

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current	Preceding	Current	Preceding
	Quarter Ended	Corresponding	Year	Year To Date
Notes	31-3-2024	Quarter Ended	To Date	Year To Date
	RM'000	31-3-2023	31-3-2024	31-3-2023
		RM'000	RM'000	RM'000
Revenue	26,378	N/A	26,378	N/A
Cost of sales	(22,635)	N/A	(22,635)	N/A
Gross profit	3,743	N/A	3,743	N/A
Other income	253	N/A	253	N/A
Administrative expenses	(1,795)	N/A	(1,795)	N/A
Other operating expenses	(920)	N/A	(920)	N/A
Finance costs	(241)	N/A	(241)	N/A
Profit/(Loss) before taxation	1,140	N/A	1,140	N/A
Taxation	(394)	N/A	(394)	N/A
Profit/(Loss) after taxation/ Total comprehensive income for the financial period	746	N/A	746	N/A
Attributable to:				
Owners of the Company	692	N/A	692	N/A
Non-controlling interests	54	N/A	54	N/A
	746	N/A	746	N/A
Earnings per share (sen):				
Basic	B11	0.18	N/A	0.18
Diluted	B11	0.18	N/A	0.18

Note: Pursuant to the change in the financial year end from 30 June 2023 to 31 December 2023, there are no comparative figures presented.

The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial period ended 31 December 2023.

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31-3-2024 RM'000	Audited As at 31-12-2023 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	30,615	31,238
Investment properties	3,888	3,912
Right-of-use assets	12,534	12,639
Trade receivables and contracts assets	1,969	1,969
Deferred tax assets	222	222
Total non-current assets	49,228	49,980
CURRENT ASSETS		
Inventories	2,078	3,026
Trade receivables and contracts assets	83,061	71,944
Other receivables, deposits and prepayments	3,589	8,330
Current tax assets	6,616	6,753
Short-term investments	18,071	22,945
Cash and bank balances	10,788	7,250
Total current assets	124,203	120,248
TOTAL ASSETS	173,431	170,228
EQUITY AND LIABILITIES		
EQUITY		
Share capital	97,037	97,047
Merger deficit	(16,052)	(16,052)
Retained profits	32,689	31,997
Equity attributable to owners of the Company	113,674	112,992
Non-controlling interests	6,089	6,035
TOTAL EQUITY	119,763	119,027
LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	5,612	5,913
Lease liabilities	11,669	11,685
Deferred tax liabilities	1,021	1,064
Total non-current liabilities	18,302	18,662

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31-3-2024 <u>RM'000</u>	Audited As at 31-12-2023 <u>RM'000</u>
CURRENT LIABILITIES		
Trade payables	16,046	15,935
Other payables, deposits and accruals	17,123	12,586
Borrowings	1,625	3,521
Lease liabilities	572	497
Total current liabilities	<u>35,366</u>	<u>32,539</u>
TOTAL LIABILITIES	<u>53,668</u>	<u>51,201</u>
TOTAL EQUITY AND LIABILITIES	<u>173,431</u>	<u>170,228</u>
Net Assets Per Share attributable to Owners of the Company (RM)	<u>0.29</u>	<u>0.29</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial period ended 31 December 2023.

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to Owners of the Company →			Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	← Non-distributable →		Distributable			
	Share Capital RM'000	Merger Deficit RM'000	Retained Profits RM'000			
Balance at 1.1.2024	97,047	(16,052)	31,997	112,992	6,035	119,027
Profit after taxation/Total comprehensive income for the financial period	-	-	692	692	54	746
Contributions by owners of the Company:						
Issuance of shares:						
- listing expenses	(10)	-	-	(10)	-	(10)
Total transactions with owners	(10)	-	-	(10)	-	(10)
Balance at 31.3.2024	97,037	(16,052)	32,689	113,674	6,089	119,763

Note: Pursuant to the change in the financial year end from 30 June 2023 to 31 December 2023, there are no comparative figures presented.

The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial period ended 31 December 2023.

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date 31-3-2024 RM'000	Preceding Year Corresponding Period 31-3-2023 RM'000
OPERATING ACTIVITIES		
Profit before taxation	1,140	N/A
Adjustments for:-		
Depreciation of property, plant and equipment	817	N/A
Depreciation of right-of-use assets	105	N/A
Depreciation of investment properties	24	N/A
Loss on foreign exchange - unrealised	4	N/A
Net (reversal)/impairment losses on trade receivables and contract assets	(101)	N/A
Interest expense	198	N/A
Interest income	(234)	N/A
Operating profit before working capital changes	1,953	N/A
Changes in working capital:		
Inventories	949	N/A
Receivables and contract assets	(6,276)	N/A
Payables	4,711	N/A
Cash from operations	1,337	N/A
Interest received	234	N/A
Income tax paid	(257)	N/A
Net cash from operating activities	1,314	N/A
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(194)	N/A
Net cash used in investing activities	(194)	N/A

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date 31-3-2024 <u>RM'000</u>	Preceding Year Corresponding Period 31-3-2023 <u>RM'000</u>
FINANCING ACTIVITIES		
Drawdown of term loans	445	N/A
Repayment of lease liabilities	(47)	N/A
Repayment of term loans	(2,388)	N/A
Repayment of hire purchase payable	(254)	N/A
Interest paid	(198)	N/A
Share issuance expenses paid	(10)	N/A
Net cash used in financing activities	<u>(2,452)</u>	<u>N/A</u>
CASH AND CASH EQUIVALENTS		
Net changes	(1,332)	N/A
At beginning of financial period	30,195	N/A
Foreign exchange differences arising on opening balance	(4)	N/A
At end of financial period	<u>28,859</u>	<u>N/A</u>
Cash and cash equivalents consist of:		
Cash and bank balances	10,788	N/A
Short-term investments	18,071	N/A
Cash and cash equivalents	<u>28,859</u>	<u>N/A</u>

Note: Pursuant to the change in the financial year end from 30 June 2023 to 31 December 2023, there are no comparative figures presented.

The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial period ended 31 December 2023.

A. EXPLANATORY NOTES

A1 Basis of Preparation

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

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial period ended 31 December 2023.

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

The Malaysian Accounting Standards Board had issued the following new standard, amendments and improvements to MFRSs and IC interpretation, all of which are effective for the financial period beginning on or after 1 January 2024.

- Amendments to MFRS 16, ‘Leases’ – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, ‘Presentation of Financial Statements’ – Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101, ‘Presentation of Financial Statements’ – Non-current Liabilities with Covenants
- Amendments to MFRS 107, ‘Statement of Cash Flows’ and MFRS 7, ‘Financial Instruments: Disclosures’ – Supplier Finance Arrangements’

The adoption of the new standards, amendments and interpretation to published standards mentioned above does not have any material impact on the financial statements of the Group for the financial period beginning on 01 January 2024 upon their initial application.

As announced on 9 October 2023, the Group has changed its financial year end from 30 June to 31 December. As such, there is no comparative figures presented in this report.

A2 Audit Report of Preceding Annual Financial Statements

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

A3 Comments about Seasonality or Cyclical Factors

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

A4 Items of Unusual Nature and Amount

There were no unusual items affecting assets, liabilities, equity, net income or cash flows other than those disclosed elsewhere in these notes.

A5 Material Changes in Estimates

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

A6 Debts and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review.

A7 Dividend Paid

There were no dividends paid during the financial period under review.

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024

A. EXPLANATORY NOTES

A8 Segmental Reporting

The Group's segmental report for the financial period are as follows:

31 March 2024	Satellite, mobile and fibre optic telecommunication networks	Power and telecommunication infrastructure works	Elimination	Total
	RM'000	RM'000	RM'000	RM'000
Revenue	21,978	4,400	-	26,378
Profit/(Loss) before taxation	1,159	(51)	32	1,140
Taxation	(394)	-	-	(394)
Profit/(Loss) after taxation	765	(51)	32	746

A9 Valuation of Property, Plant and Equipment

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

A10 Capital Commitments

	Unaudited As at 31-3-2024 RM'000	Audited As at 31-12-2023 RM'000
Approved and not contracted for:		
- Telecommunication equipment	289	289
	289	289

A11 Material Events Subsequent to the End of the Interim Period

Other than as disclosed in Note B6, there were no material events subsequent to the end of current quarter that have not been reflected in the financial statements for the current quarter.

A12 Effect of Changes in the Group Composition, Long-Term Investments, Restructuring and Discontinued Operations

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

A13 Contingent Liabilities/Assets

Contingent liabilities of the Group as at 31 March 2024 amounted to RM4.3million which are in respect of corporate guarantees given to licensed banks for banking facilities granted to subsidiaries, bank guarantees issued to our customers for the purpose of performance bonds and bank guarantee served as tender deposit for tendering new project.

A14 Significant Related Party Transactions

The significant related party transactions during the current financial period are as follows:

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-3-2024 RM'000	31-3-2023 RM'000	31-3-2024 RM'000	31-3-2023 RM'000
Related companies in which a substantial shareholder of the Company has interests				
- Purchase of goods or services	348	-	348	-

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of Performance of the Company and its Principal Subsidiaries Compared to the Results of Preceding Quarter

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	Current Year Quarter	Preceding Year Corresponding Quarter	Variance	Current Year To Date	Preceding Year Corresponding Period	Variance
	31-3-2024	31-3-2023		31-3-2024	31-3-2023	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	26,378	N/A	N/A	26,378	N/A	N/A
Gross profit/ (loss)	3,743	N/A	N/A	3,743	N/A	N/A
Profit before taxation	1,140	N/A	N/A	1,140	N/A	N/A
Profit after taxation	746	N/A	N/A	746	N/A	N/A

In the current quarter under review, the Group recorded revenue of RM26.378 million, with profit after taxation of RM0.746 million.

The Group's satellite, mobile and fibre optic telecommunication networks segment contributed 83% of total Group revenue or RM21.978 million in the current quarter. The remaining of revenue contributed from power and telecommunication infrastructure works segment amounting of RM4.400 million or 17% of total Group revenue.

B2 Review of Performance of the Company and its Principal Subsidiaries Compared to the Results of Immediate Preceding

	Current Year Quarter	Immediate Preceding Quarter	Variance	
	31-3-2024	31-12-2023		
	RM'000	RM'000	RM'000	%
Revenue	26,378	23,866	2,512	10.53%
Gross profit/ (loss)	3,743	(1,371)	5,114	373.01%
Profit before taxation	1,140	(18,212)	19,352	106.26%
Profit after taxation	746	(17,730)	18,476	104.21%

In 1Q24, the Group's revenue increased by RM2.512 million or 10.53% as compared to the immediate preceding quarter. The higher in revenue was mainly contributed by satellite, mobile and fibre optic telecommunication networks segment, partially offset by lower revenue from power and telecommunication infrastructure works segment.

Profit after taxation was at RM0.746 million as compared to loss after taxation of RM17.730 million in the immediate preceding quarter. The loss after taxation of RM17.730 million was mainly due to the impairment of goodwill of RM16.1 million arising from the acquisition of the infrastructure works business.

B3 Group's Future Prospects

In this new financial year 2024, the Board anticipates favourable contributions from several new contracts recently awarded to the Group, with additional contracts in the pipeline awaiting fruition. Looking ahead, our management is actively exploring diversification strategies to bolster the revenue streams and enhance our earning base. Furthermore, the Group is optimistic to leverage the support and resources of our new strategic shareholder, Hextar Capital Berhad ("HEXCAP"), which will enable us to tap into a broader network and emerge stronger in the competitive landscape. As we progress through the financial year, we remain focused on delivering value to our stakeholders and driving sustainable success for the Group.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B4 Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast or guarantee during the financial period under review.

B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31-3-2024 RM'000	Preceding Year Corresponding Quarter 31-3-2023 RM'000	Current Year To Date 31-3-2024 RM'000	Preceding Year Corresponding Period 31-3-2023 RM'000
Malaysia income tax				
- Current tax	394	N/A	394	N/A
- (Over)/Under provision - prior year tax	-	N/A	-	N/A
	<u>394</u>	<u>N/A</u>	<u>394</u>	<u>N/A</u>
Deferred tax				
- Origination and reversal of temporary difference	-	N/A	-	N/A
	<u>-</u>	<u>N/A</u>	<u>-</u>	<u>N/A</u>
	<u>394</u>	<u>N/A</u>	<u>394</u>	<u>N/A</u>
Effective tax rate	<u>35%</u>		<u>35%</u>	

The Group's effective tax rate exceeds the statutory tax rate of 24% primarily due to the inclusion of certain non-deductible items in the income statement and some subsidiaries in loss position. The losses had diluted the Group's profit which cannot be offset against consolidated tax liabilities of other subsidiaries.

B6 Status of Corporate Proposals

On 21 November 2023, TA Securities Holdings Berhad ("TA Securities") had on behalf of the Company announced that the Company proposed to undertake a private placement of up to 58,244,300 new ordinary shares in Binasat ("Binasat Shares" or "Shares") ("Placement Shares"), representing not more than 10% of the total number of issued shares of the Company (excluding treasury shares, if any) to third party investor(s) at an issue price to be determined at a later date ("Private Placement").

The listing and quotation of the Placements Shares pursuant to the Private Placement was approved by Bursa Malaysia Securities Berhad ("Bursa Securities") on 31 January 2024.

The first tranche of the Private Placement has been completed following the listing and quotation for 12,000,000 Placement Shares at an issue price of RM0.235 per Placement Share on 28 May 2024.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B7 Utilisation of Proceeds Raised from Corporate Proposal

The Company raised total gross proceeds of RM2.82 million from the first tranche of the Private Placement and the status of utilisation of proceeds as at 30 May 2024 is as follows.

Details	Expected timeframe for utilisation of proceeds	Proposed Utilisation RM'000	Actual Utilisation as of 30 May 2024	Balance Unutilised RM'000
(i) Repayment of bank borrowings	Within 24 months	2,256	-	2,256
(ii) Working capital for existing and future contracts	Within 24 months	414	-	414
(iii) Estimated expenses for the Proposed Private Placement	Immediate	150	-	150
Total		2,820	-	2,820

B8 Group Borrowings

	Unaudited As At 31-3-2024 RM'000	Audited As At 31-12-2023 RM'000
Non-current		
Term loans (secured)	2,897	2,948
Hire purchase payables (secured)	2,715	2,965
	<u>5,612</u>	<u>5,913</u>
Current		
Term loans (secured)	638	2,530
Hire purchase payables (secured)	987	991
	<u>1,625</u>	<u>3,521</u>

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

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B9 Material Litigations

As at the date of this report, there is no litigation or arbitration, which has a material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or of any fact likely to give rise to any proceedings.

B10 Dividends

The Company did not declare dividends during the current quarter.

B11 Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31-3-2023	Preceding Year Corresponding Quarter 31-3-2022	Current Year To Date 31-3-2023	Preceding Year Corresponding Period 31-3-2022
Profit after taxation attributable to the Owners of the Company for the period (RM'000)	692	N/A	692	-
Weighted average number of ordinary shares in issue	388,295,506	N/A	388,295,506	N/A
Basic earnings per share (sen) ⁽¹⁾	0.18	N/A	0.18	N/A
Diluted earnings per share (sen) ⁽²⁾	0.18	N/A	0.18	N/A

Note:

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

(2) There is no dilutive effect of the potential ordinary shares convertible under warrants issued. Warrants have dilutive effect only when the average market price of ordinary share during the financial period under review exceeds the exercise price of the warrant.

B12 Derivatives

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

B13 Disclosure of gain/losses arising from fair value changes of financial liabilities

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

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B14 Notes to the Statement of Profit or Loss and Other Comprehensive Income

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

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31-3-2024	Preceding Year Corresponding Quarter 31-3-2023	Current Year To Date 31-3-2024	Preceding Year Corresponding Period 31-3-2023
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	817	N/A	817	N/A
Depreciation of right-of-use assets	105	N/A	105	N/A
Depreciation of investment properties	24	N/A	24	N/A
Loss on foreign exchange - unrealised	4	N/A	4	N/A
Loss on foreign exchange - realised	4	N/A	4	N/A
Net (reversal)/impairment losses on trade receivables and contract assets	(101)	N/A	(101)	N/A
Interest expense	198	N/A	198	N/A
Interest income	(234)	N/A	(234)	N/A
Rental income	(3)	N/A	(3)	N/A

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

BY ORDER OF THE BOARD

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

KUALA LUMPUR
30 MAY 2024