electrical Service in Singapore from 1980 to 1982, and Kejuruteraan Letrik Song from 1982 to 1987.

In 1987, he started Lam Electrical Work, a mechanical and electrical engineering sole proprietorship. Lam Electrical Work was terminated in 2005. To cater to the growth of his mechanical and electrical works business, he subsequently established Binalite Electrical in 1997. From 1999, he also played an active role in providing management support to the business of Binacom Telesystem, a sole proprietorship established by his sibling Na Bon Tiam to carry out supporting services for satellite networks. These supporting services included VSAT installation, commissioning and related services as well as installation and maintenance of

satellite television. He ventured into the telecommunications industry in 2004 through Binasat Sdn Bhd together with his sibling, Na Bon Tiam to cater to the demand for telecommunications network support services in Malaysia.

As our Group's Managing Director, he is principally responsible for providing the strategic direction of our Group. He also plays a key role in the planning and development of our business strategies. Under his leadership and guidance, our Group has grown to establish ourself as a provider of supporting services across three major telecommunications network mediums in Malaysia, namely satellite, mobile and fibre optic.

He does not hold any directorship in other public companies and listed issuers in Malaysia.

He is a major shareholder of the Company and his brother i.e. Mr Na Bon Tiam, is a substantial shareholder of the Company. Save as disclosed herein, he does not have any other family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest with the Company.

He has no convictions for any offences within the past 5 years (other than traffic offences, if any) and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Mr. Na Boon Aik attended all the five (5) Board of Directors' Meetings held during the financial year ended 30 June 2022.

PROFILE OF DIRECTORS

cont'd



ZULAMRAN BIN HAMAT

*Executive Director cum Chief Executive Officer
Malaysian • Male • aged 51*

Encik Zulamran bin Hamat was first appointed to the Board as an Executive Director cum Chief Operating Officer of the Company on 6 February 2018. Subsequently, he was re-designated as Executive Director cum Chief Executive Officer of the Company on 21 September 2018.

He began his career with Southern Wire Industries (Malaysia) Sdn Bhd in 1994 as an Electrical Engineer where he was involved in managing the electrical division and supporting the operations and maintenance of the company's electrical equipment and system. He left the company in 1998 to join Communications & Satellite Services Sdn Bhd ("CSS") as a Technical Engineer and was promoted in 2006 as the head of the Operations and Engineering Department where he was responsible for managing the company's day-to-day operations. He gained vast experience in satellite operations during his tenure with CSS as he was involved in the setting up of a system for the provision of satellite broadcasting services. He left CSS in 2013.

He has been with our Group since 2013. He was also previously involved in the business of engineering works from 2014 till May 2017 as a director and shareholder of Binalite Electrical. He has more than 20 years of experience in the satellite and telecommunications industry.

In his current role as Executive Director cum Chief Executive Officer of the Company, he manages our Group's day-to-day business operations and is primarily responsible for project management as well as business expansion. He directly holds 30% equity interest in Satellite NOC Sdn Bhd, a 70% owned subsidiary of the Company.

He was responsible and in charge of the design and procurement of Teleport Facility in Technology Park Malaysia, Bukit Jalil.

He studied in University Technology Of Malaysia majoring in telecommunications in 1993.

He does not hold any directorship in other public companies and listed issuers in Malaysia.

He does not have any family relationship with any Directors and/or major shareholders of the Company and does not have any conflict of interest with the Company.

He has no convictions for any offences within the past 5 years (other than traffic offences, if any) and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Encik Zulamran bin Hamat attended all the five (5) Board of Directors' Meetings held during the financial year ended 30 June 2022.

PROFILE OF DIRECTORS

cont'd



DATO' SEOW THIAM FATT

Senior Independent Non-Executive Director
Malaysian • Male • aged 81

Dato' Seow Thiam Fatt was appointed as the Senior Independent Non-Executive Director of the Company on 6 June 2017. He is the Chairman of the Audit and Risk Management Committee and a member of the Nomination Committee and Remuneration Committee.

He obtained his Diploma in Accountancy from Perth Technical College of Western Australia. He is a Fellow of CPA Australia, Fellow of the Institute of Chartered Secretaries and Administrators and past Fellow of the Institute of Chartered Accountants in Australia. He is also a Member of the Malaysian Institute of Accountants ("MIA") and the Malaysian Institute of Certified Public Accountants ("MICPA"). He is a past President of MICPA and also served four years as a government appointed Independent Director of the previous Kuala Lumpur Commodities Exchange ("KLCE"). He is a past Council Member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and is currently the Chairman of its Audit Committee.

He has more than 20 years' professional experience as a former Partner in the accounting firms of Messrs Larry Seow & Co, Moores Rowland and Arthur Young. He diverted from professional practice in 1994 and thereafter held various senior positions in the private and public sectors, including being the Finance Director of AC Nielsen (Malaysia) Sendirian Berhad and General Manager of the Financial Reporting Surveillance and Compliance Department of the Securities Commission of Malaysia.

He was an Independent Non-Executive Director of Tan Chong Motor Holdings Bhd, Warisan TC Holdings Bhd, Affin Investment Bank Bhd, ING Insurance Bhd, ING Funds Berhad, Sersol Berhad and AmMetLife Insurance Berhad. He was the Chairman of the Audit Committees of those companies.

He does not have any family relationship with any Directors and/or major shareholders of the Company and does not have any conflict of interest with the Company.

He has no convictions for any offences within the past 5 years (other than traffic offences, if any) and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Dato' Seow Thiam Fatt attended all the five (5) Board of Directors' Meetings held during the financial year ended 30 June 2022.

PROFILE OF DIRECTORS

cont'd



DATO' TAN YEE BOON

*Independent Non-Executive Director
Malaysian • Male • aged 47*

Dato' Tan Yee Boon was appointed as an Independent Non-Executive Director of the Company on 6 June 2017. He is the Chairman of the Nomination Committee, Remuneration Committee and a member of the Audit and Risk Management Committee.

He obtained a Bachelor of Laws from the University of South Wales in the United Kingdom in 1997 and admitted as an advocate and solicitor of the High Court of Malaya in 1999 and has more than 19 years of experience as an advocate and solicitor in Malaysia. In 2013, he started his own practice and was one of the founding partner of Messrs' David Lai & Tan, a legal firm in Kuala Lumpur.

Dato' Tan Yee Boon currently sits as an Independent Non-Executive Chairman of Propel Global Berhad and an Independent Non-Executive Director of Protasco Berhad both listed on the Main Market of Bursa Securities Berhad ("Bursa Securities") and an Independent Non-Executive Chairman of Ecoscience International Berhad, which is listed on the ACE Market of Bursa Securities.

He also appointed as Independent Non-Executive Director of EV Dynamic (Holdings) Limited and TIL Enviro Limited, both listed on the Main Board of the Stock Exchange of Hong Kong.

He does not have any family relationship with any Directors and/or major shareholders of the Company and does not have any conflict of interest with the Company.

He has no convictions for any offences within the past 5 years (other than traffic offences, if any) and has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Dato' Tan Yee Boon attended all the five (5) Board of Directors' Meetings held during the financial year ended 30 June 2022.

KEY SENIOR MANAGEMENT PROFILE

Profile of the Managing Director and Executive Director cum Chief Executive Officer are listed on pages 12 and 13.



CHAN CHOUNG ON

Chan Choung On, male, a Malaysian, aged 57, joined Binasat Sdn Bhd on 01 October 2020 as General Manager. He is responsible to oversee the administrative work for all departments and the operations of mobile department.

He graduated from Campbell University North Carolina USA with Bachelor of Science Degree in Computer Science and Mathematics in 1988.

He started his career as an Account Executive with Innovest Systems & Services and involved in sales and marketing of data communication products and solutions to major financial institutions, manufacturing and stockbroking companies including KLSE. In 1994 he was appointed as the Country Manager for FDS Networks and focused on building a large distribution network of channel partners to promote LAN/WAN and ICT connectivity solutions.

He then moved by to Tellabs as Head of Incumbent Carrier in 2000 as their pioneer employee in Malaysia and build a whole new team and subsequently in 2002 secured a major contract with Telekom Malaysia for the supply of SDH transport and access network for TM DDN service. Thereafter, he took on a SEA Regional Sales role for Hitron Technologies Taiwan promoting Digital Loop Carrier solutions to regional carriers such as VNPT, Viettel, PT Telkom & TOT among others. In 2009, he joined Ultra AEP Networks as Regional Director focusing on AEP trusted security solutions such as Secure Communications, Cybersecurity, SSL/VPN & FIPS 140-2 Level 4 HSM and targeting Enterprise, Government, Defence, Domain Administrators and Internet Service Providers.

He continued with local telecommunication company N-Wave Technologies in 2017 as an Operations Director responsible for RF, IBC, TI and Unified Communications operations and project delivery, including P&L and back office functions. He was also the primary interface to Huawei and manages a sizeable local and foreign project team resources comprising PM, Technical Lead, Drive Test Engineers, Drive Test Analyst, OSS/RNO and documentation teams for Celcom, Maxis, U Mobile and TM Webe mobile rollout/upgrade RF projects. He also led the effort for N-Wave to be ISO 9001 and ISO 45001 certified. In 2020, he has joined Binasat as the General Manager and tasked to further refine the operations and align the business focus in tandem with industry development such as 5G rollout, MNO capacity upgrade of 4G networks, fiberization and constructing telco site infrastructure.

He does not hold any directorship in public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company and he does not have any conflict of interest with the Company. He has not been convicted of any offences (other than traffic offences, if any) within the past 5 years and there were no sanctions and/or penalties imposed on him by any regulatory body during the FYE2022.

KEY SENIOR MANAGEMENT PROFILE

cont'd



**NOR AZIMUDDIN
BIN ARIFIN**

Nor Azimuddin bin Arifin, male, a Malaysian, aged 40, is our Head of Satellite Department. He joined the Company on 17 December 2012.

He obtained his Bachelor of Engineering (Honours) Degree in Telecommunications from University of Malaya in 2007 and a Master of Science in Telecommunication and Information Engineering from Universiti Teknologi MARA in 2020.

He started his career in 2007 as a Customer Relationship Management Executive at MRCB Technologies Sdn Bhd, a company involved in the provision of information technology and telecommunications services. Subsequently, in 2008, he was appointed as a Telecommunications Engineer in the same company where he was involved in fibre infrastructure and copper cabling. In 2009, he joined Sistem Komunikasi Gelombang Sdn Bhd, a VSAT services provider as a Customer Support Engineer where he was involved in VSAT and Satellite communication system. He left in 2012 and joined Binasat as a VSAT Hub Engineer where he managed our Telco customer's VSAT telecommunications hub and the hub support team and overall VSAT technical support within our Group.

He does not hold any directorship in public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company and he does not have any conflict of interest with the Company. He has not been convicted of any offences (other than traffic offences, if any) within the past 5 years and there were no sanctions and/or penalties imposed on him by any regulatory body during the FYE2022.

KEY SENIOR MANAGEMENT PROFILE

cont'd



LEE CHIEW MENG

Lee Chiew Meng, male, a Malaysian, aged 44, is our Head of Mobile Department. He has been working with Binasat Sdn Bhd since 09 February 2015.

He obtained his Bachelor of Civil Engineering from University of Royal Melbourne Institute of Technology ("RMIT") in 2003. His career started as Telecommunication Civil Mechanical Electrical ("CME") Field Engineer began in 2004 with Maxis Broadband Sdn Bhd. During his 5 years stay, he was responsible for coordination, supervision, quality standard and acceptance test during implementation of Maxis rollout, upgrade and special projects.

With new gained of experiences, he progressed in 2008 with Alcatel-Lucent Malaysia Sdn Bhd as CME Acceptance Engineer. He spend 1.5 years where involved in building of telecommunication infrastructure facilities and telecommunication installation ("TI") for Green Packet Malaysia known as P1.

He continued with local telecommunication company R&A Telecommunication Sdn Bhd as a Project Manager under Maxis rollout project design and construction of base transceiver stations, installation, commissioning of antenna & feeder system and provision of services for another 6 years before joining Binasat Sdn Bhd in 2015 as CME Project Manager, managing telecommunications customers whilst also responsible for managing technical support team within our group.

He does not hold any directorship in public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company and he does not have any conflict of interest with the Company. He has not been convicted of any offences (other than traffic offences, if any) within the past 5 years and there were no sanctions and/or penalties imposed on him by any regulatory body during the FYE2022.

KEY SENIOR MANAGEMENT PROFILE

cont'd



**MOHAMMAD FAIZAL
BIN SALLEH**

Mohammad Faizal Bin Salleh, male, a Malaysian, aged 45 is our Head of Fiber Department. He was appointed to this position on 19 October 2020.

He obtained his Bachelor Degree in Telecommunication and also Executive Master's in Business & Administration ("EMBA") from Universiti Teknologi Mara ("UiTM") in 2001 and 2005 respectively.

He began his early career in 2001 working with Western Digital (M) Sdn Bhd as a Debug Technician in hard drive industry, and later on shifted his career into the telecommunication industry working with Electroscon Sdn Bhd. While working in this company he has acquired an extensive experience involving both the fiber optic and copper network infrastructure. He continued to work for this company for more than 15 years before decided to join Binasat Sdn Bhd in Oct 2020 which he has brought all the technical knowledge and experience together with him into the Binasat Sdn Bhd.

He does not hold any directorship in public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company and he does not have any conflict of interest with the Company. He has not convicted of any offences (other than traffic offences, if any) within the past 5 years and there were no sanctions and/or penalties imposed on him by any regulatory body during the FYE2022.

KEY SENIOR MANAGEMENT PROFILE

cont'd



CHEE BOON SHYAN

Chee Boon Shyan, male, a Malaysian, aged 49, is our Technical Operation Manager for Very Small Aperture Terminal (“VSAT”). He joined the Company on 01 August 2018.

He is responsible for managing the Group’s Teleport Facilities and Network Operations Center including technical support.

He obtained his Bachelor of Degree in Telecommunication from Universiti Teknologi Malaysia and began his career in 1997 with Maxis group of companies as Fixed Network Operation Engineer before moving on to Alcatel Networks Malaysia (“Alcatel”). He spent a total of 5 years in Alcatel as Regional Level 1 and Level 2 Network Support Engineer who was responsible for telecommunication network comprises intermediate link between core network, known as backbone network and subnetwork including core switches.

He continued for another 15 years in a new company, Wavestream Malaysia, and was a Technical Support Manager where he assumed the role in satellite based telecommunications and networking solutions or VSAT, before joining Binasat in 2018. Since his joining in 2018 (till present), he has assisted the company to complete SES-12 Ku band and SES HTS Ka band Gateway setup with our Satellite Service Provider (“SES”) which is a company incorporated in Netherland.

He does not hold any directorship in public companies and listed issuers. He does not have any family relationship with any director and/or major shareholder of the Company and he does not have any conflict of interest with the Company. He has not been convicted of any offences (other than traffic offences, if any) within the past 5 years and there were no sanctions and/or penalties imposed on him by any regulatory body during the FYE2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors (“the Board”) of Binasat Communications Berhad (“Binasat” or “the Company”) recognises the importance of maintaining good corporate governance in managing its business affairs so as to build a sustainable business capable of enhancing shareholder value.

The Corporate Governance Overview Statement (“CGOS”) has been prepared in accordance with Rule 15.25 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and it provides an insight on how the Company has applied the three (3) principles prescribed in Malaysian Code on Corporate Governance (“MCCG”) during the financial year ended 30 June 2022 (“FYE2022”).

Details of application for each practice of the MCCG during the FYE2022 are disclosed in the Corporate Governance Report which is available on the Company’s website at <https://www.binacom.com.my/investor-relations> as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I : BOARD RESPONSIBILITIES

1. BOARD’S LEADERSHIP ON OBJECTIVE AND GOALS

1.1 Roles and responsibilities of the Board

The Board is responsible for the overall governance of the Company and its subsidiaries (“the Group”) by providing strategic guidance, the effective monitoring and management goals, accountability to the Group and shareholders as well as ensuring the Group’s internal controls, risk management and reporting procedures are in place. The Board plays an important role in determining the long term and strategic direction of the Group for the purpose of enhancing shareholders’ value and ensuring long-term sustainability of the Group.

In order to discharge of its stewardship role effectively, the Board delegates certain functions to the Board Committees, namely Audit and Risk Management Committee (“ARMC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”). Each of the Board Committees operates within its respective Terms of Reference approved by the Board. The respective Board Committees report to the Board on matters considered and their recommendation thereon. The ultimate responsibility for decision making, however, lies with the Board.

The Board discharges its responsibilities in the best interest of the Group and assumes the following key responsibilities in discharging its fiduciary duties:

- (i) reviews and adopts strategic plans as well as monitoring the implementation of the strategic plan by the Management;
- (ii) overseeing and evaluating the conduct and sustainability of the Group;
- (iii) ensures implementation of appropriate internal controls and mitigating measures to address the risks identified;
- (iv) carrying out periodic review of the Group’s financial performance and operating results and major capital commitments; and
- (v) reviews the adequacy and integrity of management information and internal control system.

1.2 The Chairman of the Board

The Board is chaired by an Independent Non-Executive Director namely, Tan Sri Datuk Cham Hak Lim. The Chairman is responsible for the leadership, integrity, and effectiveness of governance of the Board. The responsibilities of the Chairman are set out in the Board Charter.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

PART I : BOARD RESPONSIBILITIES *(cont'd)*

1. BOARD'S LEADERSHIP ON OBJECTIVE AND GOALS *(cont'd)*

1.3 Separation of positions of the Chairman and Managing Director

The positions of the Chairman of the Board and the Managing Director are held by different persons. The Chairman of the Company is Tan Sri Datuk Cham Hak Lim, an Independent Non-Executive Chairman whilst the Managing Director is Mr Na Boon Aik. The segregation of roles facilitates a healthy open discussion and exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company.

There is a clear division of roles and responsibilities between the Chairman and Managing Director to ensure a balance of power and authority so that no one individual has unfettered powers of decision making. The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role, whilst the Managing Director is responsible for the day-to-day operations of the Group, making strategic business decisions and implementation of the policies approved by the Board.

The clear division of role between the Chairman and Managing Director are set out in the Board Charter.

1.4 Company Secretaries

The Board is supported by qualified Company Secretaries. The Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and have the requisite experience to provide unhindered advice to the Board to ensure its effective functioning and compliance with regulatory requirements.

1.5 Access to Information and Advice

The Directors have unrestricted access to any information pertaining to the Group's business affairs, whether as a full Board or in their individual capacity and may seek independent professional advice at the Company's expense on specific issue to enable them to discharge their duties effectively.

Prior to each Board meeting, a full agenda together with Board papers are circulated to all Directors in a timely manner to enable the Directors to consider the matters to be deliberated and where necessary, obtain further information. All proceedings of the Board meetings are duly minuted and circulated to all Directors for their perusal prior to the confirmation of the minutes by the Chairman as a correct record.

2. DEMARCATION OF RESPONSIBILITIES

2.1 Board Charter

The Board Charter adopted by the Board serves as a source of reference and primary guide to the Board as it sets out the role, functions, composition, operation and processes of the Board. There is a schedule of matters specifically reserved for the Board's decision set out in the Board Charter.

The Board Charter is subject to review by the Board as and when necessary to ensure it complies with all applicable laws, rules and regulations of the regulators and remains consistent with the policies and procedures of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

PART I : BOARD RESPONSIBILITIES (cont'd)

3. GOOD BUSINESS CONDUCT AND CORPORATE CULTURE

3.1 Code of Ethics and Conduct

The Company has set out a Code of Conduct and Code of Ethics (“the Codes”) for its Directors, management and employees. The Codes are established to promote the corporate culture which engenders ethical conduct that permeates throughout the Group.

The Codes are available for viewing under “Corporate Governance” section of the Company’s website at <https://www.binacom.com.my/investor-relations>.

3.2 Whistleblowing Policy

The Board had formalised a Whistleblowing Policy as the Board is committed to the highest standard of integrity, openness and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner. The whistleblowing policy provides an avenue for all Directors and employees of the Group to disclose any improper conduct and to provide protection for them who report such allegations.

The Whistleblowing Policy is available for viewing under “Corporate Governance” section of the Company’s website at <https://www.binacom.com.my/investor-relations>.

3.3 Anti-Bribery and Anti-Corruption Policy

The Company adopted the Anti-Bribery and Anti-Corruption Policy on 29 May 2020. The Policy provides guidance in dealing with and preventing acts of bribery and corruption.

The Anti-Bribery and Anti-Corruption Policy is available for viewing under “Corporate Governance” section of the Company’s website at <https://www.binacom.com.my/investor-relations>.

PART II : BOARD COMPOSITION

4. BOARD’S OBJECTIVES

4.1 Composition of the Board

The composition of the Board throughout the FYE 2022 is as follows:-

Name	Designation and Directorate
Tan Sri Datuk Cham Hak Lim	Independent Non-Executive Chairman
Mr. Na Boon Aik	Managing Director
Encik Zulamran bin Hamat	Executive Director cum Chief Executive Officer
Dato’ Seow Thiam Fatt	Senior Independent Non-Executive Director
Dato’ Tan Yee Boon	Independent Non-Executive Director

The Board currently comprises five (5) members, of whom two (2) are Executive Directors and three (3) are Independent Non-Executive Directors, which is in compliance with Rule 15.02(1) of the ACE Market Listing Requirement (“AMLR”) of Bursa Securities and the recommended Practice 5.2 of MCCG.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

PART II : BOARD COMPOSITION *(cont'd)*

4. BOARD'S OBJECTIVES *(cont'd)*

4.1 Composition of the Board *(cont'd)*

The Board members are from different backgrounds with diverse perspectives. Such make-up is fundamental to the strategic success of the Group, as each Director has in-depth knowledge and experience in a variety of areas providing valuable direction to the Group. With more than half of the Board composed of Independent Directors, the Company is able to facilitate greater checks and balances during boardroom deliberations and decision making. The Independent Directors provide the Board with professional judgement, experience and objectivity without being subordinated to operational considerations or the ability to provide independent judgement in the best interest of the Company.

A brief profile of each Director is presented in the Profile of Directors section of the Annual Report.

4.2 Re-election of Directors

The procedure on the re-election of directors by rotation is set out in the Company's Constitution. All Directors who are appointed by the Board during the year are subject to re-election by shareholders at the first meeting after their appointment. Constitution provide at least one-third (1/3) of the remaining Directors are subject to re-election by rotation at each Annual General Meeting and retiring directors can offer themselves for re-election. All Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election.

Upon the recommendation of the NC and the Board, the Directors who are standing for re-election at the forthcoming Annual General Meeting of the Company to be held in year 2022 are as stated in the Notice of Annual General Meeting.

4.3 Tenure of Independent Directors

The Board recognises that independence and objective judgement are crucial and imperative in the decision-making process. The Independent Non-Executive Directors play a significant role in providing unbiased and independent views, advice and judgement taking into account the interest of relevant stakeholders including minority shareholders of the Group.

The Board is aware that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years as stated in the MCCG. Currently, none of the Independent Directors of the Company has served more than 9 years in the Board. The Company does not have a policy which limits the tenure of its Independent Directors to a cumulative term of nine (9) years. The Company has however, set out in its Board Charter that upon completion of the nine (9)-years period, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director.

4.4 Diversity in Board and Senior Management

The Board acknowledged the importance of boardroom diversity and recognises the importance of providing fair and equal opportunities and fostering diversity within the Group. The Company endeavours to have a balanced representation in terms of mixture of skills, knowledge and experience, background, expertise, age, gender and ethnicity. The Board acknowledged that boardroom diversity is as an essential element in maintaining competitive advantage in leveraging different perspective to various issues raised and quality decision making, which in return contribute to the development and sustainability of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

PART II : BOARD COMPOSITION *(cont'd)*

4. BOARD'S OBJECTIVES *(cont'd)*

4.5 Gender Diversity

The Board does not adopt a formalised Gender Diversity Policy, but the Board is supportive of gender diversity within the Group.

Currently, there is no female representative on Board. The Board has been taking steps to seek out female candidates based on meritocracy with the optimum mix of skills, knowledge and experience to fill board positions.

4.6 New Candidates for Board Appointment

The NC is entrusted to develop the policies and procedures in formalising the approach in the recruitment process and annual assessment of Directors, which serve as guides for the NC in discharging its duties in the aspects of nomination, evaluation, selection and appointment process of new Directors.

The appointment of any additional Director is made as and when it is deemed necessary by the existing Board upon recommendation from the NC. All nominees and candidates to the Board are first considered by the NC taking into consideration, inter-alia, the competency, knowledge, expertise and experience, professionalism, integrity, time commitment of the candidates, including, where appropriate, the criteria on assessing the independence of candidates' appointment as Independent Non-Executive Directors.

The Board Charter empowers the Board to utilise independent sources to identify suitable qualified candidates as and when necessary for appointment of Directors.

The NC may receive recommendation from existing Board Members, Management and Major Shareholders in identifying candidates for appointment of Director. The NC is also open to referrals from external sources, such as industry and professional associations, as well as independent search firms.

If the selection of candidates was solely based on recommendations made by the existing Board members, Management or major shareholders, the NC will explain why other sources were not used which is in line with the Term of Reference of NC.

4.7 NC

The NC was established by the Board and consists of the following Independent Non-Executive Directors throughout the FYE2022:

Name	Designation	Directorate
Dato' Tan Yee Boon	Chairman	Independent Non-Executive Director
Tan Sri Datuk Cham Hak Lim	Member	Independent Non-Executive Chairman
Dato' Seow Thiam Fatt	Member	Senior Independent Non-Executive Director

The Terms of Reference of the NC is available at the Company's website at www.binacom.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

PART II : BOARD COMPOSITION *(cont'd)*

4. BOARD'S OBJECTIVES *(cont'd)*

4.7 NC *(cont'd)*

The NC had undertaken the following activities during the FYE 2022:

- (i) Reviewed and assessed the effectiveness of the Board as a whole, Board Committees and the performance of each Director.
- (ii) Reviewed the terms of office and performance of the ARMC and each of its members to determine such ARMC and members have carried out their duties in accordance with their terms of reference.
- (iii) Reviewed the level of independence of the Independent Non-Executive Directors.
- (iv) Reviewed and recommended to the Board directors who are retiring by rotation to be put forward for re-election.
- (v) Assisted the Board in assessing the training needs of the Directors.

5. OVERALL BOARD EFFECTIVENESS

5.1 Annual Evaluation

The NC undertakes annual evaluation to review the performance of each individual Director and the effectiveness of the Board and the Board Committees.

The evaluation involves individual Directors and Committee members completing Board Evaluation Forms and Board Committee Evaluation Forms. The evaluation process also involved a peer and self-review assessment, where Directors will assess their own performance and that of their fellow Directors. These assessments and comments were summarised and discussed at the Nomination Committee meeting which were then reported to the Board at the Board Meeting held thereafter.

The NC reviews the effectiveness of the Board by taking into account the composition of the Board, time commitment, boardroom activities and the overall performance of the Board.

Pursuant to Rule 15.20 of the AMLR of Bursa Securities, the NC of a listed issuer must review the term of office and performance of an ARMC and each of its members annually to determine whether such ARMC and Members have carried out their duties in accordance with their terms of reference. The NC had reviewed and assessed the performance of each of the members of the ARMC through and was satisfied with the performance and effectiveness of the ARMC and each of its members.

The NC had upon its annual assessment conducted in September 2022, concluded that the Directors have discharged their duties satisfactory. The NC was also satisfied with the performance of the Board and Board Committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

PART II : BOARD COMPOSITION (cont'd)

5. OVERALL BOARD EFFECTIVENESS (cont'd)

5.2 Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in its decision-making process. The Board through the NC has assessed the independence of its Independent Non-Executive Directors based on the criteria set out in the AMLR of Bursa Securities.

The current Independent Directors of the Company have fulfilled the criteria for “independence” as prescribed under Rule 1.01 and Guidance Note 9 of the AMLR of Bursa Securities. The Company has also fulfilled the requirement of at least one-third of its Board members being Independent Non-Executive Directors.

5.3 Board Commitment

(a) Meeting Attendance of the Board

The Board meets at least quarterly basis with additional meetings convened where necessary to deal with urgent and important matters that required attention of the Board. All pertinent issues discussed at the Board meetings in arriving the decision and conclusions are properly recorded by the Company Secretaries.

The Board is satisfied with the level of commitment given by the Directors toward fulfilling their roles and responsibilities as most of the Directors had attended all the Board Meetings of the Company under the financial year under review.

During the FYE 2022, a total of five (5) Board meetings were held.

The attendance of the Board Meetings held during the FYE 2022 is as follows:

Directors	No. of Meeting Attended
Tan Sri Datuk Cham Hak Lim	5/5
Mr. Na Boon Aik	5/5
Encik Zulamran bin Hamat	5/5
Dato' Seow Thiam Fatt	5/5
Dato' Tan Yee Boon	5/5

(b) Directors' Training

The Board acknowledges that continuous education is vital for the Board members to keep abreast with the latest developments in the industry and business environment as well as changes to statutory requirement and regulatory guidelines.

All Directors of the Company have attended and successfully completed the Mandatory Accreditation Programme as prescribed in the Listing Requirements. The Directors will continue to identify and attend other training courses to equip themselves effectively to discharge their duties as Directors on a continuous basis.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

PART II : BOARD COMPOSITION (cont'd)

5. OVERALL BOARD EFFECTIVENESS (cont'd)

5.3 Board Commitment (cont'd)

(b) Directors' Training (cont'd)

During the year under review, the training programmes and seminars attended by the Directors are as follows:-

Name of Directors	Date	Training Programmes
Tan Sri Datuk Cham Hak Lim	9 June 2022	Tax Updates via Budget 2022
Mr. Na Boon Aik	14 April 2022	Corporate Liabilities Risk under Section 17 of the MACC Act 2009 and its Mitigations
Encik Zulamran bin Hamat	14 April 2022	Corporate Liabilities Risk under Section 17 of the MACC Act 2009 and its Mitigations
Dato' Seow Thiam Fatt	11 July 2021	How SMEs can survive the Covid 19 crisis and get ready to grow post pandemic
	26 July 2021	The tax audit landscape in Malaysia
	27 July 2021	Bond Investment
	4 August 2021	Business transformation post covid
	23 September 2021	Opportunities amidst the pandemic
	7 October 2021	Malaysia's future economic outlook
	1 November 2021	2022 Post-Budget debate
	24 November 2021	Governance for startups: Leading for growth and sustainability in startups
	8 December 2021	Developing an inclusive workforce
	14 April 2022	Corporate Liabilities Risk under Section 17 of the MACC Act 2009 and its Mitigations
Dato' Tan Yee Boon	26 July 2021	Virtual - The Future of Sustainability Reporting
	14 April 2022	Corporate Liabilities Risk under Section 17A of the MACC Act 2009 and its Mitigations
	27 June 2022	Plan your ESG Journey : Lessons For the Boardroom

PART III : REMUNERATION

6. LEVEL AND COMPOSITION OF REMUNERATION

6.1 Remuneration Policies and Procedures

The Board has adopted a Remuneration Policy for Directors and Senior Management which contains the guiding principles for determining the remuneration for Senior Management and Directors, including Executive and Non-Executive Directors. The primary objective of the Remuneration Policy is to attract, retain and motivate individuals of the necessary calibre and quality that is required to run the Company successfully.

The RC is responsible for recommending to the Board for approval the remuneration packages of the Executive Directors, Chief Executive and Senior Management, taking into consideration individual performance, time commitment, experience, level of responsibilities, as well as the performance of the Group and market conditions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

PART III : REMUNERATION (cont'd)

6. LEVEL AND COMPOSITION OF REMUNERATION (cont'd)

6.1 Remuneration Policies and Procedures (cont'd)

The Non-Executive Directors' remuneration comprises fees and meeting allowances that are linked to their expected roles and level of responsibilities. The Directors' annual fees, which are determined by the Board as a whole, are approved by shareholders of the Company at each Annual General Meeting ("AGM"). The meeting allowances of the Non-Executive Directors are also approved by the shareholders of the Company at the relevant AGM. All individual Directors shall abstain from making decisions in respect of his own remuneration.

6.2 RC

The RC of the Company comprises three (3) Non-Executive Directors and the composition of the RC throughout the Financial Year is as follows:

Name	Designation	Directorate
Dato' Tan Yee Boon	Chairman	Independent Non-Executive Director
Tan Sri Datuk Cham Hak Lim	Member	Independent Non-Executive Chairman
Dato' Seow Thiam Fatt	Member	Senior Independent Non-Executive Director

The primary function of the RC is to review and recommend to the Board on remuneration packages of all the Directors according to the skills, level of responsibilities, experience and performance of the Directors. The RC is also responsible to review the remuneration packages of the Non-Executive Directors and thereafter recommend to the Board for their consideration.

The RC is governed by the Terms of References of RC which outlines its remit, duties and responsibilities. The principal duties and responsibilities of the RC as defined in the Terms of References of RC, including but not limited to the following:-

- (i) To ensure that remuneration for Directors is set at a competitive level to recruit, attract, retain and motivate high calibre individuals;
- (ii) To recommend to the Board the appropriate remuneration packages for the Executive Directors, Non-Executive Directors and Key Senior Management;
- (iii) To review the performance of the Executive Directors and the Managing Director/Chief Executive Officer and recommend to the Board specific adjustments in remuneration and/or rewards payments if any reflecting their contribution for the year;
- (iv) To ensure that the level of remuneration be aligned with the business strategy and long-term objectives of the Company, complexity of the Company's activities and reflects the experience and level of responsibilities undertaken by the Directors and key senior management; and
- (v) To review the fees of the Directors and benefits payable to Directors and recommend to the Board of Directors and thereafter to be approved at a general meeting of the Company.

The Terms of Reference of RC, which is published and available for viewing at the Company's website at <https://www.binacom.com.my/investor-relations>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

PART III : REMUNERATION (cont'd)

6. LEVEL AND COMPOSITION OF REMUNERATION (cont'd)

6.2 RC (cont'd)

Summary of Works

Below is the summary of key activities undertaken by the RC:

- i) Reviewed the directors' fee and benefit payable for the FYE 2022 and recommend the same for the for the Board of Directors for approval; and
- ii) Reviewed the remuneration package of the Executive Directors and Senior Management of the Company and recommended the same to the Board for approval.

7. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

7.1 Remuneration of Directors

The details of the Directors' remuneration of the Company and the Group on the named basis for the FYE 2022 are tabulated as follows:

THE COMPANY

Directors	Fees (RM)	Salary (RM)	Bonus (RM)	Benefits in kind (RM)	Other emoluments (RM)	Total (RM)
Executive Directors						
Na Boon Aik	-	-	-	-	-	-
Zulamran bin Hamat	-	-	-	-	-	-
Non-Executive Directors						
Tan Sri Datuk Cham Hak Lim	84,000	-	-	-	-	84,000
Dato' Seow Thiam Fatt	60,000	-	-	-	-	60,000
Dato' Tan Yee Boon	30,000	-	-	-	-	30,000
TOTAL	174,000	-	-	-	-	174,000

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

PART III : REMUNERATION (cont'd)

7. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT (cont'd)

7.1 Remuneration of Directors (cont'd)

THE GROUP

Directors	Fees (RM)	Salary (RM)	Bonus (RM)	Benefits in kind (RM)	Other emoluments (RM)	Total (RM)
Executive Directors						
Na Boon Aik	-	900,000	10,000	-	108,923	1,018,923
Zulamran bin Hamat	-	420,000	10,000	-	51,323	481,323
Non-Executive Directors						
Tan Sri Datuk Cham Hak Lim	84,000	-	-	-	-	84,000
Dato' Seow Thiam Fatt	60,000	-	-	-	-	60,000
Dato' Tan Yee Boon	30,000	-	-	-	-	30,000
TOTAL	174,000	1,320,000	20,000	-	160,247	1,674,247

7.2 Remuneration of Key Senior Management

In determining the remuneration packages of the Group's Key Senior Management, factors that were taken into consideration included the Senior Management's responsibilities, skills, expertise and contribution to the Group's performance.

On the disclosure of the remuneration of the Group's Key Senior Management, the Company is of the view that it would not be in its best interest to make such disclosure on named basis in view of the competitive nature of human resource market and the Company should maintain confidentiality on employees' remuneration packages.

The remuneration of the top five (5) Key Senior Management for the FYE 2022 are as follows:-

Range of Remuneration*	No. of Key Senior Management
RM150,001 – RM200,000	3
RM450,000 – RM500,000	1
RM1,000,001 – RM1,050,000	1

Note:

* The remuneration including salary and other emoluments, bonus, contribution to the defined contribution plan and social security contributions, successive bands of RM50,000/- are not shown entirely as these are not represented.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I : AUDIT COMMITTEE

8. AUDIT AND RISK MANAGEMENT COMMITTEE

8.1 Chairman of Audit and Risk Management Committee

The ARMC is chaired by a Senior Independent Non-Executive Director namely, Dato' Seow Thiam Fatt who is distinct from the Chairman of the Board. The Chairman of the ARMC is a member of Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants.

8.2 Financial Reporting

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and ensuring that the financial statements of the Group comply with the Companies Act 2016 and applicable approved financial reporting standards in Malaysia.

The ARMC assists the Board in discharging its fiduciary duties by ensuring that the audited financial statements and quarterly financial reports are prepared in accordance with the Malaysian Financial Reporting Standards and AMLR of Bursa Securities. In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Board aims to present a balance and fair assessment of the Company's financial position and prospects. The ARMC reviews the Company's quarterly financial results and annual audited financial statements to ensure accuracy adequacy and completeness prior to presentation to the Board for its approval.

8.3 Cooling-Off Period for Former Key Audit Partner

The Terms of Reference of the ARMC stated that no former key audit partner shall be appointed as a member of the ARMC before observing a cooling-off period of at least three (3) years in line with the practice of 9.2 of MCGG. Presently, none of the current ARMC members is a former key audit partner involving in auditing of the Group.

8.4 Assessment of Suitability and Independence of External Auditors

The Board maintains a good professional relationship with the external and internal auditors through the ARMC in discussing with them their audit plans, audit findings and financial statements. The ARMC invites the external auditors at least twice a year to discuss their findings and audited financial statements of the Group. In addition, the ARMC also met with the external auditors during the FYE 30 June 2022 without the presence of the Executive Directors, Chief Executive and Senior Management of the Company.

The ARMC is responsible for the recommendation on the appointment and re-appointment of the Company's external auditors and the audit fees. The ARMC carried out an assessment of the performance and suitability of the external auditors based on the quality of services, sufficiency of resources, communication and interaction and independence and objectivity.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

PART I : AUDIT COMMITTEE (cont'd)

8. AUDIT AND RISK MANAGEMENT COMMITTEE (cont'd)

8.5 Composition of the ARMC

The ARMC comprises three (3) Non-Executive Directors and all the ARMC members are Independent Directors. The present members of the ARMC are:-

Designation	Name	Directorship
Chairman	Dato' Seow Thiam Fatt	Senior Independent Non-Executive Director
Member	Tan Sri Datuk Cham Hak Lim	Independent Non-Executive Chairman
Member	Dato' Tan Yee Boon	Independent Non-Executive Director

All members of the ARMC are financially literate, competent and able to understand matters under the purview of the ARMC including the financial reporting process. The summary of activities of ARMC are set out in the ARMC Report.

PART II : RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

9. Effective Risk Management and Internal Control Framework

The Board assumes its overall responsibility in establishing a risk management framework and maintaining a sound system of risk management and internal control throughout the Group which provides reasonable assurance in ensuring the effectiveness and efficiency of the Group's operations that is not limited to financial aspects of the business but also operational and regulatory compliance. The ARMC has been entrusted by the Board to ensure effectiveness of the Group's internal control systems. The ultimate objectives are to protect the Group's assets and safeguard shareholders' investments.

The Board acknowledges that while the internal control system is devised to cater for particular needs of the Company and risk management system is to provide reasonable assurance against material misstatements or loss.

The Statement on Risk Management and Internal Control as set out in this Annual Reports provides an overview of the state of risk management and internal controls within the Group.

10. Internal Audit Function

The Company recognised that an internal audit function is essential to ensure the effectiveness of the Group's system of internal control and is an integral part of the risk management process.

The Company has engaged an independent professional service provider to assume the internal audit function of the Group. The Internal Auditors conduct regular audit reviews and assess the effectiveness and adequacy of the governance, risk management and internal controls of the Group. These reviews are reported to ARMC directly by the Internal Auditors.

The further details of Internal Audit Function are set out in the Audit and Risk Management Committee Report of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

11. Communication with Stakeholders

The Board recognises the importance of effective, transparent, regular and timely communication with shareholders and other stakeholders to keep them informed on the Group's latest financial performance, business and corporate developments.

Shareholders and stakeholders can access the Company's website at www.binacom.com.my for latest information on the operations, financial and market information of the Company.

The Board has established the Corporate Disclosure Policy for the purpose of reinforcing the Company's commitment on the continuous disclosure obligations with an aim of ensuring that all communications to the stakeholders about the business and affairs of the Company are informative, timely, factual, accurate, consistent and broadly disseminated in accordance with all applicable legal and regulatory requirements.

12. Conduct of General Meetings

The principal forum for dialogue and interaction with shareholders is the Company's AGM and extraordinary general meeting. The Board encourages and welcomes participation from shareholders to ask questions regarding the resolutions being proposed at the meeting and also other matters pertaining to the business activities of the Group. All the Directors, Senior Management and External Auditors are available at the AGM to provide responses to questions from the shareholders.

In line with Practice 13.1 of MCCG, the notice convening the 5th AGM held on 30 November 2021 was given to the shareholders at least twenty-eight (28) days before AGM, which gives shareholders sufficient time to prepare themselves to attend the AGM or to appoint proxy to attend and vote on their behalf. Each item of special business included in the notice of the AGM will be accompanied by an explanatory statement on the effects of the proposed resolution.

At the Company's virtual 5th AGM held 30 November 2021, the Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolutions.

This Corporate Governance Overview Statement and the Corporate Governance Report are made in accordance with the resolution passed by the Board of Directors on 13 October 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required under Rule 15.26(a) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad to issue a statement on its responsibility in the preparation of the annual audited financial statements.

The Directors are responsible for ensuring that the financial statements are properly drawn up in accordance with the provisions of the Companies Act 2016 and applicable Malaysian Financial Reporting Standards approved by the Malaysian Accounting Standards Board in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2022 and of the results and cash flows of the Group and the Company for the financial year then ended.

During the preparation of the financial statements for the financial year ended 30 June 2022, the Directors have:

- (i) applied the appropriate and relevant accounting policies consistently and in accordance with applicable approved accounting standards;
- (ii) made judgements and estimates that are reasonable and prudent; and
- (iii) applied the going concern basis for the preparation of the financial statements.

The Directors are also responsible for taking such steps that are necessary and reasonable to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

The Board is satisfied that it has met its obligation to present a balanced and understandable assessment of the Company's position and prospects in the Directors' Report and the Financial Statements of this Annual Report

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets.

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors ("Board") is pleased to report on its Statement on Risk Management and Internal Control, which provides an overview of the state of risk management and internal control of the Company and its subsidiaries ("Group") in the financial year ended 30 June 2022.

BOARD RESPONSIBILITY

The Board recognises its overall responsibility for maintaining the adequacy and effectiveness of the Group's risk management and system of internal controls which covers financial, operations and compliance with relevant regulations, policies and procedures. This includes the establishment of an appropriate risk management and internal control framework to identify, assess and manage risks that may impede the achievement of business objectives and strategies and review the adequacy and effectiveness of those systems on an on-going basis.

The Board is assisted by the Audit and Risk Management Committee ("ARMC") in their oversight and review of the risk management and internal controls within the Group to safeguard shareholders' investment and the Group's assets.

However, in any risk management and internal control system, there are inherent limitations that may impede the achievement of the Group's business objectives. Accordingly, the system provides reasonable but not absolute assurance against material misstatement, loss or fraud.

RISK MANAGEMENT FRAMEWORK

The Board recognises that effective risk management is critical to enhance shareholder's value and promote good corporate governance. The Board has, through its ARMC, implemented an Enterprise Risk Management ("ERM") Framework throughout the Group to provide an integrated risk management infrastructure to identify, respond to and monitor the strategic key enterprise risks in a systematic and on-going basis. In addition, close monitoring and control processes, including the use of appropriate key risk and key performance indicators, are implemented to ensure the risk levels are managed. This framework helps the Group respond adequately to uncertainties surrounding the Group's internal and external environment, allowing the Group to maximise opportunities and minimise adverse impact that may arise.

Risks are identified based on risk assessments performed relative to the organisation's ambition and objectives from our strategic planning process. The identified risks are assessed and deliberated by Management and mitigated through strategies which are monitored for progress to maintain the risk exposure within the acceptable level. As part of risk governance, Management reported to the Board annually, via the ARMC, to ensure the Board is updated on significant risks and progress of mitigation actions. There were 11 key risks identified and discussed with ARMC during the financial year and it was noted that the respective risk had performed an assessment of the key risks and its mitigation plans. To strengthen our risk management framework, we have continuously improved to enhance our risk management practices and increase the scope across the Group. As these risks are still relevant, mitigation responses are in place and continuously monitored to mitigate risk exposures.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit functions to an independent professional services firm to review the effectiveness and adequacy of the internal controls system and to address the weaknesses identified, if any. The Internal Audit team independently reviews the procedures and control processes implemented by the management within the key business segments of the Group. Any key areas of concern identified during the reviews together with the recommendations for improvements to strengthen the internal controls are directly reported to the ARMC together with management responses. The Management is then to implement the rectification action plans with due follow-up audits by the Internal Auditors and updates to the ARMC.

To maintain its impartiality, proficiency and due professional care, the Internal Audit reports functionally report independently and directly to the ARMC. The ARMC reviews the Internal Audit programme annually in consultation with the Internal Auditors and assesses the reports of the Internal Audit process quarterly. Periodically, the ARMC will conduct an assessment on the adequacy of scope, functions, competency and resources of the Internal Auditors as well as whether the recommendations of the Internal Audit function have been absorbed into the Group's processes.

The Board and Management, in consultation with the External and Internal Auditors via their reports, noted that there were no material or significant losses arising as a result of weaknesses in internal controls during the financial year under review and up to the date of issuance of the Statement on Risk Management and Internal Control. The Board is also pleased to report that there were no significant internal control deficiencies for areas that have been reviewed by the Internal Auditors. Certain practical recommendations of the Internal Auditors have been taken as remedial action to improve and enhance the existing internal controls.

Other Internal Control Processes

Apart from risk management and internal audit, the Group's system of internal controls also comprises the following key elements:

- Organisation Structure

The current organisation structure of the Group is incorporated with clear lines of accountability that sets out the authority delegated to the Board and Senior Management. The Board is supported by various established committees in discharging its responsibilities that includes the AC, and Nomination and Remuneration Committee respectively.

- Board of Directors / Board Committees

The role, functions, composition, operation and processes of the Board are guided by formal Board Charter.

Board Committees, namely ARMC, Nomination Committee and Remuneration Committee are established with formal terms of references clearly outlining their functions and duties delegated by the Board. ARMC assists the Board to review the effectiveness of the ongoing monitoring processes on risk and control matters for areas within their scope of work.

Meetings of the Board and respective Board Committees are carried out on scheduled basis to review the performance of the Group, from financial and operational perspective.

- Policies and Procedures

Operational policies and procedures form an integral part of the internal control system to safeguard the Group's assets against material losses. These include manuals and handbooks which are updated, reviewed and revised periodically to meet changing business and operational requirements, and statutory reporting needs. The Group has also documented policies and procedures to regulate relevant key processes in compliance with its International Organisation for Standardisation ("ISO") 9001:2015.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

INTERNAL AUDIT FUNCTION *(cont'd)*

Other Internal Control Processes *(cont'd)*

- Code of Conduct, Anti-Bribery and Corruption Policy and Whistle Blowing Channel

A Code of Conduct is established for all directors, employees, suppliers and vendors of the Group, which outlines the acceptable business behaviour and conduct and to provide guidance on how the directors, employees, suppliers and vendors should behave to demonstrate a culture of excellence while performing their duties. It also set out the standards of good and ethical practices, and aims to maintain confidence in the integrity of the Group's business practices.

The Board has taken steps to direct the establishment of adequate procedures to prevent the commission of corrupt acts by persons associated to the Group through the institution of the Anti-Bribery and Corruption Policy ("the Policy"). The Policy, amongst others, covers areas pertaining to gifts, donations and sponsorships; support letters; facilitation payments; conflict of interest; and sanctions for non-compliance. The Policy is premised on a supply-chain wide perspective covering dealings with third parties such as agents, suppliers and vendors, contractors, sub-contractors and distributors. All employees are required to declare that they have read, understood and will abide by the Policy via the Staff Declaration Form.

The Group has also put in place whistle blowing channels, providing an avenue for employees and external parties to report actual or suspected malpractice, misconduct or violations of the Group's policies and regulations in a safe and confidential manner. The policies and procedures on whistle blowing are incorporated under Part D of the Group's Code of Conduct which is published in the website of the Company.

- Human Resource Policy

Guidelines on the human resource management are in place to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing necessary knowledge, skill and experience in order to carry out their duties and responsibilities assigned effectively and efficiently.

Performance evaluations are carried out for all levels of staff to identify performance gaps, for training needs identification and talent development.

Emphasis is placed on enhancing the quality and ability of employees through a wide variety of training programs and workshops to enhance their knowledge and expand the employees' competency level in executing daily jobs. Relevant trainings and courses are provided to personnel across all functions to maintain a high level of competency and capability.

- Information and Communication

The Group has put in place effective and efficient information and communication infrastructures and channels, i.e. computerized systems, secured intranet and electronic mail system, so that operation data and management information can be communicated timely and securely to dedicated personnel within the Group for decision making and for communication with relevant external stakeholders for execution and information collection. The management and board meetings are held for effective two-way communication of information at different level of management and the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

INTERNAL AUDIT FUNCTION *(cont'd)*

Other Internal Control Processes *(cont'd)*

- Monitoring and Review

Internal audits are carried out by the internal audit functions (which reports directly to the ARMC) on key risk areas identified based on the internal audits carried out. The internal audit function assesses the adequacy and effectiveness of internal controls in relation to specific governance, risk and control processes and highlight potential risks and implications of its observations that may impact the Group as well as recommend improvements on the observations made to minimize the risks. The results of the internal audits carried out are reported to the ARMC.

In addition to the internal audits, significant control issues highlighted by the external auditors as part of their statutory audits responsibility and the monitoring of compliance with ISO certification carried out by internal ISO auditors serve as the next line of defense.

Apart from the above, the quarterly financial performance review contained key financial results and comparison against previous corresponding financial results are presented to the Board for their review.

THE BOARD'S COMMITMENT

The Board has received assurance from the Managing Director and Chief Executive Officer that the Group's risk management and internal controls are operating adequately and effectively, in all material aspects, based on the risk management framework and internal control system of the Group.

The Board confirms that the process for identifying, evaluating and managing significant risks in the Group is ongoing. The Board is of the view that the Group's risk management and internal control systems are satisfactory and has no significant internal control failures nor have any of the reported weaknesses that has resulted in material losses or contingencies during the financial year under review. The Board is satisfied that the existing level of systems of internal control and risk management are effective to enable the Group to achieve its business objectives.

However, the Board wishes to point out that risk management system and system of internal controls could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems of risk management and internal control in the Group provide only reasonable but not absolute assurance against material misstatements, frauds and losses. Notwithstanding this, the Board will continue to evaluate and manage the significant business risks faced by the Group in order to meet its business objectives in the current and challenging business environment.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Rule 15.23 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have performed a limited assurance engagement on this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2022. Their engagement was performed in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants which does not require the auditors to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system.

Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control is not prepared in all material respects and in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

This statement was approved by the Board on 13 October 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee (“Committee” or “ARMC”) was established on 14 June 2017 with the primary objective of assisting the Board of Directors (the “Board”) in fulfilling its fiduciary responsibilities relating to financial reporting, system of internal controls and financial management of the Group.

In performing their duties and discharging their responsibilities, the ARMC is guided by its terms of reference (“TOR”). The ARMC’s TOR is available at the Company’s website at <https://www.binacom.com.my/investor-relations>.

COMPOSITION

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Director which satisfy the requirements of Rule 15.09(1)(a) and (b) of the ACE Market Listing Requirement (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance 2021. The current composition of ARMC is as follows:

Chairman

Dato’ Seow Thiam Fatt Senior Independent Non-Executive Director

Members

Tan Sri Datuk Cham Hak Lim Independent Non-Executive Chairman
Dato’ Tan Yee Boon Independent Non-Executive Director

The ARMC also meets the AMLR which requires at least one member of the ARMC must fulfill the financial expertise requisite of Rule 15.09(c) of the AMLR of Bursa Securities.

The Chairman of the ARMC, Dato’ Seow Thiam Fatt, is a Fellow of CPA Australia, Fellow of the Institute of Chartered Secretaries and Administrators, member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

ATTENDANCE OF MEETINGS

Five (5) ARMC meetings were held during the financial year ended 30 June 2022 (“FYE2022”). The details of attendance of each member at the ARMC meetings held during the tenure of office of the members are as follows:

Name	No. of ARMC Meetings attended
Dato’ Seow Thiam Fatt (Chairman, Senior Independent Non-Executive Director)	5/5
Tan Sri Datuk Cham Hak Lim (Member, Independent Non-Executive Chairman)	5/5
Dato’ Tan Yee Boon (Member, Independent Non-Executive Director)	5/5

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

For the FYE2022, the main activities undertaken by the ARMC were as follows:

1. Financial Reporting

- (a) Reviewed the unaudited quarterly financial results of the Company and the Group prior to the recommendation to the Board and release the same to Bursa Securities.
- (b) Reviewed the draft audited financial statements of the Company and the Group for the FYE2022 prior to the submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act 2016 and the applicable Financial Reporting Standards in Malaysia.

2. External Audit

- (a) Reviewed the Group's Audit Planning Memorandum for the FYE2022, entailing mainly the overview of audit approach and areas of audit emphasis of the Group.
- (b) Reviewed the Audit Review Memorandum for the FYE2022 presented by the External Auditors on 29 August 2022, entailing the significant audit findings, deficiencies in internal control and recommendation, status of audit, compliance with the ethical requirements of independence, communication with the ARMC and summary of audit adjustments.
- (c) Reviewed the independence, suitability, objectivity and effectiveness of the External Auditors before recommending their re-appointment and remuneration to the Board.
- (d) Reviewed the annual audited financial statements of the Group and the Company prior to submission to the Board for approval and release the same to Bursa Securities.
- (e) Had private sessions with the External Auditors during the financial year without the presence of the Executive Directors and Management to discuss further with them any issues of concern, if any, arising from the audit.
- (f) Reviewed and recommended to the Board for approval on the change of audit firm from Crowe Malaysia PLT based in Melaka to Crowe Malaysia PLT based in Kuala Lumpur for the audit for the FYE2022.

3. Internal Audit

- (a) Reviewed the Internal Audit Plan presented by the Internal Auditors.
- (b) Reviewed the reports from the Internal Auditors and assessed the Internal Auditors' findings and the Management's responses and the necessary recommendations.
- (c) Reviewed and discussed the effective implementation of the action plans taken by Management in response to audit findings and weaknesses identified during the audit review.
- (d) Monitored the follow-up Audit Report on the internal audit finding(s) and the implementation status based on the Internal Auditors' recommendations.
- (e) Reviewed and assessed the competency of the internal audit function.
- (f) Met with internal auditors in private sessions without the presence of the Executive Directors and Management for discussion on internal audit related matters.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (cont'd)

4. Risk Management and Internal Control

- (a) Reviewed and discussed the Risk Management Reports which identified high and key risks as well as new and emerging risks and control mechanism.
- (b) Evaluated the overall effectiveness of the risk management and internal control system of the Group.
- (c) Reviewed the Statement on Risk Management and Internal Control prior to recommending the same to the Board for approval and inclusion in the Annual Report.

5. Related Party Transactions

- (a) Reviewed related party transactions entered into by the Group on quarterly basis.
- (b) Reviewed the Circular to Shareholders in respect of the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature prior to submitting the same to the Board for consideration and approval.

6. Others

- (a) Reviewed the ARMC Report prior to the recommendation to the Board of Directors for approval for inclusion in the Annual Report.
- (b) Conducted a self-assessment exercise to evaluate their own effectiveness in discharging duties and responsibilities.

INTERNAL AUDIT FUNCTION

The Company recognised that an internal audit function is essential to ensuring the effectiveness of the Group's systems of internal control and is an integral part of the risk management process. The internal audit function of the Group was carried out by Sterling Business Alignment Consulting Sdn Bhd, an independent professional internal audit services provider.

The Internal Auditors conduct independent, regular and systematic review of the key controls and processes in the operating units and assess compliance with the established policies and procedures. The Internal Auditors report directly to the ARMC and assist the Board in monitoring the internal controls and mitigate the risk of the Group.

(1) Summary of Works

The summary of works that were carried out by the internal audit function during the FYE2022 encompassed the following:

- a. Assessed the adequacy and effectiveness of the Group's system of internal control and recommend appropriate actions to be taken where necessary.
- b. Ensured that those weaknesses were appropriately addressed and that recommendations from the internal auditors and corrective actions on reported weaknesses were taken appropriately within the required timeframe by the Management.
- c. Formulated annual audit plan that focuses on controls, managing the principal risks of the Group. Audits are prioritised according to an assessment of the potential risk exposures.
- d. Presentation of audit findings and corrective actions to be taken by the Management in the quarterly ARMC meetings.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

INTERNAL AUDIT FUNCTION *(cont'd)*

(2) Total costs incurred for the financial year ended 30 June 2022

The total costs incurred for the outsourcing of the internal audit function of the Group during the FYE2022 amounted to RM45,000.

(3) Review of Internal Audit Function

The ARMC and the Board were satisfied with the performance of the Internal Auditors for the FYE2022.

The Committee is pleased to disclose that there were no significant weaknesses identified that would have resulted in any material losses, contingencies or uncertainties to the Group which would require a separate disclosure in the financial statement.

This Report was made in accordance with the approval of the Board of Directors on 13 October 2022.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS

(1) INITIAL PUBLIC OFFERING (“IPO”)

The entire enlarged issued share capital of the Company comprising 260,000,000 ordinary shares was listed on the ACE Market of Bursa Securities on 8 January 2018. Pursuant to the said listing, the Company had successfully raised gross proceeds of RM39.55 million from the issuance of 85,979,000 new ordinary shares in the Company at an issue price of RM0.46 per share. The gross proceeds of RM39.55 million raised from the IPO have been utilised in the following manner as at 30 June 2022:-

No.	Purpose of utilisation	Estimated Timeframe for Utilisation ⁽¹⁾	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance 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	3,706	1,194	75.63%
3.	Enhancing fiber optic network installation and commissioning services capability	Within 36 months	4,800	4,800	-	100.00%
4.	Regional business expansion in ASEAN countries	Within 36 months	1,500	1,500	-	100.00%
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%
TOTAL			39,550	38,356	1,194	96.98%

Notes:

⁽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 date 13 December 2017 and the company's announcement dated on 28 February 2020.

ADDITIONAL COMPLIANCE INFORMATION

cont'd

(1) INITIAL PUBLIC OFFERING (“IPO”) (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 30 June 2022 is as follows:

Details of use of proceeds	Estimated Timeframe for Utilisation	Initial Utilisation RM'000	Actual Utilisation as at 18 May 2020 RM'000	Balance unutilised as at 18 May 2020 RM'000	Varied Amount RM'000	Total amount after Variation RM'000	Actual utilisation of varied amount RM'000	Balance unutilised as 30 June 2022 RM'000
1 Enhancing operations and maintenance services capability	Within ⁽¹⁾⁽²⁾ 18 months	4,900	1,505	3,395	-	3,395	2,201	1,194
2 Enhancing fiber optic network installation and commissioning services capability	Within ⁽¹⁾ 18 months	4,800	58	4,742	1,492	6,234	6,234	-
3 Regional business expansion in ASEAN countries	Within ⁽¹⁾ 18 months	1,500	8	1,492	(1,492)	-	-	-
		11,200	1,571	9,629	-	9,629	8,435	1,194

Notes:

⁽¹⁾ From the date of the announcement of variation dated 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 31 December 2021. 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.

(2) PRIVATE PLACEMENT

On 14 October 2021, the 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.

ADDITIONAL COMPLIANCE INFORMATION

cont'd

(2) PRIVATE PLACEMENT (cont'd)

As at 30 September 2022, 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	Percentage Utilised %
					30 September 2022 RM'000	
i.	Enhancing the Group's fiber optic network installation and commissioning service capability	Within 24 months	1,290	1,021	269	79%
ii.	Working capital	Within 24 months	18,082	4,849	13,233	27%
iii.	Estimated expenses for the Proposed Private Placement	Immediate	185	185	-	100%
			19,557	6,055	13,502	31%

AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors by the Group and the Company for the financial year ended 30 June 2022 are as follows:-

	Company (RM'000)	Group (RM'000)
Audit Fees	30	108
Non-audit fees		
- Review of Consolidation Financial Statement	15	15
- Review of Statement of Risk Management and Internal Control	5	5
- Review Compilation of Proforma Financial Information of Target Company	4	4
- Financial Due Diligence on Examination of Prospective Financial Information	25	25
- Review Return of Net Revenue	-	2
Total	79	159

MATERIAL CONTRACTS INVOLVING DIRECTORS AND SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Group involving the interest of the Directors' and/or major shareholders either subsisting as at 30 June 2022 or entered into since the end of the previous financial year.

EMPLOYEE SHARE OPTIONS SCHEME

The Group did not offer any share scheme for employees during the financial year under review.

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

The details for the Recurrent Related Party Transactions of a Revenue or Trading Nature transacted pursuant to the Shareholders' Mandate during the financial year ended 30 June 2022 are stated in Section 2.4 of the Circular to Shareholders dated 28 October 2022.

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	5,419,768	1,020,266
Attributable to:-		
Owners of the Company	4,804,309	1,020,266
Non-controlling interests	615,459	-
	5,419,768	1,020,266

DIVIDENDS

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its issued and paid-up share capital from RM63,389,549 to RM97,181,083 by:-
- i) issuance of 37,142,856 new ordinary shares at issue price of RM0.35 each for the acquisition of a subsidiary as disclosed in Note 19 to the financial statements;
 - ii) issuance of 21,375,000 new ordinary shares at an issue price of RM0.345 each for cash consideration under a private placement of new ordinary shares as disclosed in Note 19 to the financial statements;
 - iii) issuance of 21,271,700 new ordinary shares at an issue price of RM0.303 each for cash consideration under a private placement of new ordinary shares as disclosed in Note 19 to the financial statements; and
 - iv) issuance of 22,069,200 new ordinary shares at an issue price of RM0.26 each for cash consideration under a private placement of new ordinary shares as disclosed in Note 19 to the financial statements.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

- (b) there were no issues of debentures by the Company.

DIRECTORS' REPORT

cont'd

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT

cont'd

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Tan Sri Datuk Cham Hak Lim
Dato' Seow Thiam Fatt
Dato' Tan Yee Boon
Na Boon Aik
Zulamran bin Hamat
Na Boon Tiam (Resigned on 1.10.2021)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Limus bin Ibal
Nik Abdul Hakim bin Abd Razak
Mohd Solehuddin Bin Yahya
Lim Thean Shiang (Appointed on 8.2.2022 and resigned on 22.8.2022)
Wai Sit Wan (Appointed on 8.2.2022 and resigned on 22.8.2022)
Mohd Fakri bin Azmi (Appointed on 22.8.2022)
Muhammad Hudhaifa bin Ahmad (Appointed on 22.8.2022)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	← Number Of Ordinary Shares →			At 30.6.2022
	At 1.7.2021	Bought	Sold	
The Company				
<i>Direct Interests</i>				
Tan Sri Datuk Cham Hak Lim	200,000	1,000,000	-	1,200,000
Dato' Seow Thiam Fatt	300,000	170,000	70,000	400,000
Na Boon Aik	73,436,751	-	-	73,436,751
Zulamran bin Hamat	2,500,000	500,000	-	3,000,000

By virtue of their shareholdings in the Company, Na Boon Aik is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other director holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' REPORT

cont'd

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 33(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Fees	174,000	174,000
Salaries, bonuses and other benefits	1,341,846	-
Defined contribution benefits	158,400	-
	1,674,246	174,000

INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 38 to the financial statements.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 39 to the financial statements.

DIRECTORS' REPORT

cont'd

AUDITORS

The auditors, Crowe Malaysia PLT, retire and are not seeking re-appointment at the forthcoming Annual General Meeting.

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM	The Company RM
Audit fees	108,000	30,000
Non-audit fees	51,000	49,000
	159,000	79,000

Signed in accordance with a resolution of the directors dated 13 October 2022.

Na Boon Aik

Zulamran bin Hamat

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Na Boon Aik and Zulamran bin Hamat, being two of the directors of Binasat Communications Berhad, state that, in the opinion of the directors, the financial statements set out on pages 57 to 117 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2022 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 13 October 2022.

Na Boon Aik

Zulamran bin Hamat

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Na Boon Aik, being the director primarily responsible for the financial management of Binasat Communications Berhad, do solemnly and sincerely declare that the financial statements set out on pages 57 to 117 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Na Boon Aik, NRIC Number: 640523-01-5945
at Kuala Lumpur
in the Federal Territory
on this 13 October 2022

Before me

Na Boon Aik

Datin Hjh Raihela Wanchik (W-275)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BINASAT COMMUNICATION BERHAD

(Incorporated in Malaysia)

Registration No : 201701008491 (1222656-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Binasat Communications Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 57 to 117.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<p>Revenue Recognition Refer to Note 4.22 and Note 25 to the financial statements</p>
<p>Key Audit Matter</p> <p>Consolidated revenue recorded by the Group during the financial year amounted to approximately RM83.508 million. In view of the Group's large volume of transactions, we considered revenue recognition for the work performed to be a potential cause for higher risk of material misstatement from the perspective of timing of recognition and the amount of revenue recognised. Accordingly, we regarded revenue recognition to be a key audit matter.</p>
<p>How our audit addressed the key audit matter</p> <p>To address this risk, our audit procedures involved the following by:-</p> <ul style="list-style-type: none"> • testing the operating effectiveness of internal controls over the completeness, accuracy and timing of revenue recognised in the financial statements; • review the terms of revenue contracts to identify distinct performance obligations which determine whether the revenue recognition shall be recognised at a point in time or over time; • review the contract value secured and projected budgeted costs; and • perform verification on the actual progress billings issued and actual cost incurred for the financial year.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BINASAT COMMUNICATION BERHAD

(Incorporated in Malaysia)

Registration No : 201701008491 (1222656-D)

cont'd

Key Audit Matters (cont'd)

<p>Goodwill Refer to Note 4.3 and Note 10 to the financial statements</p>
<p>Key Audit Matter</p> <p>The carrying amount of goodwill as at 30 June 2022 is approximately RM16.1 million. This arose from the acquisition of a subsidiary during the financial year, which is considered as a distinct cash-generating unit ("CGU").</p> <p>Management is required to conduct annual impairment assessment on the goodwill. For this purpose, management has estimated the recoverable amount of the CGU in which the goodwill is attached to, using the value in use approach. This is derived from the present value of the future cash flows from the cash-generating unit.</p> <p>The assessment of goodwill impairment is significant to our audit as it is highly subjective, involves significant judgement and is based on assumptions that may be affected by future market and economic conditions.</p>
<p>How our audit addressed the key audit matter</p> <p>To address this risk, our audit procedures involved the following by:-</p> <ul style="list-style-type: none"> • review management's estimate of the recoverable amount and test of the cash flows forecast for their accuracy; • evaluate the appropriateness and reasonableness of the key assumptions by considering past performance and historical results; • perform sensitivity analysis over the key assumptions to understand the impact of changes over the valuation model; and • review the adequacy of the Group's disclosure.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BINASAT COMMUNICATION BERHAD

(Incorporated in Malaysia)

Registration No : 201701008491 (1222656-D)

cont'd

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BINASAT COMMUNICATION BERHAD

(Incorporated in Malaysia)

Registration No : 201701008491 (1222656-D)

cont'd

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018

Chartered Accountants

Kuala Lumpur

13 October 2022

Onn Kien Hoe

01772/11/2022J

Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	67,921,793	47,577,100
Property, plant and equipment	6	29,771,585	26,666,271	91,069	126,507
Investment properties	7	9,417,061	9,640,994	-	-
Right-of-use assets	8	12,695,586	12,733,817	-	-
Amount owing by a subsidiary	9	-	-	5,496,745	4,901,644
Goodwill	10	16,098,729	-	-	-
Intangible assets	11	409,066	-	-	-
Deferred tax assets	12	45,108	-	-	-
		68,437,135	49,041,082	73,509,607	52,605,251
CURRENT ASSETS					
Inventories	13	3,856,648	-	-	-
Contract costs	14	-	379,280	-	-
Trade receivables and contract assets	15	45,068,983	27,265,668	-	-
Other receivables, deposits and prepayments	17	1,060,065	750,401	30,375	28,500
Amount owing by a subsidiary	9	-	-	1,100,000	1,100,000
Current tax assets		5,857,139	5,293,279	-	-
Short-term investments	18	26,872,163	7,787,560	24,079,243	5,383,016
Cash and bank balances		15,657,363	26,628,508	589,802	5,667,536
		98,372,361	68,104,696	25,799,420	12,179,052
TOTAL ASSETS		166,809,496	117,145,778	99,309,027	64,784,303

The annexed notes form an integral part of these financial statements

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2022

cont'd

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	97,181,083	63,389,549	97,181,083	63,389,549
Merger deficit	20	(16,052,000)	(16,052,000)	-	-
Retained profits		45,507,998	40,703,689	1,589,207	568,941
Equity attributable to owners of the Company		126,637,081	88,041,238	98,770,290	63,958,490
Non-controlling interests	5	5,002,449	307,534	-	-
TOTAL EQUITY		131,639,530	88,348,772	98,770,290	63,958,490
NON-CURRENT LIABILITIES					
Lease liabilities	21	12,281,106	12,490,567	-	-
Borrowings	22	6,439,606	6,348,038	-	-
Deferred tax liabilities	12	1,099,276	287,100	-	-
		19,819,988	19,125,705	-	-
CURRENT LIABILITIES					
Trade payables	23	9,054,356	5,318,814	-	-
Other payables and accruals	24	3,497,324	3,136,385	530,520	825,813
Lease liabilities	21	415,647	303,527	-	-
Borrowings	22	1,560,815	912,575	-	-
Current tax liabilities		821,836	-	8,217	-
		15,349,978	9,671,301	538,737	825,813
TOTAL LIABILITIES		35,169,966	28,797,006	538,737	825,813
TOTAL EQUITY AND LIABILITIES		166,809,496	117,145,778	99,309,027	64,784,303

The annexed notes form an integral part of these financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
REVENUE	25	83,507,592	53,846,684	1,100,000	1,100,000
COST OF SERVICES RENDERED AND CONTRACT EXPENDITURE		(66,082,452)	(41,757,369)	-	-
GROSS PROFIT		17,425,140	12,089,315	1,100,000	1,100,000
OTHER INCOME		1,052,416	801,605	500,345	574,136
		18,477,556	12,890,920	1,600,345	1,674,136
ADMINISTRATIVE EXPENSES		(6,786,429)	(5,939,465)	(467,770)	(876,017)
OTHER OPERATING EXPENSES		(4,430,781)	(2,104,047)	(35,438)	(203,315)
FINANCE COSTS		(660,682)	(641,622)	-	(339,335)
NET REVERSAL/(IMPAIRMENT LOSSES) ON FINANCIAL ASSETS AND CONTRACT ASSETS	26	1,572	(169,862)	-	-
PROFIT BEFORE TAXATION	27	6,601,236	4,035,924	1,097,137	255,469
INCOME TAX EXPENSE	28	(1,181,468)	(1,609,022)	(76,871)	-
PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		5,419,768	2,426,902	1,020,266	255,469
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		4,804,309	2,377,963	1,020,266	255,469
Non-controlling interests		615,459	48,939	-	-
		5,419,768	2,426,902	1,020,266	255,469
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		4,804,309	2,377,963	1,020,266	255,469
Non-controlling interests		615,459	48,939	-	-
		5,419,768	2,426,902	1,020,266	255,469
EARNINGS PER SHARE (SEN)					
Basic	29	1.37	0.86		
Diluted	29	1.37	0.86		

The annexed notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

The Group	NOTE	← Non-Distributable →		Distributable		Non-controlling Interests RM	Total Equity RM
		Share Capital RM	Merger Deficit RM	Retained Profits RM	Attributable To Owners Of The Company RM		
Balance at 1.7.2020		56,588,477	(16,052,000)	38,325,726	78,862,203	183,595	79,045,798
Profit after taxation/Total comprehensive income for the financial year		-	-	2,377,963	2,377,963	48,939	2,426,902
Contributions by owners of the Company:							
- Issuance of shares	19	6,801,072	-	-	6,801,072	-	6,801,072
- Issuance of shares by a subsidiary to non-controlling interests		-	-	-	-	75,000	75,000
Total transactions with owners		6,801,072	-	-	6,801,072	75,000	6,876,072
Balance at 30.6.2021/ 1.7.2021		63,389,549	(16,052,000)	40,703,689	88,041,238	307,534	88,348,772
Profit after taxation/Total comprehensive income for the financial year		-	-	4,804,309	4,804,309	615,459	5,419,768
Contributions by owners of the Company:							
- Issuance of shares	19	33,791,534	-	-	33,791,534	-	33,791,534
- Issuance of shares by subsidiaries to non-controlling interests		-	-	-	-	122,549	122,549
- Acquisition of a subsidiary		-	-	-	-	3,956,907	3,956,907
Total transactions with owners		33,791,534	-	-	33,791,534	4,079,456	37,870,990
Balance at 30.6.2022		97,181,083	(16,052,000)	45,507,998	126,637,081	5,002,449	131,639,530

The annexed notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
cont'd

The Company	Note	Share Capital RM	Retained Profits RM	Total Equity RM
Balance at 1.7.2020		56,588,477	313,472	56,901,949
Profit after taxation/Total comprehensive income for the financial year		-	255,469	255,469
Contributions by owners of the Company:				
- Issuance of shares	19	6,801,072	-	6,801,072
Total transactions with owners		6,801,072	-	6,801,072
Balance at 30.6.2021/1.7.2021		63,389,549	568,941	63,958,490
Profit after taxation/Total comprehensive income for the financial year		-	1,020,266	1,020,266
Contributions by owners of the Company:				
- Issuance of shares	19	33,791,534	-	33,791,534
Total transactions with owners		33,791,534	-	33,791,534
Balance at 30.6.2022		97,181,083	1,589,207	98,770,290

The annexed notes form an integral part of these financial statements

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
Profit before taxation	6,601,236	4,035,924	1,097,137	255,469
Adjustments for:-				
Amortisation of intangible assets	2,372,073	-	-	-
Depreciation of property, plant and equipment	2,272,765	1,442,326	35,438	36,018
Depreciation of right-of-use assets	342,106	316,751	-	167,297
Depreciation of investment properties	223,933	223,933	-	-
Gain on disposal of property, plant and equipment	(16,800)	(199,144)	-	-
Gain on foreign exchange - unrealised	(165,458)	(1,084)	-	-
Net (reversal)/impairment losses on trade receivables and contract assets	(1,572)	169,862	-	-
Interest expense on lease liabilities	451,098	454,603	-	339,335
Interest expense on hire purchase payables	96,599	66,453	-	-
Interest expense on term loans	114,939	120,566	-	-
Interest income	(365,303)	(454,493)	(500,345)	(549,292)
Operating profit before working capital changes	11,925,616	6,175,697	632,230	248,827
Increase in inventories	(3,856,648)	-	-	-
Decrease in contract costs	379,280	2,413,185	-	-
Increase in trade and other receivables	(6,400,988)	(9,259,480)	(1,875)	(498,240)
(Decrease)/Increase in trade and other payables	(515,806)	953,761	(295,293)	(1,051,001)
CASH FROM/(FOR) OPERATIONS	1,531,454	283,163	335,062	(1,300,414)
Interest received	365,303	454,493	305,244	384,909
Income tax paid	(2,120,692)	(2,962,494)	(68,654)	-
Income tax refunded	-	10,237	-	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(223,935)	(2,214,601)	571,652	(915,505)

The annexed notes form an integral part of these financial statements

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

	Note	The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS FOR INVESTING ACTIVITIES					
Additional investments in an existing subsidiary		-	-	(127,500)	(14,807,542)
Acquisition of subsidiary, net of cash acquired	30(c)	(5,269,346)	-	(5,360,000)	-
Investment in a subsidiary		-	-	(51)	-
Net advances to a subsidiary		-	-	(400,000)	(1,584,930)
Purchase of property, plant and equipment	31(a)	(3,412,483)	(9,880,314)	-	(3,731,190)
Proceeds from disposal of property, plant and equipment		16,800	229,144	-	-
NET CASH FOR INVESTING ACTIVITIES		(8,665,029)	(9,651,170)	(5,887,551)	(20,123,662)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares	19	19,557,692	6,801,072	19,557,692	6,801,072
Proceeds from issuance of shares by subsidiaries to non-controlling interests		122,549	75,000	-	-
Repayment of lease liabilities	31(b)	(401,216)	(94,677)	-	-
Repayment of term loans	31(b)	(579,473)	(394,048)	-	-
Repayment of hire purchase payables	31(b)	(580,319)	(470,610)	-	-
Interest paid	31(b)	(662,636)	(189,141)	-	-
Share issuance expenses paid		(623,300)	-	(623,300)	-
NET CASH FROM FINANCING ACTIVITIES		16,833,297	5,727,596	18,934,392	6,801,072
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		7,944,333	(6,138,175)	13,618,493	(14,238,095)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		169,125	-	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		34,416,068	40,554,243	11,050,552	25,288,647
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	31(d)	42,529,526	34,416,068	24,669,045	11,050,552

The annexed notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The Company is listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office	:	12th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan
Principal place of business	:	Lot PT 13824, Jalan Teknologi 4 Technology Park Malaysia Bukit Jalil, 57000 Kuala Lumpur

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 13 October 2022.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

3. BASIS OF PREPARATION (cont'd)

3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

Key Sources of Estimation Uncertainty (cont'd)

(b) Impairment of Investment Properties

The Group determines whether an item of its investment properties are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amount of investment properties as at the reporting date is disclosed in Note 7 to the financial statements.

(c) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date and the key assumptions are disclosed in Note 10 to the financial statements.

(d) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales including changes in the customer payment profile in response to the COVID-19 pandemic and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 15 and 16 to the financial statements respectively.

(e) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss rates. It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information incorporating the impact of COVID-19 pandemic. The carrying amounts of amount owing by subsidiary and other receivables as at the reporting date are disclosed in Notes 9 and 17 to the financial statements respectively.

(f) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amount of contract assets as at the reporting date is disclosed in Note 16 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

Key Sources of Estimation Uncertainty (cont'd)

(g) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of current tax assets/liabilities of the Group and of the Company as at the reporting date are disclosed as below:

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Current tax assets	5,857,139	5,293,279	-	-
Current tax liabilities	(821,836)	-	(8,217)	-

(h) Purchase Price Allocation

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets (including goodwill) and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests. The fair values of the assets acquired and liabilities assumed under the business combinations made during the current financial year are disclosed in Note 30 to the financial statements.

(i) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

(j) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 13 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

In determining the incremental borrowing rate of the respective leases, the Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.2 BASIS OF CONSOLIDATION (cont'd)

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

4.5 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.5 FINANCIAL INSTRUMENTS (cont'd)

(a) Financial Assets (cont'd)

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.5 FINANCIAL INSTRUMENTS (cont'd)

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.6 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation on property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Building	60 years
Telecommunication equipment	5 to 15 years
Computers	20%
Furniture, fittings and equipment	20%
Motor vehicles	20%
Renovation	20%
Signboard	20%
Tools and equipment	20%

Construction work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.8 INVESTMENT PROPERTIES

Investment properties are properties which are owned or right-of-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are within 50 years to 54 years.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4.9 INTANGIBLE ASSETS - CONSTRUCTION CONTRACTS

The intangible assets acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the estimated period for completion of each construction contracts.

4.10 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.10 LEASES (cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4.12 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

4.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

4.14 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.14 IMPAIRMENT (cont'd)

(a) Impairment of Financial Assets (cont'd)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.15 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
cont'd

4. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

4.16 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.17 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.18 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.19 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

4.20 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to borrowings that are outstanding during the financial year, other than borrowings made specifically for the purpose of financing a specific project-in-progress, in which case the actual borrowing costs incurred on that borrowings less any investment income on temporary investment of that borrowings will be capitalised.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

4.21 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.22 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.22 REVENUE FROM CONTRACTS WITH CUSTOMERS (cont'd)

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Rendering of Services

Revenue from providing services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

(b) Construction Services

Revenue from construction services is recognised over time in the period in which the services are rendered using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using most likely method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

4.23 OTHER OPERATING INCOME

(a) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2022	2021
	RM	RM
Unquoted shares, at cost	67,921,793	47,577,100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

5. INVESTMENTS IN SUBSIDIARIES (cont'd)

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2022	2021	
		%	%	
<i>Subsidiaries of the Company</i>				
Binasat Sdn. Bhd. ("BSB")	Malaysia	100	100	Provision of support services for satellite, mobile and fibre optic telecommunications networks.
Binasat (Sabah) Sdn. Bhd. ("BSSB")	Malaysia	100	100	Dormant.
Satellite NOC Sdn. Bhd. ("SNSB")	Malaysia	70	70	Provision of support services for satellite telecommunications network.
Borderless Connection Sdn. Bhd. ("BCSB") ^	Malaysia	51	-	Provision of transmission and distribution network utility construction services, as well as engineering, procurement, construction and commissioning (EPCC) of solar facilities.
Bina Jeth Sdn. Bhd. ("BJSB") ^	Malaysia	51	-	Dormant.

^ - The consolidation was done based on the management financial statements as the audited financial statements of these companies were not available.

- (a) On 12 October 2021, the Company has acquired 51% equity interests in BCSB. The details of the acquisition are disclosed in Note 30 to the financial statements.

The subsidiary has been consolidated from the date of acquisition using information from the audited financial statements of the subsidiary for the year ended 28 February 2022 and unaudited management accounts for the period from 1 March 2022 to 30 June 2022.

- (b) On 8 February 2022, the Company subscribed 51 new ordinary shares in BJSB for a cash consideration of RM51. The subsidiary will provide first audit report within 18-month with the statutory financial year on 30 June 2023 which coincide with the Group.
- (c) On 21 April 2022, BCSB increased its issued and paid-up share capital from RM750,000 to RM1,000,000. The Company has subscribed additional 127,500 units of ordinary shares for a total cash consideration of RM127,500.
- (d) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2022	2021	2022	2021
	%	%	RM	RM
Satellite NOC Sdn. Bhd.	30	30	369,555	307,534
Borderless Connection Sdn. Bhd.	49	-	4,632,845	-
Bina Jeth Sdn. Bhd.	49	-	49	-
			5,002,449	307,534

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
cont'd

5. INVESTMENTS IN SUBSIDIARIES (cont'd)

- (e) The summarised financial information (before intra-group elimination) for the subsidiaries with non-controlling interests that are material to the Group is as follows:-

	SNSB	
	2022	2021
	RM	RM
<u>At 30 June</u>		
Non-current assets	10,295,111	5,536,388
Current assets	4,766,053	4,948,551
Non-current liabilities	(12,484,089)	(8,039,079)
Current liabilities	(1,345,224)	(1,420,746)
Net assets	1,231,851	1,025,114
<u>Financial Year Ended 30 June</u>		
Revenue	6,623,173	3,941,033
Profit after taxation	206,737	163,130
Total comprehensive income	206,737	163,130
Total comprehensive income attributable to non-controlling interests	62,021	48,939
Net cash flows from operating activities	1,619,049	731,433
Net cash flows for investing activities	(964,641)	(211,665)
Net cash flows for financing activities	(772,792)	(377,877)
		BCSB
		2022
		RM
<u>At 30 June</u>		
Non-current assets		93,505
Current assets		15,444,429
Non-current liabilities		-
Current liabilities		(6,394,039)
Net assets		9,143,895
<u>Financial Year Ended 30 June</u>		
Revenue		27,070,195
Profit after taxation		2,932,241
Total comprehensive income		2,932,241
Total comprehensive income attributable to non-controlling interests		553,438
Net cash flows for operating activities		(290,991)
Net cash flows from financing activities		250,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.7.2021 RM	Additions RM	Reclassification RM	Depreciation Charges RM	Acquisition of a Subsidiary (Note 30(b)) RM	At 30.6.2022 RM
2022						
Carrying Amount						
Building	13,611,986	47,962	-	(226,933)	-	13,433,015
Computers	122,806	282,396	-	(65,287)	-	339,915
Furniture, fittings and equipment	665,251	3,875	-	(192,185)	65,996	542,937
Motor vehicles	1,029,091	909,344	-	(574,387)	-	1,364,048
Telecommunication equipment	7,830,336	335,024	2,010,147	(648,384)	-	9,527,123
Renovation	20,386	12,100	5,625	(16,385)	-	21,726
Signboard	80,992	-	-	(21,552)	-	59,440
Tools and equipment	1,121,798	1,526,830	-	(527,652)	-	2,130,976
Construction work-in- progress	2,183,625	2,184,552	(2,015,772)	-	-	2,352,405
	26,666,271	5,312,083	-	(2,272,765)	65,996	29,771,585

The Group	At 1.7.2020 RM	Additions RM	Disposal RM	Reclassification RM	Transfer To Investment Properties (Note 7) RM	Depreciation Charges RM	At 30.6.2021 RM
2021							
Carrying Amount							
Buildings	5,617,475	-	-	13,611,986	(5,617,475)	-	13,611,986
Computers	89,955	67,356	-	-	-	(34,505)	122,806
Furniture, fittings and equipment	419,214	433,789	-	-	-	(187,752)	665,251
Motor vehicles	1,613,714	14,500	(30,000)	-	-	(569,123)	1,029,091
Telecommunication equipment	3,256,629	101,380	-	4,712,257	-	(239,930)	7,830,336
Renovation	66,582	-	-	-	-	(46,196)	20,386
Signboard	4,060	99,065	-	-	-	(22,133)	80,992
Tools and equipment	1,015,741	448,744	-	-	-	(342,687)	1,121,798
Construction work-in- progress	11,792,388	8,715,480	-	(18,324,243)	-	-	2,183,625
	23,875,758	9,880,314	(30,000)	-	(5,617,475)	(1,442,326)	26,666,271

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

6. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2022			
Building	13,659,948	(226,933)	13,433,015
Computers	507,808	(167,893)	339,915
Furniture, fittings and equipment	1,458,287	(915,350)	542,937
Motor vehicles	4,421,898	(3,057,850)	1,364,048
Telecommunication equipment	10,551,955	(1,024,832)	9,527,123
Renovation	1,065,586	(1,043,860)	21,726
Signboard	122,115	(62,675)	59,440
Tools and equipment	4,342,665	(2,211,689)	2,130,976
Construction work-in-progress	2,352,405	-	2,352,405
	38,482,667	(8,711,082)	29,771,585

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2021			
Buildings	13,611,986	-	13,611,986
Computers	225,412	(102,606)	122,806
Furniture, fittings and equipment	1,388,416	(723,165)	665,251
Motor vehicles	3,672,705	(2,643,614)	1,029,091
Telecommunication equipment	8,206,784	(376,448)	7,830,336
Renovation	1,047,861	(1,027,475)	20,386
Signboard	122,115	(41,123)	80,992
Tools and equipment	3,069,987	(1,948,189)	1,121,798
Construction work-in-progress	2,183,625	-	2,183,625
	33,528,891	(6,862,620)	26,666,271

The Company	At 1.7.2021 RM	Depreciation Charges RM	At 30.6.2022 RM
2022			
Carrying Amount			
Computers	162	(50)	112
Furniture, fittings and equipment	9,886	(2,636)	7,250
Signboard	80,992	(21,552)	59,440
Tools and equipment	35,467	(11,200)	24,267
	126,507	(35,438)	91,069

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

6. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Company	At 1.7.2020 RM	Additions RM	Disposal RM	Depreciation Charges RM	At 30.6.2021 RM
2021					
Carrying Amount					
Computers	212	-	-	(50)	162
Furniture, fittings and equipment	4,294	8,227	-	(2,635)	9,886
Signboard	4,060	99,065	-	(22,133)	80,992
Tools and equipment	46,667	-	-	(11,200)	35,467
Construction work-in-progress	9,988,088	3,623,898	(13,611,986)	-	-
	10,043,321	3,731,190	(13,611,986)	(36,018)	126,507

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2022			
Computers	250	(138)	112
Furniture, fittings and equipment	13,177	(5,927)	7,250
Signboard	110,665	(51,225)	59,440
Tools and equipment	56,000	(31,733)	24,267
	180,092	(89,023)	91,069

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2021			
Computers	250	(88)	162
Furniture, fittings and equipment	13,177	(3,291)	9,886
Signboard	110,665	(29,673)	80,992
Tools and equipment	56,000	(20,533)	35,467
	180,092	(53,585)	126,507

- (a) The buildings of the Group have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 22 to the financial statements.
- (b) Included in the property, plant and equipment of the Group were motor vehicles and tools and equipment with a total carrying amount of RM2,463,511 (2021 - RM1,006,732) held under hire purchase arrangements. These assets have had been pledged as security for the hire purchase payables of the Group as disclosed in Note 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
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7. INVESTMENT PROPERTIES

	The Group	
	2022 RM	2021 RM
Cost:-		
At 1 July 2021/2020	11,409,376	4,796,643
Transfer from property, plant and equipment (Note 6)	-	6,612,733
At 30 June 2022/2021	11,409,376	11,409,376
Accumulated depreciation:-		
At 1 July 2021/2020	(1,768,382)	(549,191)
Depreciation during the financial year	(223,933)	(223,933)
Transfer from property, plant and equipment (Note 6)	-	(995,258)
At 30 June 2022/2021	(1,992,315)	(1,768,382)
	9,417,061	9,640,994
Represented by:		
- freehold land and buildings	4,055,586	4,151,519
- buildings	5,361,475	5,489,475
At 30 June 2022/2021	9,417,061	9,640,994
Fair value:-		
- freehold land and buildings	4,381,000	4,717,000
- buildings	8,600,000	6,900,000
	12,981,000	11,617,000

- (a) The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 1 to 3 (2021 - 3) years and an option that is exercisable by the customers to extend their leases for an average of 2 (2021 - 3) years. Certain leases are with lease payments indexed to the customer price index.

The Company requires 3 months of advanced rental payments from the customers. The leases do not include residual value guarantee and variable lease payments that depend on an index or rate.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:-

	The Group	
	2022 RM	2021 RM
Within 1 year	380,500	422,300
Between 1 and 2 years	385,000	380,500
Between 2 and 3 years	-	385,000
	765,500	1,187,800

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

7. INVESTMENT PROPERTIES (cont'd)

- (b) The investment properties have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 22 to the financial statements.
- (c) The fair values of the investment properties are within level 3 of the fair value hierarchy and determined based on information available through internet search and directors' best estimate.

8. RIGHT-OF-USE ASSETS

The Group	At 1.7.2021 RM	Addition RM	Depreciation Charges (Note 27) RM	At 30.6.2022 RM
2022				
Carrying Amount				
Leasehold land	12,714,565	-	(223,143)	12,491,422
Warehouses	9,662	125,605	(57,972)	77,295
Hostel	9,590	27,900	(10,753)	26,737
Land	-	150,370	(50,238)	100,132
	12,733,817	303,875	(342,106)	12,695,586

The Group	At 1.7.2020 RM	Depreciation Charges (Note 27) RM	At 30.6.2021 RM
2021			
Carrying Amount			
Leasehold land	12,937,627	(223,062)	12,714,565
Warehouses	92,888	(83,226)	9,662
Hostel	20,053	(10,463)	9,590
	13,050,568	(316,751)	12,733,817

The Company	At 1.7.2020 RM	Disposal RM	Depreciation Charges (Note 27) RM	At 30.6.2021 RM
2021				
Carrying Amount				
Leasehold land	12,937,627	(12,770,330)	(167,297)	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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8. RIGHT-OF-USE ASSETS (cont'd)

The leasing activities of the Group and of the Company are summarised below:-

- (a) Leasehold Land The Group and the Company have entered into 2 non-cancellable operating lease agreements for the use of lands. The leases are for a period of 60 years with no renewal or purchase option included in the agreements. The leases do not allow the Group and the Company to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the lands. A tenancy is, however, allowed with the consent of the lessor.
- (b) Warehouses The Group has leased one (2021 - two) warehouses for a period of 2 years with an option to renew the lease after that date.
- (c) Hostel The Group has leased a hostel for a period of 2 years with an option to renew the lease after that date.
- (d) Land The Company has leased 2 plots of land for a period of 4 years with an option to renew the lease after that date.

9. AMOUNT OWING BY A SUBSIDIARY

	The Company	
	2022	2021
	RM	RM
Amount owing by a subsidiary		
<u>Non-current</u>		
Non-trade balances	5,496,745	4,901,644
<u>Current</u>		
Dividend receivable	1,100,000	1,100,000

The non-trade balances represent unsecured advances which bear an interest of 3.68% (2021 - 3.47%) per annum. The amount owing is repayable on demand.

10. GOODWILL

	The Group	
	2022	2021
	RM	RM
Cost:-		
At 1 July 2021/2020	-	-
Acquisition of a subsidiary (Note 30(d))	16,098,729	-
At 30 June 2022/2021	16,098,729	-

- (a) The carrying amount of goodwill is allocated to BCSB.
- (b) This goodwill belongs to the Group's 'Segment 2' reportable segment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

10. GOODWILL (cont'd)

- (c) The Group has assessed the recoverable amount of goodwill allocated. The recoverable amount of the cash-generating unit is determined using the value in use approach, and this is derived from the present value of the future cash flows from the cash-generating unit computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amount are as follows:-

	Gross Margin	Growth Rate	Discount Rate
	2022	2022	2022
	%	%	%
BCSB	9.3	-	10.5

- (i) Budgeted gross margins Average gross margin achieved in prior financial years immediately before the budgeted period increased for expected efficiency improvements and cost saving measures.
- (ii) Discount rates (pre-tax) The rate reflects specific risks relating to the relevant cash-generating unit.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating unit and are based on both external sources and internal historical data.

- (d) Management believes that there is no reasonably possible change in the above key assumptions applied that is likely to materially cause the respective cash-generating unit carrying amount to exceed its recoverable amount.

11. INTANGIBLE ASSETS

	The Group	
	2022	2021
	RM	RM
Cost:-		
At 1 July 2021/2020	-	-
Acquisition of a subsidiary (Note 30(b))	2,781,139	-
At 30 June 2022/2021	2,781,139	-
Accumulated amortisation:-		
At 1 July 2021/2020	-	-
Amortisation during the year (Note 27)	(2,372,073)	-
At 30 June 2022/2021	(2,372,073)	-
	409,066	-

The intangible assets are in respect of on-going construction contracts at the point of acquisition. This has been included under the Group's 'Segment 2' reportable segment. Their amortisation charges are recognised in profit or loss under the "Other Operating Expenses" line item.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
cont'd

12. DEFERRED TAX ASSETS/(LIABILITIES)

The Group	At 1.7.2021 RM	Recognised in Profit or Loss (Note 28) RM	At 30.6.2022 RM
2022			
<u>Deferred Tax Assets</u>			
Provisions	-	45,108	45,108

The Group	At 1.7.2021 RM	Recognised in Profit or Loss (Note 28) RM	Acquisition of a Subsidiary (Note 30) RM	At 30.6.2022 RM
2022				
<u>Deferred Tax Liabilities</u>				
Accelerated capital allowance	(394,100)	(783,703)	(667,473)	(1,845,276)
<u>Deferred Tax Assets</u>				
Provisions	-	746,000	-	746,000
Unused tax losses	107,000	(107,000)	-	-
	107,000	639,000	-	746,000
	(287,100)	(144,703)	(667,473)	(1,099,276)

The Group	At 1.7.2020 RM	Recognised In Profit or Loss (Note 28) RM	At 30.6.2021 RM
2021			
<u>Deferred Tax Liabilities</u>			
Accelerated capital allowance	(192,200)	(201,900)	(394,100)
<u>Deferred Tax Assets</u>			
Unused tax losses	19,000	88,000	107,000
	(173,200)	(113,900)	(287,100)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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13. INVENTORIES

	The Group	
	2022	2021
	RM	RM
Spare parts	3,856,648	-
Inventories recognised as cost of sales during the financial year	5,939,587	-

14. CONTRACT COSTS

	The Group	
	2022	2021
	RM	RM
Costs to fulfil contracts	-	379,280

The costs to fulfil contracts represent costs incurred that are used to fulfil contracts in future. The costs are to be recognised in profit or loss in consistent with the pattern of recognition of the associated revenue.

15. TRADE RECEIVABLES AND CONTRACT ASSETS

	The Group	
	2022	2021
	RM	RM
Trade receivables	30,928,623	19,437,431
Allowance for impairment losses	(2,581,964)	(2,687,822)
	28,346,659	16,749,609
Contract assets (Note 16)	16,722,324	10,516,059
	45,068,983	27,265,668
Allowance for impairment losses:-		
At 1 July 2021/2020	2,687,822	2,857,812
Acquisition of a subsidiary	151,173	-
Addition during the financial year (Note 26)	1,135,475	124,072
Reversal during the financial year (Note 26)	(1,014,239)	(86,672)
Written off during the financial year	(378,267)	(207,390)
At 30 June 2022/2021	2,581,964	2,687,822

The Group's normal trade credit terms range from 30 to 90 (2021 - 30 to 90) days from customers' acceptance of sales invoices.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
cont'd

16. CONTRACT ASSETS

	The Group	
	2022	2021
	RM	RM
Contract assets	16,746,590	10,663,133
Allowance for impairment losses	(24,266)	(147,074)
	16,722,324	10,516,059
Allowance for impairment losses:-		
At 1 July 2021/2020	147,074	14,612
Addition during the financial year (Note 26)	15,832	132,462
Reversal during the financial year (Note 26)	(138,640)	-
At 30 June 2022/2021	24,266	147,074

- (a) The contract assets primarily relate to the Group's right to consideration for work completed on contracts but not yet billed as at the reporting date.
- (b) The changes to contract asset balances during the financial year are summarised below:-

	The Group	
	2022	2021
	RM	RM
At 1 July 2021/2020	10,516,059	2,024,346
Revenue recognised in profit or loss during the financial year	41,563,238	10,663,133
Billings to customers during the financial year	(36,719,049)	(2,038,958)
Acquisition of a subsidiary	1,239,268	-
Impairment loss on contract assets	(15,832)	(132,462)
Reversal of impairment loss on contract assets	138,640	-
At 30 June 2022/2021	16,722,324	10,516,059

- (c) The Group applies the practical expedient in paragraph 121 of MFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Other receivables:-				
Third parties	350,932	44,744	-	-
Goods and services tax recoverable	1,340	1,340	-	-
	352,272	45,084	-	-
Prepayments	196,311	125,741	20,875	19,000
Deposits	511,482	578,576	9,500	9,500
	1,060,065	750,401	30,375	28,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (cont'd)

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Allowance for impairment losses:-				
At 1 July 2021/2020	-	3,180	-	-
Written off during the financial year	-	(3,180)	-	-
At 30 June 2022/2021	-	-	-	-

18. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Income plus funds, at fair value (Note 31(d))	2,330,380	-	-	-
Money market funds, at fair value (Note 31(d))	24,541,783	7,787,560	24,079,243	5,383,016
	26,872,163	7,787,560	24,079,243	5,383,016

The income plus funds and money market funds represent investments in highly liquid money market instruments and deposits with financial institutions in Malaysia which are redeemable with one (1) day notice at known amounts of cash, and are subject to an insignificant risk of changes in value.

19. SHARE CAPITAL

	The Group/The Company			
	2022	2021	2022	2021
	Number Of Shares		RM	RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 July 2021/2020	286,436,750	264,367,550	63,389,549	56,588,477
Issuance of new shares	101,858,756	22,069,200	33,791,534	6,801,072
At 30 June 2022/2021	388,295,506	286,436,750	97,181,083	63,389,549

- (a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
cont'd

19. SHARE CAPITAL (cont'd)

- (b) The Company increased its issued and paid-up share capital from RM63,389,549 to RM97,181,083 by way of:-
- i) issuance of 37,142,856 new ordinary shares at issue price of RM0.35 each for the acquisition of a subsidiary. For financial reporting purpose, the transaction was recorded at the market value of the shares on the issuance date of RM0.40 per share;
 - ii) issuance of 21,375,000 new ordinary shares at an issue price of RM0.345 each for cash consideration under private placement of new ordinary shares;
 - iii) issuance of 21,271,700 new ordinary shares at an issue price of RM0.303 each for cash consideration under private placement of new ordinary shares; and
 - iv) issuance of 22,069,200 new ordinary shares at an issue price of RM0.260 each for cash consideration under private placement of new ordinary shares.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

20. MERGER DEFICIT

The merger deficit represents the difference between the carrying value of the investments in subsidiaries and the nominal value of shares of the Company's subsidiaries upon consolidation under the merger accounting principle.

21. LEASE LIABILITIES

	The Group	
	2022	2021
	RM	RM
At 1 July 2021/2020	12,794,094	12,436,290
Additions of lease liabilities (Note 31(b))	303,875	-
Interest expense recognised in profit or loss (Note 27)	451,098	454,603
Repayment of principal	(401,216)	(94,677)
Repayment of interest	(451,098)	(2,122)
At 30 June 2022/2021	12,696,753	12,794,094
Analysed by:-		
Current liabilities	415,647	303,527
Non-current liabilities	12,281,106	12,490,567
	12,696,753	12,794,094

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

21. LEASE LIABILITIES (cont'd)

	The Company	
	2022	2021
	RM	RM
At 1 July 2021/2020	-	12,321,900
Interest expense recognised in profit or loss (Note 27)	-	339,335
Derecognised due to disposal of right-of-use assets	-	(12,661,235)
At 30 June 2022/2021	-	-

22. BORROWINGS

	The Group	
	2022	2021
	RM	RM
Non-current		
Term loans (secured)	4,862,216	5,587,260
Hire purchase payables (secured)	1,577,390	760,778
	6,439,606	6,348,038
Current		
Term loans (secured)	615,651	470,080
Hire purchase payables (secured)	945,164	442,495
	1,560,815	912,575

- (a) The term loans are repayable over 240 to 300 (2021 - 240 to 300) monthly instalments from the date of drawdown for the Group.
- (b) The term loans are secured by the following:-
- (i) Legal charges over the Group's freehold land and buildings; and
 - (ii) Jointly and severally guaranteed by certain directors of the Group.
- (c) The hire purchase payables are secured by the motor vehicles and tools and equipment of the Group as disclosed in Note 6(b).
- (d) The interest rate profile of the borrowings of the Group are summarised below:

	Interest Rate	Effective Interest Rate	
		The Group	
		2022	2021
Term loans	Floating	3.30%	3.33%
Hire purchase payables	Fixed	6.08%	6.65%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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23. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 days (2021 - 30 to 90 days).

24. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Other payables:-				
Third parties	754,981	1,351,955	435,520	745,813
Services tax payable	183,569	193,108	-	-
	938,550	1,545,063	435,520	745,813
Accruals	2,433,219	1,480,017	95,000	80,000
Deposits received	125,555	111,305	-	-
	3,497,324	3,136,385	530,520	825,813

25. REVENUE

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Revenue from Contracts with Customers				
Services rendered	56,437,397	53,846,684	-	-
Construction contract	27,070,195	-	-	-
	83,507,592	53,846,684	-	-
Revenue from Other Sources				
Dividend income	-	-	1,100,000	1,100,000

(a) The revenue from contracts with customers is recognised over time.

(b) Dividend income of the Company is recognised at a point in time.

26. NET (REVERSAL)/IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	The Group	
	2022	2021
	RM	RM
Impairment losses:		
- trade receivables (Note 15)	1,135,475	124,072
- contract assets (Note 16)	15,832	132,462
Reversal of impairment losses:		
- trade receivables (Note 15)	(1,014,239)	(86,672)
- contract assets (Note 16)	(138,640)	-
	(1,572)	169,862

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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27. PROFIT BEFORE TAXATION

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees	108,000	88,000	30,000	30,000
- non-audit fees	51,000	23,000	49,000	19,000
Amortisation of intangible assets	2,372,073	-	-	-
Depreciation:				
- property, plant and equipment	2,272,765	1,442,326	35,438	36,018
- investment properties	223,933	223,933	-	-
- right-of-use assets	342,106	316,751	-	167,297
Direct operating expenses on investment properties:				
- non-rental generating properties	28,321	13,716	-	-
- rental generating properties	17,121	26,516	-	-
Directors' remuneration (Note 32 (a))	1,864,484	1,664,246	174,000	174,000
Interest expense on lease liabilities (Note 21)	451,098	454,603	-	339,335
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- term loans	114,939	120,566	-	-
- hire purchase payables	96,599	66,453	-	-
Lease expenses:				
- short-term leases	1,931,995	1,524,123	-	-
Loss on foreign exchange:				
- realised	-	121,037	-	-
Staff costs (including other key management personnel as disclosed in Note 32(b)):				
- short-term employee benefits	16,704,443	15,193,639	-	-
- defined contribution benefits	1,644,614	1,434,464	-	-
- others	820,465	192,286	-	-
Gain on disposal of property, plant and equipment	(16,800)	(199,144)	-	-
Interest income on financial assets measured at fair value through profit or loss mandatorily:				
- short-term investments	(359,111)	(452,701)	(302,010)	(383,644)
Interest income on financial assets measured at amortised cost:				
- inter-company interest income	-	-	(195,101)	(164,383)
- others	(6,192)	(1,792)	(3,234)	(1,265)
Lease income:				
- rental income from investment properties	(422,300)	(35,000)	-	-
Gain on foreign exchange:				
- realised	(29,284)	-	-	-
- unrealised	(165,458)	(1,084)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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28. INCOME TAX EXPENSE

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax expense	1,722,073	1,297,000	44,000	-
(Over)/Under provision in the previous financial year	(640,200)	198,122	32,871	-
	1,081,873	1,495,122	76,871	-
Deferred tax (Note 12):				
- origination and reversal of temporary differences	(111,805)	113,300	-	-
- under provision in the previous financial year	211,400	600	-	-
	99,595	113,900	-	-
Total income tax expense	1,181,468	1,609,022	76,871	-

A reconciliation of income tax expense applicable to profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before taxation	6,601,236	4,035,924	1,097,137	255,469
Tax at the statutory tax rate of 24% (2021 - 24%)	1,584,297	968,622	263,313	61,313
Tax effects of:-				
Non-deductible expenses	127,408	559,496	121,320	294,762
Non-taxable income	(101,437)	(117,818)	(340,633)	(356,075)
(Over)/Under provision of current tax expense in the previous financial year	(640,200)	198,122	32,871	-
Under provision of deferred tax expense in the previous financial year	211,400	600	-	-
	1,181,468	1,609,022	76,871	-

29. EARNINGS PER SHARE

	The Group	
	2022	2021
Profit attributable to owners of the Company (RM)	4,804,309	2,377,963
Weighted average number of ordinary shares in issue	350,828,548	275,650,802
Basic earnings per share (Sen)	1.37	0.86

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to basic earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

30. ACQUISITION OF A SUBSIDIARY

On 12 October 2021, the Company acquired 51% equity interests in Borderless Connection Sdn. Bhd. ("BCSB"). The acquisition of this subsidiary is to enable the Group to expand its business into provision of utilities infrastructure services including transmission and distribution network utility services as well as engineering, procurement, construction and commissioning of solar photovoltaic (PV) facilities.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

(a) Fair Value of Purchase Consideration

	The Group and The Company 2022 RM
Cash	5,360,000
Issuance of ordinary shares at RM0.40 per share	14,857,142
Total purchases consideration	20,217,142

(b) Identifiable Assets Acquired and Liabilities Assumed

	The Group 2022 RM
Property, plant and equipment	65,996
Intangible asset	2,781,139
Trade receivables and contract assets	11,696,886
Other receivables	17,200
Cash and bank balances	90,654
Trade payables	(4,561,959)
Other payables and accruals	(50,328)
Current tax liabilities	(1,296,795)
Deferred tax liabilities	(667,473)
Fair value of net identifiable assets acquired	8,075,320

(c) Cash Flows Arising from Acquisition

	The Group 2022 RM	The Company 2021 RM
Purchase consideration settled in cash and cash equivalents (item (a) above)	5,360,000	5,360,000
Less: Cash and cash equivalents of subsidiary acquired (item (b) above)	(90,654)	-
Net cash outflow from the acquisition of a subsidiary	5,269,346	5,360,000

NOTES TO THE FINANCIAL STATEMENTS

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cont'd

30. ACQUISITION OF A SUBSIDIARY (cont'd)

(d) Goodwill Arising from Acquisition

	The Group 2022 RM
Total consideration transferred	20,217,142
Non-controlling interests	3,956,907
Less: Fair value of identifiable net assets acquired (item (b) above)	(8,075,320)
Goodwill from the acquisition of subsidiary (Note 10)	16,098,729

The non-controlling interests are measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition.

(e) Impact of Acquisition on the Group's Results

The acquired subsidiary has contributed the following results to the Group:-

	The Group 2022 RM
Revenue	27,070,195
Profit after taxation	2,932,241

There were no acquisitions of subsidiaries in the previous financial year.

31. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment and the additions of right-of-use assets is as follows:-

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Property, plant and equipment				
Cost of property, plant and equipment purchased (Note 6)	5,312,083	9,880,314	-	3,731,190
Less: Acquired through hire purchase arrangements	(1,899,600)	-	-	-
	3,412,483	9,880,314	-	3,731,190

NOTES TO THE FINANCIAL STATEMENTS

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31. CASH FLOW INFORMATION (cont'd)

- (a) The cash disbursed for the purchase of property, plant and equipment and the additions of right-of-use assets is as follows:- (cont'd)

	The Group	
	2022	2021
	RM	RM
Right-of-use assets		
Cost of right-of-use assets acquired (Note 8)	303,875	-
Less: Addition of lease liabilities (Note 31(b))	(303,875)	-
	-	-

- (b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Term Loans RM	Hire Purchase Payables RM	Lease Liabilities RM	Total RM
At 1 July 2021	6,057,340	1,203,273	12,794,094	20,054,707
<u>Changes in Financing Cash Flows</u>				
Repayment of principal	(579,473)	(580,319)	(401,216)	(1,561,008)
Repayment of interests	(114,939)	(96,599)	(451,098)	(662,636)
	(694,412)	(676,918)	(852,314)	(2,223,644)
<u>Non-cash Changes</u>				
Acquisitions of new property, plant and equipment	-	1,899,600	-	1,899,600
Addition of lease liabilities	-	-	303,875	303,875
Interest expense recognised in profit or loss (Note 27)	114,939	96,599	451,098	662,636
	114,939	1,996,199	754,973	2,866,111
At 30 June 2022	5,477,867	2,522,554	12,696,753	20,697,174
At 1 July 2020	6,451,388	1,673,883	12,436,290	20,561,561
<u>Changes in Financing Cash Flows</u>				
Repayment of principal	(394,048)	(470,610)	(94,677)	(959,335)
Repayment of interests	(120,566)	(66,453)	(2,122)	(189,141)
	(514,614)	(537,063)	(96,799)	(1,148,476)
<u>Non-cash Changes</u>				
Interest expense recognised in profit or loss (Note 27)	120,566	66,453	454,603	641,622
At 30 June 2021	6,057,340	1,203,273	12,794,094	20,054,707

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

31. CASH FLOW INFORMATION (cont'd)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (cont'd)

The Company	Lease Liabilities RM
At 1 July 2020	12,321,900
<u>Non-cash Changes</u>	
Addition of lease liabilities	(12,661,235)
Interest expense recognised in profit or loss (Note 27)	339,335
	<u>(12,321,900)</u>
At 30 June 2021	-

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2022 RM	2021 RM
Payment of short-term leases	1,931,995	1,524,123
Interest paid on lease liabilities	451,098	68,575
Payment of lease liabilities	401,216	565,287
	<u>2,784,309</u>	<u>2,157,985</u>

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	15,657,363	26,628,508	589,802	5,667,536
Short-term investments (Note 18)	26,872,163	7,787,560	24,079,243	5,383,016
	<u>42,529,526</u>	<u>34,416,068</u>	<u>24,669,045</u>	<u>11,050,552</u>

NOTES TO THE FINANCIAL STATEMENTS

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32. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
(a) Directors				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	174,000	174,000	174,000	174,000
- salaries, bonuses and other benefits	1,341,846	1,331,846	-	-
Defined contribution benefits	158,400	158,400	-	-
	<u>1,674,246</u>	<u>1,664,246</u>	<u>174,000</u>	<u>174,000</u>
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:				
- salaries, bonuses and other benefits	172,623	-	-	-
Defined contribution benefits	17,614	-	-	-
	<u>190,237</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total directors' remuneration (Note 27)	<u>1,864,483</u>	<u>1,664,246</u>	<u>174,000</u>	<u>174,000</u>
(b) Other Key Management Personnel				
Short-term employee benefits:				
- salaries, bonuses and other benefits	831,879	680,464	-	-
Defined contribution benefits	91,860	75,592	-	-
Total compensation for other key management personnel	<u>923,739</u>	<u>756,056</u>	<u>-</u>	<u>-</u>

33. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
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33. RELATED PARTY DISCLOSURES *(cont'd)*

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Company	
	2022	2021
	RM	RM
<i>Subsidiary</i>		
Dividend received/receivable	(1,100,000)	(1,100,000)
Disposal of property, plant and equipment	-	(13,611,986)
Disposal of right-of-use assets	-	(12,770,330)
Interest received/receivable	(195,101)	(164,383)
Derecognised of leases	-	12,661,235

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

34. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their services provided. In addition, the businesses are also considered from a geographical perspective.

The Group is organised into 2 main reportable segments as follows:-

- Segment 1 - Satellite, mobile and fibre optic telecommunications networks.
- Segment 2 - Power and telecommunication infrastructure works.

The satellite, mobile and fibre optic telecommunications networks and power and telecommunication infrastructure works are managed by 2 different operating segments within the Group. These operating segments are aggregated to form a reported segment as telecommunications segment due to the nature and economic characteristics of the products are similar and inter-related.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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34. OPERATING SEGMENTS (cont'd)

34.1 BUSINESS SEGMENT AND GEOGRAPHICAL INFORMATION

2022	Satellite, mobile and fibre optic telecommunications networks RM	Power and telecommunication infrastructure works RM	Investment holding RM	Consolidation adjustments RM	The Group RM
External revenue	56,437,397	27,070,195	-	-	83,507,592
Inter-segment revenue	-	-	1,100,000	(1,100,000)	-
Total revenue	56,437,397	27,070,195	1,100,000	(1,100,000)	83,507,592
Results					
Segment profit	5,941,783	3,754,206	1,097,137	(3,531,208)	7,261,918
Finance cost	(865,245)	-	-	204,563	(660,682)
Income tax expense	(851,929)	(821,965)	(76,871)	569,297	(1,181,468)
Consolidated profit after taxation	4,224,609	2,932,241	1,020,266	(2,757,348)	5,419,768
<u>Other information</u>					
Amortisation of intangible assets	-	-	-	2,372,073	2,372,073
Interest income	60,059	-	500,345	(195,101)	365,303
Interest expenses	(1,248,935)	-	-	586,299	(662,636)
Depreciation:					
- Property, plant and equipment	(2,219,728)	(17,599)	(35,438)	-	(2,272,765)
- Right-of-use assets	(1,211,088)	-	-	868,982	(342,106)
- Investment property	(223,933)	-	-	-	(223,933)
Impairment of financial assets	(428,673)	(722,634)	-	-	(1,151,307)
Reversal on impairment of financial assets	470,900	681,979	-	-	1,152,879
Assets					
Segment assets	111,418,383	32,000,621	99,309,027	(81,820,782)	160,907,249
Unallocated assets:					
- Deferred tax assets					45,108
- Current tax assets					5,857,139
					<u>166,809,496</u>
Additions to non-current assets other than financial instrument:					
- Property, plant and equipment	5,312,083	-	-	-	5,312,083
- Right-of-use assets	303,875	-	-	-	<u>303,875</u>
Liabilities					
Segment liabilities	41,286,389	5,580,420	530,520	(14,148,475)	33,248,854
Unallocated liabilities:					
- Deferred tax liabilities					1,099,276
- Current tax liabilities					821,836
					<u>35,169,966</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022
cont'd

34. OPERATING SEGMENTS *(cont'd)*

34.1 BUSINESS SEGMENT AND GEOGRAPHICAL INFORMATION *(cont'd)*

The Group's business segment for the financial year ended 30 June 2021 were mainly confined to a single operating segment, namely satellite, mobile and fibre optic telecommunications networks.

The Group operates predominantly in Malaysia. Accordingly, the geographical information is not presented.

34.2 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue.

	The Group	
	2022	2021
	RM	RM
Customer A	19,969,509	17,119,112
Customer B	4,693,125	7,213,136
Customer C	4,944,529	7,178,180
Customer D	9,709,338	5,729,656
Customer E	27,070,195	-

35. CAPITAL COMMITMENTS

	The Group	
	2022	2021
	RM	RM
Construction of telecommunication tower	292,562	61,700
Construction of office building	-	1,917,214
Purchase of property, plant and equipment	453,908	1,926,976
	746,470	3,905,890

36. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk, equity price risk and price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

36.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currency of entities within the Group. The currency giving rise to the risk is primarily United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the exposure is at an acceptable level.

NOTES TO THE FINANCIAL STATEMENTS

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cont'd

36. FINANCIAL INSTRUMENTS (cont'd)**36.1 FINANCIAL RISK MANAGEMENT POLICIES** (cont'd)**(a) Market Risk** (cont'd)**(i) Foreign Currency Risk** (cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

	The Group	
	2022	2021
	RM	RM
<u>USD</u>		
Financial Assets		
Trade receivables	636,664	885,580
Cash and bank balances	2,968,958	2,796,877
	3,605,622	3,682,457
Financial Liabilities		
Trade payables	-	(10,384)
Other payables	-	(429,483)
	-	(439,867)
Currency Exposure	3,605,622	3,242,590

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currency at the end of the reporting period, with all other variables held constant:-

	The Group	
	2022	2021
	RM	RM
Effects on Profit After Taxation		
USD/RM - strengthened by 6% (2021 - 3%)	+164,416	+73,931
- weakened by 6% (2021 - 3%)	-164,416	-73,931
	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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36. FINANCIAL INSTRUMENTS (cont'd)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(a) Market Risk (cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

The Group's fixed rate receivables and borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 22 to the financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have material impact on the profit after taxation and other comprehensive income of the Group and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Company does not have any quoted investments and hence, is not exposed to equity price risk.

(iv) Price Risk

The Group's and the Company's principal exposure to price risk arises mainly from changes in money market funds.

Price Risk Sensitivity Analysis

Any reasonably possible change in the prices of money market funds at the end of the reporting period does not have material impact on the profit after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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36. FINANCIAL INSTRUMENTS (cont'd)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(b) Credit Risk (cont'd)

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 2 (2021 - 2) customers which constituted approximately 73% (2021 - 58%) of its trade receivables at the end of the reporting period.

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:-

	The Group	
	2022	2021
	RM	RM
Malaysia	27,704,869	15,309,294
Netherlands	197,577	524,643
Sri Lanka	-	557,378
Hong Kong	434,159	346,712
Others	10,054	11,582
	28,346,659	16,749,609

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 365 days past due.

NOTES TO THE FINANCIAL STATEMENTS

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36. FINANCIAL INSTRUMENTS (cont'd)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(b) Credit Risk (cont'd)

(iii) Assessment of Impairment Losses (cont'd)

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts. The Group has identified the unemployment rate, Gross Domestic Product (GDP), and customer price index as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:-

	Gross Amount	Individual Impairment	Collective Impairment	Carrying Amount
The Group	RM	RM	RM	RM
2022				
Current (not past due)	13,862,317	-	(25,066)	13,837,251
1 to 30 days past due	1,396,766	-	(25,820)	1,370,946
31 to 60 days past due	635,061	-	(8,653)	626,408
61 to 90 days past due	723,068	-	(16,095)	706,973
More than 90 days past due	12,149,782	-	(344,701)	11,805,081
Credit impaired	2,161,629	(2,092,357)	(69,272)	-
Trade receivables	30,928,623	(2,092,357)	(489,607)	28,346,659
Contract assets	16,746,590	-	(24,266)	16,722,324
	47,675,213	(2,092,357)	(513,873)	45,068,983

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36. FINANCIAL INSTRUMENTS (cont'd)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(b) Credit Risk (cont'd)

(iii) Assessment of Impairment Losses (cont'd)

Trade Receivables and Contract Assets (cont'd)

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
2021				
Current (not past due)	12,915,564	-	(111,349)	12,804,215
1 to 30 days past due	980,477	-	(20,684)	959,793
31 to 60 days past due	369,002	-	(10,447)	358,555
61 to 90 days past due	1,216,009	-	(27,429)	1,188,580
More than 90 days past due	1,491,711	-	(53,245)	1,438,466
Credit impaired	2,464,668	(2,464,668)	-	-
Trade receivables	19,437,431	(2,464,668)	(223,154)	16,749,609
Contract assets	10,663,133	-	(147,074)	10,516,059
	30,100,564	(2,464,668)	(370,228)	27,265,668

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Notes 15 and 16 to the financial statements respectively.

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables as it is negligible.

Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

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36. FINANCIAL INSTRUMENTS (cont'd)

36.1 FINANCIAL RISK MANAGEMENT POLICIES (cont'd)

(b) Credit Risk (cont'd)

(iii) Assessment of Impairment Losses (cont'd)

Amount Owing By Subsidiaries (Non-trade Balance)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

Allowance for Impairment Losses

At the end of the reporting period, there was no indication that the amount owing is not recoverable other than those which had already impaired in the previous financial year.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year	1 - 5 Years	Over 5 Years
The Group	RM	RM	RM	RM	RM
2022					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	12,696,753	19,197,045	857,221	3,009,384	15,330,440
Hire purchase payables	2,522,554	2,799,186	1,060,754	1,677,371	61,061
Term loans	5,477,867	6,335,099	723,012	2,894,100	2,717,987
Trade payables	9,054,356	9,054,356	9,054,356	-	-
Other payables and accruals	3,188,200	3,188,200	3,188,200	-	-
	32,939,730	40,573,886	14,883,543	7,580,855	18,109,488

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

36. FINANCIAL INSTRUMENTS (cont'd)**36.1 FINANCIAL RISK MANAGEMENT POLICIES** (cont'd)**(c) Liquidity Risk** (cont'd)*Maturity Analysis* (cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (cont'd)

The Group	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2021					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	12,794,094	19,730,467	749,921	2,920,084	16,060,462
Hire purchase payables	1,203,273	1,278,156	478,674	799,482	-
Term loans	6,057,340	9,051,952	717,876	2,871,504	5,462,572
Trade payables	5,318,814	5,318,814	5,318,814	-	-
Other payables and accruals	2,831,972	2,831,972	2,831,972	-	-
	28,205,493	38,211,361	10,097,257	6,591,070	21,523,034
2022					
<u>Non-derivative Financial Liability</u>					
Other payables and accruals			530,520	530,520	530,520
2021					
<u>Non-derivative Financial Liability</u>					
Other payables and accruals			825,813	825,813	825,813

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

36. FINANCIAL INSTRUMENTS (cont'd)

36.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

36.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Financial Assets				
<u>Mandatorily at Fair Value Through Profit or Loss</u>				
Short-term investments	26,872,163	7,787,560	24,079,243	5,383,016
<u>Amortised Cost</u>				
Trade receivables	28,346,659	16,749,609	-	-
Other receivables	350,932	44,744	-	-
Amount owing by a subsidiary	-	-	6,596,745	6,001,644
Cash and bank balances	15,657,363	26,628,508	589,802	5,667,536
	44,354,954	43,422,861	7,186,547	11,669,180
Financial Liability				
<u>Amortised Cost</u>				
Term loans	5,477,867	6,057,340	-	-
Trade payables	9,054,356	5,318,814	-	-
Hire purchase payables	2,522,554	1,203,273	-	-
Other payables and accruals	3,188,200	2,831,972	530,520	825,813
	20,242,977	15,411,399	530,520	825,813

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

36. FINANCIAL INSTRUMENTS (cont'd)**36.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS**

	The Group	
	2022	2021
	RM	RM
Financial Assets		
<u>Mandatorily at Fair Value through Profit or Loss</u>		
Net gains recognised in profit or loss	359,111	452,701
<u>Amortised Cost</u>		
Net gains/(losses) recognised in profit or loss	268,293	(139,838)
Financial Liability		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	(205,032)	(657,345)
The Company		
	2022	2021
	RM	RM
Financial Assets		
<u>Mandatorily at Fair Value through Profit or Loss</u>		
Net gains recognised in profit or loss	302,009	383,644
<u>Amortised Cost</u>		
Net gains recognised in profit or loss	198,336	165,648
Financial Liability		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	-	(339,335)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

36. FINANCIAL INSTRUMENTS (cont'd)

36.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
2022								
<u>Financial Asset</u>								
Short-term investments	- 26,872,163		-	-	-	-	- 26,872,163	26,872,163
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	5,477,867	-	5,477,867	5,477,867
Hire purchase payables	-	-	-	-	2,522,554	-	2,249,995	2,522,554
2021								
<u>Financial Asset</u>								
Short-term investments	- 7,787,560		-	-	-	-	- 7,787,560	7,787,560
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	6,057,340	-	6,057,340	6,057,340
Hire purchase payables	-	-	-	-	1,203,273	-	1,203,273	1,203,273
The Company								
2022								
<u>Financial Asset</u>								
Short-term Investments				- 24,079,243			- 24,079,243	24,079,243
2021								
<u>Financial Asset</u>								
Short-term Investments				- 5,383,016			- 5,383,016	5,383,016

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

36. FINANCIAL INSTRUMENTS *(cont'd)*

36.5 FAIR VALUE INFORMATION *(cont'd)*

(i) Fair Value of Financial Instruments Carried at Fair Value

The fair value above have been determined using the following basis:-

- (a) The fair value of short term investments is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.
- (b) There were no transfers between the levels during the financial year.

(ii) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- (a) The fair values of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rate on or near the reporting date.
- (b) The fair value of hire purchase payables is estimated by discounting expected future cash flows using current market interest rate.

37. MATERIAL LITIGATION

High Court Civil Suit No: BA-22NCvC-518-11/2019 between Binasat Sdn. Bhd. ("Binasat SB") and Rosado Tradeline Sdn. Bhd. ("Rosado")

The dispute relates to a sub-contract between Binasat SB, a wholly owned subsidiary of the Company, and Rosado under which Rosado has appointed Binasat SB as the subcontractor to carry out the works in respect of "Building the Fiber System - Implementation Services of Civil Infrastructure and Fiber Optic Cabling Works".

As at the reporting date, Binasat SB has claimed approximately RM1,177,000 (including profit portion) being the sum due and amount owing for work carried out and completed for Rosado up to the date of the termination of the sub-contract. Rosado has in response, counterclaimed against Binasat SB for general damages to be assessed by the Court and costs.

The solicitors of Binasat SB are of the view that there is a reasonably good chance for Binasat SB to succeed in its claim against Rosado, and to defend against Rosado's counterclaim.

The Board is of the view that this legal suit will not give rise to a negative impact on the financial performance and position of the Group as the ancillary cost related to the sub-contract has been provided and accounted for in Binasat SB's audited financial statements in prior years.

38. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Coronavirus Disease 2019 (COVID-19)

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The Group's operations have been disrupted by a series of precautionary and control measures taken by the government and private corporations in response to the category of the COVID-19 pandemic.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

cont'd

38. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR (cont'd)

Coronavirus Disease 2019 (COVID-19) (cont'd)

The management has assessed the impact on the Group and of the opinion that there were no material financial impacts arising from the pandemic. Nevertheless, the Group has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs.

39. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 13 October 2022, the Company had proposed to undertake the issuance of free warrants of up to 194,147,753 warrants, on the basis of 1 warrant for every 2 existing shares held by the shareholders on the entitlement date. The warrants shall have a tenure of 3 years at an exercise price to be determined later. The proposed warrants will be issued at no cost to the entitled shareholders.

40. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	The Group	
	As Previously reported RM	As Restated RM
Consolidated Statement of Financial Position (Extract):-		
<u>Non-current assets</u>		
Property, plant and equipment	25,659,539	26,666,271
Right-of-use assets	13,740,549	12,733,817
<u>Non-current liabilities</u>		
Lease liabilities	13,251,345	12,490,567
Term loans	5,587,260	-
Borrowings	-	6,348,038
<u>Current liabilities</u>		
Lease liabilities	746,022	303,527
Term loans	470,080	-
Borrowings	-	912,575
Consolidated Statements of Cash Flows (Extract):-		
Net cash for operating activities	(2,403,742)	(2,214,601)
Net cash from financing activities	5,916,737	5,727,596

LIST OF PROPERTIES

Address	Descriptions/ Existing use	Land area/ Built-up area (sq.ft.)	Tenure	Approximate age of building (years)	Audited net book value as at 30 June 2022 (RM)	Date of acquisition
H.S.(D) 150067, PT 14455, and H.S.(D) 150068, PT 14456, Seksyen 15, Mukim Bandar Ampang, Daerah Ulu Langat, Negeri Selangor/ No. 17 & 19, Jalan Bukit Permai Utama 3, Taman Industri Bukit Permai, Cheras 56100 Kuala Lumpur.	Two storey corporate office and storage facility Existing use: Rented to third party	Total land area: 14,400 Total built up area:16,960	45 Years lease expiring on 9 October 2066	14	5,361,475	31.1.2013
HS (D) 550747, PTD 170968, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor./ No.5 Jalan Kempas Lama 1, Off Jalan Kempas Lama, 81300 Skudai, Johor ("Kempas Lama Property")	Three storey cluster corporate factory Existing Use: Vacant	Total land area: 6,491 Total built up area: 7,398	Freehold	8	2,567,953	28.5.2014
HS (D) 560747, PTD 8688, Mukim Jelutong, Tempat Taman Nusantara Daerah Johor Bahru, Negeri Johor/Lot 24, Tiong Nam Business Park @ SiLC7, 79200 Johor Bahru, Johor ("SiLC7 Property")	Three storey shop office Existing Use: Vacant	Total land area: 1,540 Total built up area: 4,620	Freehold	5	1,227,362	30.3.2014

LIST OF PROPERTIES

cont'd

Address	Descriptions/ Existing use	Land area/ Built-up area (sq.ft.)	Tenure	Approximate age of building (years)	Audited net book value as at 30 June 2022 (RM)	Date of acquisition
Parcel No. TKP3/DS-114 erected on land held under HS(D) 40768, PT 56152, Mukim Dengkil, Daerah Sepang, Negeri Selangor./ No. 85, Jalan SP 3/4 Salak Perdana, 43900 Sepang, Selangor ("Salak Perdana Property")	Two and half storey terrace house Existing Use: Rented to third party	Total land area: 1,400 Total built up area: 1,558	Freehold	8	260,271	22.9.2014
H.S.(D) 116031, PT 13824, Mukim of Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur/ Menara Binasat, Lot PT 13824, Jalan Teknologi 4, Technology Park Malaysia, 57000, Bukit Jalil, Kuala Lumpur.	Three storey corporate office and storage facility Existing Use: Office & Warehouse	Total land area: 147,132 Total built up area: 22,366	60 Years lease expiring on 1 June 2078	2	13,433,015	20.7.2020

ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2022

ORDINARY SHARES

Total Number of Issued Shares	:	388,295,506
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share
Number of Shareholders	:	4,979

DISTRIBUTION OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2022

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Less than 100	11	0.221	436	0.00
100 to 1,000	465	9.339	269,400	0.069
1,001 to 10,000	2,280	45.792	14,519,412	3.739
10,001 to 100,000	1,941	38.984	66,901,300	17.229
100,001 to 19,414,775 (*)	278	5.583	150,917,185	38.867
19,414,776 and above (**)	4	0.080	155,687,773	40.095
TOTAL	4,979	100.00	388,295,506	100.00

Remarks: * - Less than 5% of issued shares

** - 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS SHAREHOLDINGS AS 30 SEPTEMBER 2022

Name	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Na Boon Aik	73,436,751	18.913	-	-
Na Bon Tiam	50,822,451	13.089	-	-
Dynamic Paradigm Sdn Bhd	31,428,571	8.094	-	-
Nik Abdul Hakim bin Abd Razak	-	-	31,428,571 ⁽¹⁾	-
Mohd Solehuddin bin Yahya	-	-	31,428,571 ⁽²⁾	-

Notes:

- (1) Deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of his 50% shareholding in Dynamic Paradigm Sdn Bhd
- (2) Deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of his 50% shareholding in Dynamic Paradigm Sdn Bhd

ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2022

cont'd

DIRECTORS' SHAREHOLDINGS AS AT 30 SEPTEMBER 2022

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
Tan Sri Datuk Cham Hak Lim	1,200,000	0.309	-	-
Na Boon Aik	73,436,751	18.913	-	-
Zulamran Bin Hamat	3,000,000	0.773	-	-
Dato' Seow Thiam Fatt	400,000	0.103	-	-
Dato' Tan Yee Boon	-	-	-	-

THIRTY LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2022

Name of Shareholders	Holdings	
	No. of Shares	% of Issued Capital
1. Na Boon Aik	53,436,751	13.762
2. Na Bon Tiam	50,822,451	13.089
3. Dynamic Paradigm Sdn Bhd	31,428,571	8.094
4. Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Na Boon Aik</i>	20,000,000	5.151
5. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Yau Siong (7000901)</i>	14,462,800	3.725
6. Fong Ah Chai	7,900,000	2.035
7. Amanahraya Trustees Berhad <i>Stakeholder account for Binasat Communications Berhad</i>	5,714,285	1.472
8. Affin Hwang Nominee (Tempatan) Sdn Bhd <i>Pledged Securities Account for Sow Chin Chuan</i>	4,400,000	1.133
9. Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chong Fut Ling (001)</i>	4,100,000	1.056
10. Lim Soon Tut	4,000,000	1.030
11. Poh Kok Yeong	4,000,000	1.030
12. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Hon Pansy (8124416)</i>	3,472,000	0.894
13. Zulamran Bin Hamat	3,000,000	0.773
14. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Yau Siong (7010202)</i>	2,859,900	0.737
15. Sim Winn Pin	2,790,600	0.719
16. Lim Choon Kee	2,000,000	0.515
17. Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Hon Pansy (001)</i>	1,900,000	0.489
18. Tan Pooi Fan	1,900,000	0.489
19. Yap Suet Hui	1,570,100	0.404
20. He Swee Hong	1,540,100	0.397

ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2022

cont'd

THIRTY LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2022 (cont'd)

Name of Shareholders	Holdings	
	No. of Shares	% of Issued Capital
21. Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Su Suit Chai (E-PKG)</i>	1,500,000	0.386
22. Tan Swee Kee	1,500,000	0.386
23. Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lim Guan Chong (E-KLG)</i>	1,482,000	0.382
24. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ooi Keng Thye (6000009)</i>	1,450,000	0.373
25. Kenanga Nominees (Tempatan) Sdn Bhd <i>Hon Pansy (021)</i>	1,350,000	0.348
26. RHB Capital Nominees (Tempatan) Sdn Bhd <i>Lee Yuet Ngor</i>	1,350,000	0.348
27. Chew Soon Ping @ David Chew	1,300,000	0.335
28. Yu Lian Hai	1,300,000	0.335
29. CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lau Han Wei (MF00141)</i>	1,232,700	0.317
30. Phang Kooi Chin	1,220,000	0.314

NOTICE OF SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixth Annual General Meeting (“6th AGM”) of Binasat Communications Berhad (the “Company” or “Binasat”) will be conducted as a fully virtual meeting through live streaming and online remote voting using Remote Participation and Voting (“RPV”) facilities via the online meeting platform at <https://web.vote2u.my> (Domain Registration No. with MYNIC: D6A471702) provided by Agmo Digital Solutions Sdn. Bhd. on Wednesday, 30 November 2022 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions set out in this Notice:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2022 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**
2. To approve the increase of Directors’ fees for the financial year ending 30 June 2023 and further to approve the payment of Directors’ fees to the Non-Executive Directors of the Company up to an aggregate amount of RM228,000.00 for the financial year ending 30 June 2023. **Ordinary Resolution 1 (Please refer to Explanatory Note 2)**
3. To re-elect Dato’ Seow Thiam Fatt who retires by rotation in accordance with Clause 96 of the Company’s Constitution and who, being eligible, offers himself for re-election. **Ordinary Resolution 2 (Please refer to Explanatory Note 3)**

Dato’ Tan Yee Boon who also retires by rotation in accordance with Clause 96 of the Company’s Constitution, has expressed his intention not to seek for re-election. Hence, he will retain office until the conclusion of the 6th AGM of the Company.
4. To appoint Messrs Ecovis Malaysia PLT as Auditors of the Company in place of the retiring Auditors, Messrs Crowe Malaysia PLT and to authorise the Directors to fix their remuneration. **Ordinary Resolution 3 (Please refer to Explanatory Note 4)**

As Special Business

To consider and if thought fit, to pass the following resolutions, with or without modifications:

5. **Waiver of Pre-Emptive Rights under Section 85 of the Companies Act 2016** **Special Resolution (Please refer to Explanatory Note 5)**

“THAT the shareholders of the Company do hereby waive their statutory pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company under Section 85 of the Companies Act 2016 (“the Act”), read together with Clause 14 of the Constitution of the Company.

THAT the Directors be and are hereby authorised to issue any new shares (including rights or options over subscription of such shares) and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, for such consideration and to any person as the Directors may determine subject to passing Ordinary Resolution 4 – Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Act.”

NOTICE OF SIXTH ANNUAL GENERAL MEETING

cont'd

6. Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

Ordinary Resolution 4
(Please refer to
Explanatory Note 6)

“THAT contingent upon the passing of the Special Resolution on waiver of pre-emptive rights under Section 85 of the Companies Act 2016 (“**the Act**”) and pursuant to Sections 75 and 76 of the Act, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (“**New Shares**”) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being (“**Proposed General Mandate**”).

THAT such approval on the Proposed General Mandate shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing and quotation for such New Shares on the ACE Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

7. Proposed Authority for the Company to purchase its own Ordinary Shares (“Proposed Share Buy-Back Authority”)

Ordinary Resolution 5
(Please refer to
Explanatory Note 7)

“THAT subject to the provisions of the Companies Act 2016 (“**the Act**”), the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and all prevailing laws, rules, regulations, orders, guidelines and requirements for the time being in force, approval and authority be and are hereby given to the Directors of the Company, to the extent permitted by law, to purchase such number of ordinary shares of the Company (“**Binasat Shares**”) as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the best interest of the Company, provided that:

NOTICE OF SIXTH ANNUAL GENERAL MEETING

cont'd

- (i) the maximum aggregate number of Binasat Shares, which may be purchased and/or held as treasury shares by the Company, shall not exceed 10% of the total number of issued shares of the Company at any point in time subject to compliance with the provision of the Act, the Company's Constitution, the ACE Market Listing Requirements of Bursa Securities and/or any other relevant authorities;
- (ii) the maximum amount of funds to be allocated by the Company for the Proposed Share Buy-Back Authority shall not exceed the aggregate of the retained profits of the Company; and
- (iii) the authority conferred by this resolution shall be effective immediately upon the passing of this resolution and shall continue to be in force until:
 - (a) the conclusion of the next AGM of the Company, at which time the said authority will lapse, unless by an ordinary resolution passed at the next AGM, the authority is renewed, either unconditionally or subject to conditions;
 - (b) the expiration of the period which the next AGM of the Company is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders at a general meeting of the Company,

whichever occurs first.

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be authorised to deal with the Binasat Shares purchased under the Proposed Share Buy-Back Authority, at their discretion, in the following manner:

- (i) cancel the purchased Binasat Shares;
- (ii) retain the purchased Binasat Shares as treasury shares;
- (iii) retain part of the purchased Binasat Shares as treasury shares and cancel the remainder of the purchased Binasat Shares;
- (iv) distribute the purchased Binasat Shares as dividends to shareholders;
- (v) resell the purchased Binasat Shares or any of the purchased Binasat Shares in accordance with the ACE Market Listing Requirements of Bursa Securities;
- (vi) transfer the purchased Binasat Shares or any of the purchased Binasat Shares for the purpose of or under an employees' share scheme;
- (vii) transfer the purchased Binasat Shares or any of the purchased Binasat Shares as purchase consideration;
- (viii) cancel the purchased Binasat Shares or any of the purchased Binasat Shares; and/or
- (ix) sell, transfer or otherwise use the purchased Binasat Shares for such other purposes as allowed by the Act.

NOTICE OF SIXTH ANNUAL GENERAL MEETING

cont'd

AND THAT the Directors of the Company, be and are hereby authorised and empowered to do all acts and things and to take all such steps as necessary or expedient (including opening and maintaining a Central Depository System account) and to enter into and execute, on behalf of the Company, any instrument, agreement and/ or arrangement with any person, and with full power to assent to any condition, modification, variation and/or amendment as may be imposed by Bursa Securities or any relevant regulatory authority, and/or as may be required in the best interest of the Company and to take all such steps as they may deem fit, necessary and expedient in the best interest of the Company to implement and give full effect to the Proposed Buy-Back Authority.”

8. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

**Ordinary Resolution 6
(Please refer to
Explanatory Note 8)**

“THAT approval be and is hereby given to the Company and its subsidiaries (“Group”) to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.4 of the Circular to Shareholders dated 28 October 2022, provided that:

- (a) such arrangements and/or transactions are necessary for the Group’s day-to-day operations;
- (b) such arrangements and/or transactions undertaken are in the ordinary course of business, at arm’s length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third party;
- (c) such arrangements and/or transactions are not detrimental to the minority shareholders of the Company; and
- (d) the disclosure is made in the Annual Report on the aggregate value of transactions conducted pursuant to the shareholders’ mandate during the financial year in relation to:
 - (i) the related transacting parties and their respective relationship with the Company; and
 - (ii) the nature of the recurrent transactions.

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company at which time the mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed;
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
- (c) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier.

NOTICE OF SIXTH ANNUAL GENERAL MEETING

cont'd

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/authorised by this Ordinary Resolution.”

9. To transact any other business that may be transacted at an annual general meeting of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

TAI YIT CHAN (SSM PC No. 202008001023) (MAICSA 7009143)
TAN AI NING (SSM PC No. 202008000067) (MAICSA 7015852)
JANICE CHAN MEI LING (SSM PC No. 202208000047) (MAICSA 7058726)
Company Secretaries

Selangor Darul Ehsan

Date: 28 October 2022

NOTES:-

1. *The 6th AGM of the Company will be conducted on a fully virtual basis through live streaming and online remote voting using RPV facilities provided by Agmo Solutions Sdn Bhd through its Vote2U Online website at <https://web.vote2u.my>.*

Please refer to the Administrative Guide for the 6th AGM for the procedures to register, participate and vote remotely through the RPV facilities.

2. *The conduct of the fully virtual 6th AGM is in compliance with Section 327 of the Companies Act 2016 and the provisions of the Constitution of the Company. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online meeting platform is located in Malaysia and all meeting participants including Chairman of the meeting, board members, senior management and shareholders are to participate in the meeting online.*
3. *A member of the Company entitled to attend, participate and vote remotely at the 6th AGM is entitled to appoint a proxy or proxies to attend, participate and vote in his/her stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*
4. *A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the member shall specify the proportion of his/her shareholding to be represented by each proxy.*
5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**Omnibus Account**”) as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*
6. *An instrument appointing a proxy must be in writing under the hand of the appointer or his/her attorney is duly authorised and in the case of corporation shall be either under its common seal or under the hand of an officer or attorney duly authorised.*
7. *In respect of deposited securities, only members whose names appear on the Record of Depositors on 17 November 2022 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.*

NOTICE OF SIXTH ANNUAL GENERAL MEETING

cont'd

8. The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the 6th AGM:-

(a) In Hardcopy Form

The Proxy Form or the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, shall be deposited at the registered office of the Company, at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

(b) By Electronic Means

The Proxy Form shall be electronically submitted via email at the Poll Administrator's email address at vote2u@agmostudio.com.

9. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities, the resolutions set out in the Notice of 6th AGM will be put to vote by way of poll.

EXPLANATORY NOTES

1. Item 1 of the Agenda - Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolution 1 - Directors' Fees

Section 230(1) of the Act provides amongst others, that the Directors' fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

There are no benefits payable to Directors. In this respect, the Board of Directors has agreed that the shareholders' approval shall be sought at the 6th AGM of the Company on the Directors' remuneration in the resolution as follows:

- Ordinary Resolution 1 on the increase of Directors' fees and payment of Directors' fees to the Non-Executive Directors of the Company for the financial year ending 30 June 2023.

In October 2022, the Remuneration Committee had conducted a review of the Directors' fees payable to the Non-Executive Directors to determine the competitiveness of the Non-Executive Directors' remuneration having regard to the level of responsibility, expertise and time commitment required from the Non-Executive Directors, the Company's size, industry segment and complexity of operations. The proposed remuneration review was approved by the Board for tabling at the 6th AGM for the shareholders' approval. Accordingly, it is recommended that the existing Directors' Fees structure be revised as follows:

Position	Fee basis (RM per director per annum)	
	FYE 30 June 2022	FYE 30 June 2023 (proposed revision)
Independent Non-Executive Chairman	84,000	90,000
Senior Independent Non-Executive Director	60,000	66,000
Independent Non-Executive Director	30,000	36,000

The proposed Directors' fees of up to an aggregate amount of RM228,000.00 for the financial year ending 30 June 2023 also take into account any future increases in Non-Executive Directors.

Any Non-Executive Directors who are shareholders of the Company will abstain from voting on Ordinary Resolution 1 concerning remuneration to the Non-Executive Directors at the 6th AGM.

NOTICE OF SIXTH ANNUAL GENERAL MEETING

cont'd

3. Ordinary Resolution 2 - Re-election of Director

The profile of the Director who is standing for re-election as per item no. 3 of the Agenda is set out in the Profile of Directors section of the Annual Report 2022.

The Nomination Committee ("NC") has considered the performance and contribution of the retiring Director and has also assessed the independence of the Independent Non-Executive Director seeking re-election. Based on the recommendation of the NC, the Board is satisfied with the performance and contributions of the retiring director and supports his re-election based on the following justifications-

(a) Ordinary Resolution 2: Re-election of Dato' Seow Thiam Fatt as Senior Independent Non-Executive Director

Dato' Seow Thiam Fatt fulfills the requirements of independence set out in the ACE Market Listing Requirements of Bursa Securities. He always demonstrates the values and principles associated with independence when deliberating on matters. He has shown high commitment and devoted sufficient time and effort and attended all Board and Board Committees meetings for informed and balanced decision making. He also exercised his due care and carried out his professional duties proficiently during his tenure as Senior Independent Non-Executive Director of the Company.

4. Ordinary Resolution 3 – Appointment of Ecovis Malaysia PLT as the Auditors of the Company

The Board of Directors is proposing to shareholders that Messrs Ecovis Malaysia PLT be appointed as the Auditors of the Company for the financial year ending 30 June 2023, in place of the retiring Auditors, Messrs Crowe Malaysia PLT, following an extensive tender and in line with the best practice.

The Board of Directors would like to thank Messrs Crowe Malaysia PLT for their diligence and dedications.

5. Special Resolution – Waiver of Pre-emptive Rights under Section 85 of the Companies Act 2016

This Special Resolution is pertaining to the waiver of pre-emptive rights granted to the shareholders under Section 85 of the Companies Act 2016. By voting in favour of this Special Resolution, the shareholders of the Company would be waiving their statutory pre-emptive rights.

This Special Resolution if passed, would allow the Directors to issue new shares to any person under the mandate to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016, without having to offer the new shares to be issued equally to all existing shareholders of the Company prior to issuance.

6. Ordinary Resolution 4 – Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Company had, during its 5th AGM held on 30 November 2021, obtained its shareholders' approval for the general mandate for issuance of shares up to a maximum of 20% of the total number of issued shares of the Company ("20% General Mandate"). This 20% General Mandate will expire at the conclusion of this AGM.

The Company had on 21 December 2021 completed a private placement of new ordinary shares of up to 20% of the total number of issued shares of the Company ("20% Private Placement") and completed the issuance and allotment of a total of 64,715,900 new ordinary shares and raised total proceeds of RM19.56 million from the 20% Private Placement.

The details of the utilisation of proceeds raised from the private placement exercise as at 30 September 2022 are as follows:

Details of use of proceeds	Estimated Timeframe for Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance unutilised as 30 September 2022	Percentage Utilised %
				RM'000	
Enhancing the Group's fiber optic network installation and commissioning service capability	Within 24 months	1,290	1,021	269	79%
Working capital	Within 24 months	18,082	4,849	13,233	27%
Expenses for the Private Placement	Immediate	185	185	-	100%
		19,557	6,055	13,502	31%

NOTICE OF SIXTH ANNUAL GENERAL MEETING

cont'd

Subject to the passing of the Special Resolution on the waiver of pre-emptive rights under Section 85 of the Companies Act 2016, the proposed Ordinary Resolution 4, if passed, will empower the Directors to issue and allot up to a maximum of 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

This proposed resolution is a renewal of the general mandate for the issuance of shares by the Company under Sections 75 and 76 of the Act. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions or such other application as the Directors may deem fit in the best interest of the Company.

7. Ordinary Resolution 5 – Proposed Share Buy-Back Authority

The Proposed Share Buy-Back Authority, if approved, will empower the Company to purchase its own shares up to ten per centum (10%) of the total number of issued shares of the Company at any time within the time period as stated in the ACE Market Listing Requirements of Bursa Securities. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM or at the expiry of the period within the next AGM is required to be held after the approval was given, whichever is earlier.

Please refer to the Part A of the Statement/Circular to Shareholders dated 28 October 2022 for further information.

8. Ordinary Resolution 6 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 6 is a renewal of the Shareholders' Mandate which will enable the Group to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favorable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to the Part B of the Statement/Circular to Shareholders dated 28 October 2022 for further information.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

[PURSUANT TO RULE 8.29(2) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES]

1. Details of individuals who are standing for election (excluding directors standing for re-election) as Directors

There are no individuals who are standing for election as Directors at the 6th AGM of the Company.

2. Statement relating to general mandate for issue of securities in accordance with Rule 6.04(3) of the ACE Market Listing Requirements of Bursa Securities.

Details of the general mandate to issue securities pursuant to Sections 75 and 76 of the Act are set out under Explanatory Note 6 of this Notice.

Personal data privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate and vote at the 6th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 6th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 6th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

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PROXY FORM



CDS account no.:	
No. of shares held:	
Email address:	
Contact no.:	

BINASAT COMMUNICATIONS BERHAD

Registration No. 201701008491 (1222656-D)
(Incorporated in Malaysia)

*I/We, (full name in block), _____

* NRIC No./Passport No./Company No. _____

of (full address) _____

being a * member/members of BINASAT COMMUNICATIONS BERHAD (“Company”), do hereby appoint: -

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings (Refer to Note 4)	
		No. of Shares	%
Full Address			
Contact no.			
Email address			

and/ or*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings (Refer to Note 4)	
		No. of Shares	%
Full Address			
Contact no.			
Email address			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Sixth Annual General Meeting of the Company which will be conducted as a fully virtual meeting through live streaming and online remote voting using Remote Participation and Voting (“RPV”) facilities via the online meeting platform at <https://web.vote2u.my> (Domain Registration No. with MYNIC: D6471702) provided by Agmo Digital Solutions Sdn. Bhd on Wednesday, 30 November 2022 at 10.00 a.m. or at any adjournment thereof, and to vote in the manner indicated below:-

No.	RESOLUTIONS		FOR	AGAINST
1.	To approve the increase of Directors’ fees for the financial year ending 30 June 2023 and further to approve the payment of Directors’ fees to the Non-Executive Directors of the Company up to an aggregate amount of RM228,000.00 for the financial year ending 30 June 2023.	Ordinary Resolution 1		
2.	To re-elect Dato’ Sewo Thiam Fatt who retires pursuant to Clause 96 of the Company’s Constitution.	Ordinary Resolution 2		
3.	To appoint Messrs Ecovis Malaysia PLT as Auditors of the Company in place of the retiring Auditors, Messrs Crowe Malaysia PLT and to authorise the Directors to fix their remuneration.	Ordinary Resolution 3		
SPECIAL BUSINESS				
4.	Waiver of Pre-emptive Rights under Section 85 of the Companies Act 2016,	Special Resolution		
5.	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.	Ordinary Resolution 4		
6.	Proposed Authority for the Company to purchase its own Ordinary Shares.	Ordinary Resolution 5		
7.	Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 6		

*strike out whichever is not applicable

[Please indicate with an “X” in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Dated this _____ day of _____ 2022

*Signature/Common Seal of member(s)

Notes:

1. The 6th AGM of the Company will be conducted on a fully virtual basis through live streaming and online remote voting using RPV facilities provided by Agmo Solutions Sdn Bhd through its Vote2U Online website at <https://web.vote2u.my>.
Please refer to the Administrative Guide for the 6th AGM for the procedures to register, participate and vote remotely through the RPV facilities.
2. The conduct of the fully virtual 6th AGM is in compliance with Section 327 of the Companies Act 2016 and the provisions of the Constitution of the Company. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online meeting platform is located in Malaysia and all meeting participants including Chairman of the meeting, board members, senior management and shareholders are to participate in the meeting online.
3. A member of the Company entitled to attend, participate and vote remotely at the 6th AGM is entitled to appoint a proxy or proxies to attend, participate and vote in his/her stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
4. A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the member shall specify the proportion of his/her shareholding to be represented by each proxy.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds
6. An instrument appointing a proxy must be in writing under the hand of the appointer or his/her attorney is duly authorised and in the case of corporation shall be either under its common seal or under the hand of an officer or attorney duly authorised

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AFFIX
STAMP

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

c/o Boardroom Corporate Services Sdn Bhd
12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

1st Fold Here

7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 17 November 2022 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf
8. The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the 6th AGM:-
 - a.) **In Hardcopy Form**
The Proxy Form or the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, shall be deposited at the registered office of the Company, at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
 - b.) **By Electronic Means**
The Proxy Form shall be electronically submitted via email at the Poll Administrator's email address at vote2u@agmostudio.com.
9. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities, the resolutions set out in the Notice of 6th AGM will be put to vote by way of poll.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 6th AGM dated 28 October 2022.



www.binacom.com.my

BINASAT COMMUNICATIONS BERHAD

[Registration No: 201701008491 (1222656-D)]
(Incorporated in Malaysia under the Companies Act 2016)

Menara Binasat, Lot PT 13824,
Jalan Teknologi 4, Technology Park Malaysia,
Bukit Jalil, 57000 Kuala Lumpur.

T + 603-9546 1881 | **F** + 603-9546 1850
E contact@binagroup.com.my