

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

Bursa Malaysia Securities Berhad ("Bursa Securities") has perused the contents of Part C of this Circular on a limited review basis pursuant to Rule 4.1(c) of the Guidance Note 22 of the ACE Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, valuation certificate, valuation reports, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

This Circular has been reviewed by TA Securities Holdings Berhad, as the Adviser to the Binasat Communications Berhad for Part A of this Circular.



**BINASAT COMMUNICATIONS BERHAD**

(Registration No. 201701008491 (1222656-D))  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

**PART A**

- (I) **PROPOSED ACQUISITION BY BINASAT PROPERTIES SDN. BHD. (FORMERLY KNOWN AS BINASAT (SABAH) SDN. BHD.) ("BPSB"), A WHOLLY-OWNED SUBSIDIARY OF BINASAT COMMUNICATIONS BERHAD ("BINASAT" OR THE "COMPANY"), OF 3 PROPERTIES LOCATED WITHIN SAZEAN BUSINESS PARK ("SBP") ("SBP PROPERTIES") FOR A TOTAL CASH CONSIDERATION OF RM8,340,000 ("PROPOSED ACQUISITIONS OF SBP PROPERTIES") AS WELL AS PROPOSED LEASES OF THE SBP PROPERTIES THAT SHALL COMMENCE UPON COMPLETION OF THE RESPECTIVE PROPOSED ACQUISITIONS OF SBP PROPERTIES ("PROPOSED ACQUISITIONS AND LEASES OF SBP PROPERTIES");**
- (II) **PROPOSED ACQUISITION BY BPSB, OF 241 UNITS OF FULLY FURNISHED PROPOSED HOTEL SUITES LOCATED ON THE 8<sup>TH</sup> TO 17<sup>TH</sup> FLOORS OF BLOCK L, FORMING PART OF AN INTEGRATED MIXED USE COMMERCIAL DEVELOPMENT OF EMPIRE CITY (AN ON-GOING PROPERTY DEVELOPMENT ON A PIECE OF LEASEHOLD LAND HELD UNDER PN116964, LOT 90573, MUKIM SUNGAI BULOH, DAERAH PETALING, NEGERI SELANGOR) FOR A TOTAL PURCHASE CONSIDERATION OF RM73,535,250 TO BE SATISFIED VIA A COMBINATION OF RM63,240,350 IN CASH AND RM10,294,900 VIA THE ISSUANCE OF 49,023,333 NEW ORDINARY SHARES IN BINASAT ("BINASAT SHARE(S)" OR "SHARE(S)") AT AN ISSUE PRICE OF RM0.2100 EACH ("PROPOSED ACQUISITIONS OF EMPIRE CITY PROPERTIES");**
- (III) **PROPOSED DIVERSIFICATION OF THE PRINCIPAL ACTIVITIES OF BINASAT AND ITS SUBSIDIARIES TO INCLUDE PROPERTY INVESTMENT, PROPERTY MANAGEMENT, PROPERTY DEVELOPMENT AND CONSTRUCTION ("PROPOSED DIVERSIFICATIONS"); AND**
- (IV) **PROPOSED PRIVATE PLACEMENT OF UP TO 128,137,500 NEW SHARES, REPRESENTING NOT MORE THAN 30% OF THE ISSUED SHARES OF THE COMPANY (EXCLUDING TREASURY SHARES, IF ANY) TO THIRD PARTY INVESTOR(S) AT AN ISSUE PRICE TO BE DETERMINED LATER ("PROPOSED PRIVATE PLACEMENT")**

**PART B**

**INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS IN RELATION TO THE PROPOSED ACQUISITIONS AND LEASES OF SBP PROPERTIES AND PROPOSED DIVERSIFICATIONS**

**PART C**

**PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Adviser for Part A*



AN UNWAVERING COMMITMENT

**TA SECURITIES HOLDINGS BERHAD**

(Registration No.: 197301001467 (14948-M))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

*Independent Adviser for Part B*



Strategic Capital

**STRATEGIC CAPITAL ADVISORY SDN. BHD.**

(Registration No. 199901003253 (478153-U))

The resolutions in respect of above proposals will be tabled at the Extraordinary General Meeting ("EGM") of Binasat which will be held on Wednesday, 23 April 2025 at 10:00 a.m. or at any adjournment thereof at the Hextar Hall, Level 17, Hextar Centre, Hextar Tower, No. 8, Jalan Damansara, Empire City, PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan. The Notice of the EGM, Form of Proxy, Administrative Guide and this Circular are available on the Company's website at <https://www.binacom.com.my/investor-relations/>.

A member of the Company entitled to attend, participate and vote at the EGM is entitled to appoint a proxy to attend, participate and vote on his behalf. The Form of Proxy should be completed in accordance with the instructions therein and deposit it to Poll Administrator's Office at Bina Management (M) Sdn. Bhd. of Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan or email to [binawin@binamg168.com](mailto:binawin@binamg168.com) not less than 48 hours before the time for holding the meeting or any adjournment thereof. The lodging of the Form of Proxy will not preclude a shareholder from attending and voting in person at the EGM should the shareholder subsequently wish to do so.

Last day, date and time for lodging the Form of Proxy  
Date and time of the EGM

: Monday, 21 April 2025 at 10:00 a.m.  
: Wednesday, 23 April 2025 at 10:00 a.m.

This Circular is dated 7 April 2025

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout Part A and Part B of this Circular and the accompanying appendices:

<b>18M-FPE</b>	: 18-month financial period ended
<b>ACE Market</b>	: ACE Market of Bursa Securities
<b>Act</b>	: Companies Act 2016
<b>BCSB</b>	: Borderless Connection Sdn. Bhd., was a 51%-owned subsidiary of the Company
<b>BDSB</b>	: Binasat Digital Sdn. Bhd. ( <i>formerly known as Satellite NOC Sdn. Bhd.</i> ), a 70%-owned subsidiary of the Company
<b>Binasat or Company</b>	: Binasat Communications Berhad
<b>Binasat Group or Group</b>	: Binasat and its subsidiaries, collectively
<b>Binasat Share(s) or Share(s)</b>	: Ordinary share(s) in Binasat
<b>Block L</b>	: The commercial building to be developed by CASB comprising among others, the Empire City Properties, and forms part of an integrated mixed use commercial development of Empire City (an on-going property development on a piece of leasehold land held under PN116964, Lot 90573, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor)
<b>Board</b>	: Board of Directors of Binasat
<b>BPSB</b>	: Binasat Properties Sdn. Bhd. ( <i>formerly known as Binasat (Sabah) Sdn. Bhd.</i> ), a wholly-owned subsidiary of the Company
<b>Bursa Depository</b>	: Bursa Malaysia Depository Sdn. Bhd.
<b>Bursa Securities</b>	: Bursa Malaysia Securities Berhad
<b>CASB</b>	: Cosmopolitan Avenue Sdn. Bhd.
<b>Cash Consideration</b>	: Cash payment of RM63,240,350 by BPSB to CASB as part of the Empire City Purchase Consideration
<b>Circular</b>	: This circular to the shareholders of Binasat dated 7 April 2025
<b>CMSA</b>	: Capital Markets and Services Act 2007, as may be amended, supplemented or modified from time to time
<b>Consideration Share(s)</b>	: Issuance of 49,023,333 new Shares at an issue price of RM0.2100 each as part of the Empire City Purchase Consideration
<b>Director(s)</b>	: A natural person who holds a directorship in the Company for the time being, whether in an executive or non-executive capacity, falling within the meaning given in Section 2(1) of the CMSA and Section 2(1) of the Act
<b>Disposal of BCSB</b>	: Disposal of 51% equity interest in BCSB by the Company for a total cash consideration of RM5,915,052. The disposal was completed on 31 December 2024.

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**DEFINITIONS (Cont'd)**

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<b>EGM</b>	:	Extraordinary general meeting
<b>Empire City Properties</b>	:	241 units of fully furnished proposed hotel suites located on the 8 <sup>th</sup> to 17 <sup>th</sup> floors of Block L, forming part of an integrated mixed use commercial development of Empire City (an on-going property development on a piece of leasehold land held under PN116964, Lot 90573, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor)
<b>Empire City Purchase Consideration</b>	:	A total purchase consideration of RM73,535,250 to be satisfied via a combination of Cash Consideration and Consideration Shares pursuant to the Proposed Acquisitions of Empire City Properties
<b>Empire City SPA</b>	:	Conditional sale and purchase agreement dated 4 December 2024 entered into by BPSB and CASB pursuant to the Proposed Acquisitions of Empire City Properties
<b>Empire City Valuation Report</b>	:	Valuation report dated 3 December 2024 in relation to the Empire City Properties prepared by the Valuer
<b>EPS</b>	:	Earnings per share
<b>Existing Businesses</b>	:	Existing businesses of the Group which includes the provision of (i) support services for satellite, mobile and fibre optic telecommunications networks and power transmission; (ii) support services for telecommunication network; and (iii) transmission and distribution network utility construction services, information technology services, as well as engineering, procurement, construction and commissioning (EPCC) of solar facilities
<b>FYE</b>	:	Financial year ended/ ending, as the case may be
<b>GP</b>	:	Gross profit
<b>HAMSB</b>	:	Hextar Asset Management Sdn. Bhd.
<b>HCB</b>	:	Hextar Capital Berhad ( <i>formerly known as Opcom Holdings Berhad</i> ), a company listed on the ACE Market of Bursa Securities
<b>HHSB</b>	:	Hextar Holdings Sdn. Bhd.
<b>HIB</b>	:	Hextar Industries Berhad, a company listed on the Main market of Bursa Securities
<b>HIBMSB</b>	:	HIB Management Sdn. Bhd.
<b>IMR or Providence</b>	:	Providence Strategic Partners Sdn. Bhd., the Independent Market Researcher
<b>IMR Report</b>	:	Independent market research report on the outlook of the Property and Construction Sectors in Malaysia, dated 28 March 2025 prepared by Providence
<b>Interested Director(s)</b>	:	Collectively, Teh Li King and Ong Soon Lim
<b>Interested Shareholder(s)</b>	<b>Major</b> :	Collectively, Dato' Ong Choo Meng, OVSB and HCB

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**DEFINITIONS (Cont'd)**

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<b>LA(s)</b>	: Lease agreements dated 4 December 2024 entered into by BPSB and the respective lessees in respect of the SBP Properties
<b>Listing Requirements</b>	: ACE Market Listing Requirements of Bursa Securities
<b>LPD</b>	: 17 March 2025, being the latest practicable date prior to the printing of this Circular
<b>LTD</b>	: 3 December 2024, being the last trading day prior to the announcement of the Proposals
<b>MBPJ</b>	: Majlis Bandaraya Petaling Jaya
<b>MEHSB</b>	: Mammoth Empire Holding Sdn. Bhd.
<b>NA</b>	: Net assets
<b>New Businesses</b>	: Collectively, Property Investment and Property Management Business as well as Property Development and Construction Business
<b>OVSb</b>	: Opcom VC Sdn. Bhd.
<b>PAT/ (LAT)</b>	: Profit after tax/ Loss after tax
<b>PBT/ (LBT)</b>	: Profit before tax/ Loss before tax
<b>Placement Share(s)</b>	: Up to 128,137,500 new Shares to be issued pursuant to the Proposed Private Placement
<b>Private Placement 2023</b>	: Private placement of up to 58,244,300 new Shares, representing no more than 10% of the total number of issued Shares (excluding treasury shares, if any)
<b>Property Development and Construction Business</b>	: Property construction and development activities including construction, acquisition, development and/ or disposal of various types of properties and/ or development rights (e.g., residential, commercial (retail and office) and industrial). Such activities include but are not limited to redeveloping existing buildings and undertaking construction activities such as asset enhancement works to add value to the properties acquired for the purposes of increasing capital value and realising such increased capital value in the future with the objective of achieving the sale of the properties. Further, the Group may also undertake construction activities (including the provision of civil, structural, mechanical and electrical services) as well as project management. Such construction works may be carried out in collaboration with other building contractors or by the Group on its own, the method of which has yet to be determined at this juncture.

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**DEFINITIONS (Cont'd)**


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<b>Property Investment and Property Management Business</b>	: Property investment and property management business including: <ul style="list-style-type: none"> <li>(i) invest in or purchase or otherwise acquire or dispose of:             <ul style="list-style-type: none"> <li>(a) any property-related assets; and/ or</li> <li>(b) investments, shares and/or other interests in any entity that holds property-related assets and/ or is in the business of property development, property investment and property management and/ or is in the business of real estate investment trusts,</li> </ul> <p>including but not limited to holding of property-related assets as long-term investment for the collection of rent, capital growth potential and/or provision of property related services and facilities; and</p> </li> <li>(ii) management of property-related assets</li> </ul>
<b>Proposals</b>	: Collectively, Proposed Acquisitions and Leases of SBP Properties, Proposed Acquisitions of Empire City Properties, Proposed Diversifications and Proposed Private Placement
<b>Proposed Acquisitions and Leases of SBP Properties</b>	: Collectively, Proposed Acquisitions of SBP Properties and Proposed Leases of SBP Properties
<b>Proposed Acquisitions of Empire City Properties</b>	: Proposed acquisition by BPSB of Empire City Properties for a total purchase consideration of RM73,535,250
<b>Proposed Acquisitions of SBP Properties</b>	: Proposed acquisition by BPSB of SBP Properties for a total cash consideration of RM8,340,000
<b>Proposed Diversifications</b>	: Proposed diversification of the principal activities of the Group to include New Businesses
<b>Proposed Leases of SBP Properties</b>	: Proposed leases of the SBP Properties that shall commence upon completion of the respective Proposed Acquisitions of SBP Properties
<b>Proposed Mandate</b>	: Proposed new shareholders' mandate for recurrent related party transactions, details of which are set out in Part C of this Circular
<b>Proposed Private Placement</b>	: Proposed private placement of up to 128,137,500 Placement Shares, representing not more than 30% of the issued Shares of the Company (excluding treasury shares, if any) to third party investor(s) at an issue price to be determined later
<b>Proposed SBP Acquisition 1</b>	: Proposed acquisition by BPSB of SBP Property 1 for a purchase consideration of RM1,670,000
<b>Proposed SBP Acquisition 2</b>	: Proposed acquisition by BPSB of SBP Property 2 for a purchase consideration of RM1,670,000
<b>Proposed SBP Acquisition 3</b>	: Proposed acquisition by BPSB of SBP Property 3 for a purchase consideration of RM5,000,000

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**DEFINITIONS (Cont'd)**

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<b>RM and sen</b>	:	Ringgit Malaysia and sen respectively, being the lawful currency of Malaysia
<b>SBP</b>	:	Sazean Business Park
<b>SBP Properties</b>	:	Collectively, SBP Property 1, SBP Property 2 and SBP Property 3
<b>SBP Property 1</b>	:	A unit of 4-storey intermediate terraced shop-office bearing postal address of No. 61, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan
<b>SBP Property 2</b>	:	A unit of 4-storey intermediate terraced shop-office bearing postal address of No. 62, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan
<b>SBP Property 3</b>	:	A unit of 6-storey corner terraced shop-office bearing postal address of No. 66, Jalan Bayu Laut 4B/KS09, Sazean Business Park, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan
<b>SBP Purchase Consideration</b>	:	A total purchase consideration of RM8,340,000 pursuant to the Proposed Acquisitions of SBP Properties
<b>SBP SPA(s)</b>	:	Conditional sale and purchase agreements dated 4 December 2024 entered into by BPSB and respective SBP Vendors pursuant to the Proposed Acquisitions of SBP Properties
<b>SBP Valuation Report</b>	:	Valuation report dated 3 December 2024 in relation to the SBP Properties prepared by the Valuer
<b>SBP Vendor(s)</b>	:	Collectively, Datin Lim Wai Yee, Ong Tzu Chuen and HAMS B
<b>SCA or Independent Adviser</b>	:	Strategic Capital Advisory Sdn. Bhd.
<b>TA Securities or Adviser</b>	:	TA Securities Holdings Berhad
<b>Valuer or Knight Frank</b>	:	Knight Frank Malaysia Sdn. Bhd.
<b>Valuation Certificate</b>	:	Valuation certificate dated 3 December 2024 in relation to the SBP Properties and Empire City Properties prepared by the Valuer
<b>VWAP</b>	:	Volume weighted average market price
<b>Warrant(s) A</b>	:	194,147,748 outstanding warrants 2023/2026 which have an exercise price of RM0.32 each and expiring on 17 January 2026

All references to “**you**” in Part A and Part B of this Circular are references to shareholders of Binasat.

Words denoting the singular shall, where applicable, include the plural and *vice versa*. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and *vice versa*. References to persons shall include corporations, unless otherwise specified.

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**DEFINITIONS (Cont'd)**

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Any reference in Part A and Part B of this Circular to any provision of a statute, rule, regulation, enactment, or rule of a stock exchange shall (where the context admits) be construed as a reference to the provision of such statute, rule, regulation, enactment or rule of a stock exchange (as the case may be) as modified by any written law, or, if applicable, any amendment or re-enactment to the statute, rule, regulation, enactment or rule of a stock exchange for the time being in force. Any reference to a time of day in Part A and Part B of this Circular is a reference to Malaysian time, unless otherwise specified.

Any discrepancies in the figures included in Part A and Part B of this Circular between the amount stated, actual figures and the totals thereof are due to rounding.

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**PART A**

**LETTER TO THE COMPANY'S SHAREHOLDERS IN RELATION TO THE PROPOSALS**

## EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY REPRESENTS ONLY A SUMMARY OF THE PERTINENT INFORMATION ON THE PROPOSALS AS SET OUT IN PART A OF THIS CIRCULAR. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

Key information	Description	Reference to Part A of the Circular																																																				
Brief details of the Proposals	<p><b><u>Proposed Acquisitions and Leases of SBP Properties</u></b></p> <ul style="list-style-type: none"><li>The Proposed Acquisitions and Leases of SBP Properties entail the acquisitions by BPSB of the SBP Properties for the SBP Purchase Consideration as well as proposed leases of SBP Properties that shall commence upon completion of the respective Proposed Acquisitions of SBP Properties.</li><li>Brief details of the Proposed Acquisitions of the SBP Properties:</li></ul> <table><tr><th></th><th>SBP Property 1</th><th>SBP Property 2</th><th>SBP Property 3</th></tr><tr><td>Vendor/ Registered owner</td><td>Datin Lim Wai Yee</td><td>Ong Tzu Chuen</td><td>HAMSB</td></tr><tr><td>Description</td><td>4-storey intermediate terraced shop-office</td><td>4-storey intermediate terraced shop-office</td><td>6-storey corner terraced shop-office</td></tr><tr><td>Existing use</td><td>Shoplots/ offices</td><td>Shoplots/ offices</td><td>Shoplots/ offices</td></tr><tr><td>Tenure</td><td>Interest in perpetuity</td><td>Interest in perpetuity</td><td>Interest in perpetuity</td></tr><tr><td>Market Value</td><td>RM1,670,000</td><td>RM1,670,000</td><td>RM5,000,000</td></tr><tr><td>Purchase consideration</td><td>RM1,670,000</td><td>RM1,670,000</td><td>RM5,000,000</td></tr></table> <ul style="list-style-type: none"><li>The lessees have entered into LAs with BPSB that shall commence upon completion of the respective Proposed Acquisitions of SBP Properties based on a pre-agreed lease structure for a term of 9 years with option to renew for a further 3 years; with rent revision for every 3 years during said term of 9 years. Brief details of the Proposed Leases of the SBP Properties are as follows:</li></ul> <table><tr><th></th><th>SBP Property 1</th><th>SBP Property 2</th><th>SBP Property 3</th></tr><tr><td>Lessee</td><td>HAMSB</td><td>HIBMSB</td><td>HAMSB</td></tr><tr><td>Monthly rental:</td><td></td><td></td><td></td></tr><tr><td>1 (Years 1 to 3)</td><td>RM6,871</td><td>RM6,871</td><td>RM20,871</td></tr><tr><td>2 (Years 4 to 6)</td><td>RM7,558</td><td>RM7,558</td><td>RM22,958</td></tr><tr><td>3 (Years 7 to 9)</td><td>RM8,314</td><td>RM8,314</td><td>RM25,254</td></tr></table> <ul style="list-style-type: none"><li>In view of the interests of the Interested Directors and Interested Major Shareholders and/ or persons connected with them, the Proposed Acquisitions and Leases of SBP Properties is deemed as related party transactions.</li></ul>		SBP Property 1	SBP Property 2	SBP Property 3	Vendor/ Registered owner	Datin Lim Wai Yee	Ong Tzu Chuen	HAMSB	Description	4-storey intermediate terraced shop-office	4-storey intermediate terraced shop-office	6-storey corner terraced shop-office	Existing use	Shoplots/ offices	Shoplots/ offices	Shoplots/ offices	Tenure	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity	Market Value	RM1,670,000	RM1,670,000	RM5,000,000	Purchase consideration	RM1,670,000	RM1,670,000	RM5,000,000		SBP Property 1	SBP Property 2	SBP Property 3	Lessee	HAMSB	HIBMSB	HAMSB	Monthly rental:				1 (Years 1 to 3)	RM6,871	RM6,871	RM20,871	2 (Years 4 to 6)	RM7,558	RM7,558	RM22,958	3 (Years 7 to 9)	RM8,314	RM8,314	RM25,254	Section 2
	SBP Property 1	SBP Property 2	SBP Property 3																																																			
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## EXECUTIVE SUMMARY (Cont'd)

Key information	Description	Reference to Part A of the Circular								
Brief details of the Proposals (cont'd)	<p><b><u>Proposed Acquisitions of Empire City Properties</u></b></p> <ul style="list-style-type: none"><li>The Proposed Acquisitions of Empire City Properties entail the acquisitions by BPSB of the Empire City Properties for the Empire City Purchase Consideration. The Empire City Purchase Consideration is to be settled via a combination of the Cash Consideration and Consideration Shares.</li><li>The Proposed Acquisitions of Empire City Properties is not a related party transaction.</li></ul> <p><b><u>Proposed Diversifications</u></b></p> <ul style="list-style-type: none"><li>The Group recorded audited LAT attributable to the owners of the Company of RM12.48 million for the 18M-FPE 31 December 2023. As such, the Group is contemplating to procure an alternative income stream to reduce reliance on the Existing Businesses.</li><li>The Board expects the New Businesses to emerge as additional sources of income for the Group in the future and the Proposed Diversifications would result in either the diversion of 25% or more of the NA of the Group or profit contribution of more than 25% of the net profits of the Group. In view thereof, the Board proposes to seek approval of the shareholders of the Company for the Proposed Diversifications.</li></ul> <p><b><u>Proposed Private Placement</u></b></p> <ul style="list-style-type: none"><li>The Proposed Private Placement will entail the issuance of up to 128,137,500 Placement Shares, representing not more than 30% of the issued share capital of 427,125,006 Shares.</li><li>The issue price for each tranche of the Placement Shares will be determined separately and fixed by the Board and announced at a later date. The issue price will not be priced at more than 20% discount to the 5-day VWAP of Binasat Shares immediately before the price fixing date.</li><li>Based on an assumed issue price of RM0.1300 per Placement Share, the gross proceeds from the Proposed Private Placement are expected to be utilised by the Group as follows:</li></ul> <table><tr><th>Proposed use of proceeds</th><th>(RM'000)</th></tr><tr><td>Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties</td><td>15,628</td></tr><tr><td>Estimated expenses for the Proposals</td><td>1,030</td></tr><tr><td><b>Total estimated gross proceeds</b></td><td><b>16,658</b></td></tr></table>	Proposed use of proceeds	(RM'000)	Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties	15,628	Estimated expenses for the Proposals	1,030	<b>Total estimated gross proceeds</b>	<b>16,658</b>	Section 3  
Proposed use of proceeds	(RM'000)									
Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties	15,628									
Estimated expenses for the Proposals	1,030									
<b>Total estimated gross proceeds</b>	<b>16,658</b>									

## EXECUTIVE SUMMARY (Cont'd)

Key information	Description	Reference to Part A of the Circular
Rationale	<p data-bbox="308 383 363 1677"><b><u>Proposed Acquisitions and Leases of SBP Properties, Proposed Acquisitions of Empire City Properties and Proposed Diversifications</u></b></p> <ul data-bbox="387 383 943 1677" style="list-style-type: none"> <li data-bbox="387 383 480 1677">• The Proposed Acquisitions and Leases of SBP Properties, Proposed Acquisitions of Empire City Properties and Proposed Diversifications represent the Group's initiative to reduce its dependency on its Existing Businesses.</li> <li data-bbox="504 383 596 1677">• The Proposed Acquisitions and Leases of SBP Properties as well as diversification into Property Investment and Property Management Business will enable the Group to derive an immediate additional income stream which is recurrent in nature from the rental or leasing of the SBP Properties.</li> <li data-bbox="620 383 713 1677">• In view of the strategic location of the Empire City Properties, the Board anticipates that the Proposed Acquisitions of Empire City Properties would allow the Group to realise potential capital gain from the sale of Empire City Properties.</li> <li data-bbox="737 383 829 1677">• The Proposed Diversifications are to facilitate the Group's plans to diversify its earnings base and procure alternative income streams through its proposed involvement in the New Businesses, with a view of enhancing shareholder value over the long term and achieving long term growth.</li> <li data-bbox="853 383 943 1677">• The Board believes that the Proposed Acquisitions and Leases of SBP Properties, Proposed Acquisitions of Empire City Properties and Proposed Diversifications will potentially contribute positively to the Group's future earnings potential.</li> </ul> <p data-bbox="967 1301 994 1677"><b><u>Proposed Private Placement</u></b></p> <p data-bbox="1018 383 1074 1677">The Board is of the opinion that the Proposed Private Placement is the most appropriate avenue of fund raising at this juncture as:</p> <ol data-bbox="1098 383 1361 1677" style="list-style-type: none"> <li data-bbox="1098 383 1190 1677">(i) it enables the Group to raise funds expeditiously for the proposed utilisation of proceeds as set out in <b>Section 6, Part A</b> of this Circular, without incurring interest cost and having to service principal repayments as compared to bank borrowings, thereby allowing the Group to preserve its cash flow;</li> <li data-bbox="1214 383 1278 1677">(ii) it is comparatively expedient and an efficient avenue to raise the required quantum of funds as opposed to other forms of equity fund raising; and</li> <li data-bbox="1302 383 1361 1677">(iii) upon completion of the Proposed Private Placement, the enlarged capital base is also expected to strengthen the financial position of the Company.</li> </ol>	Section 8

## EXECUTIVE SUMMARY (Cont'd)

Key information	Description	Reference to Part A of the Circular
<b>Approvals required</b>	<p>The Proposals are subject to the following approvals being obtained:</p> <ul style="list-style-type: none"> <li>(i) the approval of Bursa Securities for the: <ul style="list-style-type: none"> <li>(a) listing of the Consideration Shares to be issued pursuant to the Proposed Acquisitions of Empire City Properties; and</li> <li>(b) listing of the Placement Shares to be issued pursuant to the Proposed Private Placement, on the ACE Market of Bursa Securities;</li> </ul> </li> <li>(ii) the approval of the Company's shareholders at an EGM to be convened; and</li> <li>(iii) the approvals/ consents of any other relevant authorities/ parties, if required.</li> </ul>	Section 12
<b>Interests of Directors, major shareholders, chief executive of the Company and/ or persons connected with them</b>	Save for the Interested Directors, Interested Major Shareholders and person connected with them as set out in <b>Section 14, Part A</b> of this Circular, none of the directors, major shareholders of Binasat and/ or persons connected with them has any interest, direct or indirect, in the Proposals.	Section 14
<b>Board's recommendation</b>	<p><b><u>Proposed Acquisitions and Leases of SBP Properties</u></b></p> <p>The Board (save for the Interested Directors) after having considered all aspects of the Proposed Acquisitions and Leases of SBP Properties, is of the opinion that the Proposed Acquisitions and Leases of SBP Properties is in the best interest of the Company.</p> <p>Accordingly, the Board (save for the Interested Directors) recommends that you vote in favour of the resolutions pertaining to the Proposed Acquisitions and Leases of SBP Properties to be tabled at the forthcoming EGM.</p> <p>In view that the Interested Directors are deemed interested in the Proposed Acquisitions and Leases of SBP Properties, the Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant meetings of the Board in relation to the Proposed Acquisitions and Leases of SBP Properties.</p>	Section 17

**EXECUTIVE SUMMARY (Cont'd)**

Key information	Description	Reference to Part A of the Circular
Board's recommendation (cont'd)	<p><b><u>Proposed Diversifications, Proposed Acquisitions of Empire City Properties and Proposed Private Placement</u></b></p> <p>The Board, after having considered all aspects of the Proposed Diversifications, Proposed Acquisitions of Empire City Properties and Proposed Private Placement is of the opinion that the Proposed Diversifications, Proposed Acquisitions of Empire City Properties and Proposed Private Placement are in the best interest of the Company.</p> <p>Accordingly, the Board recommends that you vote in favour of the resolutions pertaining to the Proposed Diversifications, Proposed Acquisitions of Empire City Properties and Proposed Private Placement to be tabled at the forthcoming EGM.</p>	Section 17

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**BINASAT COMMUNICATIONS BERHAD**

(Registration No. 201701008491 (1222656-D))  
(Incorporated in Malaysia)

**Registered Office:**

Level 5, Tower 8, Avenue 5  
Horizon 2, Bangsar South City  
59200 Kuala Lumpur  
Wilayah Persekutuan Kuala Lumpur

7 April 2025

**Board of Directors**

Tan Sri Datuk Cham Hak Lim (*Independent Non-Executive Chairman*)  
Ong Soon Lim (*Group Managing Director*)  
Zulamran bin Hamat (*Executive Director cum Chief Executive Officer*)  
Dato' Seow Thiam Fatt (*Senior Independent Non-Executive Director*)  
Sharon Ng Saw Ean (*Independent Non-Executive Director*)  
Yeong Siew Lee (*Independent Non-Executive Director*)  
Teh Li King (*Non-Independent Non-Executive Director*)

**To: Shareholders of Binasat Communications Berhad**

Dear Sir/ Madam,

- (I) **PROPOSED ACQUISITIONS AND LEASES OF SBP PROPERTIES;**
  - (II) **PROPOSED ACQUISITIONS OF EMPIRE CITY PROPERTIES;**
  - (III) **PROPOSED DIVERSIFICATIONS; AND**
  - (IV) **PROPOSED PRIVATE PLACEMENT**
- 

**1. INTRODUCTION**

On 4 December 2024, TA Securities had, on behalf of the Board announced that the Company proposes to undertake the Proposals.

On 14 March 2025, TA Securities had, on behalf of the Board announced that Bursa Securities had, vide its letter dated on 14 March 2025, resolved to approve the listing of the following:

- (i) 49,023,333 Consideration Shares to be issued pursuant to the Proposed Acquisitions of Empire City Properties; and
- (ii) up to 128,137,500 new Shares to be issued pursuant to the Proposed Private Placement.

The approval of Bursa Securities is subject to the conditions as set out in **Section 12, Part A** of this Circular.



THE PURPOSE OF PART A AND PART B OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSALS AS WELL AS THE PROPOSED ACQUISITIONS AND LEASES OF SBP PROPERTIES AND PROPOSED DIVERSIFICATIONS, RESPECTIVELY, AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART A AND PART B OF THIS CIRCULAR TOGETHER WITH THE APPENDICES I TO VIII CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

## **2. DETAILS OF THE PROPOSED ACQUISITIONS AND LEASES OF SBP PROPERTIES**

BPSB had on 4 December 2024 entered into 3 SBP SPAs with:

- (i) Datin Lim Wai Yee (a Malaysian) for the Proposed SBP Acquisition 1;
- (ii) Ong Tzu Chuen (a Malaysian) for the Proposed SBP Acquisition 2; and
- (iii) HAMSB for the Proposed SBP Acquisition 3.

The Proposed Acquisitions of SBP Properties entail the acquisitions by BPSB of the SBP Properties for the SBP Purchase Consideration on an “as is where is” basis, free from all encumbrances and further subject to the conditions of title express or implied in the issue documents of titles to the SBP Properties and upon the terms and conditions contained in the SBP SPAs.

The respective lessees have entered into LAs with BPSB and the leasing of the SBP Properties shall commence upon completion of the respective Proposed Acquisitions of SBP Properties. Further details on the Proposed Leases of SBP Properties are set out in **Section 2.4, Part A** of this Circular.

Further details/ information of the SBP Properties, salient terms of the SBP SPAs and salient terms of the LAs are set out in **Appendix I, Appendix II** and **Appendix III** of this Circular, respectively.

In view of the interests of the Interested Directors, Interested Major Shareholders and/ or persons connected with them, the Proposed Acquisitions and Leases of SBP Properties is deemed as related party transactions pursuant to Rule 10.08 of the Listing Requirements.

### **2.1 Information on HAMSB**

HAMSB is a private limited company incorporated in Malaysia on 21 November 2008, having its registered address at No. 28, Lorong Tapah, Off Jalan Goh Hock Huat, 41400 Klang, Selangor Darul Ehsan. HAMSB is principally involved in providing management services, information technology consulting services, insurance agent services and deriving rental income from letting out property.

As at the LPD, HAMSB has an issued share capital of RM1,500,000 comprising 1,500,000 ordinary shares.

The directors, shareholders and their respective shareholdings in HAMS B as at the LPD are set out below:

	Nationality/ Country of incorporation	Direct		Indirect	
		No. of Shares (‘000)	%	No. of Shares (‘000)	%
<b><u>Directors</u></b>					
Ong Soon Hooi	Malaysian	-	-	-	-
Teh Li King	Malaysian	-	-	-	-
<b><u>Shareholders</u></b>					
HHSB	Malaysia	1,500	100.00	-	-
Dato’ Ong Choo Meng	Malaysian	-	-	(i) 1,500	100.00
Dato’ Ong Soon Ho	Malaysian	-	-	(i) 1,500	100.00

Note:

- (i) Deemed interested by virtue of his interest in HHSB pursuant to Section 8(4) of the Act. The directors of HHSB are Dato’ Ong Soon Ho and Dato’ Ong Choo Meng (son of Dato’ Ong Soon Ho). The shareholders of HHSB are Dato’ Ong Soon Ho, Datin Teoh Siew Yoke @ Teoh Siew Chin (spouse of Dato’ Ong Soon Ho) and Dato’ Ong Choo Meng.

## 2.2 Basis and justification in arriving at the SBP Purchase Consideration

The SBP Purchase Consideration of the SBP Properties was arrived at on a “willing-buyer willing-seller” basis after taking into consideration the market value\* of the respective SBP Properties.

SBP Properties	Method of valuation	*Market Value of the respective property (RM)	Purchase consideration (RM)
SBP Property 1	Income Approach by Investment Method	1,670,000	1,670,000
SBP Property 2	Income Approach by Investment Method	1,670,000	1,670,000
SBP Property 3	Income Approach by Investment Method	5,000,000	5,000,000
<b>Total</b>		<b>8,340,000</b>	<b>8,340,000</b>

Note:

- \* As appraised by the independent registered valuer, namely Knight Frank as at the date of valuation on 18 October 2024, as outlined in the Valuation Certificate.

Market value used in this context is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing-buyer and a willing-seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

The Valuer adopted the Income Approach by Investment Method as the primary method of valuation in formulating its opinion on the market value for the SBP Properties.

### Income Approach by Investment Method

The Income Approach by Investment Method involves capitalisation of the net annual income stream that is expected to be received from the property after deducting the annual outgoings and other operating expenses incidental to the property with allowance for void by using an appropriate market derived capitalisation rate.

In this regard, the Valuer considered the following parameters, for the proposed pre-agreed rental structure of the 9-year lease term (projection period) and the period subsequent to the said term (terminal value period):

- (i) average gross revenue, being the monthly rental income to be generated;
- (ii) outgoings, being expenses to be incurred arising from the landlord's (owner) obligations such as quit rent, assessment, fire insurance and maintenance charges;
- (iii) void, being allowance for unforeseen vacancies, possible rent-free periods, fitting out periods and possible bad debts; and
- (iv) capitalisation rate, being the yield from the lease of properties.

In considering the parameters, the Valuer made reference to the pre-agreed rental structure as well as comparable properties for, among others, asking rentals of shop offices located within the surrounding vicinity being Sazean Business Park (Klang), Kota Bayuemas (Klang), historical actual outgoings and the yield analysis of selected transactions of shop offices located within the said vicinity. The Valuer then adopted relevant rates for monthly rental, outgoings, void and capitalisation (yield) in arriving at the valuation.

The valuations were also supported by the market value derived from the Comparison Approach.

#### Comparison Approach

*The Comparison Approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by adjustments made for differences in factors that affect value. In general, a property being valued is compared with sales of similar properties that have been transacted in the open market. Listings and offers may also be considered.*

In this regard, the Valuer considered comparable properties based on the sales evidences of properties located within the vicinity of the SBP Properties namely, Sazean Business Park (Klang), Kota Bayuemas (Klang), Botanic Business Gateway (Klang) and Pusat Perdagangan Bestari (Klang).

Based on the above valuation approaches, the reconciliation of values is as follows:

Method of valuation	Derivation of values (RM)
Income Approach by Investment Method	8,340,000
Comparison Approach	8,300,000

After having considered that the SBP Properties are commercial and income generating properties, the Valuer adopted the Market Value as derived from the Income Approach by Investment Method as a fair representation for the SBP Properties, supported by the Market Value derived from the Comparison Approach.

The Board (save for the Interested Directors) is of the view that SBP Purchase Consideration is justifiable after taking into consideration the following:

- (i) the Market Values of the SBP Properties as appraised by the Valuer. The purchase consideration of these properties reflect the market values of the SBP Properties;
- (ii) rationale of the Proposed Acquisitions and Leases of SBP Properties set out in **Section 8.1, Part A** of this Circular; and

- (iii) the Proposed Leases of SBP Properties allow BPSB to lock in rental rates over the predetermined lease term, thereby eliminating the risk of volatility in rental rates.

## 2.3 SBP Purchase Consideration and terms of payment

The SBP Purchase Consideration is to be settled entirely in cash in the following manner:

Payment schedule	SBP Property 1 (RM'000)	SBP Property 2 (RM'000)	SBP Property 3 (RM'000)	Sub- total (RM'000)
Upon execution of the SBP SPAs <sup>(i)</sup>	167	167	500	834
Within the SBP Completion Period (as defined below) <sup>(ii)</sup>	1,503	1,503	4,500	7,506
<b>Total</b>	<b>1,670</b>	<b>1,670</b>	<b>5,000</b>	<sup>(iii)</sup> <b>8,340</b>

Notes:

- (i) An aggregate sum of RM0.83 million, equivalent to 10% of the SBP Purchase Consideration, being payment of deposit, was paid by BPSB via the Group's internally generated funds in the following manner:
- (a) on 4 December 2024, a sum of RM0.25 million, which is equivalent to 3% of the SBP Purchase Consideration, has been paid by BPSB to its solicitors as stakeholders to be remitted to the Director General of Inland Revenue in accordance with the Real Property Gains Tax Act, 1976; and
- (b) on 4 December 2024, a sum of RM0.58 million, which is equivalent to 7% of the SBP Purchase Consideration, has been paid by BPSB to the SBP Vendors' solicitors as stakeholders.
- (ii) A 3-month period from the date on which all the conditions precedent to the SBP SPAs are fulfilled ("**SBP Completion Period**"). In the event that BPSB fails to pay the total balance purchase consideration of RM7.51 million, equivalent to 90% of the SBP Purchase Consideration ("**SBP Balance Purchase Consideration**"), within the SBP Completion Period, the SBP Completion Period shall be automatically extended for 1 month or such further period as the parties may mutually agree in writing provided BPSB pays to the SBP Vendors interest on the SBP Balance Purchase Consideration or unpaid balance thereof, as the case may be, at a rate of 8% per annum calculated on a daily basis from the expiry of the SBP Completion Period to the day full payment of the SBP Balance Purchase Consideration is received.
- (iii) As mentioned in **Section 6, Part A** of this Circular, up to RM0.63 million of the SBP Purchase Consideration will be satisfied via the proceeds to be raised from the Proposed Private Placement. Nevertheless, the allocation of the proceeds for the purchase consideration of the respective SBP Properties cannot be determined at this juncture as it will depend on, amongst others, the actual amount of proceeds to be raised from the Proposed Private Placement, the Group's available funds, operational requirements at the time of utilisation as well as timing for payment of the purchase consideration for the respective SBP Properties. Please refer to **Section 2.8, Part A** of this Circular for further details on source of funding to satisfy the SBP Purchase Consideration.

## 2.4 Proposed Leases of SBP Properties

The Proposed Leases of SBP Properties entails the lessees (as set out below) leasing the SBP Properties respectively from BPSB.

The lessees have entered into LAs with BPSB and the leasing of the SBP Properties shall commence upon completion of the respective Proposed Acquisitions of SBP Properties based on a pre-agreed lease structure for a term of 9 years (“**Principal Lease Period**”) with option to renew for a further 3 years; with rent revision for every 3 years during the Principal Lease Period; subject to the terms and conditions stated in the LAs, as set out in **Appendix III** of this Circular. The summary of lessees is as follows:

SBP Properties	Lessees
SBP Property 1	HAMSB (information on HAMSB is set out in <b>Section 2.1, Part A</b> of this Circular)
SBP Property 2	HIBMSB <sup>(i)</sup>
SBP Property 3	HAMSB (information on HAMSB is set out in <b>Section 2.1, Part A</b> of this Circular)

Note:

- (i) *HIBMSB is a private limited company incorporated in Malaysia on 22 November 1993 under the name of Sin Chee Heng (Kuantan) Sdn. Bhd., and adopted its current name on 28 September 2022. HIBMSB’s registered address is at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur. HIBMSB is principally involved in provision of management services.*

*As at the LPD, HIBMSB has an issued share capital of RM100,000 comprising 100,000 ordinary shares.*

*The directors, shareholders and their respective shareholdings in HIBMSB as at the LPD are set out below:*

	Nationality/ Country of incorporation	Direct		Indirect	
		No. of shares (‘000)	%	No. of shares (‘000)	%
<b><u>Directors</u></b>					
Ong Soon Hooi	Malaysian	-	-	-	-
Wong Kin Seng	Malaysian	-	-	-	-
Ooi Youk Lan	Malaysian	-	-	-	-
<b><u>Shareholders</u></b>					
HIB	Malaysia	100	100.00	-	-
HHSB	Malaysia	-	-	<sup>(i)</sup> 100	100.00

Note:

- (i) *Deemed interested by virtue of its substantial shareholdings in HIB, being the holding company of HIBMSB pursuant to Section 8(4) of the Act. The directors and shareholders of HHSB are disclosed in **Section 2.1, Note (i), Part A** of this Circular.*

*HIB is listed on the Main Market of Bursa Securities and through its subsidiary companies, the group is involved in the manufacturing and formulation of bulk blend, mixture and compound fertilisers, trading of various fertilisers as well as providing crop management solutions. In addition to the fertiliser business, HIB group also manufactures quarry crusher screens and supplies a wide range of industrial products to the quarry industry, outdoor equipment rental services for chillers, tents and generators. The group also provides engineering solutions including procurement, construction and commissioning services (EPCC) and is also involved in the provision of office supplies such as stationaries, paper, computers, printers and office furniture.*

The directors, substantial shareholders and their respective shareholdings in HIB as at LPD are set out below:

	Nationality/ Country of incorporation	Direct		Indirect	
		No. of shares (‘000)	%	No. of shares (‘000)	%
<b><u>Directors</u></b>					
Liew Jee Min @ Chong Jee Min	Malaysian	-	-	-	-
Ang Sui Aik	Malaysian	100	*	-	-
Sham Weng Kong	Malaysian	1,800	0.07	-	-
Ong Tzu Chuen	Malaysian	-	-	-	-
Oon Seow Ling	Malaysian	-	-	-	-
Dato Sri Chee Hong Leong	Malaysian	-	-	-	-
Shahjanaz Binti Datuk Kamaruddin	Malaysian	-	-	-	-
<b><u>Substantial shareholders</u></b>					
HHSB	Malaysia	1,401,185	51.00	-	-
Dato’ Ong Choo Meng	Malaysian	-	-	<sup>(i)</sup> 1,401,185	51.00
Dato’ Ong Soon Ho	Malaysian	-	-	<sup>(i)</sup> 1,401,185	51.00

Notes:

\* Negligible, less than 0.01%.

(i) Deemed interested by virtue of his interest in HHSB pursuant to Section 8(4) of the Act.

### **SBP Properties 1 and 2**

The pre-agreed lease structure for SBP Properties 1 and 2, being intermediate units is as follows:

Term	Monthly rental (RM)	Equivalent monthly rental (RM psf)	Step-up (%)
1 (Years 1 to 3)	6,871	1.20	-
2 (Years 4 to 6)	7,558	1.32	10
3 (Years 7 to 9)	8,314	1.45	10

### **SBP Property 3**

The pre-agreed lease structure for SBP Property 3, being a corner unit is as follows:

Term	Monthly rental (RM)	Equivalent monthly rental (RM psf)	Step-up (%)
1 (Years 1 to 3)	20,871	1.10	-
2 (Years 4 to 6)	22,958	1.21	10
3 (Years 7 to 9)	25,254	1.33	10

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## Basis and justification for the pre-agreed lease rates

The pre-agreed lease rates have been benchmarked against the comparable rental analysis conducted by the Valuer, as follows:

No.	Address	Floor area (sq. ft)	Asking monthly rental (RM)	Adjusted asking monthly rental (RM psf)
1.	SBP, Kota Bayuemas (Klang)	5,000	5,500	1.05
2.	SBP, Kota Bayuemas (Klang)	5,000	6,000	1.15
3.	SBP, Kota Bayuemas (Klang)	4,000	5,000	1.20

The Valuer then made further adjustments for negotiation, and the adjusted asking monthly rental derived is between RM1.05 psf to RM1.20 psf.

For SBP Properties 1 and 2, the valuer adopted the rental rate of RM1.20 psf.

For SBP Property 3, the valuer adopted the rental rate of RM1.10 psf.

The rental rates were arrived at on a willing-landlord willing-tenant basis and after taking into consideration the following:

- (i) the adjusted asking monthly rental rates of the comparable properties vide the comparable rental analysis conducted by the Valuer. The rental rates of the SBP Properties are within the range of adjusted asking monthly rental rates of the comparable properties;
- (ii) the rental increment for each term of 10% above the prevailing total monthly rental have been benchmarked against market terms (with rental growth escalation by 10% for every term of 3 years); and
- (iii) rationale and benefits of the Proposed Acquisitions and Leases of SBP Properties as set out in **Section 8.1, Part A** of this Circular.

## 2.5 Liabilities to be assumed

There are no liabilities, including contingent liabilities and/ or guarantees, in relation to the SBP Properties to be assumed by the Group after completion of the Proposed Acquisitions of SBP Properties, save for the Group's obligations pursuant to the SBP SPAs as set out in **Appendix II** and LAs as set out in **Appendix III** of this Circular.

## 2.6 Original cost and date of investment

The original cost and the dates of investment by the SBP Vendors in the SBP Properties are as follows:

SBP Properties	Original cost of investment (RM'000)	Dates of investment
SBP Property 1	2,000	13 April 2020
SBP Property 2	1,500	22 March 2021
SBP Property 3	6,200	23 September 2013

## 2.7 Additional financial commitment required

Save for the SBP Purchase Consideration, there is no additional financial commitment required by the Group for the Proposed Acquisitions of SBP Properties.



## 2.8 Source of funding

The SBP Purchase Consideration is expected to be fully satisfied by cash via a combination of proceeds to be raised from the Proposed Private Placement, the Group's internally-generated funds and/ or bank borrowings. The breakdown of such funding cannot be determined at this juncture as it will depend on, amongst others, the actual amount of proceeds raised from the Proposed Private Placement, the availability of funds and suitability of financing alternatives at the relevant time.

In the event the Proposed Private Placement does not materialise, the SBP Purchase Consideration will be funded via the Group's internally generated funds and/ or bank borrowings. The breakdown of such funding cannot be determined at this juncture as it will depend on, amongst others, the availability of funds and suitability of financing alternatives at the relevant time.

## 3. DETAILS OF THE PROPOSED ACQUISITIONS OF EMPIRE CITY PROPERTIES

BPSB had on 4 December 2024 entered into Empire City SPA with CASB for the Proposed Acquisitions of Empire City Properties.

The Proposed Acquisitions of Empire City Properties entail the acquisitions by BPSB of the Empire City Properties for the Empire City Purchase Consideration, free from all encumbrances with vacant possession and further subject to the conditions of title express or implied and any restrictions-in-interest in the issue document of title to the development land or strata title to be issued to the Empire City Properties on and subject to the terms and conditions contained in the Empire City SPA.

Further details/ information of the Empire City Properties and salient terms of the Empire City SPA are set out in **Appendix IV** and **Appendix V** of this Circular, respectively.

### **Empire City Purchase Consideration and terms of payment**

The Empire City Purchase Consideration is to be settled via a combination of the Cash Consideration and Consideration Shares as follows:

Vendor	Cash Consideration (RM'000)	No. of Consideration Shares to be issued ('000)	Value of the Consideration Shares (RM'000)	Total (RM'000)
CASB	63,240	49,023	10,295	73,535

The Empire City Purchase Consideration is to be settled in the following manner:

Payment schedule	RM
Upon execution of the Empire City SPA	7,353,500
Within 14 workings days from the date that Empire City SPA becomes unconditional	
- payment via cash	33,826,100
- issuance of 49,023,333 Consideration Shares	10,294,900
Within 14 days from the date of the Vendor's written notifications of the completion of respective construction stage (to be settled via cash)	19,854,675
Within 14 days from the date of the Vendor's written notification to take delivery of vacant possession of the Empire City Properties (to be settled via cash)	2,206,075
<b>Total</b>	<b>73,535,250</b>

The Proposed Acquisitions of Empire City Properties is not a related party transaction.



### 3.1 Information on CASB

CASB is a private limited company incorporated in Malaysia on 2 February 2010, having its registered address at 68-3A, Jalan Pasar, 41400 Klang, Selangor Darul Ehsan. CASB is principally involved in investment property and commercial property development.

As at the LPD, CASB has an issued share capital of RM2,300,000 comprising 2,300,000 ordinary shares.

The directors, shareholders and their respective shareholdings in CASB as at the LPD are set out below:

	Nationality/ Country of incorporation	Direct		Indirect	
		No. of shares ('000)	%	No. of shares ('000)	%
<b>Directors</b>					
Dato' Ng Yee Teck	Malaysian	Negligible	*	<sup>(i)</sup> 2,300	99.99
Dato' Cheah Joi Yong	Malaysian	Negligible	*	<sup>(i)</sup> 2,300	99.99
<b>Shareholders</b>					
Dato' Ng Yee Teck	Malaysian	Negligible	*	<sup>(i)</sup> 2,300	99.99
Dato' Cheah Joi Yong	Malaysian	Negligible	*	<sup>(i)</sup> 2,300	99.99
MEHSB	Malaysia	2,300	99.99	-	-

Notes:

\* Negligible, less than 0.01%. Dato' Ng Yee Teck and Dato' Cheah Joi Yong hold 1 ordinary share each in CASB.

(i) Deemed interested by virtue of his interest in MEHSB pursuant to Section 8(4) of the Act. The directors and shareholders of MEHSB are Dato' Ng Yee Teck and Dato' Cheah Joi Yong.

### 3.2 Basis and justification in arriving at the Empire City Purchase Consideration

The Empire City Purchase Consideration was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the selling price of CASB of the Empire City Properties on a bulk purchase basis and the Market Value of the Empire City Properties of RM80,649,000\*.

Note:

\* As appraised by the Valuer as at the date of valuation on 18 October 2024, as outlined in Valuation Certificate based on the following assumptions:

- (i) the Empire City Properties are fully completed in good workmanship in accordance with the preliminary drawings dated 24 October 2024 ("**Revised Drawing Plan**") (pending final approval from MBPJ as approved building plan); with all relevant fees paid (if any) and thereafter issued with a certificate of completion and compliance;
- (ii) the Empire City Properties will be suitably furnished, fitted and equipped to commensurate to the proposed standard and rating in accordance to the developer's conceptual design and plans; and
- (iii) that strata title(s) conveying a leasehold interest for a term of 99 years in respect of the Empire City Properties are forthcoming and when issued, will be free from all encumbrances.

The Valuer adopted the Comparison Approach as the only method of valuation in formulating its opinion on the Market Value for the Empire City Properties.

### Comparison Approach

*The Comparison Approach considers the sales of similar or substitute properties and related market data and establishes a value estimate by adjustments made for differences in factors that affect value. In general, a property being valued is compared with sales of similar properties that have been transacted in the open market. Listings and offers may also be considered.*

In this regard, the Valuer considered comparable properties based on the sales evidence of serviced apartment units located within the same development and vicinity of the Empire City Properties, which have relatively similar attributes to the Empire City Properties in terms of location/ establishment, accessibility, floor area, facilities/ services and building finishes/ specifications/ quality.

The Valuer then considered and made adjustments for visibility/ exposure, tenure and building finishes/ specifications/ quality on the selected comparable properties in its assessment, to arrive at the base value by benchmarking it against a selected unit. Necessary adjustments (including floor area, floor level and view) have been made to derive aggregate adjusted value of the Empire City Properties. The Valuer further allocated a 10% bulk discount as a consideration for the number of unsold units available for sale and the time factor, to account for the holding cost of the period to sell off the remaining unsold units to arrive at the Market Value of Empire City Properties.

The Market Value of RM80,649,000 is derived based on the following computation:

	RM
Aggregate adjusted value of Empire City Properties after adjustment made for visibility/ exposure (including floor area, floor level and view) (based on Comparison Approach)	89,610,000
Less: 10% bulk discount	(8,961,000)
<b>Market Value</b>	<b>80,649,000</b>

The Valuer opined that the Empire City Properties will be a 241 units of fully furnished hotel suites upon completion (a homogeneous real estate such as commercial units of serviced apartment units/ SOHO/ SOVO and etc), it is more accurate to rely upon the Comparison Approach as it is the most appropriate and preferred method of valuation as there are less adjustments and analysis on comparables.

The Board is of the view that the Empire City Purchase Consideration is justifiable after taking into consideration the following:

- (i) it represents a discount of RM7.11 million or approximately 8.82% to the Market Value of the Empire City Properties of RM80.65 million as ascribed by the Valuer; and
- (ii) rationale of the Proposed Acquisitions of Empire City Properties set out in **Section 8.1, Part A** of this Circular.

### **3.3 Basis and justification for the issue price of the Consideration Shares**

The issue price of RM0.2100 per Consideration Share was arrived at on a negotiated basis after taking into consideration of the 5-day VWAP of the Shares up to and including the LTD of RM0.2108 and rounded down to the nearest 2 decimal places. The issue price of the Consideration Share represents a discount of approximately 0.38% to the 5-day VWAP of Shares up to and including the LTD of RM0.2108, which the Board deems to be reasonable as the issue price reflects the prevailing market price of the Shares at the point in time on which the terms of the Proposed Acquisitions of Empire City Properties were agreed upon between the BPSB and CASB. The Board further deems the discount of approximately RM0.04 million to be reasonable having considered, among others, prospects of the Empire City Properties as set out in **Section 9.5, Part A** of this Circular.

For information purpose, the market prices of the Shares for the past 12 months up to and including the LTD are as follows:

	Share price	(Discount) of the issue price to the VWAP	
	RM	RM	%
Last transacted price of the Shares as at the LTD	0.2150	(0.0050)	(2.33)
<u>VWAP up to and including the LTD</u>			
5-day VWAP	0.2108	(0.0008)	(0.38)
1-month VWAP	0.2124	(0.0024)	(1.13)
3-month VWAP	0.2117	(0.0017)	(0.80)
6-month VWAP	0.2710	(0.0610)	(22.51)
12-month VWAP	0.2745	(0.0645)	(23.50)

### 3.4 Ranking of Consideration Shares

The Consideration Shares shall, upon allotment and issuance, carry the same rights with the then existing Shares. However, the Consideration Shares will not be entitled to any dividends, rights, allotment and/ or any other distributions which may be declared, made or paid to the Company's shareholders unless such Consideration Shares were allotted and issued on or before the entitlement date of such rights, allotments and/ or other distributions.

### 3.5 Listing and quotation for the Consideration Shares

Bursa Securities had, vide its letter dated 14 March 2025, granted its approval for, amongst others, the listing of the Consideration Shares to be issued pursuant to the Proposed Acquisitions of Empire City Properties on the ACE Market of Bursa Securities.

### 3.6 Liabilities to be assumed by Binasat

There are no liabilities, including contingent liabilities and/ or guarantees, in relation to the Empire City Properties to be assumed by the Group after completion of the Proposed Acquisitions of Empire City Properties, save for the Group's obligations pursuant to the Empire City SPA as set out in **Appendix V** of this Circular.

### 3.7 Additional financial commitment required

Save for the Empire City Purchase Consideration, there is no additional financial commitment required by the Group for the Proposed Acquisitions of Empire City Properties.

### 3.8 Source of funding

The Purchase Consideration will be satisfied via a combination of the Cash Consideration and Consideration Shares.

The Cash Consideration of RM63.24 million will be funded via a combination of proceeds to be raised from the Proposed Private Placement, the Group's internally-generated funds and/ or bank borrowings. The breakdown of such funding cannot be determined at this juncture as it will depend on, amongst others, the availability of funds and suitability of financing alternatives at the relevant time.

The remaining Empire City Purchase Consideration of RM10.29 million will be satisfied via issuance of the Consideration Shares.

#### 4. DETAILS OF THE PROPOSED DIVERSIFICATIONS

Binasat Group is principally involved in the Existing Businesses.

Set out below is a summary of Binasat Group's financial performance for the FYE 30 June 2021, FYE 30 June 2022, 18M-FPE 31 December 2023 and the latest unaudited financial results for the FYE 31 December 2024.

Segments	Audited			Unaudited
	FYE 30 June 2021 (RM'000)	FYE 30 June 2022 (RM'000)	18M-FPE 31 December 2023 (RM'000)	FYE 31 December 2024 (RM'000)
<b>Revenue</b>				
Satellite, mobile and fibre optic telecommunications networks	53,847	56,438	91,995	95,399
Power and telecommunication infrastructure works	-	27,070	40,213	16,508
<b>Total</b>	<b>53,847</b>	<b>83,508</b>	<b>132,208</b>	<b>111,907</b>
<b>PAT/ (LAT)</b>				
Satellite, mobile and fibre optic telecommunications networks	2,427	3,271	3,531	2,186
Power and telecommunication infrastructure works	-	3,501	2,487	(93)
Investment holding	-	(1,352)	(18,502)	-
<b>Total</b>	<b>2,427</b>	<b>5,420</b>	<b>(12,484)</b>	<b>2,093</b>

The Group recorded audited LAT attributable to the owners of the Company of RM12.48 million for the 18M-FPE 31 December 2023. The said loss was mainly due to impairment of goodwill amounting to RM16.10 million from the lower recoverable amount of investment in BCSB\*. Excluding the said impairment, the Group would have reported a PAT of RM3.62 million for the said financial period. Nevertheless, the Group experienced lower margins arising from higher labour costs, subcontractor charges and material costs.

Note:

\* On 31 December 2024, the Company announced that it had entered into a shares sale agreement with Susjaya Sdn. Bhd. for the Disposal of BCSB. Pursuant to the terms and conditions of the said shares sale agreement, the Disposal of BCSB was completed on even date. As disclosed in the said announcement, the Disposal of BCSB was a good opportunity for Binasat to unlock the value of its investment in BCSB, and the sale consideration would contribute positively to the cash flow position of Binasat. The disposal consideration of RM5.92 million provides the Group with additional funds for general working capital requirements (including for existing and future projects) which is expected to contribute positively to the Group.

Despite the Disposal of BCSB, the Group will continue to be involved in transmission and distribution network utility construction services through its other subsidiaries namely Binasat Sdn. Bhd. and BDSB. In 2024, the Group secured several new projects related to transmission and distribution network utility construction services, the details of which are set out in **Section 9.6, Part A** of this Circular.

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Taking into consideration the above, the Group is contemplating to procure an alternative income stream to reduce reliance on the Existing Businesses. The Group is in the midst of exploring new business ventures which include:

- (i) Property Investment and Property Management Business; and
- (ii) Property Development and Construction Business.

The Group may also, as part of the New Businesses, invest in or dispose of shares or interests in any entity that is in the Property Investment and Property Management Business as well as Property Development and Construction Business.

The Group does not plan to restrict the Property Investment and Property Management Business as well as Property Development and Construction Business to any specific state in Malaysia as each investment will be evaluated and assessed by the Board on its merits. The Group may also explore joint ventures, partnerships, cooperation and/ or strategic alliances with third parties who have the relevant expertise and resources to carry out the New Businesses as and when the opportunity arises.

The decision on whether an investment should be undertaken by the Group on its own or in collaboration with other parties will be made by the Board after taking into consideration various factors, such as the nature and scale of the respective business, amount of investment required and risks associated with such an investment, nature of expertise required and economic conditions, taking into account the opportunities available.

The Board expects the New Businesses to emerge as additional sources of income for the Group in the future and the Proposed Diversifications to result in either:

- (i) the diversion of 25% or more of the NA of the Group to the Property Investment and Property Management Business as well as Property Development and Construction Business, respectively; or
- (ii) the profit contribution of the Property Investment and Property Management Business as well as Property Development and Construction Business to exceed 25% of the net profits of the Group.

In view thereof, the Board proposes to seek approval of the shareholders of the Company at the EGM to be convened for, among others, the Proposed Diversifications pursuant to Rule 10.13 of the Listing Requirements after taking consideration the following:

- (i) the latest audited LAT of the Group attributable to the owners of the Company for the 18M-FPE 31 December 2023 of RM13.51 million. The Group recorded an unaudited PAT attributable to the owners of the Company for the FYE 31 December 2024 of RM2.09 million; and
- (ii) the latest audited NA of the Group attributable to owners of the Company as at 31 December 2023 of RM112.99 million. The Group recorded an unaudited NA attributable to the owners of the Company as at 31 December 2024 of RM120.61 million.

The Group has identified SBP Properties and Empire City Properties that will enable it to diversify into the Property Investment and Property Management Business within the short term and medium term, respectively.

The New Businesses will be led by the existing key management of the Group, namely Ong Soon Lim (the Group Managing Director of the Company) and Ong Han Ming (the Property Manager of BPSB). They will be responsible for the overall management of the New Businesses. Their profiles are as follows:

**(i) Ong Soon Lim, age 60 (the Group Managing Director of the Company)**

Ong Soon Lim was appointed as the Group Managing Director of Binasat on 26 January 2024. As the Group Managing Director of Binasat, he is responsible for charting the overall business strategies, direction and development including developing strategies that contribute to the growth of the Group's business.

He graduated with a Diploma in Investment Analysis from The Research Institute of Investment Analysis Malaysia in 2000.

He began his career in 1986 with Hextar Chemicals Sdn. Bhd., which is part of the Hextar group of companies, as a Factory Manager, where he was involved in factory operations management. He then moved on to the logistics industry and joined Nistrans (M) Sdn. Bhd. in 2001 where he spent 13 years managing third party warehouses and providing supply chain services. During his tenure with the company, he was responsible for the overall development of the group of companies, overseeing the administration and operations of the group of companies.

In 2014, he joined HAMSB, which is part of the Hextar group of companies, as an Internal Control Manager where he was responsible for maintaining and ensuring appropriate internal controls were in place for the company's inventory management as well as risk management.

In 2019, he joined Hextar Fert Sdn. Bhd. (an indirect wholly-owned subsidiary of HIB) as Assistant General Manager and was tasked to oversee the planning and implementation of controls to manage the company's fertiliser inventories.

In 2020, he joined Get Supply Sdn. Bhd., which is part of the Hextar group of companies, as an Assistant General Manager where he oversaw the company's purchasing activities.

On 21 July 2021, he was appointed as an Executive Director of HCB and redesignated as the Non-Independent Non-Executive Director on 29 December 2023. He retired as Non-Independent Non-Executive Director on 26 February 2025.

Ong Soon Lim is the uncle of Ong Han Ming.

**(ii) Ong Han Ming, age 36 (the Property Manager of BPSB)**

Ong Han Ming was appointed as the Property Manager of BPSB in August 2024, and responsible for research and identification of property investment opportunities, overseeing daily operations, maintenance and upkeep of properties under BPSB.

He graduated with a Bachelor of Business and Commerce from Monash University in 2011.

In 2012, he joined Hong Leong Bank Berhad as a Management Trainee where he was responsible for promoting the bank's financial products to existing and prospective clients as well as managing client relationships. He resigned from Hong Leong Bank Berhad in 2014 and joined Malayan Banking Berhad in the same year as a Relationship Manager where he assumed similar responsibilities. He left Malayan Banking Berhad in 2015.

In 2016, he joined HAMSB as Business Development Manager where he was responsible for managing and expanding the group of companies' property portfolio across Southeast Asia, particularly in Vietnam, the Philippines, Thailand and Cambodia, leading tenancy negotiations, managing renovation projects and overseeing property upkeep. He also conducted market research to identify new property locations for further expansion of the company's retail, food and beverage (F&B), and tourism sectors.

He left HAMSB in 2023 and joined Nascent Management Sdn. Bhd. in the same year as Property Sales and Administration Manager where his responsibilities included ensuring compliance of properties with local laws and regulations such as possessing the necessary certificates of fitness and settlement of statutory assessments, property maintenance, managing property renovations, liaising with property valuers, lawyers and property agents on property sales and purchases.

Ong Han Ming is the nephew of Ong Soon Lim, an Interested Director.

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#### 4.1 Property Investment and Property Management Business

The Proposed Acquisitions and Leases of SBP Properties and Proposed Acquisitions of Empire City Properties provide the Group the opportunity to venture into the Property Investment and Property Management Business, with the objective of earning a return on investment in properties either through rental income, and/ or the potential resale of such investment properties in the future to derive gains.

Generally, as part of the Property Investment and Property Management Business, the Group will be responsible, among others, for:

- (i) setting and collecting rental as well as other property fees from tenants/ lessees;
- (ii) marketing vacant units, screening potential tenants/ lessees and managing tenancy agreements;
- (iii) property inspection, upkeep and maintenance;
- (iv) arranging contracts and managing vendors for, among others, property maintenance, waste collection, landscaping and security services;
- (v) addressing tenants'/ lessees' concerns or complaints in relation to the property;
- (vi) paying property expenses, including taxes, mortgages, payroll, insurance premiums and maintenance costs;
- (vii) identification of opportunities for potential resale of investment properties; and
- (viii) ensuring compliance of properties with local laws and regulations.

##### **Immediate plans pursuant to the Proposed Diversifications**

The Proposed Acquisitions and Leases of SBP Properties enables the Group to diversify and create an immediate additional income stream which is recurrent in nature from the rental or leasing of the SBP Properties, apart from relying on its Existing Businesses. Further, the LAs (as mentioned in **Section 2.4, Part A** and **Appendix III** of this Circular) will provide the Group with a stable and sustainable income stream for a minimum lease period of 9 years. The long term committed occupancy will provide the Group with steady cash flows and income sustainability.

The Proposed Acquisition and Leases of SBP Properties will be undertaken by the Company's wholly-owned subsidiary, BPSB. BPSB was incorporated on 15 April 2014. On 19 August 2024, BPSB adopted its present name (i.e., Binasat Properties Sdn. Bhd. *(formerly known as Binasat (Sabah) Sdn. Bhd.)*). As at the LPD, BPSB is principally involved in investment holding.

Following the Proposed Acquisitions and Leases of SBP Properties, the Group will also principally be involved in managing the acquired assets comprising 3 commercial properties in Selangor.

In respect of the Proposed Acquisitions of Empire City Properties, the Empire City Properties are located in a strategic location (i.e., within Damansara Perdana). The construction work of Empire City Properties is at 60% completion stage as at the LPD, and is expected to be completed in March 2026. Thus, the Board anticipates the Empire City Properties would appreciate in value in the future, for potential capital gain to be realised from the sale of the said properties as and when opportunities arise. At this juncture, the management has not identified such opportunities.



At this initial stage, the cost to commence the operations of the Proposed Diversification involves the costs required for the Proposed Acquisitions of SBP Properties and Proposed Acquisitions of the Empire City Properties. The Group has allocated RM15.63 million from the Proposed Private Placement to part finance the Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties which is expected to be utilised within 6 months from the listing of the Placement Shares. Please refer to **Section 6, Part A** of this Circular for further details.

#### **Future plans pursuant to the Proposed Diversifications**

The Group further intends to carry out the following activities, as and when appropriate opportunities arise:

- (i) to invest in real estate investment trusts (“**REITs**”) which are quoted on Bursa Securities and/ or unquoted REITs; and /or
- (ii) to invest, acquire or trade from time to time any such quoted or unquoted REITs.

At this juncture, the Group has not undertaken the above-mentioned activities involving REITs.

Each allocation of funds or investment under the Proposed Diversifications will be evaluated and assessed by the Board on its own merits. In this regard, the Group will consider the relevant market conditions, growth potential, projected returns and value enhancements of such allocation/ investment to the Group. The Group will remain prudent by taking into account the financial condition and cash flow requirements of the Group in deciding the amount for each allocation/investment and to ensure that the financial exposure of the Group is monitored and managed.

#### **4.2 Property Development and Construction Business**

Further to the above, as part of the Group’s long term strategy of diversifying into other businesses with growth prospects, the Group also intends to venture into the Property Development and Construction Business. This may be achieved through organic approaches or otherwise, including but not limited to, joint ventures, collaborative arrangements, business agreements and/ or mergers and acquisitions of suitable businesses/ investments in the property development and construction industries, as and when suitable opportunities arise.

As at the LPD, the Group has not entered into any such business arrangements or identified any potential acquisition of suitable businesses/ investments in the property development and construction industries. However, the Group will continue to explore and evaluate markets conditions to capture viable opportunities for future business expansion and growth. The Group will make the necessary announcements under the Listing Requirements, if required.

The Group is of the view that the Property Development and Construction Business is deemed to be a natural progression by the Group to further expand its product offering and services, and are synergistic to the Group’s future growth given that the Group’s Existing Businesses also entail certain construction-related activities (i.e., network utility construction services and EPCC of solar facilities).

Notwithstanding the Proposed Diversifications, the Group intends to continue with its Existing Businesses in the same manner. The Group will continuously review the Group’s business operations from time to time with the intention to further improve the Group’s financial performance and position.

## 5. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

### 5.1 Size of placement

As at the LPD, the Company does not have any treasury shares and has:

- (i) 427,125,006 issued Shares; and
- (ii) 194,147,748 outstanding Warrants A.

The Proposed Private Placement will entail the issuance of up to 128,137,500 Placement Shares, representing not more than 30% of the issued share capital of 427,125,006 Shares as at the LPD. The Placement Shares are to be issued to third party investor(s). For the avoidance of doubt, any increase in the number of issued Shares arising from the exercise of the Warrants A as well as issuance of Consideration Shares will not affect the number of Placement Shares to be issued under the Proposed Private Placement.

The actual number of Placement Shares to be issued pursuant to the Proposed Private Placement will depend on the actual number of Shares placed out at date(s) to be determined later, after the approvals set out in **Section 12, Part A** of this Circular have been obtained.

### 5.2 Placement arrangement

The Placement Shares will be placed to third party investor(s) to be identified at a later date and who qualify under Schedules 6 and 7 of the CMSA.

In addition, the Placement Shares are not intended to be placed out to the following parties:

- (i) a director, major shareholder, chief executive of Binasat or the holding company of Binasat ("**Interested Person**");
- (ii) a person connected with an Interested Person; or
- (iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

Subject to market conditions and timing of identification of placees, the Proposed Private Placement may be implemented in multiple tranches within 6 months from the date of approval from Bursa Securities for the Proposed Private Placement or any extended period as may be approved by Bursa Securities. The implementation of the placement arrangement in multiple tranches would provide flexibility to the Company to procure interested investors to subscribe for the Placement Shares within the approval period as approved by Bursa Securities.

For avoidance of doubt, the issue price for each tranche of the Placement Shares shall be determined separately and will be in accordance with market-based principles.

### 5.3 Basis and justification of the issue price of the Placement Shares

The issue price for each tranche of the Placement Shares will be determined separately and fixed by the Board and announced at a later date ("**Price Fixing Date**"), after the receipt of Bursa Securities' approval for the Proposed Private Placement.

The Placement Shares will not be priced at more than 20% discount to the 5-day VWAP of Binasat Shares immediately before the Price Fixing Date.

As the Proposed Private Placement may be implemented in multiple tranches within 6 months from the date of approval from Bursa Securities for the Proposed Private Placement or any extended period as may be approved by Bursa Securities, there could potentially be several price-fixing dates and issue prices.

For illustrative purposes only, based on an assumed issue price of RM0.1300 per Placement Share, the issue price of the Placement Shares would represent a discount of approximately RM0.0258 or 16.56% to the 5-day VWAP of Binasat Shares up to and including the LPD of RM0.1558 (*Source: Bloomberg*).

#### 5.4 Ranking of the Placement Shares

The Placement Shares shall, upon allotment and issuance, carry the same rights with the then existing issued Shares. However, the Placement Shares will not be entitled to any dividends, rights, allotments and/ or other distributions which may be declared, made or paid to the Company's shareholders unless such Placement Shares were allotted and issued on or before the entitlement date of such rights, allotments and/ or other distributions.

#### 5.5 Listing and quotation of the Placement Shares

Bursa Securities had, vide its letter dated 14 March 2025, granted its approval for, amongst others, the listing of the Placement Shares on the ACE Market of Bursa Securities.

### 6. UTILISATION OF PROCEEDS FROM THE PROPOSED PRIVATE PLACEMENT

Based on an assumed issue price of RM0.1300 per Placement Share, the gross proceeds from the Proposed Private Placement are expected to be utilised by the Group as follows:

Proposed use of proceeds	Notes	(RM'000)	Expected time frame for the use of proceeds (from the date of listing of the Placement Shares)
Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties	(1)	15,628	Within 6 months
Estimated expenses for the Proposals	(2)	1,030	Immediate
<b>Total estimated gross proceeds</b>		<b>16,658</b>	

**Notes:**

**(1) Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties**

The Group has earmarked approximately RM15.63 million of the gross proceeds to be raised from the Proposed Private Placement for the Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties. Such proceeds are expected to be allocated in the following manner:

	(RM'000)
Proposed Acquisitions of SBP Properties <sup>(i)</sup>	628
Proposed Acquisitions of Empire City Properties <sup>(ii)</sup>	15,000
<b>Total</b>	<b>15,628</b>

The above allocation is based on the Group's estimation. The allocation of proceeds to be utilised for each purchase consideration are subject to the Group's available funds, operational requirements at the time of utilisation as well as timing for payment of such purchase consideration, and hence will be adjusted between SBP Purchase Consideration and Empire City Purchase Consideration as the Company deems appropriate.

Notes:

- (i) As set out in **Appendix II** of this Circular, among others, upon fulfilment of the conditions precedent ("**Unconditional Date**"), the SBP SPAs are to be completed within 3 months from the Unconditional Date. The SBP Completion Period may be further extended by 1 month. Thus, the Proposed Acquisitions of SBP Properties are expected to be completed within 6 months from the date of the listing of the Placement Shares.
- (ii) As set out in **Section 3, Part A** of this Circular, approximately RM33.83 million of the Empire City Purchase Consideration shall be paid via cash within 14 working days from the date that Empire City SPA becomes unconditional.

While the proceeds to be raised from the Proposed Private Placement are intended for the Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties, the Group would seek alternative sources of funding if the Proposed Private Placement does not materialise or its timing of implementation is delayed.

If the Proposed Acquisitions and Leases of SBP Properties and Proposed Acquisitions of Empire City Properties do not materialise, the proceeds raised from the Proposed Private Placement would be utilised for the working capital for the New Businesses such as procurement of raw materials, payment to subcontractors, engineers and surveyors as well as staff salaries (comprise payment of wages, employees' provident fund and social security organisation contribution to the staff who are involved in the New Businesses). As set out in **Section 4, Part A** of this Circular, the Group may also explore joint ventures, partnerships, cooperation and/ or strategic alliances with third parties who have the relevant expertise and resources to carry out the New Businesses as and when the opportunity arises. As such, the allocation of proceeds to be utilised for each component of working capital is subject to the Group's operational requirements at the time of utilisation.

The Company shall make the necessary announcements and seek the approval of its shareholders, in accordance with the Listing Requirements, where required.

## (2) **Estimated expenses for the Proposals**

The breakdown of the estimated expenses for the Proposals is set out below:

	(RM'000)
Professional fees which include, amongst others, advisory fees payable to the Adviser, solicitors, Valuer and independent market researcher in relation to the Proposals	930
Fees to relevant authorities	40
Other incidental expenses in relation to the Proposals such as printing, despatch, advertising costs, expenses to convene EGM and miscellaneous expenses	60
<b>Total</b>	<b>1,030</b>

The actual proceeds to be raised from the Proposed Private Placement are dependent on the final issue price(s) of the Placement Shares and the actual number of Placement Shares to be issued. Any variation to the amount of estimated expenses in relation to the Proposed Private Placement will result in an adjustment from/ to the portion being earmarked for the Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties.

Pending utilisation of the proceeds from the Proposed Private Placement for the abovementioned purposes, the proceeds may be placed in deposits with financial institutions and/ or short-term money market instruments as the Board may deem fit. The interest derived from the deposits with financial institutions and/ or any gains arising from the short-term money market instruments will be used as the Group's working capital such as defrayment of operational and administrative expenses (e.g., rental expenses, utility charges, maintenance expenses, transportation costs and upkeep of property, plant and equipment). The allocation of proceeds to be utilised for each component of working capital is subject to the Group's operational requirements at the time of utilisation. As such, the detailed allocation can only be determined by the Board at a later date.

## **7. EQUITY FUNDRAISING EXERCISE UNDERTAKEN BY THE COMPANY IN THE PAST 12 MONTHS OF WHICH THE PROCEEDS HAVE YET TO BE FULLY UTILISED**

The Company had on 21 November 2023 announced the Private Placement 2023 and completed the Private Placement 2023 on 28 January 2025. As at the LPD, the Company had in total allotted and issued 38,829,500 placement shares, raising total gross proceeds of RM8.18 million as set out below:

<b>Tranche</b>	<b>Listing date of the placement shares</b>	<b>Issue price (RM)</b>	<b>No. of placement shares</b>	<b>Proceeds raised (RM)</b>
1 <sup>st</sup>	28 May 2024	0.2350	12,000,000	2,820,000
2 <sup>nd</sup>	28 June 2024	0.2500	11,000,000	2,750,000
3 <sup>rd</sup> and final	28 January 2025	0.1650	15,829,500	2,611,868
<b>Total</b>			<b>38,829,500</b>	<b>8,181,868</b>

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As at the LPD, the status of the utilisation of proceeds from the Private Placement 2023 by the Group is as follows:

	Proposed utilisation (RM'000)	Variation* (RM'000)	Revised utilisation (RM'000)	Actual utilisation as at the LPD (RM'000)	Balance unutilised as at the LPD (RM'000)	Estimated timeframe for utilisation from the completion of Private Placement 2023
Repayment of bank borrowings <sup>(i)</sup>	6,021	(391)	5,630	4,400	1,230	By end-January 2027
Working capital for existing and future contracts <sup>(ii)</sup>	2,048	408	2,456	2,456	-	By end-January 2027
Expenses in relation to the Private Placement 2023	113	(17)	96	96	-	Immediate
<b>Total</b>	<b>8,182</b>	<b>-</b>	<b>8,182</b>	<b>6,952</b>	<b>1,230</b>	

Notes:

\* The variation to the utilisation of proceeds raised from the Private Placement 2023 is less than 5% from the total proceeds raised.

- (i) Comprising term loans, trade financing, invoice financing and bank overdraft. The Group intends to make repayments after having considered, among others, the interest costs, penalties for early repayment (if any) and the timing of maturity of the respective bank borrowings.
- (ii) The proceeds are intended to be utilised to part finance the working capital for the Group's existing and new contracts (i.e., procurement of raw materials for the Group's fiber optic network installation work, sub-contractors' costs and staff cost).

Save for Private Placement 2023, the Company has not undertaken other equity fund-raising exercise in the past 12 months of which proceeds raised have yet to be fully utilised.



## 8. RATIONALE FOR THE PROPOSALS

### 8.1 Proposed Acquisitions and Leases of SBP Properties, Proposed Acquisitions of Empire City Properties and Proposed Diversifications

The Proposed Acquisitions and Leases of SBP Properties, Proposed Acquisitions of Empire City Properties and Proposed Diversifications represent the Group's initiative to reduce its dependency on its Existing Businesses.

The Proposed Diversifications are to facilitate the Group's plans to diversify its earnings base and procure alternative income streams through its proposed involvement in the New Businesses, with a view of enhancing shareholder value over the long term and achieving long term growth.

The Board takes cognisance of the following factors in undertaking the Proposed Acquisitions and Leases of SBP Properties, Proposed Acquisitions of Empire City Properties and diversification into the Property Investment and Property Management Business:

- (i) the Group has the opportunity to acquire the SBP Properties and Empire City Properties, which are located in strategic locations. This may enable the Group to capitalise on the demand for tenancy present in the vicinity and realise potential capital gain from the sale of the said properties;
- (ii) the favourable property market outlook in Malaysia as illustrated in **Section 9.2, Part A** of this Circular, which the Group intends to take advantage of through the Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties; and
- (iii) the Proposed Acquisitions and Leases of SBP Properties as well as diversification into Property Investment and Property Management Business will enable the Group to derive an immediate additional income stream which is recurrent in nature from the rental or leasing of the SBP Properties. Further, the LAs (as mentioned in **Section 2.4, Part A** of this Circular and **Appendix III** of this Circular) will provide the Group with a stable and sustainable income stream for a minimum lease period of 9 years. The long term committed occupancy will provide the Group with steady cash flows and income sustainability.

In respect of the Proposed Acquisitions of Empire City Properties, the Empire City Properties are located in a strategic location (i.e., within Damansara Perdana). Thus, the Board anticipates the Empire City Properties would appreciate in value in the future, for potential capital gain to be realised from the sale of the said properties as and when opportunities arise. At this juncture, the management has not identified such opportunities.

Thus, the Proposed Acquisitions and Leases of SBP Properties, Proposed Acquisitions of Empire City Properties and diversification into the Property Investment and Property Management Business are therefore intended to be undertaken concurrently to facilitate the Group's venture into the Property Investment and Property Management Business, in line with the abovementioned factors.

As part of the Group's long-term strategy, the Group also intends to venture and diversify into the Property Development and Construction Business. The Group deems this to be a natural progression, to further expand its product offering and services, and synergistic to the Group's future growth given that the Group's Existing Businesses also entail certain construction-related activities (i.e., network utility construction services and EPCC of solar facilities).

In addition, the Board is of the view that the issuance of the Consideration Shares to part settle the Empire City Purchase Consideration is an appropriate avenue as it allows the Binasat Group to conserve its cash reserves, redirecting them towards its operations and other working capital purposes.

Barring any unforeseen circumstances and premised on the above, the Board believes that the Proposed Acquisitions and Leases of SBP Properties, Proposed Acquisitions of Empire City Properties and Proposed Diversifications will potentially contribute positively to the Group's future earnings potential.

## **8.2 Proposed Private Placement**

After due consideration of the various methods of fund raising, the Board is of the opinion that the Proposed Private Placement is the most appropriate avenue of fund raising at this juncture as:

- (i) it enables the Group to raise funds expeditiously for the proposed utilisation of proceeds as set out in **Section 6, Part A** of this Circular, without incurring interest cost and having to service principal repayments as compared to bank borrowings, thereby allowing the Group to preserve its cash flow;
- (ii) it is comparatively expedient and an efficient avenue to raise the required quantum of funds as opposed to other forms of equity fund raising such as rights issue exercise, where the proceeds are raised on a "lump-sum" basis and such exercise generally takes a longer implementation time. With a private placement, the placees are required to pay the placement funds for a particular tranche within 5 market days from the price fixing date. In addition, fund-raising exercises such as a rights issue may not be suitable as it will involve a cash call from existing shareholders. Moreover, it will also require the Company to identify certain shareholders to provide irrevocable undertakings to subscribe for a minimum number of rights securities or, alternatively, procure underwriting arrangements (which will incur additional cost), in order to achieve a minimum subscription level; and
- (iii) upon completion of the Proposed Private Placement, the enlarged capital base is also expected to strengthen the financial position of the Company.

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## 9. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS

### 9.1 Overview and outlook of the Malaysian economy

The Malaysian economy grew by 5.1% in 2024 (2023: 3.6%), due to continued expansion in domestic demand and are bound in exports. On the domestic front, growth was mainly driven by stronger household spending reflecting favourable labour market conditions, policy measures to support households and healthy household balance sheets. In addition, strong investment approvals and further progress of multi-year projects by the private and public sectors, which includes catalytic initiatives under national master plans (i.e. New Industrial Master Plan, National Energy Transition Roadmap, and National Semiconductor Strategy) provided further impetus to investment growth. On the external front, exports recovered amid steady global growth, continued tech upcycle as well as higher tourist arrivals and spending. This provided support to the current account, leading to a continued surplus of 1.7% of GDP in 2024 (1.5% in 2023).

*(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2024, Bank Negara Malaysia)*

The growth in 2025 is projected between 4.5% and 5.5%, supported by a resilient external sector, benefitting from improved global trade and stronger demand for electrical and electronics (E&E) goods, leveraging the country's strategic position within the semiconductor supply chain. Additionally, robust domestic demand, fuelled by strong private sector expenditure, will support the expansion, through continued implementation of key national master plans and ongoing initiatives. A pertinent initiative which is Government-linked Enterprises Activation and Reform Programme (GEAR-uP), will synergise efforts across government-linked entities to catalyse growth in high growth sectors, encompassing energy transition, advanced manufacturing, food security, healthcare, Islamic finance and biopharmaceuticals. The potential investment from this initiative is expected to amount to RM120 billion over the span of five years. On the production side, most sectors are expected to expand, highlighting the resilience and agility of Malaysia's economy.

*(Source: Belanjawan 2025 Malaysia Madani, Economic Outlook 2025, Ministry of Finance Malaysia)*

### 9.2 Overview and outlook of the property sector in Malaysia

Between 2018 and 2024, commercial, industrial and residential property transactions in Malaysia rose from RM113.2 billion to RM192.9 billion at a compound annual growth rate ("CAGR") of 9.3%. From this,

- (i) commercial property transactions rose from RM29.5 billion to RM58.1 billion at a CAGR of 12.0%;
- (ii) industrial property transactions rose from RM15.0 billion to RM27.9 billion at a CAGR of 10.9%; and
- (iii) residential property transactions rose from RM68.7 billion to RM106.9 billion at a CAGR of 7.6%.

In Selangor, commercial, industrial and residential property transactions rose from RM38.4 billion in 2018 to RM59.4 billion in 2024 at a CAGR of 7.5% whereby:

- (i) commercial property transactions rose from RM7.1 billion to RM14.2 billion at a CAGR of 12.2%;
- (ii) industrial property transactions rose from RM8.3 billion to RM13.5 billion at a CAGR of 8.4%; and

- (iii) residential property transactions rose from RM23.0 billion to RM31.7 billion at a CAGR of 5.5%.

In 2023, the Selangor Government introduced five incentives to drive investments into its Integrated Development Region in South Selangor (“IDRISS”). IDRISS is expected to catalyse the development in the southern part of the state. The development involves an area spanning 40,000 acres in the Sepang and Kuala Langat districts collectively, with an estimated gross development value of RM1.0 trillion. The state government aims to position Selangor as an investment and trade hub in the region through IDRISS. This is ultimately expected to support the state’s property market.

The IMR expects the property market in Malaysia to perform relatively better in 2025, premised on the following:

- (i) the real estate and business services subsector is forecast to increase by 6.3% in 2025, driven by sustained demand for professional services, particularly engineering-related services in construction activities, including new data centre facilities; and
- (ii) the construction sector is forecast to increase by 9.4% in 2025, supported by the improvement in sales of residential houses and construction activities for data centers.

*(Source: IMR Report)*

### **9.3 Overview and outlook of the construction sector in Malaysia**

The construction sector grew by 17.5% in 2024, driven by the acceleration of public infrastructure projects towards the final year of the Twelfth Malaysia Plan (2021 – 2025), the construction of data centres in Malaysia including those slated for construction in Selangor as well as industrial and residential buildings.

The civil engineering subsector grew by 17.3% in 2024, attributable to the acceleration of ongoing infrastructure projects including the east Coast Rail Link (eCRL). Residential and non-residential construction activities will also continue to support the growth of the construction sector, driven by the increasing demand for affordable houses as well as robust economic activities in Malaysia.

The construction sector is further forecast to register a growth of 9.4% in 2025, largely driven by the acceleration of strategic infrastructure projects. The sector is expected to benefit particularly from civil engineering activities such as LRT3 Phase 2.

*(Source: IMR Report)*

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#### 9.4 Prospects of the SBP Properties

The SBP Properties are located within SBP, and form part of the mixed development known as Gravit8 in Kota Bayuemas, Klang, which is sited off the northern (right) side of Pulau Indah Highway travelling from West Port towards Pandamaran. The Kuala Lumpur city centre and Klang are located about 35km due north-east and 6km due north of these properties. Gravit8 also features an eight-acre lake, a shopping mall, retail shops and serviced apartments, all designed to be self-sufficient and integrated seamlessly, allowing residents, occupants, and visitors to enjoy a comfortable transition from one zone to another. The retail component of Gravit8 is expected to have a potential catchment of approximately 370,000 population within a 15-minute drive.

The SBP Properties are also strategically located along Jalan Bayu Laut 4/KS09 and Jalan Bayu Laut 4B/KS09; and is accessible via existing network of roads and highways, amongst others include Jalan Pandamaran and Pulau Indah Highway; efficiently connecting the enclave with other established neighbourhoods. The Bandar Bukit Tinggi and Johan Setia LRT stations of the upcoming LRT Line 3 is located approximately 1.6km and 2km in radius due northeast and southeast of the SBP Properties. The full operation (two phases) of the LRT Line 3 by 2027 is expected to generate footfall to the surrounding developments, thus, boosting commercial activities in the vicinity.

After taking into consideration the strategic location and prospects of the SBP Properties above as well as the outlook of the property market in Malaysia as set out in **Section 9.2, Part A** of this Circular, barring any unforeseen circumstances, the Board (save for the Interested Directors) is of the opinion that the prospects of the SBP Properties are expected to be positive moving forward either through steady rental income and/ or the potential resale of the SBP Properties in the future. The Proposed Leases of SBP Properties shall commence upon completion of the respective Proposed Acquisitions of SBP Properties and hence create an immediate additional income stream for a minimum lease period of 9 years. The long term committed occupancy will provide the Group with steady cash flows and income sustainability. The salient terms of the LAs are set out in **Appendix III** of this Circular. The Group will seek for extension of the lease periods with the existing tenants or seek for new tenants upon the expiry of the LAs. The risk of early termination or non-renewal of the leases of the SBP Properties is set out in **Section 10(iv), Part A** of this Circular.

#### 9.5 Prospects of the Empire City Properties

The Empire City Properties form part of the on-going Empire City development (further details on the Empire City development are set out in **Appendix IV** of this Circular). The Empire City development is located along Jalan PJU 8/8 within Damansara Perdana, about 11km from Kuala Lumpur City Centre. Damansara Perdana neighbours the established and popular townships of Mutiara Damansara and Bandar Utama. Collectively, these three developments are known as the Golden Triangle of Petaling Jaya - one of the most sought-after addresses in the Klang Valley.

The Empire City integrated development features corporate office towers, commercial suites and a thematic mall (certain components within the development are yet to be completed). There are synergistic effects between the different components within the development and this augurs well for the overall development of Empire City, which includes Empire City Properties.

In addition, the Empire City Properties have the advantage of being located within Damansara Perdana, in proximity to notable commercial developments such as PJ Trade Centre (200m away), Empire Damansara (400m away) and Neo Damansara (400m away). The business hub of Damansara Perdana, namely Perdana Business Centre is located about 900m away. The renowned shopping and entertainment district of Mutiara Damansara is located about 1km away from the Empire City Properties. Notable landmarks therein include IKEA, IPC Shopping Centre and The Curve while 1 Utama Shopping Centre in Bandar Utama is situated some 2km away.

The Empire City Properties enjoy good accessibility and connectivity via several highways, namely Lebuhraya Damansara Puchong (“**LDP**”), SPRINT Highway (Penchala Link) and the North Klang Valley Expressway (NKVE). The Damansara-Shah Alam Elevated Expressway (DASH), which is linked to LDP and the Penchala Link, has further improved the overall accessibility and connectivity to the internal network of roads leading to the Empire City Properties. The Empire City Properties are directly accessible from LDP, as well as from the main arterial road of Jalan PJU 8/1 and through the two-way tunnel connecting Jalan PJU 8/8 to Jalan Bukit Lanjan.

After taking into consideration the strategic location and prospects of the Empire City Properties above as well as the outlook of the property market in Malaysia as set out in **Section 9.2, Part A** of this Circular, barring any unforeseen circumstances, the Board is of the opinion that the prospects of the Empire City Properties are expected to be positive moving forward particularly through the potential resale of the Empire City Properties in the future. The construction work of Empire City Properties is at 60% completion stage as at the LPD, and is expected to be completed in March 2026. At this juncture, the management has not identified such opportunities for the resale of the Empire City Properties.

## 9.6 Prospects of the Group

The Group is principally involved in the provision of:

- (i) support services for satellite, mobile and fibre optic telecommunications networks and power transmission as well as support services for telecommunication network;

In February 2021, the Malaysian Government announced the MyDIGITAL initiative and the Malaysia Digital Economy Blueprint. MyDIGITAL sets out a combination of initiatives and targets across three phases of implementation until the year 2030 and the Malaysia Digital Economy Blueprint spells out the efforts and initiatives to deliver the aspirations of MyDIGITAL. MyDIGITAL initiative and the Malaysia Digital Economy Blueprint as well as the introduction of 5G networks in Malaysia will augur well with the Group’s efforts in continuing to secure more contracts related to, amongst others, 5G and fiber optic network projects.

- (ii) transmission and distribution network utility construction services, information technology services as well as EPCC of solar facilities.

As for the solar PV and utilities sectors in Malaysia, the NETR and various renewable energy (“**RE**”) initiatives collectively propel Malaysia towards attaining its long term RE objectives, primarily through harnessing solar, hydro and biofuels energy. These RE initiatives will also encourage the usage of rooftop solar and large-scale solar farms in Malaysia. The Group is looking at growing its utilities infrastructure services segment by tendering for more solar photovoltaic (“**PV**”) related projects in the future.

The Group is also continuously seeking opportunities under the transmission and distribution network utility construction services. In 2024, the Company announced, amongst others, the following new projects:

- (a) on 27 August 2024, the Company announced that its wholly-owned subsidiary, Binasat Sdn. Bhd., accepted a letter of award in respect of the horizontal directional drilling, open cut and cable laying works for the proposed 132 kilovolt (“**kV**”) UGC Subang DCA - Ara Damansara 1 & 2 (UGC Replacement). The contract value for the project is approximately RM23.76 million for a contract period of 730 days;
- (b) on 29 October 2024, the Company announced that BDSB, accepted a letter of award in respect of the establishment of 132/ 33 kV PMU at Genting Kelang GIS, Kuala Lumpur. The contract value for the project is approximately RM46.31 million for a contract period of 540 days; and
- (c) on 6 November 2024, the Company announced that its wholly-owned subsidiary, Binasat Sdn. Bhd., accepted a letter of award in respect of provision of temporary facilities and utilities, engineering design, permits & regulations, construction, testing and commissioning for various works, including civil, mechanical and engineering (M&E), infrastructure, structural, architectural, plumbing, sanitary, firefighting, heating, ventilation, and air conditioning (HVAC), and roadworks for Amazon KUL071 132kV HIS substation. The contract value for the project is approximately RM13.30 million for a contract period of 24 months.

The Proposals represent an opportunity for the Group to diversify and grow its earnings base by tapping upon the opportunities in the growing property market and construction sector as set out in **Sections 9.2 and 9.3, Part A** of this Circular. After taking into consideration the above efforts by the Group, the prospects of the SBP Properties and Empire City Properties as set out in **Sections 9.4 and 9.5, Part A** of this Circular as well as the outlook of the Malaysian economy, property development market and construction sector as set out in **Sections 9.1, 9.2 and 9.3, Part A** of this Circular, barring any unforeseen circumstances, the Proposals are expected to contribute positively to the Group’s revenue and earnings.

(Source: *Management of Binasat*)

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## 10. RISK FACTORS

The risk factors (which may not be exhaustive) pertaining to the Proposed Acquisitions and Leases of SBP Properties, Proposed Acquisitions of Empire City Properties and Proposed Diversifications include but are not limited to the following:

### (i) **Non-completion of the SBP SPAs and Empire City SPA**

The completion of the Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties is conditional upon the fulfilment of the conditions precedent as set out in **Appendix II** and **Appendix V** of this Circular. If any of the conditions precedent is not fulfilled or waived (as the case may be), the Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties may be delayed or terminated, thus resulting in non-materialisation of the potential benefits expected to arise from the Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties. The Board seeks to limit such a risk by taking all reasonable steps towards the fulfilment or waiver of the conditions precedent so as to enable the completion of the Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties.

### (ii) **Risk associated with the valuation of the SBP Properties and Empire City Properties**

With the Proposed Acquisitions and Leases of SBP Properties and Proposed Acquisitions of Empire City Properties, Binasat will be acquiring the SBP Properties and Empire City Properties based on the prevailing aggregate market values as appraised by the Valuer. The aggregate market values of the SBP Properties and Empire City Properties as appraised by the Valuer may not be an indication of, and do not guarantee, the future rental yields or sale price of the SBP Properties and Empire City Properties. As such, save for the rental income derived from the SBP Properties in accordance with the respective LAs, the price at which the Group is able to dispose of the SBP Properties and Empire City Properties, may be lower than as that ascribed by the valuation. Notwithstanding the above, the Company strives to negotiate for reasonable terms in the best interest of the Group.

### (iii) **Risk of physical damage to the SBP Properties**

The design and appearance of the SBP Properties have a direct influence over the demand for space in, and the rental rates of the SBP Properties. The SBP Properties may need to undergo renovation, refurbishment, upgrading and development from time to time to retain their competitiveness and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. The costs of maintaining these properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the buildings age. Further, there can be no assurance that the renovation, refurbishment, upgrading and development works will be able to achieve their intended returns or benefits as the SBP Properties may still be unable to attract new tenants or retain existing tenants, and significant costs may have been incurred by the Group in the course of such asset enhancement works. Nonetheless, such maintenance work would be part of the Group's role in its property management business. The Group will also conduct periodic review of the SBP Properties to ensure continuing upkeep and no material damage to the SBP Properties.



**(iv) Early termination or non-renewal of the leases of the SBP Properties**

Pursuant to the LAs, the SBP Properties will be leased by the following lessees:

<b>SBP Properties</b>	<b>Lessees</b>
SBP Property 1	HAMSB
SBP Property 2	HIBMSB
SBP Property 3	HAMSB

If any of the lessees decide to terminate their leases prior to expiration or do not renew their LAs upon expiration, the Group may be required to secure new lessees at reasonable rental rates in order to maintain or improve the rental income from the SBP Properties. The Board is of the view that the SBP Properties would likely be tenanted/leased to other parties in the event of early termination or non-renewal of the leases upon expiry of their lease terms in view of the strategic locations of these SBP Properties.

**(v) Acquisition risk**

The Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties are expected to contribute positively to the future performance of the Group in the medium to long term. However, there is no assurance that the anticipated benefits of the Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties will be realised after the completion of the Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties, and in the future or that the Group will be able to generate sufficient revenue or profits to offset the associated costs incurred pursuant to the Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties.

In respect of the SBP Properties, BPSB and the lessees (i.e. HAMSB and HIBMSB) have entered into the LAs and such leases of the SBP Properties will commence upon completion of the respective Proposed Acquisitions of SBP Properties. The Proposed Leases of SBP Properties will provide an immediate additional income stream to the Group after completion of the Proposed Acquisitions of SBP Properties.

**(vi) Business diversification risks**

The Proposed Diversifications is expected to result in business diversifications by the Group to the New Businesses which the Group has no direct prior experience. The Group will be subjected to new challenges and risks arising from the New Businesses.

The Proposed Acquisitions of SBP Properties, Proposed Acquisitions of Empire City Properties and Proposed Diversifications are also subject to risks inherent in the property market which the Group has not been significantly exposed to thus far.

For the Property Investment and Proposed Management Business, such risks may include, amongst others, adverse changes to general economic, political and regulatory condition, tax rate, taxation method, interest rate, and risks of expropriation of land by the relevant authority. Further, the value of the SBP Properties and Empire City Properties may either be enhanced or diminished depending on factors such as the development and rental yields within the vicinity of the SBP Properties and Empire City Properties, as well as the local and global market conditions. In such event, the Group's financial position may be adversely affected by the relatively illiquid nature or the lack of marketability of the real estate investments whereby the Group may encounter difficulty to or may be unable to lease or sell the SBP Properties and Empire City Properties on terms favourable to them.



For the Property Development and Construction Business, such risks may include, amongst others, timely commencement or completion of projects, obtaining timely approvals from the regulatory authorities, satisfactory performance of contractors, availability of labour and building materials, fluctuations in the price of building materials, general economic downturn, changes in demand for residential and commercial properties, and changes in the legal and environmental framework within which the property and construction industry operate.

The Group seeks to mitigate these risks by leveraging on the working experience of Ong Soon Lim (the Group Managing Director of the Company) whom shall be assisted Ong Han Ming (the Property Manager of BPSB) (please refer to **Section 4, Part A** of this Circular for further details), engage the services of professionals and contractors with proven track records and relevant experiences as well as careful planning and allocation of resources. Nevertheless, no assurance can be given that any changes to these factors will not have a material adverse effect on the Group's business and earnings in the future.

**(vii) Dependency on key management personnel in New Businesses**

The Group has no prior experience in the New Businesses. Hence, the Group's future success in the New Businesses is highly dependent on the competency and experience of the key management personnel identified to spearhead the Group's New Businesses as set out in **Section 4, Part A** of the Circular.

The Group's success in implementing the New Businesses depends largely on the capabilities, skills, competencies and continued effort of the abovementioned key management personnel. There can be no assurance that the loss of any such personnel through the possibility of resignation without suitable and timely replacement would not have a material adverse effect on the Group's financial performance and business.

Nonetheless, the Group will adopt appropriate approaches including reviewing the remuneration and incentives packages, training and succession planning to retain the existing and groom new key management personnel.

**(viii) Competition risk**

Pursuant to the Proposed Diversifications, the Group will face direct competition from both new entrants and existing players in the New Businesses. The Group may also face disadvantages as a new entrant in the industry as it lacks the relevant track record and brand name, compared to the existing players which enjoy the privilege of their established brand names and reputation in the property market.

The Group will mitigate competition risk by monitoring and adjusting its property investment, development and construction plans in response to changes in economic conditions, fiscal and monetary conditions and market demand. The Group may also explore joint ventures, partnerships, cooperation and/ or strategic alliances with third parties who have the relevant expertise and resources such as reputable developers and/ main contractors, to carry out the New Businesses as and when the opportunity arises. Moving forward, although the Group will actively be on the lookout for such new opportunities which may be beneficial to the Group, the Group will take a prudent approach in investment in properties, accepting construction jobs and contracts as well as evaluating potential landbank acquisitions and development projects. However, there can be no assurance that these efforts will enable the Group to compete successfully and effectively with current and new entrants in the New Businesses.

**(ix) Risk of property overhang**

The Group may face risk of property overhang, commonly caused by over-supply and low demand for properties and other factors such as economic downturns and unfavourable financial conditions. There may be possibility of occurrence of property overhang at the time of completion of the Group's construction and/ or development projects in the future, of which is inevitable. This will affect the sale of the Group's properties and in turn affect the Group's financial performance.

As such, the Group will closely monitor the developments in the property market as well as take careful management planning prior to finalisation of any property investment, construction and/or property development projects. Nevertheless, there can be no assurance that there will not be any adverse impact on the Group's financial performance.

**(x) Dependence of third party contractors**

The Group's Property Development and Construction Business may be dependent on the support of third-party contractors (including sub-contractors) to ensure continuous supply of services and construction materials. Although the Group may not be dependent on any single third party contractor, the contractors' inability to supply sufficient labour (whether skilled or unskilled) and sufficient quality services and building materials and/ or their inability to maintain the performance expected by the Group will inevitably disrupt the progress and/or quality of the Group's Property Development and Construction Business operations.

The Group will be stringent in its selection of third-party contractors for its projects and practise careful planning and close monitoring of project progress to ensure smooth and timely completion of projects.

**(xi) Regulatory risks**

The Group would require certain licences and registrations to operate its New Businesses and must comply with all regulations applicable to the operation of the business in order to retain those licences and registrations. If the Group fails to retain any of these licences or registrations or renew them in a timely manner or at all, the businesses of the Group may also be adversely affected. The Group also faces the risk in the future that such licences may not be renewed or may not be complied with due to unforeseen or uncontrollable events. There may even be restrictions imposed on licences, approvals/permits, limitations on foreign workers imposed by the Ministry of Home Affairs, restrictions/ceiling on import of certain building materials or any other unfavourable laws introduced or amended from time to time. In mitigating such risks, the Group will ensure timely renewal of all the necessary licenses and registrations including complying with all the relevant conditions.

**(xii) Political, economic and environmental considerations**

Adverse developments in political, economic, social and regulatory conditions in Malaysia where the New Businesses will be operating could materially affect its business, operations and financial prospects. Political, economic, social and regulatory uncertainties include but are not limited to the risks of war, riots, expropriation, nationalisation, outbreak of COVID-19, renegotiations or nullification of existing contracts, inflation, changes in interest rates and methods of taxation. The Board takes cognisance of this matter and will take effective measures to mitigate such risks by taking prudent financial management and measures to ensure that changing demands and conditions are met.

## 11. EFFECTS OF THE PROPOSALS

### 11.1 Share capital

The Proposed Acquisitions and Leases of SBP Properties as well as Proposed Diversifications will not have any effect on the Company's share capital.

For illustrative purposes, the pro forma effects of the Proposed Acquisitions of Empire City Properties and Proposed Private Placement on the Company's share capital are as follows:

	<b>No. of Shares</b>	<b>RM</b>
Issued share capital as at the LPD	427,125,006	105,228,451
To be issued pursuant to the Proposed Acquisitions of Empire City Properties	49,023,333	<sup>(i)</sup> 10,294,900
To be issued pursuant to the Proposed Private Placement	476,148,339 128,137,500	115,523,351 <sup>(ii)</sup> 16,657,875
<b>Enlarged issued share capital</b>	<b>604,285,839</b>	<b>132,181,226</b>

Notes:

(i) Based on the issue price of RM0.2100 per Consideration Share.

(ii) Based on an assumed issue price of RM0.1300 per Placement Share.

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## 11.2 NA and gearing

The pro forma effects of the Proposed Acquisitions and Leases of SBP Properties, Proposed Acquisitions of Empire City Properties as well as Proposed Private Placement on the NA and gearing of the Group are as follows:

	Audited as at 31 December 2023 (RM'000)	(I) Subsequent events up to the LPD <sup>(i)</sup> (RM'000)	(II) After (I) and the Proposed Acquisitions and Leases of SBP Properties (RM'000)	(III) After (II) and the Proposed Acquisitions of Empire City Properties <sup>(iii)</sup> (RM'000)	(IV) After (III) and the Proposed Private Placement <sup>(iv)</sup> (RM'000)
Share capital	97,047	105,228	105,228	115,523	132,181
Merger deficit	(16,052)	(16,052)	(16,052)	(16,052)	(16,052)
Retained profits	31,997	31,901	<sup>(ii)</sup> 30,871	30,871	30,871
<b>Equity attributable to owners of the Company/ NA</b>	<b>112,992</b>	<b>121,077</b>	<b>120,047</b>	<b>130,342</b>	<b>147,000</b>
Non-controlling interests	6,035	6,035	6,035	6,035	6,035
<b>Total equity</b>	<b>119,027</b>	<b>127,112</b>	<b>126,082</b>	<b>136,377</b>	<b>153,035</b>
No. of Shares in issue ('000)	388,296	427,125	427,125	476,148	604,286
NA per Share (RM)	0.29	0.28	0.28	0.27	0.24
Total borrowings	21,616	21,616	21,616	21,616	21,616
Gearing (times) <sup>(v)</sup>	0.18	0.17	0.17	0.16	0.14

Notes:

(i) After accounting for the following:

(a) placement of 38,829,500 placement shares. Further details of the Private Placement 2023 (including the issue prices and listing dates for the different tranches of placement shares) are set out in **Section 7, Part A** of this Circular;

(b) expenses amounting to approximately RM0.10 million incurred pursuant to the Private Placement 2023; and

(c) the Disposal of BCSB.

(ii) After accounting for the estimated expenses of approximately RM1.03 million to be incurred pursuant to the Proposals.

(iii) Based on the issue price of RM0.2100 per Consideration Share.

(iv) Based on the assumed issue price of RM0.1300 per Placement Share.

(v) *Computed based total borrowings (comprising bank borrowings and lease liabilities) over total equity.*

The Proposed Diversifications will not have any effect on the NA, NA per Share and gearing of the Group.

### **11.3 Earnings and EPS**

Barring any unforeseen circumstances, the Proposed Acquisitions and Leases of SBP Properties and Proposed Diversifications are expected to contribute positively to the future earnings of Binasat Group. There will be an immediate additional income stream which is recurrent in nature from the rental or leasing of the SBP Properties which will contribute to the earnings and EPS of the Group moving forward.

The Proposed Acquisitions of Empire City Properties are expected to contribute positively to the future earnings of Binasat Group as and when capital gains are recognised from the subsequent sale of the Empire City Properties. Nevertheless, the EPS of the Group is expected to be correspondingly diluted as a result of the increase in the number of Shares from the issuance of Consideration Shares pursuant to the Proposed Acquisitions of Empire City Properties.

The effect of the Proposed Private Placement on the future earnings and EPS of the Group cannot be ascertained at this juncture as it would depend on, among others, the actual issue price(s) and number of the Placement Shares to be issued, and the future earnings of the Group.

The Proposed Private Placement is not expected to have a material effect on the earnings of the Group for the FYE 31 December 2025. However, the EPS of the Group is expected to be correspondingly diluted as a result of the increase in the number of Shares to be issued pursuant to the Proposed Private Placement.

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#### 11.4 Substantial shareholders' shareholdings

The Proposed Acquisitions and Leases of SBP Properties and Proposed Diversifications will not have any effect on the substantial shareholders' shareholdings in the Company.

The pro forma effects of the Proposed Acquisitions of Empire City Properties and Proposed Private Placement on the substantial shareholders' shareholdings in the Company are as follows:

	As at the LPD <sup>(i)</sup>				(I) After the Proposed Acquisitions of Empire City Properties <sup>(ii)</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
<b>Substantial shareholders</b>								
OVSB	96,222	22.53	-	-	96,222	20.21	-	-
HCB	-	-	(iv)96,222	22.53	-	-	(iv)96,222	20.21
Dato' Ong Choo Meng	-	-	(v)96,222	22.53	-	-	(v)96,222	20.21
Na Bon Tiam	38,837	9.09	-	-	38,837	8.16	-	-
CASB	-	-	-	-	49,023	10.30	-	-
MEHSB	-	-	-	-	-	-	(vi)49,023	10.30
Dato' Ng Yee Teck	-	-	-	-	-	-	(vii)49,023	10.30
Dato' Cheah Joi Yong	-	-	-	-	-	-	(vii)49,023	10.30
Placee(s)	-	-	-	-	-	-	-	-

	(II) After (I) and the Proposed Private Placement <sup>(iii)</sup>			
	Direct		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%
<b>Substantial shareholders</b>				
OVSB	96,222	15.92	-	-
HCB	-	-	(iv)96,222	15.92
Dato' Ong Choo Meng	-	-	(v)96,222	15.92
Na Bon Tiam	38,837	6.43	-	-
CASB	49,023	8.11	-	-
MEHSB	-	-	(vi)49,023	8.11
Dato' Ng Yee Teck	-	-	(vii)49,023	8.11
Dato' Cheah Joi Yong	-	-	(vii)49,023	8.11
Placee(s)	128,138	21.20	-	-

Notes:

- (i) *Based on the issued share capital of 427,125,006 Shares as at the LPD.*
- (ii) *Based on the enlarged issued share capital of 476,148,339 Shares after the Proposed Acquisitions of Empire City Properties.*
- (iii) *Based on the enlarged issued share capital of 604,285,839 Shares after the Proposed Private Placement.*
- (iv) *Deemed interested by virtue of its interest in OVSF pursuant to Section 8(4) of the Act. OVSF is a wholly-owned subsidiary of HCB.*
- (v) *Deemed interested by virtue of his interest in HCB, which in turn is the holding company of OVSF, the major shareholder of the Company, pursuant to Section 8(4) of the Act.*
- (vi) *Deemed interest pursuant to Section 8(4) of the Act by virtue of its interest in CASB.*
- (vii) *Deemed interest pursuant to Section 8(4) of the Act by virtue of his interest in MEHSB, which in turn is the holding company of CASB.*

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The pro forma public shareholding spread pursuant to the Proposals is illustrated as follows:

Particulars	As at the LPD		(I) After the Proposed Acquisitions and Leases of SBP Properties		(II) After (I) and the Proposed Acquisitions of Empire City Properties		(III) After (II) and the Proposed Private Placement	
	No. of Shares (‘000)	(i)%	No. of Shares (‘000)	(i)%	No. of Shares (‘000)	(ii)%	No. of Shares (‘000)	(iii)%
Issued share capital	427,125	100.00	427,125	100.00	476,148	100.00	604,286	100.00
Less:								
Treasury shares	-	-	-	-	-	-	-	-
Directors of the Group <sup>(iv)</sup>	4,004	0.94	4,004	0.94	4,004	0.84	4,004	0.66
Substantial shareholders of the Company (except where such shareholder may be included as “public”) Associates of Directors or substantial shareholders of the Company	135,059	31.62	135,059	31.62	184,082	38.66	184,082	30.46
<b>Public shareholding spread</b>	<b>288,062</b>	<b>67.44</b>	<b>288,062</b>	<b>67.44</b>	<b>288,062</b>	<b>60.50</b>	<b>416,200</b>	<b>68.88</b>

Notes:

- (i) Based on the issued share capital of 427,125,006 Shares as at the LPD.
- (ii) Based on the enlarged issued share capital of 476,148,339 Shares after the Proposed Acquisitions of Empire City Properties.
- (iii) Based on the enlarged issued share capital of 604,285,839 Shares after the Proposed Private Placement and assuming each of the placees will not emerge as a substantial shareholder of the Company.
- (iv) Including the directors of subsidiaries of the Company.

The Proposals are not expected to result in a breach of the public shareholding spread requirement by the Company under Rule 8.02(1) of the Listing Requirements, which stipulates that a listed corporation must ensure that at least 25% of its total listed shares (excluding treasury shares) are in the hands of public shareholders.

### 11.5 Convertible securities

Save for the 194,147,748 outstanding Warrants A, the Company does not have any other outstanding convertible securities as at the LPD. In accordance with the provisions of the deed poll constituting the Warrants A, the Proposals will not result in any adjustment to the exercise price and number of outstanding Warrants A.

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## 12. APPROVALS REQUIRED AND CONDITIONALITY

The Proposals are subject to the following approvals being obtained:

- (i) the approval of Bursa Securities for the:
  - (a) listing of the Consideration Shares to be issued pursuant to the Proposed Acquisitions of Empire City Properties; and
  - (b) listing of the Placement Shares to be issued pursuant to the Proposed Private Placement,

on the ACE Market of Bursa Securities;

The approval has been given by Bursa Securities in its letter dated 14 March 2025 subject to, amongst others, the following conditions:

Conditions		Status of compliance
(a)	Binasat and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Acquisitions of Empire City Properties and Proposed Private Placement;	To be complied.
(b)	Binasat to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders in general meeting approving the Proposals;	To be complied.
(c)	Binasat and TA Securities to inform Bursa Securities upon the completion of the Proposed Acquisitions of Empire City Properties, Proposed Private Placement and Proposed Diversifications;	To be complied.
(d)	Binasat to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Acquisitions of Empire City Properties, Proposed Private Placement and Proposed Diversifications are completed;	To be complied.
(e)	TA Securities to furnish Bursa Securities with details of the placees as per Rule 6.16 of the Listing Requirements for its review, prior to the issuance/ allotment of the Placement Shares; and	To be complied.
(f)	compliance by Binasat with the public shareholding spread upon completion of the Proposed Acquisitions of Empire City Properties. In this connection, TA Securities is to furnish a schedule containing the information set out in Appendix 8E, Chapter 8 of the Listing Requirements to Bursa Securities, prior to the issuance of the Consideration Shares.	To be complied.

- (ii) the approval of the Company's shareholders at an EGM to be convened; and
- (iii) the approvals/ consents of any other relevant authorities/ parties, if required.

### **Percentage ratio**

- (i) The highest percentage ratio applicable to the Proposed Acquisitions and Leases of SBP Properties pursuant to Rule 10.02(g) of the Listing Requirements is approximately 11.03% derived by the SBP Purchase Consideration of RM8.34 million and total rental income from the SBP Properties of RM4.12 million over the Group's NA attributable to owners of the Company as at 31 December 2023 of RM112.99 million.
- (ii) The highest percentage ratio applicable to the Proposed Acquisitions of Empire City Properties pursuant to Rule 10.02(g) of the Listing Requirements is approximately 84.81% derived by the Empire City Purchase Consideration of RM73.54 million over the Company's market capitalisation of RM86.70 million computed based on 5-day VWAP of the Shares up to and including the LTD.

### **Conditionality**

The Proposed Acquisitions and Leases of SBP Properties and Proposed Acquisitions of Empire City Properties are conditional upon the Proposed Diversifications but not vice versa.

The Proposed SBP Acquisition 1, Proposed SBP Acquisition 2 and Proposed SBP Acquisition 3 are not inter-conditional with each other. The Proposed Leases of SBP Properties are inter-conditional with the respective Proposed Acquisitions of SBP Properties.

The Proposed Acquisitions and Leases of SBP Properties is not conditional upon the Proposed Acquisitions of Empire City Properties and vice versa.

The Proposed Acquisitions and Leases of SBP Properties, Proposed Acquisitions of Empire City Properties and Proposed Diversifications are not conditional upon the Proposed Private Placement.

The Proposed Private Placement is not conditional upon the Proposed Acquisitions and Leases of SBP Properties, and Proposed Acquisitions of Empire City Properties.

The Proposed Private Placement is conditional upon the Proposed Diversifications.

The Proposals are not conditional upon any other corporate proposal undertaken or to be undertaken by the Company.

## **13. CORPORATE EXERCISE/ SCHEME ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposed Mandate, the Board confirms that the Company does not have any other outstanding corporate exercise/ scheme which has been announced by the Company but is pending implementation or completion prior to the printing of this Circular.

## **14. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE OF THE COMPANY AND/ OR PERSONS CONNECTED WITH THEM**

Save as disclosed below, none of the directors, major shareholders of Binasat and/ or persons connected with them has any interest, direct or indirect, in the Proposals.

### **Interested Directors**

- (i) Teh Li King is a Non-Independent Non-Executive Director of Binasat. He is also a director of HAMS B. He is interested in the Proposed Acquisitions and Leases of SBP Properties by virtue of his involvement as the Group Chief Operating Officer of the Hextar group of companies, which comprise of among others, HHSB.

HHSB is the holding company of HAMSB (the vendor of SBP Property 3, and lessee of SBP Property 1 and SBP Property 3) and HIB. HIB is the holding company of HIBMSB (the lessee of SBP Property 2).

- (ii) Ong Soon Lim is the Group Managing Director of Binasat. He is the brother of Dato' Ong Soon Ho (who is a person connected to an Interested Major Shareholder) and uncle to Dato' Ong Choo Meng. Accordingly, he is interested in the Proposed Acquisitions and Leases of SBP Properties.

**Interested Major Shareholders and persons connected with them**

- (i) Dato' Ong Choo Meng is a major shareholder of Binasat via his indirect interest in Binasat held through HCB, the holding company of OVSB.

He is also a major shareholder of HIB via his indirect interest in HIB held through HHSB, the holding company of HIB. HIB is the holding company of HIBMSB.

HHSB is the holding company of HAMSB and HIB as at the LPD. Accordingly, Dato' Ong Choo Meng is interested in the Proposed Acquisitions and Leases of SBP Properties.

- (ii) OVSB is a major shareholder of Binasat as at the LPD. OVSB is also a wholly-owned subsidiary of HCB.

OVSB and HCB are persons connected to Dato' Ong Choo Meng by virtue of his shareholdings in HCB. Accordingly, OVSB and HCB are deemed interested in the Proposed Acquisitions and Leases of SBP Properties.

- (iii) Datin Lim Wai Yee, the spouse of Dato' Ong Choo Meng, is the vendor of SBP Property 1. Accordingly, Datin Lim Wai Yee (being a person connected to Dato' Ong Choo Meng) is deemed interested in the Proposed Acquisitions and Leases of SBP Properties.

- (iv) Ong Tzu Chuen, the sister of Dato' Ong Choo Meng, is the vendor of SBP Property 2. Accordingly, Ong Tzu Chuen (being a person connected to Dato' Ong Choo Meng) is deemed interested in the Proposed Acquisitions and Leases of SBP Properties.

- (v) Dato' Ong Soon Ho, the father of Dato' Ong Choo Meng, is a director and shareholder of HHSB. HHSB is the holding company of HAMSB, being the vendor for SBP Property 3. HAMSB is also the lessee of SBP Property 1 and SBP Property 3. Accordingly, Dato' Ong Soon Ho is deemed interested in the Proposed Acquisitions and Leases of SBP Properties.

- (vi) Ong Soon Hooi, the brother of Dato' Ong Soon Ho and uncle of Dato' Ong Choo Meng, is a director of HAMSB, being the vendor for SBP Property 3 as well as director of HIBMSB, being the lessee of SBP Property 2. Accordingly, Ong Soon Hooi is deemed interested in the Proposed Acquisitions and Leases of SBP Properties.

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As at the LPD, the direct and indirect shareholdings of the Interested Directors, Interested Major Shareholders and persons connected with the Interested Major Shareholders are as follows:

	Direct		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%
<b><u>Interested Directors</u></b>				
Teh Li King	-	-	-	-
Ong Soon Lim	-	-	-	-
<b><u>Interested Major Shareholders</u></b>				
OVS	96,222	22.53	-	-
HCB	-	-	*96,222	22.53
Dato' Ong Choo Meng	-	-	^96,222	22.53
<b><u>Persons connected with the Interested Major Shareholders</u></b>				
Datin Lim Wai Yee	-	-	-	-
Ong Tzu Chuen	-	-	-	-
Dato' Ong Soon Ho	-	-	-	-
Ong Soon Hooi	-	-	-	-

Notes:

\* Deemed interested by virtue of its interest in OVS pursuant to Section 8(4) of the Act.

^ Deemed interested by virtue of his interest in HCB pursuant to Section 8(4) of the Act.

The Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant meetings of the Board in relation to the Proposed Acquisitions and Leases of SBP Properties.

The Interested Directors and Interested Major Shareholders will also abstain from voting in respect of their direct and/ or indirect shareholdings in the Company, on the resolution pertaining to the Proposed Acquisitions and Leases of SBP Properties at the Company's forthcoming EGM. In addition, the Interested Directors and Interested Major Shareholders have undertaken to ensure that persons connected with them will abstain from voting in respect of their direct and/ or indirect shareholdings in the Company on the resolutions pertaining to the Proposed Acquisitions and Leases of SBP Properties at the Company's forthcoming EGM.

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**15. TRANSACTION(S) WITH THE SAME RELATED PARTIES IN THE PRECEDING 12 MONTHS**

Save for the Proposed Acquisitions and Leases of SBP Properties, the recurrent related party transactions ("RRPT") as stated in the circular to shareholders of Binasat dated 29 April 2024 in relation to the proposed renewal of existing shareholders' mandate for RRPT of a revenue or trading nature and proposed new shareholders' mandate for RRPT of a revenue or trading nature which have been tabled and approved at the 7<sup>th</sup> annual general meeting of Binasat on 28 June 2024, Proposed Mandate as set out in Part C of this Circular and as disclosed below, there is no other transaction entered into between Binasat and the related parties, namely the Interested Directors, Interested Major Shareholders and persons connected with them for the 12 months preceding the date of this Circular:

Transacting parties		Interested persons	Nature of transaction <sup>(g)</sup>	Past 12 months up to the LPD (RM'000)
Binasat Group	Related parties			
Binasat Sdn. Bhd.	Reszon Diagnostics International Sdn. Bhd. ("Reszon") <sup>(a)</sup>	OVSB <sup>(b)</sup> , HCB <sup>(c)</sup> , Dato' Ong Choo Meng <sup>(c)</sup> , Ong Soon Lim <sup>(d)</sup>	Purchase of medical supplies related products, such as but not limited to medical devices (e.g., blood pressure monitor, mechanical personal scale with height measurement, blood glucose test, blood glucose test strips etc) and test kits for various disease (e.g., COVID-19, dengue etc).	1,347
Binasat Sdn. Bhd.	Pacific Office (M) Sdn. Bhd. ("Pacific Office") <sup>(e)</sup>	OVSB <sup>(b)</sup> , HCB <sup>(c)</sup> , Dato' Ong Choo Meng <sup>(c)</sup> , Ong Soon Lim <sup>(d)</sup> , Teh Li King <sup>(f)</sup>	Purchase of office supply such as but not limited to office stationeries (e.g., masking tape, A4 paper, file, stapler, staples, pen, pencil etc), pantry items and utilities (e.g., mineral water etc), and computer media items (printer ink etc).	9

Notes:

- (a) On 5 August 2024, the Company announced that its wholly-owned subsidiary, Binasat Sdn. Bhd., had in the ordinary course of business entered into RRPT with Reszon. Reszon is a wholly-owned subsidiary of Hextar Healthcare Berhad (a company listed on Main Market of Bursa Securities).
- (b) Hextar Rubber Sdn. Bhd. is a major shareholder of Hextar Healthcare Berhad.
- (b) OVSB is a major shareholder of Binasat. OVSB is a wholly-owned subsidiary of HCB.
- (c) Dato' Ong Choo Meng is deemed interested pursuant to Section 8(4) of the Act by virtue of his interests in HCB, which in turn is the holding company of OVSB, the major shareholder of the Company.



*Dato' Ong Choo Meng is a major shareholder of Hextar Healthcare Berhad pursuant to Section 8(4) of the Act by virtue of his interests in Hextar Rubber Sdn. Bhd.*

*Dato' Ong Choo Meng is a major shareholder of HIB via his indirect interest in HIB held through HHSB, the holding company of HIB.*

(d) *Ong Soon Lim is the Group Managing Director of Binasat, and uncle of Dato' Ong Choo Meng.*

(e) *Pacific Office is a wholly-owned subsidiary of HIB.*

*HHSB is a major shareholder of HIB.*

(f) *Teh Li King, is the Non-Independent Non-Executive Director of Binasat. He is the Group Chief Operating Officer of the Hextar group of companies, which comprise of among others, HHSB (the holding company of HIB). On 26 February 2025, he has retired as Non-Independent Non-Executive Director of HCB.*

(g) *The Company intends to seek approval from its shareholders for these transactions under a new shareholders' mandate. Further details are set out in Part C of this Circular.*

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## 16. AUDIT COMMITTEE'S STATEMENT

The Audit and Risk Management Committee having considered, amongst others, the views of the Independent Adviser on, among others, the Proposed Acquisitions and Leases of SBP Properties and all aspects of the Proposed Acquisitions and Leases of SBP Properties, including the rationale and prospects of the SBP Properties and of the Group, the salient terms of the SBP SPAs and LAs, basis and justification for the SBP Purchase Consideration and rental rates, and risks in relation to the Proposed Acquisitions and Leases of SBP Properties, is of the opinion that the Proposed Acquisitions and Leases of SBP Properties is:

- (i) in the best interest of the Company;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interests of the minority shareholders of the Company.

## 17. DIRECTORS' STATEMENT AND RECOMMENDATION

### **Proposed Acquisitions and Leases of SBP Properties**

The Board (save for the Interested Directors) after having considered all aspects of the Proposed Acquisitions and Leases of SBP Properties, including the rationale and prospects of the SBP Properties and of the Group, the salient terms of the SBP SPAs and LAs, basis and justification for the SBP Purchase Consideration and rental rates, and risks in relation to the Proposed Acquisitions and Leases of SBP Properties, is of the opinion that the Proposed Acquisitions and Leases of SBP Properties is in the best interest of the Company.

Accordingly, the Board (save for the Interested Directors) recommends that you vote in favour of the resolutions pertaining to the Proposed Acquisitions and Leases of SBP Properties to be tabled at the forthcoming EGM.

### **Proposed Diversifications, Proposed Acquisitions of Empire City Properties and Proposed Private Placement**

The Board, after having considered all aspects of the Proposed Diversifications, Proposed Acquisitions of Empire City Properties and Proposed Private Placement, including the rationale, prospects, risk factors, the salient terms of the Empire City SPA, basis and justification for the Empire City Purchase Consideration, the utilisation of proceeds of the Proposed Private Placement and the financial effects is of the opinion that the Proposed Diversifications, Proposed Acquisitions of Empire City Properties and Proposed Private Placement are in the best interest of the Company.

Accordingly, the Board recommends that you vote in favour of the resolutions pertaining to the Proposed Diversifications, Proposed Acquisitions of Empire City Properties and Proposed Private Placement to be tabled at the forthcoming EGM.

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## 18. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposals are expected to be completed in 2<sup>nd</sup> quarter of 2026.

The tentative timetable for the Proposals is as follows:

Events	Tentative timeline
• EGM for the Proposals	23 April 2025
• SBP SPAs becoming unconditional	By end-April 2025
• Empire City SPA becoming unconditional	By end-May 2025
• Listing of and quotation for the Placement Shares and completion of the Proposed Private Placement	By end-July 2025
• Completion of Proposed Acquisitions of SBP Properties	
• Completion of Proposed Acquisitions of Empire City Properties	By end-May 2026

## 19. EGM

The resolutions in respect of the Proposals are set out in the notice of the EGM contained in this Circular. The EGM will be held on Wednesday, 23 April 2025 at 10:00 a.m. or at any adjournment thereof at the Hextar Hall, Level 17, Hextar Centre, Hextar Tower, No. 8, Jalan Damansara, Empire City, PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, for the purpose of considering and, if thought fit, passing with or without modification the resolutions pertaining to the Proposals.

If you are unable to attend and vote in person at the EGM, you may complete and return the relevant Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at Poll Administrator's Office at Bina Management (M) Sdn. Bhd. of Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan or email to [binawin@binamg168.com](mailto:binawin@binamg168.com) not less than 48 hours before the time for convening the forthcoming EGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

## 20. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Your faithfully  
For and on behalf of the Board  
**BINASAT COMMUNICATIONS BERHAD**

**TAN SRI DATUK CHAM HAK LIM**  
*Independent Non- Executive Chairman*

**PART B**

**INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS IN RELATION  
TO THE PROPOSED ACQUISITIONS AND LEASES OF SBP PROPERTIES AND PROPOSED  
DIVERSIFICATIONS**

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## EXECUTIVE SUMMARY

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ALL DEFINITIONS USED IN THIS EXECUTIVE SUMMARY SHALL HAVE THE SAME MEANING AS THE WORDS AND EXPRESSIONS PROVIDED IN THE “DEFINITIONS” SECTION OF PART A OF THE CIRCULAR, EXCEPT WHERE THE CONTEXT OTHERWISE REQUIRES OR WHERE OTHERWISE DEFINED IN THIS IAL.

THIS EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE PERTINENT INFORMATION OF THE RPT PROPOSALS (AS DEFINED HEREINAFTER). NON-INTERESTED SHAREHOLDERS ARE ADVISED TO READ CAREFULLY THE CONTENTS OF THIS IAL IN ITS ENTIRETY FOR FURTHER INFORMATION AND THE RECOMMENDATIONS FROM SCA, BEING THE INDEPENDENT ADVISER IN RELATION TO THE RPT PROPOSALS. THIS IAL SHOULD ALSO BE READ IN CONJUNCTION WITH PART A OF THE CIRCULAR, INCLUDING THE APPENDICES THEREIN, FOR ANY OTHER RELEVANT INFORMATION BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE RPT PROPOSALS AT THE FORTHCOMING EGM OF THE COMPANY.

### 1. INTRODUCTION

On 4 December 2024, TA Securities had on behalf of the Board announced that the Company proposed to undertake the Proposals.

In view of the interests of the Interested Directors, Interested Major Shareholders and/or persons connected with them, the Proposed Acquisitions and Leases of SBP Properties are deemed to be related party transactions pursuant to Rule 10.08 of the Listing Requirements.

In this respect, the Board (save for the Interested Directors) had on 26 July 2024 appointed SCA as the Independent Adviser to advise the non-interested Directors and non-interested shareholders of the Company on the fairness and reasonableness of the terms of the Proposed Acquisitions and Leases of SBP Properties. Further, the Proposed Acquisitions and Leases of SBP Properties are conditional upon the Proposed Diversifications as set out in Section 12, Part A of the Circular and as such, SCA has also commented on the Proposed Diversifications. The Proposed Acquisitions and Leases of SBP Properties and Proposed Diversifications are collectively referred to as the (“RPT Proposals”).

The purpose of this IAL is to provide the Board and non-interested shareholders with an independent evaluation on the fairness and reasonableness of the RPT Proposals and whether the RPT Proposals are to the detriment of the non-interested shareholders as well as to provide a recommendation thereon on the voting of the resolutions pertaining to the RPT Proposals to be tabled at the forthcoming EGM.

### 2. EVALUATION OF THE RPT PROPOSALS

In arriving at our opinion and recommendation on the RPT Proposals, we had taken into consideration the following bases and analysis:

Consideration factors	Section	Our evaluation
(a) Rationale and justification of the RPT Proposals	5.1	<u>Proposed Acquisitions and Leases of SBP Properties</u>  With the Proposed Acquisitions and Leases of SBP Properties, the Group’s rental income will increase immediately by approximately RM0.42 million (for the first twelve (12) month of the rental period) following the completion of the RPT Proposals and is expected to contribute positively to the future earnings and cash flows of the Group. With the minimum lease period of nine (9) years as per the LAs, it will provide stable and sustainable rental income to the Group.

Consideration factors	Section	Our evaluation
		<p>The Proposed Acquisitions and Leases of SBP Properties will rejuvenate the rental income contribution to the Group with an immediate additional income stream that will help to reduce its dependency on its Existing Businesses as well as to enjoy the potential capital gain from the sale of the SBP Properties in the future, if any.</p> <p><u>Proposed Diversifications</u></p> <p>The Proposed Diversification is undertaken in accordance with Rule 10.13 (1) of the Listing Requirements which will in turn facilitate the implementation of the Proposed Acquisitions and Leases of SBP Properties with the aim of enabling the Group to venture into a new area of business, i.e. to include the Property Investment and Property Management Business as well as the Property Development and Construction Business and such businesses are reasonably expected to contribute more than 25% of the Group's net profits and may result in a diversion of more than 25% of the Group's NA going forward.</p> <p>The Group's Existing Businesses will remain as the primary revenue contributor. With the addition of the Property Investment and Property Management Business as well as the Property Development and Construction Business, it will provide new business opportunities to the Group and barring any unforeseen circumstances, it will contribute positively to the Group moving forward.</p> <p>We are of the opinion that the rationale and justification for the RPT Proposals are reasonable, and it is not detrimental to the non-interested shareholders of the Company.</p>
<b>(b) Evaluation of the RPT Proposals</b>		
(i) Basis and justification of determining the SBP Purchase Consideration	5.2.1	<p>The SBP Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration, inter-alia, the following:-</p> <ul style="list-style-type: none"> <li>(i) the market value of the SBP Properties of RM8,340,000 as appraised by the Valuer based on the date of valuation of the SBP Properties on 18 October 2024;</li> <li>(ii) the rationale for the Proposed Acquisitions and Leases of SBP Properties as set out in Section 8.1, Part A of the Circular; and</li> <li>(iii) the prospect of the SBP Properties as set out in Section 9.4, Part A of the Circular.</li> </ul> <p>We concurred with the Valuer that the Income Approach (Investment Method) is the most appropriate valuation method in arriving at the market values of the SBP Properties considering that the qualitative and quantitative adjustments are more difficult to be computed or gauged (in the case of more complex real estate such as shopping complexes, hotels, hospitals, office buildings, shop-offices and other income generating or investment properties) to reflect the differences of the comparable and the property being valued.</p>

Consideration factors	Section	Our evaluation
		<p>Moreover, the LAs will be executed with the respective tenants and hence, the rental income can be reliably forecasted.</p> <p>After considering the above, opinion of the Board, the prospect and outlook of the SBP Properties, we are of the opinion that the SBP Purchase Consideration is fair, reasonable and not detrimental to the non-interested shareholders.</p>
(ii) Salient terms of the SBP SPAs	5.2.2	We are of the view that the overall terms and conditions of the SBP SPAs are fair and reasonable and not detrimental to the non-interested shareholders of the Company.
(iii) Salient terms of the LAs	5.2.3	We are of the view that the overall terms and conditions of the LAs are fair and reasonable and not detrimental to the non-interested shareholders of the Company.
(c) Industry overview and prospects	5.3	<p>We note that the Malaysia's property transaction value for the year 2024 recorded the highest volume and value of property transactions in Malaysia over the past decade. This impressive growth was fueled by a robust expansion in market activities across all sub-sectors. The volume and value of transactions expanded by 5.4% and 18.0%, respectively, reaching 420,545 transactions worth RM232.30 billion, compared to 2023 (399,008 transactions worth RM196.83 billion).</p> <p>The SBP Properties are part of the Gravit8 mixed development in Kota Bayuemas, Klang, located off the Pulau Indah Highway, about 35km from Kuala Lumpur and 6km from Klang. Gravit8 includes an eight-acre lake, a shopping mall, retail shops, and serviced apartments, designed to be self-sufficient and seamlessly integrated for a smooth experience for residents and visitors. The retail area is expected to cater to a catchment of around 370,000 people within a 15-minute drive.</p> <p>The properties are well-connected, accessible via major roads like Jalan Pendamaran and Pulau Indah Highway. Additionally, the Bandar Bukit Tinggi and Johan Setia LRT stations, part of the upcoming LRT Line 3, are located 1.6km and 2km away, respectively. The full operation of the LRT by 2027 is expected to boost local commercial activity.</p> <p>The prospects of the SBP Properties are expected to be positive in view of its strategic location, good accessibility, growing demand for shop-office in the vicinity of the SBP Properties.</p> <p>The Proposed Leases for SBP Properties will start once the respective acquisitions are completed, providing an immediate additional income stream for at least nine (9) years. This long-term commitment ensures steady cash flow and income stability for the Group. The Group also plans to extend the lease periods with current tenants or find new ones after the leases expire. The risks associated with early termination or non-renewal of the leases are outlined in Section 10(iv), Part A of the Circular. In addition, the Proposed Acquisitions of SBP Properties are inter-conditional with the Proposed Leases of SBP Properties, which allows the Company to generate steady stream of rental income during the Lease Term and increase the earnings of the Company moving forward.</p>



Consideration factors	Section	Our evaluation
(d) Risk factors relating to the RPT Proposals	5.4	<p>The non-interested shareholders should also take note of the additional risk factor in relation to the RPT Proposals:-</p> <ul style="list-style-type: none"> <li>(i) The SBP Properties may face increasing competition from other properties; and</li> <li>(ii) Devaluation of SBP Properties.</li> </ul> <p>We also wish highlight that despite efforts and measures taken by the Company to mitigate the risks associated with the RPT Proposals, no assurance can be given that one or a combination of risk factors as stated above and in Section 10, Part A of the Circular will not occur and give rise to material and adverse impact on the business and operations of the Company, its financial performance, financial position or prospects thereon.</p>
(e) Financial effects of the RPT Proposals	5.5	<p>The financial effects of the RPT Proposals are as follows:</p> <ul style="list-style-type: none"> <li>(i) The RPT Proposals will not have any effect on the Company's share capital and substantial shareholders' shareholdings in the Company as the RPT Proposals do not involve any new issuance of Shares.</li> <li>(ii) Proposed Acquisitions and Leases of SBP Properties will not have any material impact to the Group's total borrowings as the SBP Purchase Consideration is expected to be fully satisfied by cash via a combination of proceeds to be raised from the Proposed Private Placement, the Group's internally-generated funds and/or bank borrowings.</li> <li>(iii) The Proposed Acquisitions and Leases of SBP Properties are not expected to have a material impact on the Group's earnings for the FYE 31 December 2025 as the Proposed Acquisitions and Leases of SBP Properties are expected to be completed by third quarter of year 2025. The impact of the RPT Proposals on the earnings and EPS of the Group moving forward will depend on the future earnings generated from the New Businesses.</li> </ul> <p>The financial effects of the RPT Proposals are not detrimental to the interest of the non-interested shareholders of the Company.</p>

### 3. CONCLUSION AND RECOMMENDATION

Premised on our overall assessment of the RPT Proposals, we are of the opinion that the terms of the RPT Proposals are **fair and reasonable** and are **not detrimental** to the interests of the non-interested shareholders of the Company.

Accordingly, we recommend that the non-interested shareholders to vote in favour of the resolutions pertaining to the RPT Proposals to be tabled at the forthcoming EGM of the Company.

We have not taken into consideration any specific investment objective, risk profiles, financial and tax situation and particular needs of any individual non-interested shareholders. We recommend that any non-interested shareholders who require advice in relation to the RPT Proposals in the context of their individual investment objectives, risk profiles, financial and tax situation and particular needs, consult their respective stockbrokers, bank managers, accountants, solicitors or other professional advisers.

NON-INTERESTED SHAREHOLDERS OF THE COMPANY ARE ADVISED TO READ BOTH THIS IAL AND PART A OF THE CIRCULAR TOGETHER WITH THE ACCOMPANYING APPENDICES AND CAREFULLY CONSIDER THE RECOMMENDATION CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE RPT PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.

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Date: 7 April 2025

To: The Non-Interested Shareholders of Binasat Communications Berhad

Dear Sir/Madam,

**BINASAT COMMUNICATIONS BERHAD (“COMPANY”)**

**INDEPENDENT ADVICE LETTER (“IAL”) IN RELATION TO THE RPT PROPOSALS (AS DEFINED  
HEREINAFTER)**

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*This IAL is prepared for inclusion in the Circular dated 7 April 2025 and should be read in conjunction with the same. All definitions used in this IAL shall have the same meaning as the words and expressions provided in the definitions section of Part A of the Circular, except where the context otherwise requires or where otherwise defined herein.*

**1. INTRODUCTION**

On 4 December 2024, TA Securities had on behalf of the Board announced that the Company proposed to undertake the Proposals.

In view of the interests of the Interested Directors, Interested Major Shareholders and/or persons connected with them, the Proposed Acquisitions and Leases of SBP Properties are deemed to be related party transactions pursuant to Rule 10.08 of the Listing Requirements.

In this respect, the Board (save for the Interested Directors) had on 26 July 2024 appointed SCA as the Independent Adviser to advise the non-interested Directors and non-interested shareholders of the Company on the fairness and reasonableness of the terms of the Proposed Acquisitions and Leases of SBP Properties. Further, the Proposed Acquisitions and Leases of SBP Properties are conditional upon the Proposed Diversifications as set out in Section 12, Part A of the Circular and as such, SCA has also commented on the Proposed Diversifications. The Proposed Acquisitions and Leases of SBP Properties and Proposed Diversifications are collectively referred to as the (“RPT Proposals”).

The purpose of this IAL is to provide the Board and non-interested shareholders with an independent evaluation on the fairness and reasonableness of the RPT Proposals and whether the RPT Proposals are to the detriment of the non-interested shareholders as well as to provide a recommendation thereon on the voting of the resolutions pertaining to the RPT Proposals to be tabled at the forthcoming EGM.

Other than for this intended purpose, this IAL should not be used for any other purpose and/or by any other persons and/or reproduced, wholly or partially, without our express written consent.

Non-interested shareholders are advised to read this IAL and Part A of the Circular together with the appendices thereon, and to carefully consider the recommendations contained herein before voting on the resolutions pertaining to the RPT Proposals to be tabled at the forthcoming EGM. If you are in doubt about the course of action to be taken, you should consult your stockbroker, bank manager, accountant, solicitor or other professional advisers immediately.

## 2. DETAILS OF THE RPT PROPOSALS

The details of the RPT Proposals are set out in Section 2 and Section 4, Part A of the Circular and should be read in their entirety.

## 3. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS OF THE COMPANY AND/OR PERSONS CONNECTED WITH THEM

The interests of the Interested Directors, Interested Major Shareholders and/or persons connected with them, collectively referred to as “Interested Parties” are set out in Section 14, Part A of the Circular.

The Interested Parties have abstained and will continue to abstain from all deliberations and voting for the RPT Proposals at the relevant meetings. The Interested Major Shareholders and persons connected with them will also abstain from voting in respect of their direct and/or indirect shareholding in the Company, if any, on the resolutions pertaining to the RPT Proposals to be tabled at the forthcoming EGM.

## 4. LIMITATIONS TO THE EVALUATION OF THE RPT PROPOSALS

SCA was not involved in the formulation of the RPT Proposals or any deliberation and negotiation on the terms and conditions of the RPT Proposals.

The terms of reference of our appointment as the Independent Adviser are in accordance with the requirements relating to independent adviser as set out in Rule 10.08 of the Listing Requirements and the Best Practice Guide in relation to IAL issued by Bursa Securities.

Our role as an Independent Adviser does not extend to expressing an opinion on the commercial merits of the RPT Proposals, which is solely the responsibility of the Board, although we may draw upon their views in arriving at our opinion. As such, where comments or points of the consideration are included on matters, which may be commercially oriented, these are incidental to our overall financial evaluation and concern matters, which we may deem material for disclosure. Further, our terms of reference do not include us rendering an expert opinion on legal, accounting and taxation issues relating to the RPT Proposals. SCA's terms of reference as Independent Adviser is limited to expressing our independent evaluation of the RPT Proposals which is based on the sources of information as highlighted below.

In rendering our advice, we have taken note of the pertinent issues which we have considered important in enabling us to assess the implication of the RPT Proposals, and therefore of general concern to the non-interested shareholders of the Company, as such:

- (i) the scope of SCA's responsibility regarding the evaluation and recommendation contained herein is confined to the assessment of the fairness and reasonableness of the RPT Proposals and other implications of the said proposals only. Comments or points of the consideration which may be commercially oriented such as the rationale and potential benefits of the RPT Proposals are included in our overall evaluation as we deem it necessary to enable the non-interested shareholders of the Company to consider and form their views thereon;
- (ii) SCA's views and advice as contained in this IAL only caters to the non-interested shareholders of the Company at large and not to any non-interested shareholders individually. Hence, in carrying out our evaluation, we have not given consideration the specific investment objectives, risk profiles, financial and tax situations and particular needs of any individual non-interested shareholder or any specific group of non-interested shareholders; and

- (iii) we recommend that any individual non-interested shareholder or group of non-interested shareholders of the Company who is in doubt as to the action to be taken or required advice in relation to the RPT Proposals in the context of their individual objectives, risk profiles, financial and tax situations or particular needs, shall consult their respective stockbrokers, bankers, solicitors, accountants or other professional advisers immediately. We shall not be liable for any damage or loss sustained or suffered by any individual shareholders or any group of shareholders.

In performing our evaluation, we have relied on the following sources of information:

- (i) The Company's announcement on 4 December 2024 in relation to the Proposals;
- (ii) The Company's annual reports for the FYE 30 June 2021, FYE 30 June 2022 and 18M-FPE 31 December 2023;
- (iii) The Company's interim financial statements for the FYE 31 December 2024;
- (iv) The SBP SPAs and LAs;
- (v) The Valuation Certificate and SBP Valuation Report;
- (vi) Information contained in Part A of the Circular and the appendices attached thereto;
- (vii) Other relevant information furnished to us by the management of the Company; and
- (viii) Other publicly available information which we deemed relevant and reasonable.

We have made all reasonable enquiries and have relied on the Board and management of the Company to exercise due care to ensure that all information, documents as mentioned above and relevant facts, information and representation for our evaluation of the RPT Proposals had been disclosed to us and after making all reasonable enquiries and to the best of our knowledge and belief, that such information is accurate, reasonable, complete, valid and there is no omission of material facts, which would make any information provided to us incomplete, misleading or inaccurate.

We have not undertaken an independent investigation into the business of the Company and the SBP Properties, as well as are not aware of any fact or matter not disclosed which renders any such information untrue, inaccurate or misleading or the disclosure of which might reasonably affect our evaluation and opinion as set out in this IAL. We have also assumed that the RPT Proposals will be implemented based on the terms as set out in Appendices II and III of the Circular, without material waiver or modification.

The Board has, individually and collectively, accepted full responsibility that all material facts, financial and other information essential to our evaluation have been disclosed to us, that they have seen this IAL, and for the accuracy of the information in respect of the RPT Proposals (save for those in relation to our evaluation and opinion pertaining to the same) as prepared herein and confirmed that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission, of which would make any statement herein incomplete, false and/or misleading.

We are satisfied with the disclosures from the Board and management of the Company and that sufficient information has been obtained, and to the best of our knowledge and belief, the information is accurate, reasonable, complete, valid and free from material omission. We have also performed our reasonableness check and where possible, corroborating such information with independent sources. Our evaluation and recommendation expressed herein are based on prevailing economic, market and other conditions, and the information and/or documents made available to us, as at the LPD. Such conditions may change over a short period of time.

Accordingly, our evaluation and recommendation expressed herein do not take into account the information, events and conditions arising after the date hereof. After the dispatch of this IAL, should SCA become aware of any significant change affecting the information contained in this IAL or have reasonable grounds to believe that there is material omission in this IAL, we will immediately notify the shareholders. If circumstances require, a supplementary IAL will be sent accordingly to the shareholders.

SCA confirms that it is not aware of any conflict-of-interest situation or any circumstances which exist or likely to give rise to a possible conflict of interest situation for SCA to carry out the role as the Independent Adviser in connection with the RPT Proposals. SCA also confirms that it has not being engaged by the Company to provide any professional services in the past two (2) years.

SCA is permitted to carry on the regulated activity of advising on corporate finance under the Capital Markets and Services Act, 2007. SCA has undertaken the role as an independent adviser for corporate exercises in the past two (2) years before the date of this IAL, which include amongst others:-

- (i) the acquisition by Radiant Globaltech Berhad of the remaining 20% equity interest in Grand-Flo Sprivest Sdn Bhd, an 80% owned subsidiary of Radiant Globaltech Berhad, from Jejaka 7 Capital Sdn Bhd, for a total cash consideration of RM12,605,000, as per our independent advice letter dated 7 June 2023;
- (ii) the acquisition by W T K Holdings Berhad of 70% equity interest in Durafarm Sdn Bhd for a total cash consideration of RM132.20 million, as per our independent advice letter dated 19 October 2023;
- (iii) the acquisition by RedPlanet Berhad of 51% equity interest in Azti Technology Sdn Bhd for a purchase consideration of RM7.65 million to be satisfied via a combination of cash consideration of RM5.36 million and share consideration of RM2.29 million via issuance of 10,928,571 new RedPlanet Berhad shares at an issue price of RM0.21 per share, as per our independent advice letter dated 1 November 2023;
- (iv) the acquisition by Chin Hin Group Berhad of 6,218,200 ordinary shares in Ajiya ("**Ajiya Share(s)**"), representing an equity interest of approximately 2.11% in Ajiya for a total cash consideration of approximately RM9.51 million or RM1.53 per Ajiya Share ("**Ajiya Acquisition**") and the resultant proposed mandatory general offer to acquire all the remaining Ajiya Shares not already own by Chin Hin Group Berhad after the Ajiya Acquisition at an offer price of RM1.53 per Ajiya Share, as per our independent advice letter dated 7 November 2023;
- (v) the acquisition by Pacific Trustee Berhad, acting as the Trustee of Atrium Real Estate Investment Trust, of a leasehold land held under Title No H.S (D) 324738, PT -, Tempat Industrial Site at Batu Tiga, Mukim Damansara, Daerah Petaling, Negeri Selangor Darul Ehsan measuring 24,295.208 sq m together with all the buildings and structures erected thereon from a related party, Amazing Blitz Sdn Bhd, for a total cash consideration of RM41.00 million, as per our independent advice letter dated 16 January 2024;
- (vi) the acquisition by Amverton Prop Sdn Bhd, an indirect wholly owned subsidiary of HIL Industries Berhad of 100% equity interest in Broadwise Corporation Sdn Bhd from Puan Sri Datin Catherine Yeoh Eng Neo, Dato' Milton Norman Ng Kwee Leong and Konsep Kekal Sdn Bhd for a cash consideration of RM46.0 million as well as the acquisition by Amverton Prop Sdn Bhd of a parcel of freehold land measuring approximately 3.0 acres located in Mukim Batu, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur from A&M Modern Homes Sdn Bhd for a cash consideration of RM47.0 million, as per our independent advice letter dated 28 February 2024;
- (vii) the acquisition by Pesona Metro Holding Berhad of 51.0% equity interest in Gaya Kuasa Sdn Bhd for a total cash consideration of RM40.80 million, as per our independent advice letter dated 19 September 2024; and
- (viii) the acquisition by MClean Technologies Berhad of the plastic injection moulding business of WE Total Engineering Sdn Bhd, for a total cash consideration of approximately RM6.04 million, as per our independent advice letter dated 22 November 2024.

Premised on the foregoing, SCA is capable and competent in carrying out its role and responsibilities as the Independent Adviser to advise the non-interested Directors and the non-interested shareholders in relation to the RPT Proposals.

## 5. EVALUATION OF THE RPT PROPOSALS

In evaluating the RPT Proposals, we have considered the followings:

- (i) Rationale and justification for the RPT Proposals;
- (ii) Evaluation of the Proposed Acquisitions and Leases of SBP Properties:
  - (a) Basis and justification of determining the SBP Purchase Consideration; and
  - (b) Salient terms of the SBP SPAs and LAs;
- (iii) Industry overview and prospects;
- (iv) Risk factors relating to the RPT Proposals; and
- (v) Financial effects of the RPT Proposals

### 5.1 Rationale and justification of the RPT Proposals

The details of the RPT Proposals are as set out in Sections 2 and 4, Part A of the Circular and the rationale for the RPT Proposals are set out in Section 8, Part A of the Circular.

#### Proposed Acquisitions and Leases of SBP Properties

Currently, the Group is principally involved in two (2) major business segments as follows:-

- (i) Provision of support services for the three (3) key telecommunications network mediums in Malaysia, namely satellite, mobile and fibre optic telecommunications networks; and
- (ii) provision of power and telecommunication infrastructure works.

As set out in Section 4, Part A of the Circular, among others, the summary of the Group's financial performance for the FYE 30 June 2021, FYE 30 June 2022, 18M-FPE 31 December 2023 and the latest unaudited financial results for the FYE 31 December 2024 are set out below:-

	FYE 30 June 2021	Audited FYE 30 June 2022	18M-FPE 31 December 2023	Unaudited FYE 31 December 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	53,847	83,508	132,208	111,907
PAT/LAT	2,427	5,420	(12,484)	2,093
Rental income	422	426	298	111

(Source: the Company's annual reports and interim financial statements for the FYE 31 December 2024)

Based on the Company's annual report for the 18M-FPE 31 December 2023, the Group's investment properties are set out as follows:-

No.	Title No/ Address	Description of property	Existing use
1.	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.	Three storey cluster corporate factory	Vacant



No.	Title No/ Address	Description of property	Existing use
2.	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.	Three storey shop office	Rented to third party
3.	Parcel No TKP3/DS-114 erected on land held under HS(D) 40768, PT 56152, Mukim Dengkil, Daerah Sepang, Selangor. No 85, Jalan SP ¾, Salak Perdana, 43900, Sepang, Selangor.	Two and half storey terrace house	Rented to third party

Based on the above, the Group has generated a steady stream of rental income arising from its investment properties for the FYE 30 June 2021 and FYE 30 June 2022 mainly due to the rental income derived from two (2) units double storey semi-detached adjoining office building bearing the postal address No 17 & 19, Jalan Bukit Permai Utama 3, Taman Industri Bukit Permai, 56100, Kuala Lumpur (“Bukit Permai Properties”). On 9 August 2023, the Company announced that its wholly-owned subsidiary, namely Binasat Sdn Bhd had entered into a sale and purchase agreement for the disposal of the Bukit Permai Properties for the disposal consideration of RM10.50 million, which was completed on 12 November 2023. Thereafter, with the cancellation of the tenancy agreement for the Bukit Permai Properties in March 2023, this has resulted in the drop of rental income for the 18M-FPE 31 December 2023. With the Proposed Acquisitions and Leases of SBP Properties, the Group’s rental income will increase immediately by approximately RM0.42 million (for the first twelve (12) month of the rental period, calculated based on the monthly rental rate of RM6,871 each for SBP Property 1 and SBP Property 2 as well as the monthly rental rate of RM20,871 for SBP Property 3), following the completion of the RPT Proposals and is expected to contribute positively to the future earnings and cash flows of the Group. With the minimum lease period of nine (9) years as per the LAs, it will provide stable and sustainable rental income to the Group.

Premised on the above, the Proposed Acquisitions and Leases of SBP Properties will rejuvenate the rental income contribution to the Group with an immediate additional income stream that will help to reduce its dependency on its Existing Businesses. Besides, the SBP Properties are strategically located along Jalan Bayu Laut 4/KS09 and Jalan Bayu Laut 4B/KS09 within Sazean Business Park. The shop office components form part of the mixed development known as Gravit8. This will enable the Group to enjoy the potential capital gain from the sale of the SBP Properties in the future, if any.

#### Proposed Diversifications

The Proposed Diversifications are undertaken in accordance with Rule 10.13 (1) of the Listing Requirements which will in turn facilitate the implementation of the Proposed Acquisitions and Leases of SBP Properties with the aim of enabling the Group to venture into a new area of business, i.e. to include the Property Investment and Property Management Business as well as the Property Development and Construction Business and such businesses are reasonably expected to contribute more than 25% of the Group’s net profits and may result in a diversion of more than 25% of the Group’s NA going forward.

The Group currently has three (3) investment properties and has been generating rental income to the Group for the FYE 30 June 2021, FYE 30 June 2022, 18M-FPE 31 December 2023 and FYE 31 December 2024. However, the Group will be able to tap on the experience of its current Managing Director, namely Ong Soon Lim together with the key employees of the New Businesses, who possess the relevant technical and operational expertise in property investment and management business.

The Group's Existing Businesses will remain as the primary revenue contributor. With the addition of the Property Investment and Property Management Business as well as the Property Development and Construction Business, it will provide new business opportunities to the Group and barring any unforeseen circumstances, it will contribute positively to the Group moving forward.

Premised on the above, we are of the opinion that the rationale and justifications for the RPT Proposals are reasonable as the RPT Proposals augurs well with the long-term strategy of the Group and is expected to contribute a steady and sustainable rental income to the Group following the completion of the RPT Proposals. Nevertheless, the non-interested shareholders of the Company should note that the potential benefits arising from the RPT Proposals, are subject to certain risk factors as disclosed in Section 10, Part A of the Circular as well as Section 5.4 of this IAL.

## 5.2 Evaluation of the Proposed Acquisitions and Leases of SBP Properties

### 5.2.1 Basis and justification of determining the SBP Purchase Consideration

The basis and justification of arriving at the SBP Purchase Consideration is set out in Section 2.2, Part A of the Circular.

The SBP Purchase Consideration was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the following, amongst others:-

- (i) the market value of the SBP Properties of RM8,340,000 as appraised by the Valuer based on the date of valuation of the SBP Properties on 18 October 2024;
- (ii) the rationale for the Proposed Acquisitions and Leases of SBP Properties as set out in Section 8.1, Part A of the Circular; and
- (iii) the prospect of the SBP Properties as set out in Section 9.4, Part A of the Circular.

We note that the SBP Valuation Report was prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. We have reviewed the qualifications of the Valuer, scope of engagement, methodologies and assumptions adopted as well as the resultant valuations.

We have made all reasonable enquiries and conducted our own reviews, where possible, with regard to the SBP Valuation Report provided to us, and are satisfied that the methodologies and assumptions provide a reasonable basis for the Valuer in arriving at their valuations. The non-interested shareholders are advised to read our commentaries below and refer to the Valuation Certificate enclosed in Appendix VI of the Circular.

The brief description of the market value of the SBP Properties as extracted from the SBP Valuation Report are tabulated below:-

Type of property/property address	Type of property	Lot No	Property address
Four (4)-storey intermediate terraced shop-office	Lot	128306	No 61, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor
	Lot	128305	No 62, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor
Six (6)-storey corner terraced shop-office	PT	133765	No 66, Jalan Bayu Laut 4B/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor

Legal Description Lot(s) 128306, 128305 and PT 133765 held under title no(s) GRN 190272, 190271 and HSD 138159 respectively, all located within Mukim and District of Klang, Selangor.

Valuation methodologies	Description	Primary Method	Secondary Method
	Valuation methodology	Income approach - Investment method	Comparison approach
	Value (RM)	8,340,000	8,300,000

Valuation date 18 October 2024

The description of the methodologies adopted by the Valuer are as follows:-

Valuation methodology	General description
Income Approach	This approach involves capitalisation of the net annual income stream that is expected to be received from the property after deducting the annual outgoings and other operating expenses incidental to the property with allowance for void by using an appropriate market derived capitalisation rate.
Comparison Approach	This approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by adjustments made for differences in factors that affect value. In general, a property being valued (SBP Properties) are compared with sales of similar properties that have been transacted in the open market. Listings and offers may also be considered.

Based on the International Valuation Standard ("IVS"), there are three (3) principal valuation approaches, namely market approach (comparison approach), income approach and cost approach which may all be applied to the valuation of assets depending on the nature of the assets, the information available and the fact and circumstances surrounding the valuation of the subject matter. Taking into consideration that the SBP Properties are commercial and income generating properties with proposed lease structures, the Valuer has adopted the market value as derived from the income approach by investment method as a fair representation for the SBP Properties supported by the market value derived from the comparison approach. For the cost approach, it is also required to be based on market derived inputs when the objective is the determination of market value but otherwise it is usually a last resort approach when there are insufficient market data for undertaking valuations by the market approach or the income approach or for properties that are specialised in nature and where there are no clear supporting market sale evidences. It is always the less preferred method, in assessment where insufficient data or specialised assets then, cost approach will only be then considered.

#### Income approach - investment method

The key bases and assumptions adopted by the Valuer based on the income approach and our commentaries are as follows:-

Details	Justification
<u>Average Gross Revenue</u> <u>SBP Property 1 and SBP Property 2</u> i. Term	The Valuer has adopted the income approach as the primary methodology to appraise the market value of SBP Properties, which seek to determine the present value of the net cash flow by projecting the future cash inflow from the gross rental received and deducting the net cash outflow for the maintenance of the SBP Properties and discounting the future net cash flow based on an appropriate

Details				Justification																				
<table><tr><th>Term</th><th>1</th><th>2</th><th>3</th></tr><tr><th>Year</th><th>Year 1 to 3</th><th>Year 4 to 6</th><th>Year 7 to 9</th></tr><tr><td>Monthly rental (RM)</td><td>6,871</td><td>7,558</td><td>8,314</td></tr><tr><td>Equivalent monthly rental (RM psf)</td><td>1.20</td><td>1.32</td><td>1.45</td></tr><tr><td>Step up</td><td>-</td><td>10%</td><td>10%</td></tr></table>				Term	1	2	3	Year	Year 1 to 3	Year 4 to 6	Year 7 to 9	Monthly rental (RM)	6,871	7,558	8,314	Equivalent monthly rental (RM psf)	1.20	1.32	1.45	Step up	-	10%	10%	discount rate (also known as the capitalisation rate).
Term	1	2	3																					
Year	Year 1 to 3	Year 4 to 6	Year 7 to 9																					
Monthly rental (RM)	6,871	7,558	8,314																					
Equivalent monthly rental (RM psf)	1.20	1.32	1.45																					
Step up	-	10%	10%																					
There are two (2) phases combined to determine the projected future cash flow:-																								
i. <u>Term phase</u>																								
The term phase is the projected net cash flow from the SBP Properties based on the terms set out in the LAs. The projected net cash flow is appraised from the date of valuation until the expiry date of each of the LAs minus the term outgoings and then discounted at a term capitalisation rate.																								
ii. <u>Reversionary phase</u>																								
The reversionary phase is the projected net cash flow from the SBP Properties following the expiry on the LAs. As the SBP Properties are freehold, the projected net cash flow is appraised upon the date of expiry of each of the LAs and projected until perpetuity, discounted at a reversionary capitalisation rate.																								
We note that the term rental rates for SBP Properties are based on contractual rental rates as per the LAs. In relation to the reversionary rate, we also note that the Valuer has adopted the current passing rental of other selected shop-offices in the immediate scheme in region of about RM1.10 psf to RM1.25 psf. The Valuer has considered and made diligent adjustment for prevailing market condition and differences including but not limited to the location, accessibility, floor area, building accreditation, condition/ specification, design and facilities offered in their assessment.																								
The selected adjusted rentals of shop offices located within the surrounding vicinity are summarised as follows:-																								
<table><tr><th>Description</th><th>Adjusted rental</th></tr><tr><td>An intermediate shop office located at Sazean Business Park, Kota Bayuemas (5,000 sqft)</td><td>RM1.05 per sqf</td></tr><tr><td>An intermediate shop office located at Sazean Business Park, Kota Bayuemas (5,000 sqft)</td><td>RM1.15 per sqf</td></tr><tr><td>An intermediate shop office located at Sazean Business Park, Kota Bayuemas (4,000 sqft)</td><td>RM1.20 per sqf</td></tr></table>				Description	Adjusted rental	An intermediate shop office located at Sazean Business Park, Kota Bayuemas (5,000 sqft)	RM1.05 per sqf	An intermediate shop office located at Sazean Business Park, Kota Bayuemas (5,000 sqft)	RM1.15 per sqf	An intermediate shop office located at Sazean Business Park, Kota Bayuemas (4,000 sqft)	RM1.20 per sqf													
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An intermediate shop office located at Sazean Business Park, Kota Bayuemas (5,000 sqft)	RM1.05 per sqf																							
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An intermediate shop office located at Sazean Business Park, Kota Bayuemas (4,000 sqft)	RM1.20 per sqf																							
(Source: SBP Valuation Report)																								
Based on the above, we are of the view that the term and reversionary rental rates are reasonable.																								

Details	Justification										
Void @ 5.0%	<p>A void allowance is provided to reflect vacancy periods between rent review which include the rent free and fitting out period.</p> <p>The Valuer has adopted a void allowance of 5.0% of the annual income in reversionary period as fair representation for allowance of void, unforeseen vacancies, possible rent-free periods, fitting out periods and possibility of bad debts.</p> <p>Premised on the above, we are of the view that the long-term void allowance of 5.0% adopted by the Valuer is reasonable.</p>										
<u>Outgoings</u> <p>i. Term</p> <ul style="list-style-type: none"> <li>- Year 1 to 3: RM0.15 psf/month over the LA;</li> <li>- Year 4 to 6: RM0.16 psf/ month over the LA;</li> <li>- Year 7 to 9: RM.18 psf/ month over the LA.</li> </ul> <p>ii. Reversion</p> <p>RM0.15 psf/ month over the LA</p>	<p>The outgoings adopted were based on historical outgoings of the SBP Properties, which ranges from RM0.07 psf/ month to RM0.22 psf/ month with an average outgoings of RM0.145 psf/ month and benchmarked against the existing historical outgoings of the development as well as other selected shop office assets in Klang Valley.</p> <p>We are of the view that the basis for the outgoings adopted by the Valuer is reasonable.</p>										
<u>Capitalisation rate</u> <p>i. Term</p> <p>4.25% to 4.75%</p> <p>ii. Reversion</p> <p>4.25%</p>	<p>A range of term yield are benchmarked against prevailing market rate and adjusted +/- 25 basis point for every step-up rent differences from market rent to reflect whether committed rental rates are under, over or at market rate.</p> <p>In arriving at the capitalisation rate, the Valuer had conducted a yield analysis based on selected transactions of shop office located within the surrounding vicinity, which are set out as follows:-</p> <table border="1"> <thead> <tr> <th>Description</th><th>Analysed Yield</th></tr> </thead> <tbody> <tr> <td>Lot PT 133766, Jalan Bayu Laut 4B/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor</td><td>4.33%</td></tr> <tr> <td>Lot 128242, Jalan Bayu Laut 1/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor</td><td>4.15%</td></tr> <tr> <td>Lot 128308, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor</td><td>4.08%</td></tr> <tr> <td>Lot 128314, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor</td><td>4.15%</td></tr> </tbody> </table> <p>(Source: SBP Valuation Report)</p> <p>We note that the Valuer has benchmarked against the yield of shop office transactions in Sazean Business Park, of which the SBP Properties are located, and the analysed yield ranges from 4.08% to 4.33%.</p>	Description	Analysed Yield	Lot PT 133766, Jalan Bayu Laut 4B/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor	4.33%	Lot 128242, Jalan Bayu Laut 1/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor	4.15%	Lot 128308, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor	4.08%	Lot 128314, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor	4.15%
Description	Analysed Yield										
Lot PT 133766, Jalan Bayu Laut 4B/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor	4.33%										
Lot 128242, Jalan Bayu Laut 1/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor	4.15%										
Lot 128308, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor	4.08%										
Lot 128314, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor	4.15%										

Details	Justification
	<p>In arriving at the existing yield for the SBP Properties, the Valuer has adopted the reversionary yield of 4.25% as fair and reflective of the market condition.</p> <p>Premised on the above, we are of the view that the yields adopted by the Valuer are reasonable.</p>

### Comparison approach

The following sales evidence of intermediate terraced shop-office in the immediate scheme were used by the Valuer to arrive at the market value:-

Description	Comparable 1	Comparable 2	Comparable 3
Address	Lot 128242, Jalan Bayu Laut 1/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor	Lot 128308, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor	Lot 128314, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor
Property type	Four (4)-storey intermediate terraced shop-office	Four (4)-storey intermediate terraced shop-office	Four (4)-storey intermediate terraced shop-office
Land area	1,647 sf	1,647 sf	1,647 sf
Tenure	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity
Transaction date	7 June 2023	28 March 2023	13 March 2023
Consideration	RM1,650,000	RM1,680,000	RM1,650,000
Analysis	RM1,002 psf	RM1,020 psf	RM1,002 psf
Vendor	Rameshwari Rasammah Ramachandra	Masazwin Sdn Bhd	Chai Hup Pee
Purchaser	Ekku Engineering Sdn Bhd	TG Chemical (M) Sdn Bhd	TG Chemical (M) Sdn Bhd
Source	Jabatan Penilaian dan Perkhidmatan Harta ("JPPH")		
Adjustment	Nil	Nil	Nil
Adjusted value per sq.ft.	RM1,002 psf	RM1,020 psf	RM1,002 psf

For information purposes, adjustment will be made to the comparable asset under the following circumstances:-

- when the SBP Properties and the comparable asset have similar circumstances, no adjustment is required;
- when the comparable asset is superior to the SBP Properties, a negative adjustment is made; and
- when the comparable asset is inferior to the SBP Properties, a positive adjustment is made.

No adjustments are being made to the Comparable above as all the Comparable are located within the same vicinity and having similar attributes to the SBP Property 1 and SBP Property 2. The Valuer has placed greater reliance on Comparable 1 (being the latest transaction date) and thus adopted a round up value of RM1,650,000 in its valuation using the comparison approach.

The following sales evidence of end-lot/ corner terraced shop-office in the immediate scheme were used by the Valuer to arrive at the market value:-

Description	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Address	Lot PT 127761, Jalan Ramin 3/KS7, Botanic Business Gateway, 41200, Klang, Selangor	Lot PT 127816, Jalan Ramin 1/KS07, Botanic Business Gateway, 41200, Klang, Selangor	Lot PT 142665, Pusat Perdagangan Bestari, 41200, Klang, Selangor	Lot PT 140592, Jalan Bayu Laut 4A/KS09, Sazean Business Park, Kota Bayuemas, 41200, Klang, Selangor
Property type	Three (3)-storey corner terraced shop-office	Three (3)-storey corner terraced shop-office	Three (3)-storey end-lot terraced shop-office	Four (4)-storey corner terraced shop-office
Land area	2,895 sf	3,185 sf	2,651 sf	3,305 sf
Tenure	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity
Transaction date	26 April 2024	24 May 2023	15 May 2023	25 November 2022
Consideration	RM4,500,000	RM4,500,000	RM3,250,000	RM3,500,000
Analysis	RM1,554 psf	RM1,413 psf	RM1,226 psf	RM1,059 psf
Vendor(s)	Cheng Chin Heng, Ho Chok Chong, Siew Poh Chen and Soh Chee Keong	Tan Boon Pin and Lim Lai Sim	Goodpark Development Sdn Bhd	Vibrantline Sdn Bhd
Purchaser(s)	Claws Veterinary Clinic Sdn Bhd	Multi Ascending Holdings Sdn Bhd	Cha Keng Lee, Cha Rong Sen, Cha Wee Meng and Lim Boy Chu	Nic Nic Fashion House Sdn Bhd
Source	JPPH			
Adjustment	-5.00%	0.00%	20.00%	25.00%
Adjusted value per sq.ft.	RM1,477 psf	RM1,413 psf	RM1,471 psf	RM1,390 psf

The basis of the adjustments for circumstances to derive the adjusted value from the analysis of the comparable asset is as follows:

Adjustment	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Location	-20.00%	-20.00%	0.00%	0.00%
Exposure	0.00%	0.00%	0.00%	10.00%
Land area (sf)	-5.00%	0.00%	-5.00%	0.00%
Tenure	0.00%	0.00%	0.00%	0.00%
Plot ratio/ efficiency	15.00%	15.00%	15.00%	10.00%
Location configuration	0.00%	0.00%	5.00%	5.00%
Others - improvements	5.00%	5.00%	5.00%	0.00%
Effective adjustment	-5.00%	0.00%	20.00%	25.00%

Based on the above, the derived values range from RM1,390 psf to RM1,477 psf. In view of limited recorded transactions of identical corner shop offices in the immediate and surrounding localities, the Valuer has resorted to adopt the selected comparable as set out above in their assessment after making necessary adjustments.

The Valuer has placed greater reliance on Comparable 4 (being located within the Sazean Business Park) after having considered and made diligent adjustments for prevailing market condition, exposure, plot ratio/ efficiency and lot configuration.

As a result, the market value of the SBP Property 3 derived from the comparison approach was RM5,000,000, calculated as follows:-

SBP Property 3's land area (A)	Adjusted value psf (B)	(C) = (A) X (B)
3,606 sq.ft	RM1,390 psf	RM5,012,340, rounded down to RM5,000,000



We concurred with the Valuer that the Income Approach (Investment Method) is the most appropriate valuation method in arriving at the market values of the SBP Properties considering that the qualitative and quantitative adjustments are more difficult to be computed or gauged (in the case of more complex real estate such as shopping complexes, hotels, hospitals, office buildings, shop-offices and other income generating or investment properties) to reflect the differences of the comparable and the property being valued. Moreover, the LAs will be executed with the respective tenants and hence, the rental income can be reliably forecasted.

After considering the above, opinion of the Board, the prospect and outlook of the SBP Properties, we are of the opinion that the SBP Purchase Consideration is fair, reasonable and not detrimental to the non-interested shareholders.

Notwithstanding the above, non-interested shareholders should note that the market price of the SBP Properties may be affected by various factors, including but not limited to, liquidity risk (i.e. the process of selling and buying property can be time consuming). The Valuer's valuations do not account for the effort, time, marketability, buyer demand, uncertainty relating to a property sale and potential transaction costs that would be required to dispose of the assets and realise the intrinsic value of the SBP Properties.

## 5.2.2 Salient terms of the SBP SPAs

The salient terms of the SBP SPAs are as disclosed in Appendix II of the Circular. Non-interested shareholders are advised to read Appendix II of the Circular in the entirety.

Our comments on the salient terms of the SBP SPAs are as follows:-

Salient terms				SCA Comments																				
1.	<u>Parties involved and SBP Purchase Consideration</u> <table><thead><tr><th>SBP Properties</th><th>Vendor</th><th>Purchaser</th><th>Purchase Consideration (RM)</th></tr></thead><tbody><tr><td>SBP Property 1</td><td>Datin Lim Wai Yee</td><td>BPSB</td><td>1,670,000</td></tr><tr><td>SBP Property 2</td><td>Ong Tzu Chuen</td><td>BPSB</td><td>1,670,000</td></tr><tr><td>SBP Property 3</td><td>HAMSB</td><td>BPSB</td><td>5,000,000</td></tr><tr><td colspan="3">Total</td><td>8,340,000</td></tr></tbody></table>			SBP Properties	Vendor	Purchaser	Purchase Consideration (RM)	SBP Property 1	Datin Lim Wai Yee	BPSB	1,670,000	SBP Property 2	Ong Tzu Chuen	BPSB	1,670,000	SBP Property 3	HAMSB	BPSB	5,000,000	Total			8,340,000	
SBP Properties	Vendor	Purchaser	Purchase Consideration (RM)																					
SBP Property 1	Datin Lim Wai Yee	BPSB	1,670,000																					
SBP Property 2	Ong Tzu Chuen	BPSB	1,670,000																					
SBP Property 3	HAMSB	BPSB	5,000,000																					
Total			8,340,000																					
2.	<u>Mode of Settlement</u> <p>The purchase consideration for each SBP SPA shall be paid by BPSB in the following manner:</p> <p>(i) an amount equivalent to 10% of the SBP Purchase Consideration (“Deposit”) upon execution of the SBP SPA; and</p> <p>(ii) SBP Balance Purchase Consideration within SBP Completion Period failing which, the SBP Completion Period shall be automatically extended for 1 month from the expiry of the SBP Completion Period (“<b>SBP Extended Completion Period</b>”) provided BPSB pays to the SBP Vendor interest on the SBP Balance Purchase Consideration or unpaid balance thereof, as the case may be, interest at the rate of 8% per annum.</p>			<p>The 10% deposit is reasonable as its on par with common deposits rate for property transactions.</p> <p>This term is reasonable as it sets out the obligation of BPSB in relation to the full settlement of the SBP Balance Purchase Consideration. The penalty clause of 8% per annum is fair and reasonable as it is common when it involves property transaction.</p>																				
3.	<u>Condition Precedent</u> <p>The SBP SPA is conditional upon the passing at a general meeting of Binasat of the requisite resolution(s) to approve: (i) the Proposed Acquisitions and Leases of SBP Properties; and (ii) the Proposed Diversifications (“<b>SBP Condition Precedent</b>”).</p>			<p>These terms are reasonable as the approval from the shareholders is required to be in compliance with the Listing Requirements.</p>																				

	Salient terms	SCA Comments
	<p>BPSB shall procure the fulfilment of the Condition Precedent within 6 months from the date of the SBP SPA (“<b>SBP Conditional Period</b>”), failing which the SBP Vendor shall be entitled to either:</p> <p>(i) grant an extension of a period of 3 months from the expiry of the SBP Conditional Period or such further extension of time as the parties may mutually agree to enable BPSB to fulfill the SBP Condition Precedent; or</p> <p>(ii) terminate the SBP SPA and in such event, the SBP Vendor shall within 7 working days from the date of BPSB’s receipt of the notice of termination, refund to BPSB the Deposit.</p>	<p>The Listing Requirements also require the Interested Parties to abstain and continue to abstain from all deliberations and voting for the RPT Proposals at the relevant meetings. The Interested Major Shareholders and persons connected to them will also abstain from voting in respect of their direct and/ or indirect shareholding in the Company, if any, on the resolutions pertaining to the RPT Proposals to be tabled at the forthcoming EGM.</p>
4.	<p><u>Execution of Lease Agreement</u></p> <p>Simultaneously with the execution of the SBP SPA, BPSB and the lessee shall execute a lease agreement in respect of the property in the form set out in the SBP SPA.</p> <p>The salient terms of the said lease agreement are set out in Appendix III, Part A of the Circular.</p>	<p>This term is reasonable as the Proposed Leases of SBP Properties are inter-conditional with the respective Proposed Acquisition of SBP Properties as set out in Section 12, Part A of the Circular.</p>
5.	<p><u>BPSB’s default</u></p> <p>In the event BPSB fails to pay the SBP Balance Purchase Consideration on or before the expiry of the SBP Extended Completion Period or any extension to be mutually agreed upon by the parties or shall breach any of the provisions of the SBP SPA (other than the obligation to pay the SBP Balance Purchase Consideration) which breach has not been remedied within 14 days after the date of the BPSB’s solicitors’ receipt of notice of breach from the SBP Vendor’s solicitors, the SBP Vendor shall be entitled at its sole discretion to either the relief of specific performance of the SBP SPA or alternatively terminate the SBP SPA by notice in writing to BPSB and to forfeit the Deposit. In the event of termination, the SBP Vendor shall refund to BPSB, free of interest, any sum in excess of the Deposit paid by or on behalf of BPSB towards the purchase consideration (if any) within 14 days from date of termination.</p>	<p>We are of the view that this term is reasonable, where in the event BPSB defaults on the payment obligations pursuant to the SBP SPAs, the SBP Vendors can safeguard its interest by enforcing specific performance or terminating the SBP SPAs.</p>
6.	<p><u>SBP Vendors’ default</u></p> <p>If the SBP Vendor shall fail, neglect or refuse to complete the sale of the SBP Property in accordance with the SBP SPA; or if the SBP Vendor shall fail, neglect or refuse to perform its obligations within the time period expressly stipulated in the SBP SPA; or breach any such other terms and conditions of the SBP SPA which breach has not been remedied within 14 days after the date of the SBP Vendor’s solicitors’ receipt of notice of breach from BPSB’s solicitors, BPSB shall be entitled at its sole discretion to either the relief of specific performance of the SBP SPA or alternatively terminate the SBP SPA. In the event of termination, the SBP Vendor shall refund to BPSB, within 14 days from the date of the SBP Vendor or the SBP Vendor’s solicitors’ receipt of BPSB’s or BPSB’s solicitors’ notice of termination, all monies paid by or on behalf of BPSB towards the purchase consideration (if any) together with an additional sum equivalent to the Deposit as agreed liquidated damages.</p>	<p>We are of the view that this term is reasonable, where in the event the SBP Vendors default on their obligation pursuant to the SBP SPAs, BPSB can safeguard its interest by enforcing specific performance or terminating the SBP SPAs. This term is not detrimental to the non-interested shareholders of the Company.</p>

Premised on the above, we are of the view that the abovementioned salient terms of the SBP SPA are fair and reasonable and not detrimental to the non-interested shareholders.

### 5.2.3 Salient terms of the LAs

The salient terms of the LAs are as disclosed in Appendix III of the Circular. Non-interested shareholders are advised to read Appendix III of the Circular in the entirety.

Our comments on the salient terms of the LAs are as follows:-

Salient terms			SCA Comments													
1.	<u>Parties involved</u> <table><tr><th>SBP Properties</th><th>Lessor</th><th>Lessee</th></tr><tr><td>SBP Property 1</td><td>BPSB</td><td>HAMSB</td></tr><tr><td>SBP Property 2</td><td>BPSB</td><td>HIBMSB</td></tr><tr><td>SBP Property 3</td><td>BPSB</td><td>HAMSB</td></tr></table>		SBP Properties	Lessor	Lessee	SBP Property 1	BPSB	HAMSB	SBP Property 2	BPSB	HIBMSB	SBP Property 3	BPSB	HAMSB		
SBP Properties	Lessor	Lessee														
SBP Property 1	BPSB	HAMSB														
SBP Property 2	BPSB	HIBMSB														
SBP Property 3	BPSB	HAMSB														
2.	<u>Conditionality</u> <p>The LA is conditional upon the completion of the SBP SPA in accordance with its terms.</p>		This term is reasonable as the Proposed Leases of SBP Properties are inter-conditional with the respective Proposed Acquisition of SBP Properties as set out in Section 12, Part A of the Circular.													
3.	<u>Duration</u> <p>The duration of the LA shall be for a period of 9 years (“Lease Term”) commencing from the date on which the SBP SPA is completed (“Commencement Date”), with an option to renew in accordance with section 6 below.</p>		This term is reasonable and serve to protect the interest of the Company as it ensures that BPSB continues to rent the SBP Properties for the Lease Term. Further, the valuation of SBP Properties under the income approach hinges on the pre-agreed rental structure.													
4.	<u>Monthly rental</u> <table><tr><th>SBP Properties</th><th>Monthly rental</th></tr><tr><td rowspan="3">SBP Property 1</td><td><u>1<sup>st</sup> year to 3<sup>rd</sup> year of the Lease Term</u> RM6,871 per month or RM1.20 psf</td></tr><tr><td><u>4<sup>th</sup> year to 6<sup>th</sup> year of the Lease Term</u> RM7,558 per month or RM1.32 psf</td></tr><tr><td><u>7<sup>th</sup> year to 9<sup>th</sup> year of the Lease Term</u> RM8,314 per month or RM1.45 psf</td></tr><tr><td rowspan="3">SBP Property 2</td><td><u>1<sup>st</sup> year to 3<sup>rd</sup> year of the Lease Term</u> RM6,871 per month or RM1.20 psf</td></tr><tr><td><u>4<sup>th</sup> year to 6<sup>th</sup> year of the Lease Term</u> RM7,558 per month or RM1.32 psf</td></tr><tr><td><u>7<sup>th</sup> year to 9<sup>th</sup> year of the Lease Term</u> RM8,314 per month or RM1.45 psf</td></tr><tr><td rowspan="2">SBP Property 3</td><td><u>1<sup>st</sup> year to 3<sup>rd</sup> year of the Lease Term</u> RM20,871 per month or RM1.10 psf</td></tr><tr><td><u>4<sup>th</sup> year to 6<sup>th</sup> year of the Lease Term</u> RM22,958 per month or RM1.21 psf</td></tr></table>		SBP Properties	Monthly rental	SBP Property 1	<u>1<sup>st</sup> year to 3<sup>rd</sup> year of the Lease Term</u> RM6,871 per month or RM1.20 psf	<u>4<sup>th</sup> year to 6<sup>th</sup> year of the Lease Term</u> RM7,558 per month or RM1.32 psf	<u>7<sup>th</sup> year to 9<sup>th</sup> year of the Lease Term</u> RM8,314 per month or RM1.45 psf	SBP Property 2	<u>1<sup>st</sup> year to 3<sup>rd</sup> year of the Lease Term</u> RM6,871 per month or RM1.20 psf	<u>4<sup>th</sup> year to 6<sup>th</sup> year of the Lease Term</u> RM7,558 per month or RM1.32 psf	<u>7<sup>th</sup> year to 9<sup>th</sup> year of the Lease Term</u> RM8,314 per month or RM1.45 psf	SBP Property 3	<u>1<sup>st</sup> year to 3<sup>rd</sup> year of the Lease Term</u> RM20,871 per month or RM1.10 psf	<u>4<sup>th</sup> year to 6<sup>th</sup> year of the Lease Term</u> RM22,958 per month or RM1.21 psf	<p>The rents payable for SBP Properties are reasonable based on the asking rentals of shop office located within the surrounding vicinity, which are adopted by the Valuer in arriving at the fair market value using the income approach as set out in the Valuation Certificate as attached in Appendix VI in the Circular.</p> <p>We note that the proposed lease rates have been benchmarked against the comparable rental analysis by the Valuer based on the current passing rental of other selected shop-office in the immediate scheme in region of about RM1.10 psf to RM1.25 psf. In view of the aforementioned asking gross rental rate, the Valuer has made further adjustments for negotiation and adopted the gross market rental of RM1.20 psf per month over the LA for the intermediate unit. In arriving on the market rental of the corner unit, the Valuer has made further adjustment on differences in floor area and has adopted RM1.10 psf per month over the LA, which is deemed to be fair.</p>
SBP Properties	Monthly rental															
SBP Property 1	<u>1<sup>st</sup> year to 3<sup>rd</sup> year of the Lease Term</u> RM6,871 per month or RM1.20 psf															
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Salient terms		SCA Comments
	<div>7<sup>th</sup> year to 9<sup>th</sup> year of the Lease Term</div> <div>RM25,254 per month or RM1.33 psf</div>	Further, the rental increment for each term of 10% above the prevailing total monthly rental have been benchmarked against the market terms.
5.	<u>Security deposits</u>  On or before the Commencement Date, the lessee shall pay to BPSB an amount equivalent to 3 months of the monthly rental as security deposit (" <b>Security Deposit</b> ").  The Security Deposit shall be adjusted whenever there is a revision to the monthly rental at any time during the lease term to be equivalent to 3 months of the revised monthly rental from time to time.	We are of the view that the Security Deposit is reasonable as it is the common deposit rate applied in rental involving properties and shall be adjusted whenever there is a revision to the monthly rental, especially in year 4 and year 7 of the Lease Term.
6.	<u>Option to renew</u>  Subject to the lessee's compliance with the LA, the lessee shall have an option to renew the lease for an additional period of 3 years from the expiry of the lease term (" <b>Renewed Period</b> ").  The monthly rental for the Renewed Period shall be negotiated and mutually agreed between the parties failing which, it shall be based on prevailing market rate for properties that are similar in nature.	This term is reasonable as it provides the avenue for the lessee to renew the lease period of 3 years from the expiry of the lease term, which also allows the Company to continue to receive rental income for an additional 3 years after the Lease Term.
7.	<u>Lessee's default</u>  If any one or more of the following events occurs:  (i) save and except for the purpose of reconstruction, reorganization or amalgamation, any step or action is taken for the winding up, dissolution or liquidation or a petition for winding up is presented against the lessee or any order is made or a resolution is passed for the winding up or liquidation of the lessee and such judgement or order shall not have been set aside within 30 days from the date of the making thereof;  (ii) the lessee shall institute any proceeding or give its consent to the institution of any proceedings for the relief of the lessee under any winding up or insolvency laws;  (iii) the lessee shall have a receiver, receiver and manager, judicial manager or similar official appointed over the whole or any part of the lessee's undertakings or assets;  (iv) the lessee shall make any arrangement for the benefit of or enter into any arrangement, composition or compromise or assignment for the benefit of the lessee's creditors or any class of them;  (v) the lessee shall permit or suffer any execution or distress or other process of a court of competent jurisdiction to be levied upon or issued against any of the lessee's goods, assets or on any properties, fixtures and fittings in or upon the property;  (vi) the lessee shall quit or attempt to quit and/or redeliver vacant possession of the property at any time prior to the expiry of the lease, for any reason whatsoever;	<p>The default clauses are reasonable and will allow BPSB the avenue to terminate the LAs as well as safeguard its interest in the event that any of the terms and conditions cannot be satisfied or waived.</p> <p>We are of the view that these terms are reasonable, where in the event the lessee defaults on its obligation pursuant to the LAs, BPSB can safeguard its interest by enforcing specific performance or terminating the LAs. These term are not detrimental to the non-interested shareholders of the Company.</p>

	Salient terms	SCA Comments
	<p>(vii) the lessee shall cease or threaten to cease to carry on the lessee's business at the property or shall fail, refuse or neglect without any valid reasons whatsoever to open or cause the property to be opened for business, for a continuous period of 30 days during the lease, without the prior written consent of BPSB together with the existence of any event as stipulated under sub-section (viii) and/or (ix) below;</p> <p>(viii) the lessee shall fail refuse or neglect or default in the payment of any monthly rental or in any other payment required to be made by the lessee hereunder when due as herein provided and such default shall continue for 7 days from the respective due dates thereof whether formally or legally demanded or not; or</p> <p>(ix) the lessee, commits a material breach of any one or more of the other covenants undertakings terms conditions obligations restrictions stipulations on the part of the lessee to be observed and performed in the LA and such breach has not been remedied by the lessee within the period of 14 days after the lessee receives written notice thereof from BPSB; or threaten to commit or cause to commit such material breach and such breach shall continue for 14 days from inception; as the case may be,</p> <p>BPSB shall be entitled to:</p> <p>(i) to the remedy of specific performance of the LA against the lessee and to all reliefs flowing therefrom without prejudice to any other remedies that may be available to the lessor (BPSB) under applicable laws; or</p> <p>(ii) to terminate the LA by notice in writing to the lessee whereupon the lessee shall be liable to pay to the lessor (BPSB) all amounts then due and payable to the lessor, together with an amount equivalent to the monthly rental for the whole unexpired period of the lease as agreed liquidated damages and upon receipt of such notice of termination, the lessee shall at its own cost and expense re-deliver vacant possession of the property to BPSB in accordance with the provisions of the LA.</p>	
8.	<p><u>Lessor's default</u></p> <p>If BPSB shall commit a material breach of the LA and such material breach shall have continued for 30 days after BPSB receives written notice thereof from the lessee, unless the default is remedied within 30 days period thereafter, the lessee shall be entitled to</p> <p>(i) the remedy of specific performance against the lessor (BPSB) without prejudice to any other remedies that may be available to the lessee under applicable laws; or</p> <p>(ii) terminate the LA by written notice to BPSB, without prejudice to the right of the lessee to claim damages from BPSB subject always that BPSB shall not be liable for any loss of profits and/or other consequential damages whatsoever.</p>	<p>We are of the view that this term is reasonable, where in the event the lessor commits a material breach of the LAs, the lessee can safeguard its interest by enforcing specific performance or terminating the LAs.</p>

	Salient terms	SCA Comments
9.	<p><u>Governing Law</u></p> <p>The LAs shall be governed by and construed in accordance with the law of Malaysia.</p>	<p>This clause is reasonable as it sets out the law that governs the contract's formation, construction and interpretation.</p>

Premised on the above, we are of the view that the abovementioned salient terms of the LAs are fair and reasonable and not detrimental to the non-interested shareholders.

### 5.3 Industry overview and prospects

We take note of the industry overview and prospects as disclosed in Section 9, Part A of the Circular.

#### Overview and prospects of the Malaysian Economy

Key developments in the Malaysian economy as extracted from quarterly bulletin for the fourth quarter of 2024 ("4Q2024") published by Bank Negara Malaysia are as follows:

- (i) Higher Gross Domestic Product growth of 5.0% in the 4Q2024, driven by domestic demand. Strong investment was underpinned by the continued realisation of new and existing projects. The factors supporting the growth in the 4Q2024 includes:
  - a. Strong expansion in overall investment activities;
  - b. Continued growth in exports of goods and services; and
  - c. Sustained household spending.
- (ii) The unemployment rate declined further to 3.2% in 4Q2024 (3Q2024: 3.2%). Employment rose to 16.8 million persons in 4Q2024 (3Q2024: 16.7 million persons) amid continued demand for labour. Labour supply remained forthcoming as the labour force participation rate remained at a historical high of 70.6% in 4Q2024 (3Q2024: 70.5%);
- (iii) Both headline and core inflation declined to 1.8% and 1.7% respectively. Lower inflation was observed during the quarter for mobile communication services and petrol (RON97) but this was offset by higher inflation for food and beverages;
- (iv) Going forward, the Malaysian economy is expected to remain resilient in 2025. Growth will be driven by robust expansion in investment activity, resilient household spending and continued expansion in exports. Investment activities will be driven by continued progress of multi-year projects in both the private and public sectors, higher realisation of approved investments and the implementation of catalytic initiatives under the national master plans. Employment and wage growth as well as policy measures, including the upward revision of the minimum wage and civil servant salaries, would remain supportive of household spending. Exports are expected to be supported by the global tech upcycle, continued growth in non-electrical and electronics goods and higher tourist spending. The growth outlook is subject to downside risks if growth in major trading partners slowed amid heightened risk of trade and investment restrictions, and lower-than-expected commodity production. Nevertheless, growth could potentially be higher from greater spillovers from the tech upcycle, more robust tourism activities, and faster implementation of investment project; and
- (v) Year to date, both headline and core inflation averaged at 1.8%. Moving into 2025, inflation is expected to remain manageable amid easing global cost conditions and the absence of excessive domestic demand pressures. Global commodity prices are expected to continue to trend lower, contributing to moderate cost conditions in the near-term.



In this environment, the overall impact of the recently announced domestic policy measures<sup>1</sup> is expected to be contained.

(Source: Bank Negara Malaysia (“BNM”) Quarterly Bulletin 4Q2024)

### Overview of Malaysian Property Market Outlook

The Property Market Report 2024 highlights exceptional performance, recorded the highest volume and value of property transactions in Malaysia over the past decade. This impressive growth was fueled by a robust expansion in market activities across all sub-sectors. The volume and value of transactions expanded by 5.4% and 18.0%, respectively, reaching 420,545 transactions worth RM232.30 billion, compared to 2023 (399,008 transactions worth RM196.83 billion).

The highest achievement of the property market was supported by the strong growth of Malaysia’s economy and the continuous government support, including the full implementation of the New Industrial Master Plan 2030 (NIMP 2030), the National Energy Transition Roadmap, and the Twelve Malaysia Plan. Market activity was further supported by strong transaction volumes across nearly all states, particularly in Kelantan, which experienced a substantial growth exceeding 96%, following the full implementation of stamping applications and stamp duty payments through Stamp Duty Assessment and Payment System (STAMPS).

The residential sub-sector sustained its expansion and solidified its position as the largest contributor to the national transaction activity, recording a marginal growth in both volume and value. By price range, the segment above RM1.0 million recorded the highest growth at 15.0%, while other price ranges showed more modest increases. This growth can be attributed to government initiatives outlined in Budget 2024, which increased confidence in the property market, including the easing of requirements for the Malaysia My Second Home (MM2H) program. Additionally, strong performance in the commercial sub-sector acted as a catalyst for transaction activity with significant increases of 13.6% and 51.6% in value and volume, respectively, as compared to the previous year.

The growth in 2024 property market is highly supported by the implementation of various government efforts and initiatives to drive Malaysia’s economy and simultaneously stimulating the expansion of the property market nationwide through the MADANI Economy Framework. Several initiatives which were outlined under Budget 2023 and 2024 by the government become a catalyst to the sustainable property market activities, among others:-

- i. The full stamp duty exemption on the instrument of transfer and loan agreement for the purchase of the first residential home priced up to RM500,000 by Malaysian citizens remained until December 31, 2025.
- ii. Establishment of a high-tech industrial area in Kerian, Northern Perak, to widen the electrical and electronic cluster ecosystem in the Northern Region.
- iii. The allocation of RM546 million to continue the implementation of 36 Program Perumahan Rakyat (“PPR”), including new project in Kluang, Johor, and another 15 PPR projects, is expected to be completed, and this are expected to benefit 5,100 potential new residents.
- iv. The allocation of RM358 million will be channeled to continue the construction of 3,500 housing units under the 14 Program Rumah Mesra Rakyat.
- v. Provide guarantees of up to RM10 billion under Skim Jaminan Kredit Perumahan (SJKP), which will benefit 40,000 borrowers.
- vi. Imposition of a flat rate stamp duty of 4% on the transfer of land ownership documents by non-citizens and foreign-owned companies, except for individuals with permanent residency status in Malaysia.
- vii. Ease the requirements of Malaysia My Second Home (MM2H) programme to attract more tourists and foreign investors to Malaysia.

(Source: Property Market Report for 2024 released by National Property Information Centre)



### Overview of shop offices in Klang Valley

Klang Valley office occupancy and rental rates experienced a positive uptick in 4Q2024, with KL City, the KL Fringe and Selangor posting moderate quarter-on-quarter (“q-o-q”) growth.

In terms of rental rates, KL City recorded a q-o-q increase of 0.5% to RM6.65 psf, the KL Fringe saw a 0.5% rise to RM5.79 psf and Selangor registered an increase of 0.3% to RM4.21 psf. As for occupancy rates, KL City registered a q-o-q increase of 0.7 percentage points to 67.9%, the KL Fringe was up 0.8 percentage point to 87.6% and Selangor saw an uptick of 0.3 percentage point to 74.3%.

The steady growth in both occupancy and rental rates reflects the ongoing recovery in the Klang Valley office market as businesses continue to seek quality office space.

Kuala Lumpur continued to exhibit strong demand for office space in 4Q2024, bringing the net absorption rate for the whole year to 1.7 million sq ft, the highest since 2019. This signals a clear recovery in demand for office space, driven by economic optimism and businesses re-establishing their presence in the city.

In contrast, Selangor’s office market recorded a more modest net absorption of 278,000 sq ft in 2024, falling short of the nearly 400,000 sq ft observed in 2023. However, this figure is more than double the net absorption seen in 2022, which was just under 100,000 sq ft. While Selangor’s office market continues to show growth, its recovery is more gradual compared with the strong momentum seen in Kuala Lumpur.

*(Source: City and Country, The Edge Malaysia Weekly on 17 March 2025 to 23 March 2025)*

### Prospects of the SBP Properties

The SBP Properties are strategically located along Jalan Bayu Laut 4/KS09 and Jalan Bayu Laut 4B/KS09 within Sazean Business Park. The shop office components form part of the mixed development known as Gravit8, in Kota Bayuemas, Klang. Gravit8 also features an eight-acre lake, a shopping mall, retail shops and serviced apartments, all designed to be self-sufficient and integrated seamlessly, allowing residents, occupants, and visitors to enjoy a comfortable transition from one zone to another. The contemporary 3-storey to 6-storey shop offices aim to be the trendiest hub for commerce and urban enjoyment in the vicinity of Klang. Further, the retail component of Gravit8 is expected to have a potential catchment of approximately 370,000 population within a 15-minute drive.

In addition, the SBP Properties enjoy good accessibility via major highways and expressway, namely Shah Alam Expressway (KESAS) and Pulau Indah Highway, providing excellent connectivity to the southern corridor of the Klang Valley. The SBP Properties are also connected to several main arterial roads serving the locality such as Jalan Pendamaran, Jalan Langat and Persiaran Delima – providing seamless connectivity to various conurbations in the southern part of Klang Valley such as Port Klang, Klang, Pulau Indah and Telok Panglima Garang.

It was noted that the upcoming public transportation such as the LRT Line 3 with stations such as Bandar Bukit Tinggi and Johan Setia LRT stations, are located approximately 1.6km and 2.0km in radius due northeast and southeast of the SBP Properties respectively. The full operation (two phases) of the LRT Line 3 by 2027 is expected to generate footfall to the surrounding developments, thus, boosting commercial activities in the vicinity.

Last but not least, the parcels of lands are of freehold tenure, thus may be more attractive to potential buyers and investors when compared to leasehold property.

The prospects of the SBP Properties are expected to be positive in view of its strategic location, good accessibility, growing demand for shop-office in the vicinity of the SBP Properties.

The Proposed Leases for SBP Properties will start once the respective acquisitions are completed, providing an immediate additional income stream for at least nine (9) years. This long-term commitment ensures steady cash flow and income stability for the Group. The Group also plans to extend the lease periods with current tenants or find new ones after the leases expire. The risks associated with early termination or non-renewal of the leases are outlined in Section 10(iv), Part A of the Circular. In addition, the Proposed Acquisitions of SBP Properties are inter-conditional with the Proposed Leases of SBP Properties, which allows the Company to generate steady stream of rental income during the Lease Term and increase the earnings of the Company moving forward.

Premised on the above, we are of the view that the prospects of the SBP Properties following the RPT Proposals will be favourable and barring unforeseen circumstances, is poised to improve the Group's financial performance in the future.

Nonetheless, we wish to also highlight that the RPT Proposals are subject to risks and uncertainties which are not within the Company's control such as change in political, economic and environmental consideration as well as the regulatory risk. The occurrence of any of such events may materially impact the businesses and may adversely affect the Group's rental revenue and profitability to be derived from its Property Investment and Property Management Businesses.

#### 5.4 Risk factors relating to the RPT Proposals

We take note of the risk factors as disclosed in Section 10, Part A of the Circular.

The Company is expected to be exposed to the business diversification risks as a result of the RPT Proposals. Additionally, the non-interested shareholders should also take note of the additional risk factor in relation to the RPT Proposals.

##### The SBP Properties may face increasing competition from other properties

The SBP Properties are located within an area where other competing properties are present which may compete with the SBP Properties. Based on information extracted from Property Guru, there are a total of 88 units shop-office located at Sazean Business Park.

The appeal and attractiveness of the SBP Properties may decrease in the future, especially when there are existing commercial and retail developments in the locality that may heighten competition and dilute market catchment. Further, within the district of Klang, there are 1,292 incoming shop office units (1 to 4½ storey) and 621 planned shop office units.

If, in the future, competing properties are more successful in attracting and retaining tenants, the income from the SBP Properties could be reduced, thereby adversely affecting the Company's financial performance.

##### Devaluation of the SBP Properties

Property valuation (including the valuation conducted by the Valuer in connection with the Proposed Acquisitions of SBP Properties) generally include a subjective evaluation of certain factors relating to the relevant properties, such as their relative market position, competitive strength and physical conditions.

General property prices, including that of commercial property, are subject to the volatilities of the property market and there can be no assurance that the Company will not be required to make downward revaluation of the SBP Properties in the future. Any fall in the gross revenue or net property income derived from the SBP Properties may result in downward revaluation. However, the SBP Properties' rental income are secured by way of the LAs for the Lease Term.

The Company is required to measure the investment properties at fair value at each reporting date. The changes in fair value may have an adverse effect on the Company's financial results in the financial year where there is a significant decrease in the valuation of the Company's investment properties, which will result in revaluation losses that will be charged to its statement of profit or loss and other comprehensive income.

We also wish to highlight that despite efforts and measures taken by the Company to mitigate the risks associated with the RPT Proposals, no assurance can be given that one or a combination of risk factors as stated above and in Section 10, Part A of the Circular will not occur and give rise to material and adverse impact on the business and operations of the Company, its financial performance, financial position or prospects thereon.

In evaluating the RPT Proposals, non-interested shareholders should carefully consider the said risk factors and their respective mitigating factors before voting on the resolutions pertaining to the RPT Proposals at the forthcoming EGM. Non-interested shareholders should also note that the risk factors mentioned therein are not meant to be exhaustive.

## 5.5 Financial effects of the RPT Proposals

The financial effects of the RPT Proposals as disclosed in Section 11, Part A of the Circular are as follows:-

### (i) Share capital and substantial shareholders' shareholdings

The RPT Proposals will not have any effect on the Company's share capital and substantial shareholders' shareholdings in the Company as the RPT Proposals do not involve any new issuance of Shares.

### (ii) NA and gearing

For illustration purposes only, the pro forma effects of the RPT Proposals on the NA and gearing of the Company based on the audited statement of financial position as at 31 December 2023 and on the assumption that the RPT Proposals had been effected on that date are as follows:-

	Audited as at 31 December 2023 (RM'000)	(I) Subsequent adjustment up to LPD <sup>[1]</sup> (RM'000)	(II) After (I) and the Proposed Acquisitions and Leases of SBP Properties <sup>[2]</sup> (RM'000)
Equity attributable to owners of the Company/ NA	112,992	121,077	120,047
Borrowings	21,616	21,616	21,616
Gearing (%)	0.18	0.17	0.17
NA per share (RM)	0.29	0.28	0.28

Notes:

[1] After accounting for the following:

- (a) placement of 38,829,500 placement shares. Further details of the Private Placement 2023 (including the issue prices and listing dates for the different tranches of placement shares) are set out in Section 7, Part A of the Circular;
- (b) expenses amounting to approximately RM0.10 million incurred pursuant to the Private Placement 2023; and
- (c) the Disposal of BCSB.

*[2] After accounting for the estimated expenses of approximately RM1.03 million to be incurred pursuant to the Proposals.*

We have taken note that the Proposed Acquisitions and Leases of SBP Properties will not have any material impact to the Group's total borrowings as the SBP Purchase Consideration is expected to be fully satisfied by cash via a combination of proceeds to be raised from the Proposed Private Placement, the Group's internally-generated funds and/or bank borrowings.

### **(iii) Earnings and EPS**

The Proposed Acquisitions and Leases of SBP Properties are not expected to have a material impact on the Group's earnings for the FYE 31 December 2025 as the Proposed Acquisitions and Leases of SBP Properties are expected to be completed by third quarter of year 2025. The impact of the RPT Proposals on the earnings and EPS of the Group moving forward will depend on the future earnings generated from the New Businesses.

Nevertheless, barring any unforeseen circumstances, the Proposed Acquisitions and Leases of SBP Properties are expected to contribute a stable and sustainable rental income to the future earnings of the Group upon commencement of the Lease Term, resulting in the Group realising rental income to be received from the respective tenants.

**Based on the above, we are of the opinion that the effects of the RPT Proposals are fair and reasonable and not to the detriment of the non-interested shareholders.**

## **5.6 Other Considerations**

### **Proposed Private Placement**

The Proposed Private Placement is undertaken as it represents an expeditious way of raising funds as well as reduce interest cost, if any, in the event the Proposed Acquisitions of SBP Properties and the Proposed Acquisitions of Empire City Properties were to be funded entirely via conventional bank borrowings. Although the Proposed Private Placement may result in a dilution in EPS/(LPS) following the increase in the number of shares in issue.

However, going forward, the dilution impact to the EPS may somewhat be mitigated through the future earnings arising from the RPT Proposals and the Proposed Acquisitions of Empire City Properties. Further, the Company's enlarged capital base is expected to strengthen the financial position of the Group and improve its gearing level.

While the proceeds to be raised from the Proposed Private Placement are intended to partially fund the Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties, the Group would seek alternative sources of funding if the Proposed Private Placement does not materialise, or its timing of implementation is delayed.

If the Proposed Acquisitions and Leases of SBP Properties and Proposed Acquisitions of Empire City Properties do not materialise, the proceeds raised from the Proposed Private Placement would be utilised for the working capital for the New Businesses such as procurement of raw materials, payment to subcontractors, engineers and surveyors as well as staff salaries (comprise payment of wages and statutory contributions to the staff who are involved in the New Businesses). As set out in Section 4, Part A of this Circular, the Group may also explore joint ventures, partnerships, cooperation and/ or strategic alliances with third parties who have the relevant expertise and resources to carry out the New Businesses as and when the opportunity arises. As such, the allocation of proceeds to be utilised for each component of working capital is subject to the Group's operational requirements at the time of utilisation. The Company shall make the necessary announcements and seek the approval of its shareholders, in accordance with the Listing Requirements, where required.

It should be noted that the Proposed Acquisitions and Leases of SBP Properties, Proposed Acquisitions of Empire City Properties and Proposed Diversifications are not conditional upon the Proposed Private Placement.

## 6 CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the RPT Proposals and have set out our evaluation in Section 2 through Section 5 of this IAL. We summarised the potential advantages and disadvantages of the RPT Proposals as follows:

Potential Advantages	Potential Disadvantages
<p>The SBP Properties are part of the Gravit8 mixed development in Kota Bayuemas, Klang, located off the Pulau Indah Highway, about 35km from Kuala Lumpur and 6km from Klang. Gravit8 includes an eight-acre lake, a shopping mall, retail shops, and serviced apartments, designed to be self-sufficient and seamlessly integrated for a smooth experience for residents and visitors. The retail area is expected to cater to a catchment of around 370,000 people within a 15-minute drive.</p> <p>The properties are well-connected, accessible via major roads like Jalan Pendamaran and Pulau Indah Highway. Additionally, the Bandar Bukit Tinggi and Johan Setia LRT stations, part of the upcoming LRT Line 3, are located 1.6km and 2km away, respectively. The full operation of the LRT by 2027 is expected to boost local commercial activity.</p>	<p>The Proposed Private Placement will potentially result in a dilution in EPS to the shareholders of Binasat depending on the future earnings generated from the RPT Proposals and the Proposed Acquisitions of Empire City Properties.</p>
<p>The RPT Proposals present the Group with an opportunity to diversify into the Property Investment and Property Management Business, which enables the Group to diversify and create an immediate additional income stream which is recurrent in nature from the rental or leasing of the SBP Properties, apart from relying on its Existing Businesses.</p>	

Premised on the above, we are of the view that the potential advantages outweigh the potential disadvantages.

We have taken cognisance of the rationale and justification, financial evaluation, effects and risk factors of the RPT Proposals. Based on our evaluation and comments on the RPT Proposals, we are of the opinion that the RPT Proposals is **fair and reasonable** and are **not detrimental** to the non-interested shareholders.

**Accordingly, we recommend that the non-interested shareholders to vote in favour of the resolutions pertaining to the RPT Proposals to be tabled at the forthcoming EGM.**

*[the remainder of this page has been intentionally left blank]*



Before arriving at the decision to vote on the resolutions pertaining to the RPT Proposals, it is pertinent that the non-interested shareholders consider the issues and implications raised in this IAL as well as other considerations as set out in Part A of the Circular carefully and the Directors' statement and recommendation in respect to the RPT Proposals as set out in Section 17, Part A of the Circular.

Yours faithfully,  
For and on behalf of  
**STRATEGIC CAPITAL ADVISORY SDN. BHD.**

**NG WOON LIT**  
Director  
Investment Representative  
eCMSRL/B5412/2015

**TAN DAI LIANG, CFA**  
Director  
Investment Representative  
eCMSRL/B6239/2015



## INFORMATION ON THE SBP PROPERTIES

The SBP Properties are located within SBP, forms part of the mixed development known as Gravit8 in Kota Bayuemas, Klang, which is sited off the northern (right) side of Pulau Indah Highway travelling from West Port towards Pandamaran. The Kuala Lumpur city centre and Klang are located about 35 kilometres due north-east and 6 kilometres due north of the SBP Properties respectively. The SBP Properties are strategically located along Jalan Bayu Laut 4/KS09 and Jalan Bayu Laut 4B/KS09; and are accessible via existing network of roads and highways, amongst others include Jalan Pandamaran and Pulau Indah Highway; efficiently connecting the enclave with other established neighbourhoods.





### INFORMATION ON THE SBP PROPERTIES (Cont'd)

Details of the SBP Properties are as follows:

	SBP Property 1 (No.61)	SBP Property 2 (No. 62)	SBP Property 3 (No. 66)
Vendor/ owner	Datin Lim Wai Yee	Ong Tzu Chuen	HAMSB
Title no.	GRN 190272	GRN 190271	HSD 138159
Lot no.	Lot 128306	Lot 128305	PT 133765 <sup>(i)</sup>
Mukim	Klang	Klang	Klang
Postal address	No. 61, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan	No. 62, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan	No. 66, Jalan Bayu Laut 4B/KS09, Sazean Business Park, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan
Description	4-storey intermediate terraced shop-office	4-storey intermediate terraced shop-office	6-storey corner terraced shop-office
Land area	153 sq. m (1,647 sq. ft)	153 sq. m (1,647 sq. ft)	334.5 sq. m (3,601 sq. ft) <sup>(i)</sup>
Approximate gross floor area	592.28 sq. m (6,376 sq. ft)	592.28 sq. m (6,376 sq. ft)	1,848.06 sq. m (19,892 sq. ft)
Lettable area	531.93 sq. m (5,726 sq. ft)	531.93 sq. m (5,726 sq. ft)	1,762.69 (18,973 sq. ft)
Tenure	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity
Approximate age of building	6 years	6 years	6 years
Category of land use	Building ("Bangunan")	Building ("Bangunan")	Building ("Bangunan")
Express condition	Commercial building ("Bangunan Perniagaan")	Commercial building ("Bangunan Perniagaan")	Commercial building ("Bangunan Perniagaan")
Restriction in interest	Nil	Nil	Nil
Existing use	Shoplots/ offices	Shoplots/ offices	Shoplots/ offices

## INFORMATION ON THE SBP PROPERTIES (Cont'd)

	SBP Property 1 (No.61)	SBP Property 2 (No. 62)	SBP Property 3 (No. 66)
Tenancy details	<p>(i) Ground floor is tenanted to 99 Speed Mart Sdn. Bhd. for a monthly gross rental of RM2,530.00 for 1,432 sq. ft. The tenancy will expire on 14 December 2026<sup>(ii)</sup>; and</p> <p>(ii) 1<sup>st</sup> to 3<sup>rd</sup> floors are tenanted to Opcom Shared Services Sdn. Bhd.<sup>^</sup> for a monthly gross rental of RM4,100.00 for 4,294 sq. ft. The tenancy will expire on 31 July 2025<sup>(ii)</sup>.</p>	Tenanted to Hextar Fert Sdn. Bhd.* for a monthly gross rental of RM6,400.00. The tenancy will expire on 31 July 2025 <sup>(iii)</sup> .	Owner-occupied <sup>(iv)</sup>
Valuation date	18 October 2024		
Valuer	Knight Frank		
Market Value	RM1,670,000	RM1,670,000	RM5,000,000
Encumbrances/ Caveat	Nil	Nil	Charged to RHB Bank Berhad vide Presentation No. 001SC30694/2015; registered on 31 March 2015 <sup>(v)</sup> .
Audited net book value as at 31 December 2023	RM1,500,000	RM1,500,000	RM7,100,000

(Source: SBP Valuation Report)

Notes:

<sup>^</sup> Opcom Shared Services Sdn. Bhd. is a wholly-owned subsidiary of HCB.<sup>\*</sup> Hextar Fert Sdn. Bhd. is an indirect wholly-owned subsidiary of HIB.

(i) Based on the certified plan No. PA210115 ("Certified Plan"), Lot PT 133765 will be re-designated as Lot 157941, with surveyed land area of 335 sq. m (3,606 sq. ft). As such, for the purpose of valuation, the Valuer has adopted the surveyed land area of 335 sq. m (3,606 sq. ft) for Lot PT 133765 as per the Certified Plan.

**INFORMATION ON THE SBP PROPERTIES (Cont'd)**

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- (ii) On 4 December 2024, BPSB entered into LA with HAMSB. Further details are set out in **Section 2.4, Part A** of this Circular.
- (iii) On 4 December 2024, BPSB entered into LA with HIBMSB. Further details are set out in **Section 2.4, Part A** of this Circular.
- (iv) On 4 December 2024, BPSB entered into LA with HAMSB. Further details are set out in **Section 2.4, Part A** of this Circular.
- (v) Pursuant to the SBP SPA entered into pursuant to the Proposed Acquisition of SBP Property 3, this charge will be discharged before completion of the said SBP SPA.

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## SALIENT TERMS OF THE SBP SPAS

The salient terms and conditions of the SBP SPAs include, among others, the terms and conditions set out in this **Appendix II**.

1.	Parties involved	<table><tr><th>SBP Properties</th><th>Vendor</th><th>Purchaser</th></tr><tr><td>SBP Property 1</td><td>Datin Lim Wai Yee</td><td>BPSB</td></tr><tr><td>SBP Property 2</td><td>Ong Tzu Chuen</td><td>BPSB</td></tr><tr><td>SBP Property 3</td><td>HAMSB</td><td>BPSB</td></tr></table>	SBP Properties	Vendor	Purchaser	SBP Property 1	Datin Lim Wai Yee	BPSB	SBP Property 2	Ong Tzu Chuen	BPSB	SBP Property 3	HAMSB	BPSB
SBP Properties	Vendor	Purchaser												
SBP Property 1	Datin Lim Wai Yee	BPSB												
SBP Property 2	Ong Tzu Chuen	BPSB												
SBP Property 3	HAMSB	BPSB												
2.	SBP Purchase Consideration	<p>RM8,340,000 to be satisfied entirely via cash. Details as follows:</p> <table><tr><th>SBP Properties</th><th>Purchase consideration (RM)</th></tr><tr><td>SBP Property 1</td><td>1,670,000</td></tr><tr><td>SBP Property 2</td><td>1,670,000</td></tr><tr><td>SBP Property 3</td><td>5,000,000</td></tr><tr><td>Total</td><td>8,340,000</td></tr></table>	SBP Properties	Purchase consideration (RM)	SBP Property 1	1,670,000	SBP Property 2	1,670,000	SBP Property 3	5,000,000	Total	8,340,000		
SBP Properties	Purchase consideration (RM)													
SBP Property 1	1,670,000													
SBP Property 2	1,670,000													
SBP Property 3	5,000,000													
Total	8,340,000													
3.	Mode of settlement	<p>The purchase consideration for each SBP SPA shall be paid by BPSB in the following manner:</p> <p>(i) an amount equivalent to 10% of the SBP Purchase Consideration (“<b>Deposit</b>”) upon execution of the SBP SPA; and</p> <p>(ii) SBP Balance Purchase Consideration within SBP Completion Period failing which, the SBP Completion Period shall be automatically extended for 1 month from the expiry of the SBP Completion Period (“<b>SBP Extended Completion Period</b>”) provided BPSB pays to the SBP Vendor interest on the SBP Balance Purchase Consideration or unpaid balance thereof, as the case may be, at the rate of 8% per annum.</p>												
4.	Conditions precedent	<p>The SBP SPA is conditional upon the passing at a general meeting of Binasat of the requisite resolution(s) to approve: (i) the Proposed Acquisitions and Leases of SBP Properties; and (ii) the Proposed Diversifications (“<b>SBP Condition Precedent</b>”).</p> <p>BPSB shall procure the fulfilment of the Condition Precedent within 6 months from the date of the SBP SPA (“<b>SBP Conditional Period</b>”), failing which the SBP Vendor shall be entitled to either:</p> <p>(i) grant an extension of a period of 3 months from the expiry of the SBP Conditional Period or such further extension of time as the parties may mutually agree to enable BPSB to fulfill the SBP Condition Precedent; or</p> <p>(ii) terminate the SBP SPA and in such event, the SBP Vendor shall within 7 working days from the date of BPSB’s receipt of the notice of termination, refund to BPSB the Deposit.</p>												

**SALIENT TERMS OF THE SBP SPAS (Cont'd)**

<b>5.</b>	<b>Execution of LA</b>	<p>Simultaneously with the execution of the SBP SPA, BPSB and the lessee shall execute the LA in respect of the property in the form set out in the SBP SPA.</p> <p>The salient terms of the said LA are set out in <b>Appendix III</b> of this Circular.</p>
<b>6.</b>	<b>BPSB's default</b>	<p>In the event BPSB fails to pay the SBP Balance Purchase Consideration on or before the expiry of the SBP Extended Completion Period or any extension to be mutually agreed upon by the parties or shall breach any of the provisions of the SBP SPA (other than the obligation to pay the SBP Balance Purchase Consideration) which breach has not been remedied within 14 days after the date of the BPSB's solicitors' receipt of notice of breach from the SBP Vendor's solicitors, the SBP Vendor shall be entitled at its sole discretion to either the relief of specific performance of the SBP SPA or alternatively terminate the SBP SPA by notice in writing to BPSB and to forfeit the Deposit. In the event of termination, the SBP Vendor shall refund to BPSB, free of interest, any sum in excess of the Deposit paid by or on behalf of BPSB towards the purchase consideration (if any) within 14 days from date of termination.</p>
<b>7.</b>	<b>SBP Vendor's default</b>	<p>If the SBP Vendor shall fail, neglect or refuse to complete the sale of the SBP Property in accordance with the SBP SPA; or if the SBP Vendor shall fail, neglect or refuse to perform its obligations within the time period expressly stipulated in the SBP SPA; or breach any such other terms and conditions of the SBP SPA which breach has not been remedied within 14 days after the date of the SBP Vendor's solicitors' receipt of notice of breach from BPSB's solicitors, BPSB shall be entitled at its sole discretion to either the relief of specific performance of the SBP SPA or alternatively terminate the SBP SPA. In the event of termination, the SBP Vendor shall refund to BPSB, within 14 days from the date of the SBP Vendor or the SBP Vendor's solicitors' receipt of BPSB's or BPSB's solicitors' notice of termination, all monies paid by or on behalf of BPSB towards the purchase consideration (if any) together with an additional sum equivalent to the Deposit as agreed liquidated damages.</p>

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## SALIENT TERMS OF THE LAS

The salient terms and conditions of the LAs include, among others, the terms and conditions set out in this **Appendix III**.

1.	Parties involved			
		<b>SBP Properties</b>	<b>Lessor</b>	<b>Lessee</b>
		SBP Property 1	BPSB	HAMSB
		SBP Property 2	BPSB	HIBMSB
		SBP Property 3	BPSB	HAMSB
2.	Conditionality	The LA is conditional upon the completion of the SBP SPA in accordance with its terms.		
3.	Duration	The duration of the LA shall be for a period of 9 years (" <b>Lease Term</b> ") commencing from the date on which the SBP SPA is completed (" <b>Commencement Date</b> "), with an option to renew in accordance with section 6 below.		
4.	Monthly rental	<b>SBP Properties</b>	<b>Monthly rental</b>	
		SBP Property 1	<u>1<sup>st</sup> year to 3<sup>rd</sup> year of the Lease Term</u>	
			RM6,871 per month	
			<u>4<sup>th</sup> year to 6<sup>th</sup> year of the Lease Term</u>	
			RM7,558 per month	
		SBP Property 2	<u>1<sup>st</sup> year to 3<sup>rd</sup> year of the Lease Term</u>	
			RM6,871 per month	
			<u>4<sup>th</sup> year to 6<sup>th</sup> year of the Lease Term</u>	
			RM7,558 per month	
		SBP Property 3	<u>1<sup>st</sup> year to 3<sup>rd</sup> year of the Lease Term</u>	
			RM20,871 per month	
			<u>4<sup>th</sup> year to 6<sup>th</sup> year of the Lease Term</u>	
			RM22,958 per month	
		SBP Property 3	<u>7<sup>th</sup> year to 9<sup>th</sup> year of the Lease Term</u>	
			RM25,254 per month	

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## SALIENT TERMS OF THE LAS (Cont'd)

5.	<b>Security Deposit</b>	<p>On or before the Commencement Date, the lessee shall pay to BPSB an amount equivalent to 3 months of the monthly rental as security deposit ("<b>Security Deposit</b>").</p> <p>The Security Deposit shall be adjusted whenever there is a revision to the monthly rental at any time during the lease term to be equivalent to 3 months of the revised monthly rental from time to time.</p>
6.	<b>Option to renew</b>	<p>Subject to the lessee's compliance with the LA, the lessee shall have an option to renew the lease for an additional period of 3 years from the expiry of the lease term ("<b>Renewed Period</b>").</p> <p>The monthly rental for the Renewed Period shall be negotiated and mutually agreed between the parties failing which, it shall be based on prevailing market rate for properties that are similar in nature.</p>
7.	<b>Lessee's default</b>	<p>If any one or more of the following events occurs:</p> <ul style="list-style-type: none"> <li>(i) save and except for the purpose of reconstruction, reorganization or amalgamation, any step or action is taken for the winding up, dissolution or liquidation or a petition for winding up is presented against the lessee or any order is made or a resolution is passed for the winding up or liquidation of the lessee and such judgement or order shall not have been set aside within 30 days from the date of the making thereof;</li> <li>(ii) the lessee shall institute any proceeding or give its consent to the institution of any proceedings for the relief of the lessee under any winding up or insolvency laws;</li> <li>(iii) the lessee shall have a receiver, receiver and manager, judicial manager or similar official appointed over the whole or any part of the lessee's undertakings or assets;</li> <li>(iv) the lessee shall make any arrangement for the benefit of or enter into any arrangement, composition or compromise or assignment for the benefit of the lessee's creditors or any class of them;</li> <li>(v) the lessee shall permit or suffer any execution or distress or other process of a court of competent jurisdiction to be levied upon or issued against any of the lessee's goods, assets or on any properties, fixtures and fittings in or upon the property;</li> <li>(vi) the lessee shall quit or attempt to quit and/or redeliver vacant possession of the property at any time prior to the expiry of the lease, for any reason whatsoever;</li> <li>(vii) the lessee shall cease or threaten to cease to carry on the lessee's business at the property or shall fail, refuse or neglect without any valid reasons whatsoever to open or cause the property to be opened for business, for a continuous period of 30 days during the lease, without the prior written consent of BPSB together with the existence of any event as stipulated under sub-section (viii) and/or (ix) below;</li> </ul>



## SALIENT TERMS OF THE LAS (Cont'd)

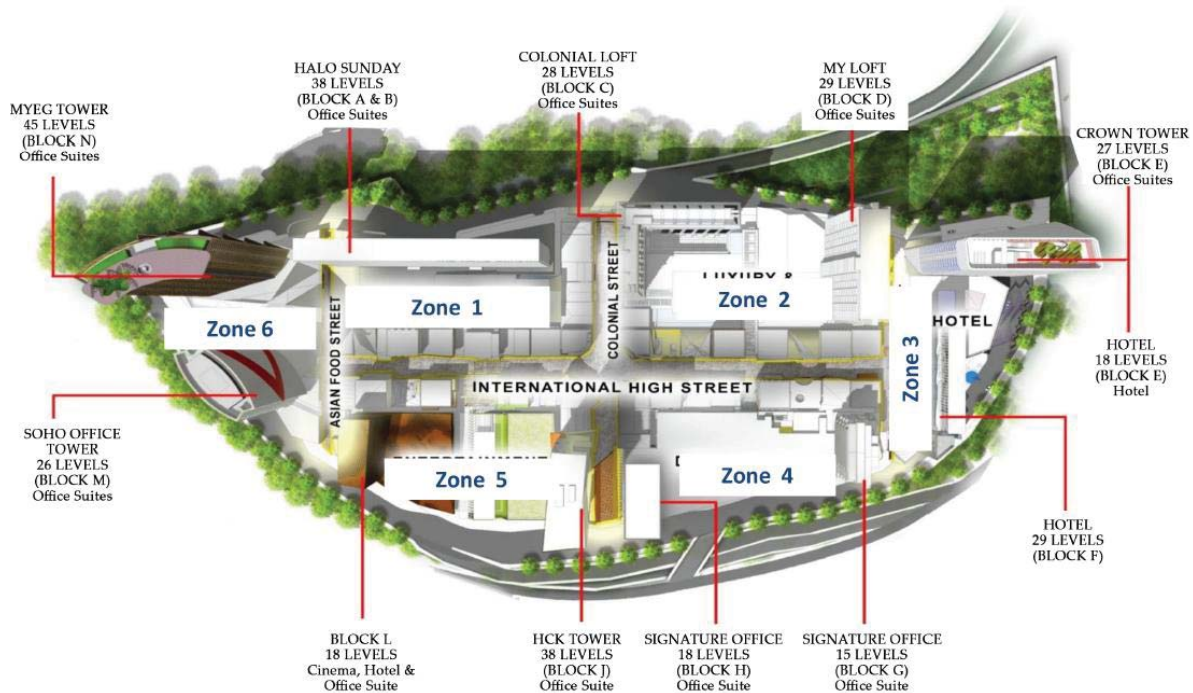
		<p>(viii) the lessee shall fail refuse or neglect or default in the payment of any monthly rental or in any other payment required to be made by the lessee hereunder when due as herein provided and such default shall continue for 7 days from the respective due dates thereof whether formally or legally demanded or not; or</p> <p>(ix) the lessee, commits a material breach of any one or more of the other covenants undertakings terms conditions obligations restrictions stipulations on the part of the lessee to be observed and performed in the LA and such breach has not been remedied by the lessee within the period of 14 days after the lessee receives written notice thereof from BPSB; or threaten to commit or cause to commit such material breach and such breach shall continue for 14 days from inception; as the case may be.</p> <p>BPSB shall be entitled to:</p> <p>(i) to the remedy of specific performance of the LA against the lessee and to all reliefs flowing therefrom without prejudice to any other remedies that may be available to the lessor (BPSB) under applicable laws; or</p> <p>(ii) to terminate the LA by notice in writing to the lessee whereupon the lessee shall be liable to pay to the lessor (BPSB) all amounts then due and payable to the lessor, together with an amount equivalent to the monthly rental for the whole unexpired period of the lease as agreed liquidated damages and upon receipt of such notice of termination, the lessee shall at its own cost and expense re-deliver vacant possession of the property to BPSB in accordance with the provisions of the LA.</p>
8.	<b>Lessor's default</b>	<p>If BPSB shall commit a material breach of the LA and such material breach shall have continued for 30 days after BPSB receives written notice thereof from the lessee, unless the default is remedied within 30 days period thereafter, the lessee shall be entitled to:</p> <p>(i) the remedy of specific performance against the lessor (BPSB) without prejudice to any other remedies that may be available to the lessee under applicable laws; or</p> <p>(ii) terminate the LA by written notice to BPSB, without prejudice to the right of the lessee to claim damages from BPSB subject always that BPSB shall not be liable for any loss of profits and/or other consequential damages whatsoever.</p>
9.	<b>Governing law</b>	The SBP SPA shall be governed by and construed in accordance with the law of Malaysia.

## INFORMATION ON THE EMPIRE CITY PROPERTIES

Block L (where the Empire City Properties located within) is part of an integrated mixed use commercial development project, namely “Empire City”. Empire City is a 23.56-acre mixed-use development strategically located in Damansara Perdana, Selangor Darul Ehsan.

The on-going project by Mammoth Empire Holding Sdn. Bhd., the holding company of CASB, is a comprehensive master development that offers self-contained facilities. To be developed over six zones, it was originally approved for various mixed-use components comprising corporate office towers, over 3,000 office suites and an extensive 1.8 million sq ft of retail space (“**Master Development**”). As at LPD, the construction of Empire City remains ongoing. 9 towers comprising of office suites and corporate office towers have been completed and are operational, while the retail podium, Block F and Block L are currently under construction.

An overview of Master Development is as follows:

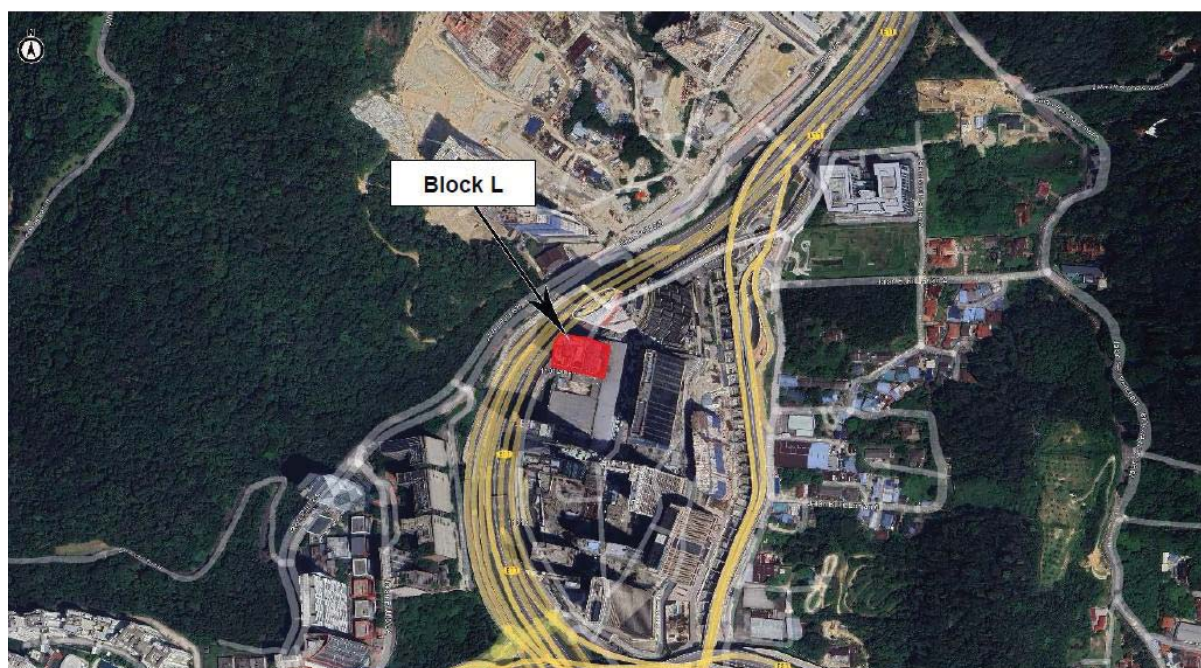


*(Note: The Block L will be a 18-storey building comprising cinema (Level G to Level 3A), office suites (Level 5 to Level 7 Mezzanine) and hotel suites (Level 8 to Level 17). The said hotel suites being the Empire City Properties.)*

The Master Development is strategically positioned fronting the Lebuhraya Damansara Puchong (LDP) and is primarily accessible via the said highway, Damansara-Shah Alam Elevated Expressway, and Penchala Link (accessible via Sprint Highway). It is also well connected to various conurbations of Klang Valley via a network of major roads and expressways that include the Duta-Ulu Kelang Expressway (DUKE), North-South Expressway (NSE), Middle Ring Road 2 (MRR2) and Jalan Kuala Selangor. The Master Development, wherein the Empire City Properties are located, is in proximity to several public transportation links that include the Mutiara Damansara MRT Station, located approximately 1.4km due south-west (or approximately 5-minute drivetime); and the Bukit Lanjan (North) and Bukit Lanjan (South) bus stands, both located along the eastern boundary. The MRT Feeder Bus T810 route serves the immediate locality, including a stop at the Mutiara Damansara MRT station.

**INFORMATION ON THE EMPIRE CITY PROPERTIES (Cont'd)**

The Empire City Properties enjoy good accessibility and connectivity via several highways, namely Lebuhraya Damansara Puchong (LDP), SPRINT Highway (Penchala Link) and the North Klang Valley Expressway (NKVE). The Damansara-Shah Alam Elevated Expressway (DASH), which is linked to LDP and the Penchala Link, has further improved the overall accessibility and connectivity to the internal network of roads leading to the Empire City Properties. The Empire City Properties are directly accessible from LDP, as well as from the main arterial road of Jalan PJU 8/1 and through the two-way tunnel connecting Jalan PJU 8/8 to Jalan Bukit Lanjan.



Details of the Master Development and the Empire City Properties are as follows:

Particulars on the land	
Registered proprietor	CASB
Title no.	PN116964
Lot no.	Lot 90573
Mukim	Mukim Sungai Buloh
Land area	95,360 square metres.
Tenure	Leasehold interest for a term of 99 years, expiring on 8 June 2104.
Category of land use	Building
Express condition	Commercial building
Restriction in interest	The land shall not be transferred, leased or charged except with the written permission of the State Authority
Encumbrances/ Caveat	Free from encumbrances

## INFORMATION ON THE EMPIRE CITY PROPERTIES (Cont'd)

Particulars on the proposed development of Empire City Properties																																																					
Planning permission, building plan and proposed development	CASB had on 13 March 2015 obtained the planning permission from MBPJ bearing reference no. (43)dIm.MBPJ/JPB331/T/P23/PJU8/5723/2010 Jld 1 for the proposed amendment to the approved layout plan in respect of the proposed development comprising among others, 3 blocks of hotel and 8 blocks of offices (“Proposed Development”).																																																				
	Subsequently on 14 August 2024, CASB obtained the confirmation from MPBJ bearing reference no. (16) dIm.MBPJ/040100/T/P23/1/PJU8/5723/2010 JLD.2. confirming the layout plan in respect of the Proposed Development.																																																				
	Following the confirmed layout plan referred to above, the proposed development of Block L consists of cinema (Level G to Level 3A), office suites (Level 5 to Level 7 Mezzanine) and hotel suites (Level 8 to Level 17). The said hotel suites being the Empire City Properties.																																																				
	As at the LPD, the construction works of Empire City Properties is at 60% completion stage.																																																				
Proposed parcel area	<table><tr><td>Main parcel area</td><td>9,108.87 sq. m (98,047 sq. ft)*</td></tr><tr><td>Accessory parcel area</td><td>490.52 sq. m (5,280 sq. ft)*</td></tr><tr><td><b>Total</b></td><td><b>9,599.39 sq. m (103,327 sq. ft)*</b></td></tr></table>		Main parcel area	9,108.87 sq. m (98,047 sq. ft)*	Accessory parcel area	490.52 sq. m (5,280 sq. ft)*	<b>Total</b>	<b>9,599.39 sq. m (103,327 sq. ft)*</b>																																													
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	Accessory parcel area	490.52 sq. m (5,280 sq. ft)*																																																			
	<b>Total</b>	<b>9,599.39 sq. m (103,327 sq. ft)*</b>																																																			
<p><i>Note:</i></p> <p>* Based on the Revised Drawing Plan. As at the LPD, the Revised Drawing Plan is pending approval from MBPJ as approved building plan.</p> <p>Empire City Properties comprise the following types of units:</p> <table><tr><th>Type (proposed gross built-up area per unit)</th><th>Number of units to be purchased</th></tr><tr><td>A (416 sq. ft)</td><td>70</td></tr><tr><td>A1 (411 sq. ft and 412 sq. ft)</td><td>44</td></tr><tr><td>A2 (390 sq. ft)</td><td>3</td></tr><tr><td>A3 (390 sq. ft)</td><td>1</td></tr><tr><td>A4 (373 sq. ft)</td><td>1</td></tr><tr><td>A5 (409 sq. ft)</td><td>1</td></tr><tr><td>A6 (465 sq. ft)</td><td>1</td></tr><tr><td>B (344/ 369 sq. ft)</td><td>22</td></tr><tr><td>B1 (560 sq. ft)</td><td>1</td></tr><tr><td>C (487 sq. ft)</td><td>10</td></tr><tr><td>D1 (364 sq. ft)</td><td>1</td></tr><tr><td>D1A (383 sq. ft)</td><td>1</td></tr><tr><td>D2 (318 sq. ft)</td><td>4</td></tr><tr><td>D2A (238 sq. ft)</td><td>4</td></tr><tr><td>D3 (550 sq. ft)</td><td>6</td></tr><tr><td>D3A (253 sq. ft)</td><td>6</td></tr><tr><td>F (267 sq. ft)</td><td>20</td></tr><tr><td>F2 (729 sq. ft)</td><td>2</td></tr><tr><td>F3 (411 sq. ft)</td><td>20</td></tr><tr><td>G (460 sq. ft)</td><td>10</td></tr><tr><td>G1 (415 sq. ft)</td><td>1</td></tr><tr><td>H (645 sq. ft)</td><td>10</td></tr><tr><td>J (131 sq. ft)</td><td>1</td></tr><tr><td>J(M) (131 sq. ft)</td><td>1</td></tr><tr><td><b>Total</b></td><td><b>241</b></td></tr></table>		Type (proposed gross built-up area per unit)	Number of units to be purchased	A (416 sq. ft)	70	A1 (411 sq. ft and 412 sq. ft)	44	A2 (390 sq. ft)	3	A3 (390 sq. ft)	1	A4 (373 sq. ft)	1	A5 (409 sq. ft)	1	A6 (465 sq. ft)	1	B (344/ 369 sq. ft)	22	B1 (560 sq. ft)	1	C (487 sq. ft)	10	D1 (364 sq. ft)	1	D1A (383 sq. ft)	1	D2 (318 sq. ft)	4	D2A (238 sq. ft)	4	D3 (550 sq. ft)	6	D3A (253 sq. ft)	6	F (267 sq. ft)	20	F2 (729 sq. ft)	2	F3 (411 sq. ft)	20	G (460 sq. ft)	10	G1 (415 sq. ft)	1	H (645 sq. ft)	10	J (131 sq. ft)	1	J(M) (131 sq. ft)	1	<b>Total</b>	<b>241</b>
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**INFORMATION ON THE EMPIRE CITY PROPERTIES (Cont'd)**

Estimated gross development value of the Block L	RM83.34 million
Estimated gross development cost and source of funding of the Block L	RM73.54 million, via internally-generated funds
Commencement date of Block L	May 2015
Expected completion date of the Empire City Properties	March 2026
<b>Other particulars</b>	
Audited net book value of the proposed development of the Empire City Properties	Nil (based on latest available audited financial statements of CASB as at 31 December 2022)
Market value of the Empire City Properties	RM80,649,000

(Source: Empire City Valuation Report)

The Group anticipates the Empire City Properties would appreciate in value in the future, for potential capital gain to be realised from the sale of the said properties as and when opportunities arise. At this juncture, the management has not identified such opportunities.

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## SALIENT TERMS OF THE EMPIRE CITY SPA

The salient terms and conditions of the Empire City SPA include, among others, the terms and conditions set out in this **Appendix V**.

1.	Parties involved	<table><tr><th>Vendor</th><th>Purchaser</th></tr><tr><td>CASB</td><td>BPSB</td></tr></table>	Vendor	Purchaser	CASB	BPSB
Vendor	Purchaser					
CASB	BPSB					
2.	Empire City Purchase Consideration	RM73,535,250 comprising the Cash Consideration and the Consideration Shares.				
3.	Mode of settlement	<p>The Empire City Purchase Consideration shall be paid/ satisfied by BPSB in the following manner:</p> <p>(i) RM7,353,000 (“<b>Deposit</b>”) upon signing of the Empire City SPA;</p> <p>(ii) RM44,121,000 within 14 working days from the date on which the last of the condition precedent is met (“<b>Unconditional Date</b>”) of which:</p> <p>(a) RM33,826,100 via cash; and</p> <p>(b) RM10,294,900 via issuance of Consideration Shares,</p> <p>(iii) RM22,060,750 in accordance with an agreed payment schedule where the last payment milestone shall be within 14 days from the date of CASB’s written notification to BPSB informing BPSB to take delivery of vacant possession of the Empire City Properties.</p>				
4.	Conditions precedent	<p>The Empire City SPA is conditional upon:</p> <p>(i) the shareholders of Binasat having approved: (i) Proposed Acquisitions of Empire City Properties; and (ii) the Proposed Diversifications;</p> <p>(ii) Bursa Securities having approved the listing/ quotation of the Consideration Shares;</p> <p>(iii) BPSB having conducted a due diligence review on the Empire City Properties and is satisfied with the results from the said due diligence review;</p> <p>(iv) CASB and BPSB having agreed to the form and substance of the individual sale and purchase agreement and deed of mutual covenants in relation to the Empire City Properties;</p> <p>(v) the Vendor procuring the approval from the relevant authority for revised building plan.</p> <p>each a “<b>Empire Condition Precedent</b>” and together, the “<b>Empire Conditions Precedent</b>”.</p> <p>The Empire Condition Precedent set out in:</p> <p>(a) items (iii) and (iv) above shall be fulfilled by 3 April 2025* (“<b>Conditional Period-1</b>”); and</p>				

## SALIENT TERMS OF THE EMPIRE CITY SPA (Cont'd)

		<p><i>Note:</i></p> <p>* <i>items(iii) and (iv) were fulfilled on 2 April 2025.</i></p> <p>(b) items (i), (ii) and (v) above shall be fulfilled within 6 months from the date of the Empire City SPA (“<b>Conditional Period-2</b>”).</p> <p>If any of the Empire Condition Precedent set out in:</p> <p>(aa) items (iii) and (iv) above are not fulfilled by the expiry of the Conditional Period-1; or</p> <p>(bb) items (i), (ii) and (v) above are not fulfilled by the expiry of the Conditional Period-2,</p> <p>either CASB or BPSB may terminate the Empire City SPA.</p> <p>In the event of termination, the Deposit shall be refunded to BPSB.</p>
5.	<b>Defect liability period</b>	<b>12 months</b> from the date vacant possession of the Empire City Properties is delivered to BPSB.
6.	<b>Delivery of vacant possession</b>	Vacant possession of the Empire City Properties shall be delivered to BPSB within 12 months from the Unconditional Date with an automatic extension of another 6 months.
7.	<b>BPSB's default</b>	If BPSB fails to pay any part of the Empire City Purchase Consideration or breach any provision of the Empire City SPA, CASB shall be entitled at its sole discretion to either the relief of specific performance of the Empire City SPA or terminate the Empire City SPA and to forfeit the Deposit. In the event of termination, CASB shall refund to BPSB any sum in excess of the Deposit (including payment for the Consideration Shares received in accordance with item 9 below, if applicable).
8.	<b>CASB's default</b>	If CASB shall fail, neglect or refuse to complete the sale of the Empire City Properties in accordance with the Empire City SPA or breach any provision of the Empire City SPA, BPSB shall be entitled at its sole discretion to either the relief of specific performance of the Empire City SPA or terminate the Empire City SPA. In the event of termination, CASB shall refund to BPSB all monies paid by BPSB towards the Empire City Purchase Consideration (including payment for the Consideration Shares received in accordance with item 9 below, if applicable), together with an additional sum equivalent to the Deposit.
9.	<b>Termination and Consideration Shares</b>	In the event of termination of the Empire City SPA and the Consideration Shares having been allotted and issued to CASB, CASB shall within 30 working days from the date of termination pay to BPSB the sum of RM10,294,900.00 being an amount equivalent to the value of the Consideration Shares.
10.	<b>Governing law</b>	The Empire City SPA shall be governed by and construed in accordance with the law of Malaysia.





## PRIVATE &amp; CONFIDENTIAL

Binasat Properties Sdn Bhd (fka Binasat (Sabah) Sdn Bhd)  
 A wholly-owned subsidiary of Binasat Communications Berhad  
 Lot PT 13824, Jalan Teknologi 4  
 Technology Park Malaysia  
 57000 Bukit Jalil  
 Kuala Lumpur

Date: 3 December 2024

Reference No: V/COR/24/0095/lmw & V/COR/24/0159/ckc

Dear Sir / Madam,

VALUATION CERTIFICATE FOR LOT(S) 128306, 128305 AND PT 133765 HELD UNDER TITLE NO(S). GRN 190272, 190271 AND HSD 138159 RESPECTIVELY, ALL LOCATED WITHIN MUKIM AND DISTRICT OF KLANG, SELANGOR DARUL EHSAN (COLLECTIVELY REFERRED TO AS "ASSET 1") AND 241 UNITS OF FULLY FURNISHED HOTEL SUITES LOCATED WITHIN BLOCK L; FORMING PART OF AN INTEGRATED MIXED USE COMMERCIAL DEVELOPMENT OF EMPIRE CITY, ERECTED ON PART OF PARENT LOT NO. 90573 HELD UNDER MASTER TITLE NO. PN 116964, MUKIM OF SUNGAI BULOH, DISTRICT OF PETALING, SELANGOR DARUL EHSAN (COLLECTIVELY REFERRED TO AS "ASSET 2") (COLLECTIVELY HEREINAFTER REFERRED TO AS THE "SUBJECT PROPERTIES")

We were instructed by Binasat Properties Sdn Bhd (fka Binasat (Sabah) Sdn Bhd) (hereinafter referred to as the "Client") for our firm to ascertain the Market Value of the legal interest in the Subject Properties stated herein.

This Valuation Certificate is prepared for the purpose of submission to Bursa Malaysia Securities Berhad and inclusion in the announcement(s) and circular to shareholders in relation to the proposed acquisitions of the Subject Properties and proposed lease of Asset 1 by Binasat Properties Sdn Bhd (fka Binasat (Sabah) Sdn Bhd), a wholly-owned subsidiary of Binasat Communications Berhad.

This Valuation Certificate is prepared in conformity with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards published by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

This Valuation Certificate is prepared in accordance with the General Principles adopted and Limiting Conditions, General Terms of Business for Valuation Services and General Scope of Valuation Work; as enclosed at the end of our formal valuation reports. For all intents and purposes, this Valuation Certificate should be read in conjunction with our formal valuation report.

The basis of valuation adopted is the **Market Value** which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

We have conducted the site inspection on various occasions; being the latest on **18 October 2024**. We have been specifically instructed by the Client to assess the Market Value(s) of the Subject Properties at the material date of valuation as of 18 October 2024.

In arriving at our opinion of the Market Value(s) of the Subject Properties, we have adopted the **Income Approach by Investment Method** and **Comparison Approach**, as the case may be. In arriving Market Value of the Asset 1, the primary method adopted will be **Income Approach by Investment Method** and supported by the **Comparison Approach**. In arriving Market Value of the Asset 2, the **Comparison Approach** has been adopted as the only preferred method of valuation.

Brief details of the methodology adopted are defined below.

a) **Income Approach by Investment Method**

This approach involves capitalisation of the net annual income stream that is expected to be received from the property after deducting the annual outgoings and other operating expenses incidental to the property with allowance for void by using an appropriate market derived capitalisation rate.

b) **Comparison Approach**

This approach considers the sale of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. In general, a property being valued is compared with sale of similar properties that have been transacted in the open market. Listings and offerings may also be considered for this approach.

Knight Frank Malaysia Sdn Bhd Co Reg. No. 200201017816 (585479-A)



Level 10, Menara Southpoint, Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur.  
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## VALUATION CERTIFICATE (Cont'd)



Summary of the Subject Properties are as attached below.

No.	Reference No.	Identification of Property	Market Value
1.	V/COR/24/0095/lmw	Lot(s) 128306, 128305 and PT 133765 held under Title No(s). GRN 190272, 190271 and HSD 138159 respectively, all located within Mukim and District of Klang, Selangor Darul Ehsan.	RM8,340,000
2.	V/COR/24/0159/ckc	241 units of fully furnished hotel suites located within Block L; forming part of an integrated mixed use commercial development of Empire City, erected on part of Parent Lot No. 90573 held under Master Title No. PN 116964, Mukim of Sungai Buloh, District of Petaling, Selangor Darul Ehsan.	RM80,649,000
Total Market Value			RM88,989,000

For and on behalf of  
KNIGHT FRANK MALAYSIA SDN BHD  
(signed and sealed by)


  
JUSTIN CHEE TING HWANG  
Registered Valuer, V-774  
RICS Registered Valuer, 1235888  
MRICS, MRISM, MPEPS

Date: 3 December 2024

## Notes: -

- Please note that this certificate shall only be valid provided always that a signature of our authorised signatory and an official seal have been affixed hereto.
- The above valuation is peer reviewed by Knight Frank Malaysia Sdn Bhd (Head Office), Mr. Ooi Hsien Yu (Registered Valuer, V-692).

For and on behalf of  
KNIGHT FRANK MALAYSIA SDN BHD  
(signed and sealed by)

  
CHIENG TZE CHUI  
Registered Valuer, V-1105  
RICS Registered Valuer, 6816593  
MRICS, MRISM, MPEPS

Date: 3 December 2024

## Notes: -

- Please note that this certificate shall only be valid provided always that a signature of our authorised signatory and an official seal have been affixed hereto.
- The above valuation is peer reviewed by Knight Frank Malaysia Sdn Bhd (Head Office), Ms. Chua Gaik Ching (Registered Valuer, V-1190).



## VALUATION CERTIFICATE (Cont'd)



1.0 V/COR/24/0095/lmw

## 1.1 IDENTIFICATION OF PROPERTY

**Legal Description** Lot(s) 128306, 128305 and PT 133765 held under Title No(s). GRN 190272, 190271 and HSD 138159 respectively, all located within Mukim and District of Klang, Selangor Darul Ehsan (collectively referred as Subject Property in Section 1 herein).

**Terms of Reference** WE WERE SPECIFICALLY INSTRUCTED BY THE CLIENT TO ASCERTAIN THE MARKET VALUE OF THE SUBJECT PROPERTY ON THE BASIS THAT LEASE AGREEMENT(S) WILL BE ENTERED BETWEEN BINASAT PROPERTIES SDN BHD (FKA BINASAT (SABAH) SDN BHD) (THE "LESSOR") AND THE RESPECTIVE "LESSEE" (AS MENTIONED IN SECTION 2.27 OF THE VALUATION REPORT BEARING REFERENCE NO. V/COR/24/0095/lmw) WHICH SHALL COMMENCE UPON THE COMPLETION OF ACQUISITION OF THE SUBJECT PROPERTY BASED ON PRE-AGREED LEASE STRUCTURE FOR THE INITIAL COMMENCEMENT TERM OF THREE (3) YEARS (TERM 1) WITH TWO (2) AUTOMATIC RENEWAL TERMS OF THREE (3) YEARS EACH THROUGHOUT THE PRINCIPAL LEASE PERIOD OF NINE (9) YEARS; WITH RENT REVISION FOR EVERY TERM OF THREE (3) YEARS; SUBJECT TO THE TERMS AND CONDITIONS STATED THEREIN.

"IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ASSUMPTIONS STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED"

Note: For the avoidance of doubt, the pre-agreed lease structure of which this valuation is based, is as per the Certified True Copies of the draft Lease Agreement(s).

Type of Property / Property Address	Type of Property	Lot No.	Property Address
	Four (4)-storey intermediate terraced shop-office	Lot 128306	No. 61, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan.
		Lot 128305	No. 62, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan.
	Six (6)-storey corner terraced shop-office	PT 133765	No. 66, Jalan Bayu Laut 4B/KS09, Sazean Business Park, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan.

Title Particulars	Lot No.	Title No.	Land Area (Square Metre)	Quit Rent (Land Tax) (per annum)
	Lot 128306	GRN 190272	153	RM272.00
	Lot 128305	GRN 190271	153	RM272.00
	PT 133765	HSD 138159	Note 334.5	RM690.00

The following particulars are common to the above titles unless otherwise stated:-

Summary of Title Particulars		
Mukim / District / State	Mukim and District of Klang, Selangor Darul Ehsan.	
Tenure	Interest in perpetuity.	
Registered Proprietor(s)	Lot No.	Registered Proprietor(s)
	Lot 128306	Lim Wai Yee
	Lot 128305	Ong Tzu Chuen
	PT 133765	Hexlar Asset Management Sdn Bhd
Category of Land Use	"Bangunan".	



## 1.1 IDENTIFICATION OF PROPERTY (CONT'D)

## Summary of Title Particulars (Cont'd)

Express Condition	"Bangunan Perniagaan".
Restriction-In-Interest	"Tiada".
Endorsement(s)	Nil.
Encumbrance(s)	Charged to RHB Bank Berhad vide Presentation No. 001SC30694/2015; registered on 31 March 2015; in respect of Lot PT 133765.

Note: Based on the Certified Plan No. PA210115, we note that Lot PT 133765 will be re-designated as Lot 157941; with surveyed land area of 335 square metres (3,606 square feet). As such, for the purpose of this Valuation and Report, we have adopted the surveyed land area of 335 square metres (3,606 square feet) for Lot PT 133765 in our Valuation.

## 1.2 PROPERTY DESCRIPTION

**Locality** Located within Sazean Business Park, forms part of the mixed development known as Gravit8 in Kota Bayuemas, Klang, which is sited off the northern (right) side of Pulau Indah Highway travelling from West Port towards Pandamaran. The Kuala Lumpur city centre and Klang are located about 35 kilometres due north-east and 6 kilometres due north of the Subject Property respectively.

**Site Description** Lot 128306 (No.61) and Lot 128305 (No.62)

Both Lot 128306 and Lot 128305 are intermediate terraced commercial plots, rectangular in shape with a surveyed land area of 153 square metres (1,647 square feet) each. The subject sites face east and enjoys a direct frontage onto Jalan Bayu Laut 4/KS09. The western (rear) site boundaries abut onto a metalled backlane, whilst the remaining boundaries abut onto neighbouring lots.

Both lots are generally flat in terrain and lies at about the same level as the street elevations, accommodating two (2) units of four (4)-storey intermediate terraced shop-office.

Lot PT 133765 – Re-designated as Lot 157941 (No.66)

Based on the Certified Plan No. PA210115, we note that Lot PT 133765 will be re-designated as Lot 157941; with surveyed land area of 335 square metres (3,606 square feet). As such, for the purpose of this Valuation and Report, we have adopted the surveyed land area of 335 square metres (3,606 square feet) for Lot PT 133765 in our Valuation.

The subject site is a corner terraced commercial plot, near rectangular in shape with a chipped off corner, having with surveyed land area of 335 square metres (3,606 square feet). The subject site faces west; enjoys direct frontage onto Jalan Bayu Laut 4B/KS09 and return frontage onto Jalan Bayu Laut 4/KS09. The eastern (rear) site boundary abuts onto a metalled backlane.

The subject site is generally flat in terrain and lies at about the same level as the street elevations, accommodating a unit of six (6)-storey corner terraced shop-office.



## VALUATION CERTIFICATE (Cont'd)



## 1.2 PROPERTY DESCRIPTION (CONT'D)

## Building Description

At the date of inspection, we note that part of the wall was removed / opened to provide lateral access to No(s) 61 to 64 (inclusive). We further note that the party wall between No. 62 and No. 63 (not under valuation) from first floor to third floor have been removed to accommodate larger office area. Our verbal enquiry with Building Department of Klang Royal City Council has revealed necessary approval for such renovation works is required. We were made to understand by the client that the said renovation works were carried out by the tenant. Pursuant to the tenancy agreement, we understand that the landlord's consent is required for such structural alterations (of which the landlord had granted). Upon the expiry of the tenancy, the tenant shall be liable for all the costs and expenses incurred to restore the alterations.

Aside to that, we note that a linked bridge (not under valuation) has been constructed at the third floor of No. 64 (not under valuation) and No. 66. Pursuant to the Planning Approval Letter issued by the Klang Royal City Council bearing Reference No. MPK/PB 153/2019 dated 12 June 2020 together with the Air Right Permit Approval bearing Permit No. D01/2024/1 dated 2 September 2024, we note that approval has been granted for the aforesaid construction and is renewable annually; subject to annual payment.

No.	Lot No.	Accommodation(s)
<b>Four (4)-storey intermediate terraced shop-office</b>		
No(s). 61 and 62	Lot(s). 128306 and 128305	<u>Ground Floor</u> Verandah, general shop area, lift lobby, toilet(s) and refuse chamber. <u>First Floor to Third Floor</u> Shop / office area(s), lift lobby, toilets, balcony and Air Conditioning (A/C) ledge(s).
<b>Six (6)-storey corner terraced shop-office</b>		
No. 66	Lot PT 133765	<u>Ground Floor</u> Verandah, gallery, pump room, lift lobby, utility room(s) and toilet(s). <u>First Floor</u> Office area, office room(s), hub room, lift lobby and toilet(s). <u>Second Floor</u> Office area, office room(s), filing room, hub room, lift lobby, utility room, pantry and toilet(s). <u>Third Floor</u> Cafeteria and games area, surau, lift lobby, utility room and toilet(s). <u>Fourth Floor</u> Office area, office room(s), meeting room, filing room, hub room, lift lobby and toilet(s). <u>Fifth Floor</u> Office area, office room(s), filing room, utility room, lift lobby and toilet(s).

The following finishes / specifications are common to all units unless otherwise stated:-

General Building Finishes / Specifications	
Structures	Reinforced concrete frames with bricks infill rendered externally and plastered internally.
Roof	Pitched / flat roof.
Ceiling(s)	Cement plaster, plaster ceilings incorporating downlights and ceiling boards.
Wall Finishes	Cement plaster and ceramic wall tiles.
Floor Finishes	Ceramic tiles, wall-to-wall carpet, timber strips flooring and cement screed.
Door(s)	Solid / flushed timber, fire rated doors, frameless glass panels, timber framed incorporating glass panels and metal roller-shutters.
Window(s)	Top hung units and aluminium casement incorporating glass panels.
Vertical Access	Reinforced concrete staircase and passenger lift.
Fixtures and Fittings / Improvements	<ul style="list-style-type: none"> <li>Split / cassette air-conditioning units.</li> <li>Closed Circuit Television (CCTV) system.</li> <li>Built-in cabinets.</li> </ul>



## 1.2 PROPERTY DESCRIPTION (CONT'D)

Approximate Gross Floor Area

No.	Lot No.	Main Floor Area (MFA) / Lettable Area (LA)		Ancillary Floor Area (AFA)		Gross Floor Area (GFA)	
		Square Metres	Square Feet	Square Metres	Square Feet	Square Metres	Square Feet
61	Lot 128306	531.93	5,726	60.35	650	592.28	6,376
62	Lot 128305	531.93	5,726	60.35	650	592.28	6,376
66	PT 133765	1,762.69	18,973	85.37	919	1,848.06	19,892

Occupancy Status

Presently, we note that No. 66 is currently owner-occupied whilst No(s). 61 and 62 are tenanted.

No.	Tenant	Commencement Date of Tenancy	Expiry Date of Tenancy	Monthly Gross Rental
61 (Ground)	99 Speed Mart Sdn Bhd	15 December 2023	14 December 2026	RM2,530.00
61 (First to Third)	<sup>(1)</sup> Opcom Shared Services Sdn Bhd	1 August 2022	31 July 2025	RM4,100.00
62 (Ground to Third)	<sup>(2)</sup> Hextar Fert Sdn Bhd	1 August 2022	31 July 2025	RM6,400.00

Notes: (1) Opcom Shared Services Sdn Bhd is a wholly-owned subsidiary of Hextar Capital Berhad (formerly known as Opcom Holdings Berhad) ("HCB"). Dato' Ong Choo Meng is a major shareholder of HCB and spouse of Lim Wai Yee (being the vendor of No 61).

(2) Hextar Fert Sdn Bhd is an indirect wholly-owned subsidiary of Hextar Industries Berhad ("HIB"). Hextar Holdings Sdn Bhd. ("HHSB") is a controlling shareholder of HIB. The directors of HHSB are Dato' Ong Soon Ho and Dato' Ong Choo Meng. The shareholders of HHSB are Dato' Ong Soon Ho, Datin Teoh Siew Yoke @ Teoh Siew Chin (spouse of Dato' Ong Soon Ho) and Dato' Ong Choo Meng. Dato' Ong Choo Meng is a major shareholder of HIB (by virtue of his indirect interest via HHSB) and brother of Ong Tzu Chuen (being the vendor of No. 62).

In accordance with Section 3A of the draft Sale and Purchase Agreement(s) ("SPA"), the Binasat Properties Sdn Bhd (fka Binasat (Sabah) Sdn Bhd) ("Purchaser") and the respective Lessee shall execute the draft Lease Agreement(s) simultaneously with the execution of the said SPA.

Key pertinent information of the said draft Lease Agreement(s) with the pre-agreed lease structure(s) are tabulated here below and our valuation is subject to the following lease arrangement.

**No(s) 61 and 62 – Intermediate Units**

Lessor		Binasat Properties Sdn Bhd (fka Binasat (Sabah) Sdn Bhd)				
Lessee		No. 61	Hextar Asset Management Sdn Bhd			
		No. 62	HIB Management Sdn Bhd			
Term	Year	Gross Annual Rental (RM)	Monthly Rental (RM)	Equivalent Monthly Rental (RM psf)	Lease Term	Step-up (%)
1	1	82,449	6,871	1.20	Automatic renewal	-
	2	82,449	6,871	1.20		
	3	82,449	6,871	1.20		
2	4	90,694	7,558	1.32	Automatic renewal	10%
	5	90,694	7,558	1.32		
	6	90,694	7,558	1.32		
3	7	99,763	8,314	1.45	Automatic renewal	10%
	8	99,763	8,314	1.45		
	9	99,763	8,314	1.45		





## 1.2 PROPERTY DESCRIPTION (CONT'D)

## No. 66 - Corner Unit

Lessor		Binasat Properties Sdn Bhd (fka Binasat (Sabah) Sdn Bhd)				
Lessee		Hextar Asset Management Sdn Bhd				
Term	Year	Gross Annual Rental (RM)	Monthly Rental (RM)	Equivalent Monthly Rental (RM psf)	Lease Term	Step-up (%)
1	1	250,449	20,871	1.10	Automatic renewal	-
	2	250,449	20,871	1.10		
	3	250,449	20,871	1.10		
2	4	275,494	22,958	1.21	Automatic renewal	10%
	5	275,494	22,958	1.21		
	6	275,494	22,958	1.21		
3	7	303,044	25,254	1.33	Automatic renewal	10%
	8	303,044	25,254	1.33		
	9	303,044	25,254	1.33		

## Age of Building

Approximately 6 years old from the issuance date of the Certificate of Completion and Compliance (CCC) for the overall development of Sazean Business Park dated 5 March 2018.

## Planning

Designated for commercial use as expressly stipulated in the respective title document; and the overall development of Sazean Business Park was issued with a CCC bearing Certificate No. LAM/S/No. 19884 dated 5 March 2018.

## 1.3 MARKET VALUE

## Valuation Methodology

In arriving at our opinion of the Market Value of the Subject Property, we have adopted the **Income Approach by Investment Method** and supported by the **Comparison Approach**.

## Income Approach by Investment Method

## Summary of Parameters

Average Gross Revenue	:	Term	Term	Year	Intermediate Unit(s)		Corner Unit		Step-up
					Monthly Rental (RM)	Equivalent Monthly Rental (RM psf)	Monthly Rental (RM)	Equivalent Monthly Rental (RM psf)	
			1	Year 1 to 3	6,871	1.20	20,871	1.10	-
		2	Year 4 to 6	7,558	1.32	22,958	1.21	10%	
		3	Year 7 to 9	8,314	1.45	25,254	1.33	10%	

We have adopted the pre-agreed lease structure of the 9-year lease term in deriving the income and value for the Subject Property under the current term.



## VALUATION CERTIFICATE (Cont'd)



## 1.3 MARKET VALUE (CONT'D)

	Reversion	<table><tr><th>Intermediate Units</th><th>Corner Unit</th></tr><tr><td>RM 1.20 psf per month over LA</td><td>RM 1.10 psf per month over LA</td></tr></table>	Intermediate Units	Corner Unit	RM 1.20 psf per month over LA	RM 1.10 psf per month over LA
Intermediate Units	Corner Unit					
RM 1.20 psf per month over LA	RM 1.10 psf per month over LA					
		Our assessment of the market rent for the Subject Property is based on current passing rental of other selected shop-offices in the immediate scheme in region of about RM1.10 psf to RM1.25 psf. In our assessment, we have considered and made diligent adjustment for prevailing market condition and differences including but not limited to the location, accessibility, floor area, building accreditation, condition / specification, design and facilities offered.				
Outgoings	Term	Year 1 to 3 : <b>RM0.15 psf</b> / month over LA Year 4 to 6 : <b>RM0.16 psf</b> / month over LA Year 7 to 9 : <b>RM0.18 psf</b> / month over LA  We have adopted an estimated outgoings of about RM0.15 psf / month over LA in Year 1 with an increment of 3.00% per annum.				
	Reversion	<b>RM0.15 psf</b> / month over LA.  In our assessment of estimated fair outgoings of the Subject Property, we have relied upon the historical outgoings of the Subject Property ranges from RM0.07psf / month to RM 0.22psf / month and benchmarked against the existing historical outgoings of the development as well as other selected shop office assets in Klang Valley. In view of the above, we have adopted an estimated outgoings of about RM0.15 psf / month over LA as fair representation.				
Void	: 5.00%	We have adopted a void allowance of 5.00% of the annual income in reversionary period as fair representation for allowance of void, unforeseen vacancies, possible rent-free periods, fitting out periods and possibility of bad debts.				
Capitalisation Rate	: Term	<b>4.25% to 4.75%</b>  A range of yield adopted under Term are benchmarked against prevailing market rate and adjusted +/-25 basis point for every step-up rent differences from market rent to reflect whether committed rental rates are under, over or at market rent.				
	Reversion	<b>4.25%</b>  Reversionary yield is adopted at fair market rate and they are market derived. We have benchmarked against recent recorded yields of selected shop-offices in the immediate scheme in the region of about 4.08% to 4.33%. As such, it is our conclusion from the above that we have adopted the average concluded capitalisation rate of 4.25% for reversionary term is considered to be fair.				



## 1.3 MARKET VALUE (CONT'D)

## Yield Analysis

	Yield Comparable 1	Yield Comparable 2	Yield Comparable 3	Yield Comparable 4
<b>Property Address</b>	Lot PT 133766, Jalan Bayu Laut 4B/KS09, Sazean Business Park, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan.	Lot 128242, Jalan Bayu Laut 1/KS09, Sazean Business Park, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan.	Lot 128308, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan.	Lot 128314, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan.
<b>Tenure</b>	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity
<b>Land Area</b>	1,647 sq ft	1,647 sq ft	1,647 sq ft	1,647 sq ft
<b>Gross Floor Area</b>	6,375 sq ft	6,375 sq ft	6,375 sq ft	6,375 sq ft
<b>Consideration</b>	RM1,580,000	RM1,650,000	RM1,680,000	RM1,650,000
<b>Estimated Gross Annual Rental</b>	RM84,153	RM84,153	RM84,153	RM84,153
<b>Estimated Annual Net Income (after deducting a 5% void allowance and about RM0.15 psf/month on outgoings)</b>	RM68,470	RM68,470	RM68,470	RM68,470
<b>Year of Transaction</b>	2023	2023	2023	2023
<b>Analysed Yield</b>	4.33%	4.15%	4.08%	4.15%
<b>Source</b>	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)			

We have benchmarked against the yields of shop office transactions in Sazean Business Park which are in the region of about 4.08% to 4.33%. In arriving at the existing yield for the Subject Property, we have adopted yield of 4.25% as fair and reflective of the market condition.

## Comparison Approach

## Sales Comparison and Analysis of Intermediate Terraced Shop-office Transactions

	Comparable 1	Comparable 2	Comparable 3
<b>Address</b>	Lot 128242, Jalan Bayu Laut 1/KS09, Sazean Business Park, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan.	Lot 128308, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan.	Lot 128314, Jalan Bayu Laut 4/KS09, Sazean Business Park, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan.
<b>Type of Property</b>	Four (4)-storey intermediate terraced shop-office.	Four (4)-storey intermediate terraced shop-office.	Four (4)-storey intermediate terraced shop-office.
<b>Land Area</b>	153.00 square metres (1,647 square feet).	153.00 square metres (1,647 square feet).	153.00 square metres (1,647 square feet).
<b>Tenure</b>	Interest in perpetuity.	Interest in perpetuity.	Interest in perpetuity.
<b>Date of Transaction</b>	7 June 2023.	28 March 2023.	13 March 2023.
<b>Consideration</b>	RM1,650,000.	RM1,680,000.	RM1,650,000.
<b>Analysis</b>	RM10,784.31 per square metre (RM1,002 per square foot).	RM10,980.39 per square metre (RM1,020 per square foot).	RM10,784.31 per square metre (RM1,002 per square foot).
<b>Vendor</b>	Rameshwari Rasammah Ramachandra.	Masazwin Sdn Bhd.	Chai Hup Pee.



## VALUATION CERTIFICATE (Cont'd)



## 1.3 MARKET VALUE (CONT'D)

	Comparable 1 (Cont'd)	Comparable 2 (Cont'd)	Comparable 3 (Cont'd)
Purchaser	Ekku Engineering Sdn Bhd.	TG Chemical (M) Sdn Bhd.	TG Chemical (M) Sdn Bhd.
Source	Jabatan Penilaian dan Perkhidmatan Harta (JPPH).		
Adjustments	No adjustment has been made.	No adjustment has been made.	No adjustment has been made.
Adjusted Value	RM10,784.31 per square metre (RM1,002 per square foot).	RM10,980.39 per square metre (RM1,020 per square foot).	RM10,784.31 per square metre (RM1,002 per square foot).

## Valuation Justification

Intermediate Units – Lot 128306 (No.61) and Lot 128305 (No.62)

From the above adjusted values, we note that the derived values ranged between RM10,784.31 per square metre (RM1,002 per square foot) to RM10,980.39 per square metre (RM1,020 per square foot).

Based on the foregoing, as all the Comparable(s) located within the same vicinity and having the similar attributes as our Subject Property, we have placed greater reliance on Comparable 1 (being the latest transaction) and thus adopted a round up value of RM1,650,000 (analysed to be RM10,784.31 per square metre | RM1,002 per square foot) in our valuation as a fair representation by using Comparison Approach.

## Sales Comparison and Analysis of End-lot / Corner Terraced Shop-office Transactions

	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Address	Lot PT 127761, Jalan Ramin 3/KS7, Botanic Business Gateway, 41200 Klang, Selangor Darul Ehsan.	Lot PT 127816, Jalan Ramin 1/KS7, Botanic Business Gateway, 41200 Klang, Selangor Darul Ehsan.	Lot PT 142665, Jalan Permata 1/KS09, Pusat Perdagangan Bestari, 41200 Klang, Selangor Darul Ehsan.	Lot PT 140592, Jalan Bayu Laut 4A/KS09, Sazean Business Park, Kota Bayuemas, 41200 Klang, Selangor Darul Ehsan.
Type of Property	Three (3)-storey corner terraced shop-office.	Three (3)-storey corner terraced shop-office.	Three (3)-storey end-lot terraced shop-office.	Four (4)-storey corner terraced shop-office.
Land Area	268.98 square metres (2,895 square feet).	295.87 square metres (3,185 square feet).	246.30 square metres (2,651 square feet).	307.00 square metres (3,305 square feet).
Tenure	Interest in perpetuity.	Interest in perpetuity.	Interest in perpetuity.	Interest in perpetuity.
Date of Transaction	26 April 2024.	24 May 2023.	15 May 2023.	25 November 2022.
Consideration	RM4,500,000.	RM4,500,000.	RM3,250,000.	RM3,500,000.
Analysis	RM16,729.87 per square metre (RM1,554 per square foot).	RM15,209.38 per square metre (RM1,413 per square foot).	RM13,195.29 per square metre (RM1,226 per square foot).	RM11,400.65 per square metre (RM1,059 per square foot).
Vendor	Cheng Chin Heng, Ho Chok Chong, Siew Poh Chen and Soh Chee Keong (1/4 share each).	Tan Boon Pin and Lim Lai Sim.	Goodpark Development Sdn Bhd.	Vibrantline Sdn Bhd.



## VALUATION CERTIFICATE (Cont'd)



## 1.3 MARKET VALUE (CONT'D)

	Comparable 1 (Cont'd)	Comparable 2 (Cont'd)	Comparable 3 (Cont'd)	Comparable 4 (Cont'd)
<b>Purchaser</b>	Claws Veterinary Clinic Sdn Bhd.	Multi Scending Holdings Sdn Bhd.	Cha Keng Lee, Cha Rong Sen, Cha Wee Meng and Lim Boy Chu (1/4 share each).	Nic Nic Fashion House Sdn Bhd.
<b>Source</b>	Jabatan Penilaian dan Perkhidmatan Harta (JPPH).			
<b>Adjustments</b>	General adjustments are made for location / establishment, land area, plot ratio / efficiency and improvement.	General adjustments are made for location / establishment, plot ratio / efficiency and improvement.	General adjustments are made for land area, plot ratio / efficiency, lot configuration and improvement.	General adjustments are made for prevailing market condition, exposure, plot ratio / efficiency and lot configuration.
<b>Adjusted Value</b>	RM15,893.34 per square metre (RM1,477 per square foot).	RM15,209.38 per square metre (RM1,413 per square foot).	RM15,834.36 per square metre (RM1,471 per square foot).	RM14,963.34 per square metre (RM1,390 per square foot).

## Valuation Justification

**Corner Unit – Lot PT 133765 (No.66)**

From the above adjusted values, we note that the derived values ranged between RM14,963.34 per square metre (RM1,390 per square foot) to RM15,893.34 per square metre (RM1,477 per square foot). In view of limited recorded transactions of identical corner shop offices in the immediate and surrounding localities, we have resorted to adopt the selected comparable(s) in our assessment by Comparison Approach after making necessary adjustments.

Although total adjustments (on selected comparable(s) are up to 45%) were considered and made in our assessment, we are of the view that the selected comparable(s) adopted are still considered relevant by virtue of the fact that most of the selected comparable(s) are considered to have relatively similar attributes as compared to the Subject Property.

With total effective adjustments made for all Comparable(s); we have placed greater reliance on Comparable 4 (being located within the immediate scheme) after having considered and made diligent adjustments for prevailing market condition, exposure, plot ratio / efficiency and lot configuration. Based on the foregoing, we have thus adopted a round up value of RM5,000,000 (analysed to be RM14,963.34 per square metre | RM1,390 per square foot) in our valuation as a fair representation by using Comparison Approach.

## Reconciliation of Values

Method of Valuation	Derivation of Values
Income Approach by Investment Method	RM8,340,000
Comparison Approach	RM8,300,000

Taking into consideration that the Subject Property are commercial and income generating properties, we have adopted the Market Value as derived from the Income Approach by Investment Method as a fair representation for the Subject Property supported by the Market Value derived from the Comparison Approach.

In a valuation of a homogeneous real estate such as vacant lands and residential homes, the Comparison Approach is the most appropriate method of valuation as there are less adjustments and analysis on comparable(s). However, in the case of more complex real estate such as shopping complexes, hotels, hospitals, office buildings, shop-offices and other income generating or investment properties, qualitative and quantitative adjustments are more difficult to be computed or gauged to reflect the differences of the comparable(s) and the property being valued. Therefore, we have considered the Investment Method as the most reliable and appropriate method of valuation in our final opinion of Market Value of the Subject Property.



## VALUATION CERTIFICATE (Cont'd)



2.0 V/COR/24/0159/ckc

## 2.1 IDENTIFICATION OF PROPERTY

Interest Valued / Type of Property	Legal interest in 241 units of fully furnished hotel suites located within Block L; forming part of an integrated mixed use commercial development of Empire City, erected on part of Parent Lot No. 90573 held under Master Title No. PN 116964, Mukim of Sungai Buloh, District of Petaling, Selangor Darul Ehsan.												
Locality	Being part of a 23-acre self-contained integrated mixed-use development of Empire City; bounded by PJ Trade Centre to its immediate west [separated by Lebuhraya Damansara – Puchong (LDP)].												
Terms of Reference	<p>WE HAVE BEEN SPECIFICALLY INSTRUCTED BY THE CLIENT TO ASCERTAIN THE MARKET VALUE OF THE SUBJECT PROPERTY BASED ON THE BASIS AND ASSUMPTIONS:-</p> <p>I. THAT THE 241 UNITS OF FULLY FURNISHED HOTEL SUITES LOCATED WITHIN BLOCK L ARE FULLY COMPLETED IN GOOD WORKMANSHIP IN ACCORDANCE WITH THE PRELIMINARY DRAWINGS DATED 24 OCTOBER 2024 (PENDING FINAL APPROVAL FROM MAJLIS BANDARAYA PETALING JAYA (MBPJ) AS APPROVED BUILDING PLAN); WITH ALL RELEVANT FEES PAID (IF ANY) AND THEREAFTER ISSUED WITH A CERTIFICATE OF COMPLETION AND COMPLIANCE;</p> <p>II. THAT THE 241 UNITS OF FULLY FURNISHED HOTEL SUITES WILL BE SUITABLY FURNISHED, FITTED AND EQUIPPED TO COMMENSURATE TO THE PROPOSED STANDARD AND RATING IN ACCORDANCE TO THE DEVELOPER'S CONCEPTUAL DESIGN AND PLANS;</p> <p>III. THAT STRATA TITLE(S) CONVEYING A LEASEHOLD INTEREST FOR A TERM OF 99 YEARS IN RESPECT OF THE SUBJECT PROPERTY IS FORTHCOMING AND WHEN ISSUED, WILL BE FREE FROM ALL ENCUMBRANCES.</p> <p>"IF ANY PARTY WISHES TO RELY ON THE VALUATION BASED ON THE ASSUMPTIONS STATED ABOVE, THEN APPROPRIATE PROFESSIONAL ADVICE SHOULD BE SOUGHT SINCE THE VALUE REPORTED IS BASED ON ASSUMPTIONS THAT ARE NOT YET OR FULLY REALISED"</p>												
Tenure of Parent Lot	Leasehold interest for a term of 99 years, expiring 8 June 2104 (remaining unexpired term of about 80 years).												
Surveyed Land Area of Parent Lot	9.5367 hectares (23.56 acres).												
Registered Proprietor of Parent Lot	Cosmopolitan Avenue Sdn Bhd.												
Category of Land Use	Nil, as individual strata title(s) in respect of the Subject Property has not been issued.												
Planning	<p>The Subject Property is located within Block L, forming part of an area designated for commercial use; the master development plan dated 13 March 2015 bearing Reference No. (43) dlm.MBPJ/040100/T/P23/PJU8/5723/2010 Jld.1, the development of Block L was approved for a cinema and 12-storey hotel development.</p> <p>Subsequently, there is a confirmation letter issued by MBPJ bearing Reference No. (16) dlm.MBPJ/040100/T/P23/PJU8/5723/2010 JLD. 2 dated 14 August 2024; indicating the development of Block L has been revised to cinema, office suites and hotel suites. Thereafter, the latest revision of the Subject Property is reflected in the preliminary drawing dated 24 October 2024.</p>												
Proposed Parcel Area	<table><tr><th>Proposed Floor Area</th><th>Square Metres</th><th>Square Feet</th></tr><tr><td>Main Parcel Area</td><td>9,108.87</td><td>98,047</td></tr><tr><td>Accessory Parcel Area</td><td>490.52</td><td>5,280</td></tr><tr><td>Total</td><td>9,599.39</td><td>103,327</td></tr></table>	Proposed Floor Area	Square Metres	Square Feet	Main Parcel Area	9,108.87	98,047	Accessory Parcel Area	490.52	5,280	Total	9,599.39	103,327
Proposed Floor Area	Square Metres	Square Feet											
Main Parcel Area	9,108.87	98,047											
Accessory Parcel Area	490.52	5,280											
Total	9,599.39	103,327											

Source: Preliminary Drawing dated 24 October 2024.

## VALUATION CERTIFICATE (Cont'd)



## 2.2 PROPERTY DESCRIPTION

**Subject Block** Upon completion, the building(s) will generally be constructed of reinforced concrete frame with brick infills rendered externally and plastered internally supporting a reinforced concrete flat roof concealed behind parapet walls. The elevations of the building generally incorporate modular aluminium framed windows with glass panels. The ceilings within the common area are will generally to be plastered ceiling incorporating downlights; whilst the floor finishes are generally to be ceramic tiles/ homogeneous tiles throughout. Vertical access between various floors within the subject block is by means of passenger lifts, service lifts, escalators and reinforced concrete staircases strategically located within the building.

**Subject Property** The Subject Property referred herein comprises of the 241 units of fully furnished hotel suites located within Block L; forming part of an integrated mixed use commercial development of Empire City.

Building Description	Level	Accommodations
	<b>Level 8 and Level 8 Mezzanine</b>	<u>Type A1, A2, A3, A4, A5, A6, B, B1, D1, D1A, F2, and G1</u> Living area, kitchen, bedroom and bathroom / w.c.
		<u>Type J and J (M)</u> Living area / bedroom, kitchen and bathroom / w.c.
	<b>Level 9, Level 9 Mezzanine, Level 10 – Level 17</b>	<u>Type A, A1, B, C, D2, D2A, D3, D3A, F, F3, G, and H</u> Living area / bedroom, kitchen and bathroom / w.c.

## 2.3 MARKET VALUE

**Valuation Methodology** In arriving at our opinion of the Market Value of the Subject Property, we have adopted the **Comparison Approach** of Valuation.

## Sales Comparison and Analysis of Serviced Apartment Units

	Comparable 1	Comparable 2	Comparable 3
<b>Legal Description</b>	Developer's Parcel No. 90573/B/037/03A, Halo Sunday, Jalan PJU 8/1, Empire City, 47820 Petaling Jaya, Selangor Darul Ehsan.	Developer's Parcel No. 44016/M/06/02, Menara M, Jalan PJU 8/1, Empire City, 47820 Petaling Jaya, Selangor Darul Ehsan.	Developer's Parcel No. 90573/E/30/2A, Halo Sunday, Jalan PJU 8/1, Empire City, 47820 Petaling Jaya, Selangor Darul Ehsan.
<b>Type of Property</b>	A serviced apartment unit.	A serviced apartment unit.	A serviced apartment unit.
<b>Approximate Floor Area</b>	40.50 square metres (436 square feet).	46.64 square metres (502 square feet).	43.29 square metres (466 square feet).
<b>Tenure</b>	Leasehold interest for a term of 99 years, expiring on 8 June 2104 (remaining unexpired term of about 81 years from date of transaction).	Leasehold interest for a term of 99 years, expiring on 8 June 2104 (remaining unexpired term of about 81 years from date of transaction).	Leasehold interest for a term of 99 years, expiring on 8 June 2104 (remaining unexpired term of about 81 years from date of transaction).



## VALUATION CERTIFICATE (Cont'd)



## 2.3 MARKET VALUE (CONT'D)

## Sales Comparison and Analysis of Serviced Apartment Units

	Comparable 1	Comparable 2	Comparable 3
Vendor	Wong Kum Keong.	Ee Eng Joo +1.	T. Sharifah Mastura Binti Syed Ali.
Purchaser	Ng Kah Hui.	Cosmopolitan Avenue Sdn Bhd.	Dato Cheah Joi Yong.
Date of Transaction	12 December 2023.	9 November 2023.	15 June 2023.
Consideration	RM420,000.	RM366,000.	RM350,000.
Analysis	RM10,370.37 per square metre (RM963.30 psf).	RM7,847.34 per square metre (RM729.08 psf).	RM8,085.01 per square metre (RM751.07 psf).
Source	Jabatan Penilaian dan Perkhidmatan Harta (JPPH).		
Adjustments	General adjustments made for visibility / exposure, building finishes / specifications/ quality and floor adjustment (RM2,000 per floor / level).	General adjustments made for visibility / exposure, building finishes / specifications/ quality and floor adjustment (RM2,000 per floor / level).	General adjustments made for visibility / exposure, building finishes / specifications/ quality and floor adjustment (RM2,000 per floor / level).
Adjusted Value	RM10,048.00 square metre (RM933.49 psf).	RM9,320.90 per square metre (RM865.94 psf).	RM7,978.21 per square metre (RM741.20 psf).

## Comparison Approach

Based on our analysis of the data obtained from the sources listed herein before, we note that there were several recorded transactions of serviced apartment units within the immediate and larger locality of the Subject Property (adjusted values ranged from **RM741.20 per square foot to RM933.49 per square foot** over approximate floor area depending on size, visibility / exposure and building finishes / specifications / quality).

Although total adjustments (up to 15% on selected Comparables) were considered and made for in our assessment, we are of the view that the selected comparable(s) adopted are still considered relevant as the selected comparable(s) are located within the same development and vicinity and to have relatively similar attributes in terms of location / establishment, accessibility, floor area, facilities / services and tenure.

With total effective adjustments made for all Comparable(s) (ranged between 10% to 15%); we have placed greater reliance on Comparable 2 (being the median of the selected transacted price) after having considered and made diligent adjustments for size, visibility / exposure and building finishes / specifications / quality. Based on the foregoing, we have adopted a base value from the adjusted value of **RM865.94 per square foot** over approximate floor area from Comparable 2 as fair representation by using the Comparison Approach. The base value is benchmark against using Unit 12-18 (Parcel Area: 416 square feet).



**2.3 MARKET VALUE (CONT'D)**

Necessary adjustments (including floor area, view and floor level) have been made from base value of **RM865.94 per square foot** to derive aggregate adjusted value, and 10% bulk discount is further discounted to arrive the Market Value.

We note that the comparable(s) recorded were transacted on an individual unit basis. Based on our investigation, there is a dearth of records in serviced apartment units transacted in bulk within the immediate / surrounding the locality. It is noted that the purchaser expects discount in respect of transaction made for bulk purchase, depending on the type of property and the percentage of the bulk purchase over the entire development. We have allocated a 10% discount as a consideration for the number of unsold units available for sale and the time factor, to account for the holding cost of the period to sell off the remaining unsold units.

Generally, in the case of more complex real estate such as shopping complexes, hotels, hotel suites, office buildings and other income generating or investment properties, Income Approach by Discounted Cash Flow (DCF) Method or Investment Method would be an ideal / preferred method in assessing the Market Value of the Subject Property.

In addition, we were not furnished with future / forecasted projections by the Client or the proposed operation plan for the Subject Property and in the absence of the actual historical performance and future / forecasted projections of the operation plan, the parameters and projections adopted in our Income Approach by DCF Method / Investment Method is based on Knight Frank Malaysia's experience / assumptions of similar projects after benchmarking against the market data available.

Coupled with the fact that Subject Property will be a 241 units of fully furnished hotel suites upon completion (a homogeneous real estate such as commercial units of serviced apartment units / SOHO / SOVO and etc), we are of the opinion that it is more accurate to rely upon the Comparison Approach as it is the most appropriate and preferred method of valuation as there are less adjustments and analysis on comparables.

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## FINANCIAL INFORMATION OF THE GROUP

## 1. SUMMARY OF HISTORICAL FINANCIAL INFORMATION OF THE GROUP

The following table sets out a summary of the key financial information of the Group for the audited FYE 30 June 2021, FYE 30 June 2022, 18M-FPE 31 December 2023 as well as the unaudited FYE 31 December 2024:

	Audited			Unaudited
	FYE 30 June 2021	FYE 30 June 2022	<sup>(1)</sup> 18M-FPE 31 December 2023	FYE 31 December 2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	53,847	83,508	132,208	111,907
Cost of services rendered and contract expenditure	(41,758)	(66,083)	(113,948)	(94,979)
<b>GP</b>	<b>12,089</b>	<b>17,425</b>	<b>18,260</b>	<b>16,928</b>
Other income	802	1,052	7,537	713
Administrative expenses	(5,939)	(6,786)	(13,909)	(9,412)
Other operating expenses	(2,104)	(4,431)	(22,266)	(3,766)
Finance costs	(642)	(661)	(1,296)	(936)
Net change in impairment losses on financial assets and contract assets	(170)	2	1,201	(159)
<b>PBT/ (LBT)</b>	<b>4,036</b>	<b>6,601</b>	<b>(10,473)</b>	<b>3,368</b>
Tax expense	(1,609)	(1,181)	(2,011)	(1,275)
<b>PAT/ (LAT)</b>	<b>2,427</b>	<b>5,420</b>	<b>(12,484)</b>	<b>2,093</b>
<b>PAT/ (LAT) attributable to:</b>				
Owners of the Company	2,378	4,804	(13,511)	1,924
Non-controlling interests	49	616	1,027	169
	<b>2,427</b>	<b>5,420</b>	<b>(12,484)</b>	<b>2,093</b>
Share capital	63,390	97,181	97,047	102,549
Shareholders' funds/ NA	88,041	126,637	112,992	120,608
Total equity	88,349	131,640	119,027	121,054
No. of Shares in issue ('000)	286,437	388,296	388,296	411,296
Weighted average number of Shares in issue ('000)	275,651	350,829	388,296	411,296
Basic EPS/ (loss) per share attributable to equity holders of the Company (sen) <sup>(2)</sup>	0.86	1.37	(3.48)	0.47
GP margin (%) <sup>(3)</sup>	22.45	20.87	13.81	15.13
PBT/ (LBT) margin (%) <sup>(4)</sup>	7.50	7.90	(7.92)	3.01
PAT/ (LAT) margin (%) <sup>(5)</sup>	4.51	6.49	(9.44)	1.87
NA per Share (RM)	0.31	0.33	0.29	0.29
Total borrowings	20,056	20,698	21,616	20,991
Gearing ratio (times) <sup>(6)</sup>	0.23	0.16	0.18	0.17

(Source: Binasat's annual reports and latest unaudited quarterly reports for the financial years/ periods under review.)

## FINANCIAL INFORMATION OF THE GROUP (Cont'd)

## Notes:

- (1) The Board had on 9 October 2023 announced the change of the Company's financial year end from 30 June to 31 December, hence covering a period of 18 months from 1 July 2022 to 31 December 2023.
- (2) Being PAT/ (LAT) attributable to equity holders of the Company divided by the weighted average number of Shares in issue for the financial years/ period under review.
- (3) Computed based on GP over revenue.
- (4) Computed based on PBT/ (LBT) over revenue.
- (5) Computed based on PAT/ (LAT) over revenue.
- (6) Computed based on total borrowings over total equity.

## Commentaries:

**(i) FYE 31 December 2024 compared to 18M-FPE 31 December 2023**

The Group's revenue for the FYE 31 December 2024 decreased by RM20.30 million (or 15.36%) to RM111.91 million (18M-FPE 31 December 2023: RM132.21 million) (an increase of RM23.77 million (or 26.97%) based on the annualised revenue of RM88.14 million for the 18M-FPE 31 December 2023). On an annualised basis, the increase in revenue was mainly due to increase in revenue from the Group's satellite, mobile and fibre optic telecommunications networks segment by RM34.07 million (or 55.55%) to RM95.40 million (annualised for 18M-FPE 31 December 2023: RM61.33 million) mainly attributable to execution of on-going and newly awarded contracts during the financial period. The said increase was partially offset by decrease in revenue from the Group's power and telecommunication infrastructure works segment by RM10.31 million (or 38.42%) to RM16.51 million which was in tandem with the progress of the Group's on-going and newly secured projects.

The Group's GP for the FYE 31 December 2024 decrease by RM1.33 million (or 7.29%) to RM16.93 million (18M-FPE 31 December 2023: RM18.26 million) (an increase of RM4.76 million (or 39.06%) based on the annualised GP of RM12.17 million for the 18M-FPE 31 December 2023) mainly due to the decrease in revenue as mentioned above. The Group's GP margin increased from 13.81% to 15.13% for the FYE 31 December 2024 mainly due to lower material costs (for the purchase of the fibre optic cables and other accessories) and subcontractor costs as a result of the Group's cost rationalisation programs, which include the appointment of subcontractors with competitive pricing.

The Group recorded PBT of RM3.37 million for the FYE 31 December 2024 (18M-FPE 31 December 2023: LBT of RM10.47 million) (annualised LBT of RM6.98 million for the 18M-FPE 31 December 2023) mainly due to absence of impairment of goodwill in FYE 31 December 2024 (18M-FPE 31 December 2023: RM16.10 million).

**(ii) 18M-FPE 31 December 2023 compared to FYE 30 June 2022**

The Group's revenue for the 18M-FPE 31 December 2023 increased by RM48.70 million (or 58.32%) to RM132.21 million (FYE 30 June 2022: RM83.51 million) (an increase of RM4.63 million (or 5.55%) based on the annualised revenue of RM88.14 million for the 18M-FPE 31 December 2023) mainly due to an increase in revenue contribution from the Group's satellite, mobile and fibre optic telecommunication networks segment by RM35.56 million (or 63.00%) to RM91.99 million (FYE 30 June 2022: RM56.44 million) (an increase of RM4.89 million (or 8.67%) based on the annualised revenue of RM61.33 million for the 18M-FPE 31 December 2023) mainly due to execution of on-going and newly awarded contracts during the financial period.

**FINANCIAL INFORMATION OF THE GROUP (Cont'd)**

The Group's GP for the 18M-FPE 31 December 2023 increased by RM0.84 million (or 4.79%) to RM18.26 million (FYE 30 June 2022: RM17.43 million) (a decrease of RM5.25 million (or 30.14%) based on the annualised GP of RM12.17 million for the 18M-FPE 31 December 2023) mainly due to the increase in revenue as mentioned above. However, the annualised GP showed a decrease due to higher cost of services rendered and contract expenditure primarily contributed by the increase in costs resulting from higher labour costs, subcontractor charges and higher material costs (for the purchase of the fibre optic cables and other accessories required) for the Group's projects. Consequently, the Group's GP margin decreased from 20.87% to 13.81% for the 18M-FPE 31 December 2023.

The Group recorded LBT of RM10.47 million for the 18M-FPE 31 December 2023 (FYE 30 June 2022: PBT of RM6.60 million) (annualised LBT of RM6.98 million for the 18M-FPE 31 December 2023) mainly due to the impairment of goodwill amounting to RM16.10 million from the lower recoverable amount of investment in its 51% owned subsidiary (i.e., BCSB).

**(iii) FYE 30 June 2022 compared to FYE 30 June 2021**

The Group's revenue for the FYE 30 June 2022 increased by RM29.66 million (or 55.08%) to RM83.51 million (FYE 30 June 2021: RM53.85 million) mainly due to the following:

- (a) increase in revenue contribution from the Group's satellite, mobile and fibre optic telecommunication networks segment by RM2.59 million (or 4.81%) to RM56.44 million (FYE 30 June 2021: RM53.85 million) mainly contributed by the increase in civil and mechanical and engineering projects in the rural and remote areas as the Group was awarded with contracts to set up a total of 275 satellite facilities in Kelantan and Pahang as well as the recurring income from the owned teleport service; and
- (b) revenue contribution from the Group's power and telecommunication infrastructure works segment of RM27.07 million (FYE 30 June 2021: Nil) mainly due to revenue contribution on transmission and distribution network facility service and EPCC of solar farm facilities contributed by the additional revenue stream resulting from the acquisition of 51% equity interest in BCSB which was completed on 13 October 2021.

The Group's GP for the FYE 30 June 2022 increased by RM5.34 million (or 44.14%) to RM17.43 million (GP margin of 20.87%) (FYE 30 June 2021: RM12.09 million (GP margin of 22.45%)) mainly due to the increase in revenue as mentioned above offset by the higher cost of services rendered and contract expenditure primarily contributed by higher material and subcontractor costs.

The Group's PBT for the FYE 30 June 2022 increased by RM2.57 million (or 63.55%) to RM6.60 million (FYE 30 June 2021: RM4.04 million) mainly due to the increase in GP as mentioned above offset by the increase in other operating expenses of RM2.33 million (or 110.60%) to RM4.43 million (FYE 30 June 2021: RM2.10 million) mainly due to amortisation of intangible assets of RM2.37 million arising from the acquisition of BCSB.

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## FINANCIAL INFORMATION OF THE GROUP (Cont'd)

**2. STEPS OR ACTIONS WHICH HAVE BEEN TAKEN/ WILL BE TAKEN TO IMPROVE THE FINANCIAL CONDITION OF THE GROUP**

Below are the strategies and measures undertaken/ will be undertaken by the Group to improve its financial performance and strengthen its financial position:

- (i) As part of the Group's efforts to enter and undertake more contracts with the telecommunications service providers and infrastructure contractors in Malaysia, the Company has undertaken the Private Placement 2023, raising gross proceeds of approximately RM8.18 million to finance, among others, the Group's working capital for existing and future contracts (i.e., procurement of raw materials for the Group's fiber optic network installation work, sub-contractors' costs and staff cost). The proceeds raised from the Private Placement 2023 for the Group's working capital requirements provided the Group with a larger pool of financial resources, thus facilitating the Group's efforts to secure and undertake more contracts in the near future;
- (ii) The Group is also continuously seeking market opportunities for the business segments it is involved in. Such efforts by the Group include, amongst others, commenced discussions/ negotiations with telecommunication companies/ operators for various types of service contracts (e.g., maintenance services for telecommunications towers, installation and maintenance of satellites as well as data as data uplink services).

In 2024, the Group secured a few major projects related to transmission and distribution network utility construction services. Further details are set out in **Section 9.6, Part A** of this Circular.

- (iii) As mentioned in **Sections 2, 3 and 4, Part A** of this Circular, as part of the Group's initiative to reduce its dependency on its Existing Businesses, the Group intends to undertake the Proposed Acquisitions and Leases of SBP Properties, Proposed Acquisitions of Empire City Properties and Proposed Diversifications to venture into the New Businesses from which it can derive diversified sources of revenue and profits and to mitigate the risks of solely relying on the Existing Businesses. The Board will continue to monitor and undertake any new business venture via the Proposed Diversifications to further improve the financial performance of the Group.

**3. IMPACT OF THE PROPOSALS AND VALUE CREATION TO THE GROUP AND ITS SHAREHOLDERS**

The Proposed Acquisitions and Leases of SBP Properties, Proposed Acquisitions of Empire City Properties and Proposed Diversifications provide the Group an opportunity to venture into the New Businesses, with the objective of creating alternative income streams from which the Group can derive diversified sources of revenue and profits and to mitigate the risks of solely relying on the Existing Businesses. Simultaneously, the Proposed Private Placement will enable the Group to raise funds which are intended to be utilised to mainly finance the purchase considerations of the Proposed Acquisitions of SBP Properties and Proposed Acquisitions of Empire City Properties. The Proposed Private Placement will enable the Group to tap into the equity market to raise funds without incurring interest cost as opposed to bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs and principal repayments thus preserving the Group's cash flow. In turn, the Proposals are expected to enhance value for shareholders moving forward.

**4. ADEQUACY OF THE PROPOSALS IN ADDRESSING THE FINANCIAL CONCERN**

Premised on **Sections 2 and 3** above as well as the utilisation of proceeds from the Proposed Private Placement and the rationale for the Proposals as set out in **Sections 6 and 8, Part A** of this Circular, the Board is of the view that the Proposals are adequate to address the Group's financial requirements at this juncture. The Group will continuously assess its financial position and condition moving forward and address its financial requirements at the relevant point in time.

## FURTHER INFORMATION

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

The Board has seen and approved Part A and Part B of this Circular, and they individually and collectively accept full responsibility for the accuracy of the information contained in Part A and Part B of this Circular. The Board confirm that after having made all reasonable enquiries, and to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement herein misleading.

**2. CONSENT AND CONFLICT OF INTEREST**

TA Securities, being the Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular. TA Securities has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the Adviser for the Proposals.

Knight Frank, being the Valuer for the SBP Properties and Empire City Properties, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, the Valuation Certificate and all references thereto in the form and context in which they appear in this Circular. Knight Frank has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the Valuer for the SBP Properties and Empire City Properties.

Providence, being the IMR, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, extracts of the IMR Report and all references thereto in the form and context in which they appear in this Circular. Providence has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the Independent Market Researcher.

SCA, being the Independent Adviser for the Proposed Acquisitions and Leases of SBP Properties and Proposed Diversifications, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name in the form and context in which it is included. SCA has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the Independent Adviser for the Proposed Acquisitions and Leases of SBP Properties and Proposed Diversifications.

**3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

Save as disclosed below, as at the LPD, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board is not aware and do not have any knowledge of any proceeding pending or threatened against the Group or of any fact likely to give rise to any proceeding which may materially affect the financial position or business of the Group:

**(i) Kota Bharu High Court Civil Suit No.: DA-22C-1-05/2023 between BDSB and Kelantan ICT Gateway Sdn. Bhd. ("Kelantan ICT")**

This dispute relates to the purported unlawful termination by Kelantan ICT of a contract with BDSB pertaining to the preparation and installation of internet satellites for a project known as "*Hab Digital Rakyat (HDR) Di Seluruh Negeri Kelantan*" ("**Project**").

On 16 May 2023, BDSB commenced this suit against Kelantan ICT claiming for among others, damages in the sum of RM1,237,027.72 for costs incurred in procuring materials and goods for the Project.

This matter has been fixed trial on 16-18 March 2026.

Solicitors for BDSB are of the view that BDSB may successfully claim reasonable costs incurred in preparation for the contract.

FURTHER INFORMATION (*Cont'd*)(ii) **Shah Alam High Court Civil Appeal No.: BA-12ANCVC-66-11/2024 between Binasat Sdn Bhd ("BSB") and TM Technology Services Sdn Bhd ("TM Tech")**

This is an appeal by BSB against the Sessions Court's dismissal of BSB's application to set aside the judgment in default obtained by TM Tech against BSB ("**JID**").

Pursuant to the JID, BSB shall pay TM Tech the sum of RM873,091.60 ("**Judgment Sum**") together with interest at 5% per annum on the Judgment Sum from 12 March 2024 until full settlement, and cost of RM1,306.00.

The Judgment Sum pertains to TM Tech's claim against BSB for costs and expenses incurred in repairing the fibre optic cables and duct ways purportedly damaged by BSB.

This appeal was subsequently dismissed by the High Court on 4 March 2025 ("**High Court Decision**"). Following this, on 26 March 2025 BSB appealed to the Court of Appeal against the High Court Decision ("**COA Appeal**"). The Court of Appeal has yet to set a hearing date for the COA Appeal.

The Board believes that TM Tech's claim is unsubstantiated, and as a result, BSB has a potential chance of succeeding in the COA Appeal.

As at the LPD, there is no material litigation, claims or arbitration involving SBP Properties and Empire City Properties.

**4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****4.1 Material commitments**

As at the LPD, the Board confirmed that there are no material commitments incurred or known to be incurred by the Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group.

**4.2 Contingent liabilities**

As at the LPD, save as disclosed below, the Board confirmed that there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group:

<b>Contingent liabilities</b>	<b>(RM'000)</b>
Bank guarantees <sup>(1)</sup>	12,974

*Note:*

- (1) *Comprising corporate guarantees given to licensed banks for banking facilities granted to the Company's subsidiaries, bank guarantees issued to the Group's customers for the purpose of performance bonds and bank guarantee served as tender deposit for tendering of new projects.*



FURTHER INFORMATION (*Cont'd*)

## 5. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Shares as traded on Bursa Securities for the past 12 months are as follows:

	Highest (RM)	Lowest (RM)
<b>2024</b>		
April	0.270	0.250
May	0.275	0.245
June	0.295	0.245
July	0.310	0.255
August	0.260	0.215
September	0.235	0.210
October	0.210	0.200
November	0.230	0.200
December	0.220	0.185
<b>2025</b>		
January	0.195	0.170
February	0.195	0.160
March	0.180	0.150

Last transacted market price on 3 December 2024 (being the last trading date prior to the announcement of the Proposals) was RM0.215 per Binasat Share.

Last transacted market price on 17 March 2025 (being the LPD prior to the printing of this Circular) was RM0.170 per Binasat Share.

(Source: Bloomberg)

## 6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Binasat at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Wilayah Persekutuan Kuala Lumpur, Malaysia during normal business hours from 9.00 a.m. to 5.00 p.m. between Monday and Friday (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) the Company's Constitution;
- (ii) the audited consolidated financial statements of the Company for the FYE 30 June 2022 and 18M-FPE 31 December 2023 as well as the latest unaudited financial results of the Group for the FYE 31 December 2024;
- (iii) the letter of consent and conflict of interest as referred to in **Section 2** above;
- (iv) the SBP SPAs and Empire City SPA;
- (v) the LAs;
- (vi) the Valuation Certificate, SBP Valuation Report and Empire City Valuation Report;
- (vii) the IMR Report; and
- (viii) the relevant cause papers in relation to the material litigation, claims and arbitration as referred to in **Section 3** above.

**PART C**

**PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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## DEFINITIONS

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Except where the context otherwise requires, the following definitions shall apply throughout Part C of this Circular and the accompanying appendices:

<b>Act</b>	:	The Companies Act, 2016, as amended from time to time and any re-enactment thereof
<b>AGM</b>	:	Annual General Meeting of Binasat
<b>Annual Report 2023</b>	:	Annual Report of the Company for the financial period ended 31 December 2023
<b>ARMC</b>	:	Audit and Risk Management Committee
<b>Binasat or the Company</b>	:	Binasat Communications Berhad [201701008491 (1222656-D)]
<b>Binasat Group or Group</b>	:	Binasat and its subsidiaries collectively (including all future subsidiaries which are to be incorporated before the next AGM) as defined in Section 4 of the Act
<b>Binasat Share(s)</b>	:	Ordinary share(s) of Binasat
<b>Board</b>	:	The Board of Directors of Binasat
<b>BSB</b>	:	Binasat Sdn. Bhd. [200001013483 (516089-U)], a wholly owned subsidiary of the Company
<b>BDSB</b>	:	Binasat Digital Sdn. Bhd. (Formerly known as Satellite NOC Sdn. Bhd.) [201201041062 (1025540-P)], a 70% subsidiary of the Company
<b>BPSB</b>	:	Binasat Properties Sdn. Bhd. [Formerly known as Binasat (Sabah) Sdn. Bhd.] [201401013082 (1089166-U)], a wholly owned subsidiary of the Company
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
<b>Circular</b>	:	This Circular to shareholders of Binasat dated 7 April 2025
<b>Director(s)</b>	:	Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon:-  i) a Director of the Company, its subsidiary or holding company; or  ii) a Chief Executive Officer of the Company, its subsidiary or holding company
<b>EGM</b>	:	Extraordinary General Meeting of Binasat
<b>HCB</b>	:	Hextar Capital Berhad [199401036979 (322661-W)]

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**DEFINITIONS (Cont'd)**

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<b>HCB Group Companies</b>	<b>of</b>	:	HCB's principal activities are investment holding, renting of buildings and provision of management services to its subsidiaries, and its subsidiaries/associates involved in manufacturing business, engineering services and trading business, telecommunication network infrastructure solutions business, power generation and transmission business, construction and project management business and money lending business (including all future subsidiaries which are to be incorporated before the EGM) as defined in Section 4 of the Act
<b>HHB</b>		:	Hextar Healthcare Berhad [199601000297 (372642-U)]
<b>HHB Group Companies</b>	<b>of</b>	:	HHB is an investment holding company with subsidiaries/associates involved in business of manufacturing, trading and sale of household and industrial rubber gloves, In-Vitro Diagnostic medical devices, household items, kitchen items and personal protective products (including all future subsidiaries which are to be incorporated before the EGM) as defined in Section 4 of the Act
<b>HHSB</b>		:	Hextar Holdings Sdn. Bhd. [200601002945 (722692-V)]
<b>HHSB Group Companies</b>	<b>of</b>	:	HHSB is an investment holding company with subsidiaries/associates involved in businesses of manufacturing, marketing and distribution of chemicals, pesticides, fertilizers, engineering, solar photovoltaic (PV), equipment rental and supplies (including all future subsidiaries which are to be incorporated before the EGM) as defined in Section 4 of the Act
<b>HIB</b>		:	Hextar Industries Berhad [201101044580 (972700-P)]
<b>HIB Group Companies</b>	<b>of</b>	:	HIB is an investment holding company with subsidiaries/associates involved in the manufacturing and formulation of bulk blend, mixture and compound fertilisers, trading of various fertilisers, providing crop management solutions, manufacturing of quarry crusher screens and supplies a wide range of industrial products to the quarry industry, provision of outdoor equipment rental services, provision of engineering solutions including procurement, construction and commissioning services (EPCC) and provision of office supplies such as stationaries, paper, computers, printers and office furniture (including all future subsidiaries which are to be incorporated before the EGM) as defined in Section 4 of the Act
<b>HMSB</b>		:	Hextar Mitai Sdn. Bhd. [200801002378 (803662-D)]
<b>HRSB</b>		:	Hextar Rubber Sdn. Bhd. [200801012230 (813518-T)]
<b>Listing Requirements</b>		:	ACE Market Listing Requirements of Bursa Securities, including any amendment thereto that may be made from time to time
<b>LPD</b>		:	17 March 2025, being the latest practicable date prior to the issuance of this Circular

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**DEFINITIONS (Cont'd)**

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- Major Shareholder** : A person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares is:-
- (a) equal to or more than 10% of the total number of the voting shares in the Company; or
  - (b) equal to or more than 5% of the total number of voting shares in the Company where such person is the largest shareholder of the Company
- For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act
- OVCSB** : Opcom VC Sdn. Bhd. [202201021405 (1467102-V)]
- Pacific Office** : Pacific Office (M) Sdn. Bhd. [199501025186 (354391-M)]
- Person(s) Connected** : Shall have the same meaning given in Rule 1.01, Chapter 1 of the Listing Requirements
- Proposed Mandate** : Proposed new shareholders' mandate for the RRPTs, as set out in Section 2.5 of Part C of this Circular
- Recurrent Related Party Transaction(s) or RRPTs** : Related party transaction(s) which is/are recurrent, of a revenue or trading nature which are necessary for the day-to-day operations of the Group and within the ordinary course of business of the Group entered into by the Group, which involves the interest, direct or indirect, of Related Parties
- Related Party Transaction(s)** : Transaction(s) entered into by Binasat Group which involve the interest, direct or indirect, of a Related Party
- Related Party or Parties** : Director(s), Major Shareholder(s) and/or person(s) connected with such Director(s) or Major Shareholder(s)
- Reszon** : Reszon Diagnostics International Sdn. Bhd. [201001033978 (917901-W)]
- RM and sen** : Ringgit Malaysia and sen, respectively

All references to “our Company” in Part C of this Circular are to Binasat and reference to “our Group” are to our Company and subsidiaries collectively. References to “we”, “us”, “our”, and “ourselves” are to our Group.

All references to “**you**” in Part C of this Circular are references to shareholders of Binasat.

Words denoting the singular shall, where applicable, include the plural and *vice versa*. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and *vice versa*. References to persons shall include corporations, unless otherwise specified.

Any reference in Part C of this Circular to any provision of a statute, rule, regulation, enactment, or rule of a stock exchange shall (where the context admits) be construed as a reference to the provision of such statute, rule, regulation, enactment or rule of a stock exchange (as the case may be) as modified by any written law, or, if applicable, any amendment of re-enactment to the statute, rule, regulation, enactment or rule of a stock exchange for the time being in force. Any reference to a time of day in Part C of this Circular is a reference to Malaysian time, unless otherwise specified.

Any discrepancies in the figures included in Part C of this Circular between the amount stated, actual figures and the totals thereof are due to rounding.



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**BINASAT COMMUNICATIONS BERHAD**

Registration No. 201701008491 (1222656-D)  
(Incorporated in Malaysia)

**Registered Office:**

Level 5, Tower 8, Avenue 5,  
Horizon 2, Bangsar South City  
59200 Kuala Lumpur  
Wilayah Persekutuan Kuala  
Lumpur

7 April 2025

**Board of Directors**

Tan Sri Datuk Cham Hak Lim (*Independent Non-Executive Chairman*)  
Ong Soon Lim (*Group Managing Director*)  
Zulamran bin Hamat (*Executive Director cum Chief Executive Officer*)  
Dato' Seow Thiam Fatt (*Senior Independent Non-Executive Director*)  
Sharon Ng Saw Ean (*Independent Non-Executive Director*)  
Yeong Siew Lee (*Independent Non-Executive Director*)  
Teh Li King (*Non-Independent Non-Executive Director*)

**To: Shareholders of Binasat**

Dear Sir/Madam

**PROPOSED NEW SHAREHOLDERS' MANDATE TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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**1. INTRODUCTION**

On 28 February 2025, the Board announced to Bursa Securities its intention to seek shareholders' approval for the Proposed Mandate.

In accordance with the Listing Requirements, the Proposed Mandate referred to the above and shall lapse at the conclusion of our forthcoming AGM unless approval for its renewal is obtained from shareholders of the Company at the forthcoming AGM.

Accordingly, the Company seeks to obtain shareholders' approval for the Proposed Mandate at the forthcoming EGM.

The purpose of Part C this Circular is to provide you with the relevant details of the Proposed Mandate and to seek your approval for the ordinary resolution in relation thereto to be tabled at the forthcoming EGM.

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART C THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED MANDATE TO BE TABLED AT THE FORTHCOMING EGM.**

## 2. DETAILS OF THE PROPOSED MANDATE

### 2.1 Provisions under the Listing Requirements

Rule 10.08 of the Listing Requirements stipulates the obligation of a listed corporation in relation to Related Party Transaction. However, pursuant to Rule 10.09 and Guidance Note 8 of the Listing Requirements, a listed corporation may seek for shareholders' mandate from its shareholders for RRPTs, subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:  
  
"in relation to a listed corporation with a share capital RM60 million and above—
  - (i) the consideration, value of the assets, capital outlay or costs of the RRPTs is RM1.0 million or more; or
  - (ii) the percentage ratio of such RRPTs is 1% or more,whichever is the higher";
- (c) a circular to shareholders is issued by the Company for the shareholders' mandate and shall include the information as may be prescribed by Bursa Securities.
- (d) in a meeting to obtain shareholders' mandate, the interested director, interested Major Shareholder or interested person connected with a Director and/or Major Shareholder; and where it involves the interest of an interested person connected to a director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution approving the transactions. An interested Director or interested Major Shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) the Company immediately announces to Bursa Securities when the actual value of the RRPTs entered into by the listed corporation exceeds the estimated value of the RRPTs disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Under the provision of the Listing Requirements, where the Company has obtained shareholders' mandate in respect of RRPTs, the provisions under Rule 10.08 of the Listing Requirements shall not apply during the validity period of the shareholders' mandate.

It is envisaged that in the normal course of the Binasat Group's businesses, transactions of a revenue or trading nature between companies in the Group and the Related Parties are likely to occur, and which are necessary for its day-to-day operations.

In this respect, the Directors propose to seek approval from shareholders on the Proposed Mandate as set out in Section 2.5 below, to enable the Company and/or its subsidiaries to enter into RRPTs with the classes of Related Parties as set out in Section 2.4 below.

## 2.2 Validity period for the Proposed Mandate

The Proposed Mandate, if approved by the shareholders of the Company, is subject to annual renewal and will continue to be in force until:

- (i) the conclusion of the next AGM of the Company (i.e., 8<sup>th</sup> AGM), at which time the said authority will lapse, unless by an ordinary resolution passed at the 8<sup>th</sup> AGM, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting of the Company,

whichever is earlier.

Thereafter, the approval from the Shareholders of our Company will be sought for renewal of the Proposed Mandate for the RRPTs, as applicable, at each subsequent AGM of our Company.

## 2.3 Principal activities of the Group

Binasat's principal activities are investment holding, and the principal activities of the subsidiaries are as follows:-

Company	Principal Activities	Effective ownership interest
BSB	Provision of support services for satellite, mobile, fibre optic telecommunications networks and power transmission.	100%
BPSB	Investment Holding Company.	100%
BDSB	Provision of wholesale of telecommunication equipment and computer supplies, operating and consulting for satellite telecommunications networks (including planning, installation, software development, and networking services), provision of civil, mechanical, engineering, and electrical work, IT services, as well as communications software development, design, technical support, and the application of communication system designs for all types of software.	70%

## 2.4 Classes of Related Parties

The Proposed Mandate is necessary for Binasat Group's day to day operations and is in the ordinary course of business of Binasat Group.

The principal activities of the Related Parties are as follows:-

<b>Related Parties</b>	<b>Principal Activities</b>
HCB	Investment holding, renting of buildings and provision of management services to its subsidiaries.
HHB	Investment Holding Company.
HHSB	Investment Holding Company.
HIB	Investment Holding Company.
HMSB	Civil engineering contractor and other construction installation.
Reszon	Manufacturing and sale of In-Vitro Diagnostic ("IVD") medical devices.
Pacific Office	Distribution, retails and online sales of office equipment and supplies, personal protective equipment and supplies, stationery books, magazines and newspapers, rental and operational leasing of office equipment.

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## 2.5

### Nature of RRPTs

The classes of Related Parties having interest in the RRPTs for which the shareholders' approval on the Proposed Mandate is sought in respect of transactions to be entered into by companies within Binasat Group are as follows:-

Transacting Party	Related Party	Type/Nature of Transaction	Estimated Aggregate value of RRPTs to be transacted from LPD up to the forthcoming EGM*^ (RM)	Actual value transacted from the date of the first transaction up to LPD^ (RM)	Estimated value of transactions from the date of the forthcoming EGM up to the date of the next AGM* (RM)	Interested Related Parties
Binasat Group (Purchaser)	Reszon <sup>(iv)</sup> (Seller)	Purchase of medical supplies related products, such as but not limited to medical devices (e.g., Blood pressure monitor, Mechanical Personal scale with Height measurement, blood glucose test, Blood glucose Test Strips etc) and test kits for various disease (e.g., COVID-19, dengue etc).	2,000,000.00	1,347,000.00	2,000,000.00	OVCSB <sup>(i)</sup> HCB <sup>(ii)</sup> Dato' Ong Choo Meng <sup>(ii) (iv)</sup> Ong Soon Lim <sup>(iii)</sup> Persons connected with Interested Related Parties as mentioned in the notes of Section 2.5

Transacting Party	Related Party	Type/Nature of Transaction	Estimated Aggregate value of RRPTs to be transacted from LPD up to the forthcoming EGM* <sup>^</sup> (RM)	Actual value transacted from the date of the first transaction up to LPD <sup>^</sup> (RM)	Estimated value of transactions from the date of the forthcoming EGM up to the date of the next AGM* (RM)	Interested Related Parties
Binasat Group (Purchaser)	Pacific Office <sup>(v)</sup> (Seller)	Purchase of office supply such as but not limited to office stationeries (e.g., Masking tape, A4 Paper, File, stapler, staples, pen, pencil etc), pantry items and utilities (e.g., mineral water etc), and computer media items (printer ink etc).	300,000.00	9,000.00	300,000.00	OVCSB <sup>(i)</sup> HCB <sup>(ii)</sup> Dato' Ong Choo Meng <sup>(ii)</sup> <sup>(v)</sup> Ong Soon Lim <sup>(iii)</sup> Teh Li King <sup>(vi)</sup> Persons connected with Interested Related Parties as mentioned in the notes of Section 2.5
Binasat Group (Purchaser)	HMSB <sup>(v)</sup> (Seller)	Purchase of goods/services but not limited to civil engineering and related construction installation, project management services.	5,500,000.00	-	50,000,000.00	OVCSB <sup>(i)</sup> HCB <sup>(ii)</sup> Dato' Ong Choo Meng <sup>(ii)</sup> <sup>(v)</sup> Ong Soon Lim <sup>(iii)</sup> Teh Li King <sup>(vi)</sup> Persons connected with Interested Related Parties as mentioned in the notes of Section 2.5.

**Notes:-**

- (i) OVCSB is a Major Shareholder of the Company. OVCSB is wholly-owned by HCB.  
OVCSB and HCB are persons connected to Dato' Ong Choo Meng by virtue of his shareholdings in HCB. Accordingly, OVCSB and HCB are deemed interested in the Proposed Mandate.
- (ii) Dato' Ong Choo Meng is a Major Shareholder of the Company via his deemed interested in the Company, pursuant to Section 8(4) of the Act by virtue of his interests in HCB, the holding company of OVCSB.
- (iii) Ong Soon Lim, is holding directorship as Group Managing Director of Binasat, and the uncle of Dato' Ong Choo Meng. He has retired as Non-Independent Non-Executive Director of HCB effective from 26 February 2025.
- (iv) Reszon is a wholly owned subsidiary of HHB.  
Dato' Ong Choo Meng holds directorship in HRSB and is deemed interested pursuant to Section 8(4) of the Act by virtue of his interests in HRSB, the Major Shareholder of HHB.
- (v) Pacific Office is a wholly-owned subsidiary of HIB, and HMSB is a 70% owned subsidiary of HIB.  
Dato' Ong Choo Meng holds directorship in HHSB and also deemed interested pursuant to Section 8(4) of the Act by virtue of his interests in HIB held through HHSB, the major shareholder of HIB.
- (vi) Teh Li King, is the Non-Independent Non-Executive Director of Binasat, and the Director of HMSB. He is also deemed as a Person Connected to Dato' Ong Choo Meng as he is the Group Chief Operating Officer of the Hextar group of companies, which comprise of among others, HHSB (the holding company of HIB). On 26 February 2025, he has retired as Non-Independent Non-Executive Director of HCB.

**Persons Connected:-**

- a. Dato' Ong Soon Ho holds directorship in HHSB and is deemed interested pursuant to Section 8(4) of the Act by virtue of his interests in HIB held through HHSB, the major shareholder of HIB. He is also the father of Dato' Ong Choo Meng, and the brother of Ong Soon Lim.
- b. Ong Tzu Chuen is holding directorship as Non-Independent Non-Executive Director of HIB and is deemed interested pursuant to Section 8(4) of the Act by virtue of her interests in HRSB, the Major Shareholder of HHB. She is also the daughter of Dato' Ong Soon Ho and sister of Dato' Ong Choo Meng.
- \* The estimated values of RRPTs are based on the historical data and best estimates by the management. Accordingly, the actual value of the RRPTs may be varied from the estimated value disclosed above and subject to changes.
- ^ The percentage ratio of the RRPTs transacted from the date of the first transaction up to the date of the forthcoming EGM will not exceed 5%.

## **2.6 Amount due from and owing by Related Parties**

As at the LPD, there were no amounts due and owing by the Related Parties pursuant to RRPTs which exceeded the credit terms.

## **2.7 Rationale and Benefit of the RRPTs**

The RRPTs to be entered into by the Group are all in the ordinary course of business. They are recurring transactions of a revenue or trading nature which are likely to occur with some degree of frequency and arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions and it may be impractical to seek shareholders' approval on a case-by-case basis before entering into such RRPTs. As such, the Board is seeking shareholders' mandate pursuant to Rule 10.09(2) of the Listing Requirements for the RRPTs described in Section 2.5 above to allow the Group to enter into such RRPTs. This would also reduce substantial administrative time, inconvenience and expenses of having to frequently convene separate general meetings for approval of each transaction while still maintaining the objective of keeping shareholders informed of the extent of RRPTs occurring within the Group.

The RRPTs entered by Binasat Group is synergistic to the activities of the Group and provides the Group with support to its operational and business needs at the best possible terms.

## **2.8 Review Procedures**

The following methods and procedures are in place to ensure that any transactions entered into by Binasat Group with Related Parties, which are in the ordinary course of business of Binasat Group, are undertaken on transaction prices and on an arm's length basis and on normal commercial terms consistent with the Binasat Group's usual business practices and are not more favourable to the Related Parties than those generally available to the public, and are not to the detriment of our non-interested shareholders:

- (i) The Binasat Group will only enter into RRPTs after taking into account the pricing, terms and other relevant factors. Wherever practicable and/or feasible, at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine if the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Binasat Group based on the usual business practices of Binasat Group to ensure that the RRPTs is not detrimental to the Binasat Group.
- (ii) There are no specific thresholds for the approval of RRPTs within the Group. All RRPTs will be reviewed by the ARMC of the Company on the quarterly basis and approved by the Board with the recommendation from the ARMC prior to execution of contracts.
- (iii) All types of RRPTs are carried out at arm's length and on the Binasat Group's normal commercial terms which are not more favourable to the related parties than those generally available to the public. These include transacting at prevailing market rates/prices of the products or services provider's usual commercial terms or otherwise in accordance with applicable industry norm.

- (iv) Records of RRPTs will be maintained by the Group and will be made available to the external auditors, internal auditors and ARMC for their review.
- (v) The Board and the ARMC will review the RRPTs on a quarterly basis, to ascertain that the guidelines and procedures established to monitor RRPTs have been complied with.
- (vi) Where any Director or person connected to him has an interest (direct or indirect) in any RRPTs, he shall abstain from deliberation and voting on the matter. The said interested Director shall undertake that he will ensure that person connected with him abstain from voting on the resolution deliberating or approving the RRPTs at a general meeting.
- (vii) The annual internal audit plan shall incorporate a review of all RRPTs entered into pursuant to the shareholders' mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to. Any divergence will be reported to the ARMC.

## **2.9 Abstention from Voting**

All members of the Board and ARMC who are directly and/or indirectly interested in any RRPTs shall have declared their interests in the RRPTs and abstain from deliberation and voting in respect of these transactions.

Categories of persons who will abstain from voting are as follows:-

- (a) Any interested Director(s);
- (b) Any interested Major Shareholder(s);
- (c) Any person(s) connected to the interested Director(s) or interested Major Shareholder(s); and
- (d) Any Director(s) or Major Shareholder(s) whose person(s) connected is/are interested in the RRPTs.

## **2.10 Disclosure in Annual Report**

Disclosure will be made in the annual report of the Company in accordance with Rule 3.1.5 of Guidance Note 8 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs entered into during the financial year based on the following information:

- (a) the type of the RRPTs made; and
- (b) the names of the Related Parties involved in each of the RRPTs made and their relationship with Binasat Group.

## **2.11 Statement by the ARMC**

The ARMC has seen and reviewed the procedures as mentioned in Section 2.8, Part C of this Circular and is of the view that the said procedures are sufficient to ensure that the RRPTs are undertaken on arm's length basis not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of Binasat.

The ARMC is of the view that Binasat Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and such procedures and processes are reviewed on an annual basis or whenever the need arises.

## 2.12 Directors' and Major Shareholders' Interests

The direct and indirect interests of the interested Directors, interested Major Shareholders and interested persons connected with them as at LPD, are as follows:

	Direct Interest		Indirect Interest	
	No. of Binasat Shares	%	No. of Binasat Shares	%
<b><u>Interested Major Shareholders</u></b>				
OVCSB	96,222,021	22.53	-	-
HCB	-	-	96,222,021 <sup>(1)</sup>	22.53
Dato' Ong Choo Meng	-	-	96,222,021 <sup>(2)</sup>	22.53
<b><u>Interested Directors</u></b>				
Ong Soon Lim	-	-	-	-
Teh Li King	-	-	-	-
<b><u>Persons Connected</u></b>				
Dato' Ong Soon Ho	-	-	-	-
Ong Tzu Chuen	-	-	-	-

Notes:

- (1) Deemed interested by virtue of its shareholding in OVCSB pursuant to Section 8(4) of the Act.
- (2) Deemed interested pursuant to Section 8(4) of the Act by virtue of his interests in HCB which in turn is the holding company of OVCSB, the major shareholder of the Company.

Accordingly, the abovenamed Major Shareholders of the Group who are interested (directly or indirectly) in the Proposed Mandate shall abstain from voting in respect of their direct and indirect shareholdings in the Company, at the forthcoming EGM on the resolution to approve the Proposed Mandate.

The abovenamed Directors (namely, Ong Soon Lim and Teh Li King), being Directors who are interested in the Proposed Mandate have abstained and will continue to abstain from all deliberations and voting on the RRPTs involving them as stated in the Proposed Mandate at the relevant Board Meetings and/or shall also abstain from voting in respect of their direct and indirect shareholdings in the Company, at the forthcoming EGM on the resolution to approve the Proposed Mandate.

In addition, the abovenamed interested Directors and interested Major Shareholders have undertaken to ensure that the Persons Connected with them, will abstain from voting in respect of their direct and/or indirect shareholdings in the Company, if any, at the forthcoming EGM on the resolution to approve the Proposed Mandate involving their interests.



Save as disclosed above, none of the other Director, Major Shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Mandate.

### **2.13 Directors' Recommendation**

The Board (save for the interested Directors as set out in Section 2.12 above) having considered all aspects of the Proposed Mandate, is of the opinion that the Proposed Mandate is in the best interest of the Company.

Accordingly, the Board (save for the interested Directors), recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Mandate to be tabled at the forthcoming EGM.

## **3. APPROVAL REQUIRED**

The Proposed Mandate is subject to the approval being obtained from the shareholders of the Company at the forthcoming EGM to be convened.

## **4. FINANCIAL EFFECTS OF THE PROPOSED MANDATE**

The Proposed Mandate is administrative in nature and will not have any material effect on the share capital, shareholdings of the substantial shareholders, earnings per share, net assets per share and gearing of Binaset Group.

## **5. EXTRAORDINARY GENERAL MEETING**

The resolution in respect of the Proposal is set out in the notice of the EGM contained in Part C of this Circular. The EGM will be held on Wednesday, 23 April 2025 at 10:00 a.m. or at any adjournment thereof at the Hextar Hall, Level 17, Hextar Centre, Hextar Tower, No. 8, Jalan Damansara, Empire City, PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, for the purpose of considering and, if thought fit, passing with or without modification the ordinary resolution pertaining to the Proposed Mandate.

If you are unable to attend and vote in person at the EGM, you may complete and return the relevant Form of Proxy in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at Poll Administrator's Office at Bina Management (M) Sdn. Bhd. of Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan or email to [binawin@binamg168.com](mailto:binawin@binamg168.com) not less than forty-eight (48) hours before the time for convening the forthcoming EGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

## **6. FURTHER INFORMATION**

Shareholders are advised to refer to the attached Appendix A in Part C of this Circular for further information.

Yours faithfully  
For and on behalf of the Board of  
**BINASAT COMMUNICATIONS BERHAD**

**ONG SOON LIM**  
Group Managing Director

## FURTHER INFORMATION

## 1. DIRECTORS' RESPONSIBILITY STATEMENT

The Part C of this Circular has been seen and approved by the Directors of Binasat and they collectively and individually accept full responsibility for the accuracy of the information given in Part C of this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

## 2. MATERIAL CONTRACTS

Neither the Company nor its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of Part C of this Circular.

## 3. MATERIAL LITIGATION, CLAIMS AND/OR ARBITRATION

Save as disclosed below, as at the LPD, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the Board is not aware and do not have any knowledge of any proceeding pending or threatened against the Group or of any fact likely to give rise to any proceeding which may materially affect the financial position or business of the Group:

(i) **Kota Bharu High Court Civil Suit No.: DA-22C-1-05/2023 between BDSB and Kelantan ICT Gateway Sdn. Bhd. ("Kelantan ICT")**

This dispute relates to the purported unlawful termination by Kelantan ICT of a contract with BDSB pertaining to the preparation and installation of internet satellites for a project known as "*Hab Digital Rakyat (HDR) Di Seluruh Negeri Kelantan*" ("**Project**").

On 16 May 2023, BDSB commenced this suit against Kelantan ICT claiming for among others, damages in the sum of RM1,237,027.72 for costs incurred in procuring materials and goods for the Project.

This matter has been fixed trial on 16-18 March 2026.

Solicitors for BDSB are of the view that BDSB may successfully claim reasonable costs incurred in preparation for the contract.

(ii) **Shah Alam High Court Civil Appeal No.: BA-12ANCVC-66-11/2024 between BSB and TM Technology Services Sdn Bhd ("TM Tech")**

This is an appeal by BSB against the Sessions Court's dismissal of BSB's application to set aside the judgment in default obtained by TM Tech against BSB ("**JID**").

Pursuant to the JID, BSB shall pay TM Tech the sum of RM873,091.60 ("**Judgment Sum**") together with interest at 5% per annum on the Judgment Sum from 12 March 2024 until full settlement, and cost of RM1,306.00.

The Judgment Sum pertains to TM Tech's claim against BSB for costs and expenses incurred in repairing the fibre optic cables and duct ways purportedly damaged by BSB.

This appeal was subsequently dismissed by the High Court on 4 March 2025 ("**High Court Decision**"). Following this, on 26 March 2025 BSB appealed to the Court of Appeal against the High Court Decision ("**COA Appeal**"). The Court of Appeal has yet to set a hearing date for the COA Appeal.

**FURTHER INFORMATION (Cont'd)**

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The Board believes that TM Tech's claim is unsubstantiated, and as a result, BSB has a potential chance of succeeding in the COA Appeal.

As at the LPD, there is no material litigation, claims or arbitration involving SBP Properties and Empire City Properties.

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur during normal business hours from 9.00 a.m. to 5.00 p.m. between Monday and Friday (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of Binasat;
- (b) the audited consolidated financial statements of Binasat for the past two (2) financial year/period ended 30 June 2022 and 31 December 2023 respectively;
- (c) the unaudited financial statements for the financial year ended 31 December 2024; and
- (d) the relevant cause papers in relation to the material litigation, claims and arbitration as referred to in Section 3 above.

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**BINASAT COMMUNICATIONS BERHAD**  
(Registration No. 201701008491 (1222656-D))  
(Incorporated in Malaysia)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“EGM”) of Binasat Communications Berhad (“**Binasat**” or the “**Company**”) will be held on Wednesday, 23 April 2025 at 10:00 a.m. or at any adjournment thereof at the Hextar Hall, Level 17, Hextar Centre, Hextar Tower, No. 8, Jalan Damansara, Empire City, PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, for the purpose of considering and, if thought fit, passing with or without modification resolutions below:

**ORDINARY RESOLUTION 1**

**PROPOSED ACQUISITION BY BINASAT PROPERTIES SDN. BHD. (FORMERLY KNOWN AS BINASAT (SABAH) SDN. BHD.) (“BPSB”), A WHOLLY-OWNED SUBSIDIARY OF BINASAT, OF A UNIT OF 4-STOREY INTERMEDIATE TERRACED SHOP-OFFICE BEARING POSTAL ADDRESS OF NO. 61, JALAN BAYU LAUT 4/KS09, SAZEAN BUSINESS PARK, KOTA BAYUEMAS, 41200 KLANG, SELANGOR DARUL EHSAN (“SBP PROPERTY 1”) FROM DATIN LIM WAI YEE FOR A PURCHASE CONSIDERATION OF RM1,670,000 (“PROPOSED SBP ACQUISITION 1”) AND THE PROPOSED LEASE OF SBP PROPERTY 1 BY HEXTAR ASSET MANAGEMENT SDN. BHD. (“HAMSB”) THAT SHALL COMMENCE UPON COMPLETION OF THE PROPOSED SBP ACQUISITION 1 (“PROPOSED ACQUISITION AND LEASE OF SBP PROPERTY 1”)**

“**THAT** subject to the passing of the Ordinary Resolution 5 and the approvals/ consents of all relevant parties and/ or authorities being obtained (where required), approval be and is hereby given to BPSB to acquire the SBP Property 1 for a cash consideration of RM1,670,000, subject to and upon such terms and conditions as set out in the conditional sale and purchase agreement dated 4 December 2024 entered into between BPSB and Datin Lim Wai Yee, and to lease the SPB Property 1 to HAMSB commencing upon completion of the Proposed SBP Acquisition 1 upon the terms and conditions as set out in the lease agreement dated 4 December 2024 entered into between BPSB and HAMSB.

**AND THAT** the Board of Directors (“**Board**”) be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/ or arrangements as may be necessary to give effect and complete the Proposed Acquisition and Lease of SBP Property 1 and to assent to any conditions, modifications, variations and/ or amendments in any manner as may be required by the relevant authorities or as Directors may deem fit, necessary and/ or expedient in order to implement, finalise, give full effect to the Proposed Acquisition and Lease of SBP Property 1.”

**ORDINARY RESOLUTION 2**

**PROPOSED ACQUISITION BY BPSB, A WHOLLY-OWNED SUBSIDIARY OF BINASAT, OF A UNIT OF 4-STOREY INTERMEDIATE TERRACED SHOP-OFFICE BEARING POSTAL ADDRESS OF NO. 62, JALAN BAYU LAUT 4/KS09, SAZEAN BUSINESS PARK, KOTA BAYUEMAS, 41200 KLANG, SELANGOR DARUL EHSAN (“SBP PROPERTY 2”) FROM ONG TZU CHUEN FOR A PURCHASE CONSIDERATION OF RM1,670,000 (“PROPOSED SBP ACQUISITION 2”) AND THE PROPOSED LEASE OF SBP PROPERTY 2 BY HIB MANAGEMENT SDN. BHD. (“HIBMSB”) THAT SHALL COMMENCE UPON COMPLETION OF THE PROPOSED SBP ACQUISITION 2 (“PROPOSED ACQUISITION AND LEASE OF SBP PROPERTY 2”)**

“**THAT** subject to the passing of the Ordinary Resolution 5 and the approvals/ consents of all relevant parties and/ or authorities being obtained (where required), approval be and is hereby given to BPSB to acquire the SBP Property 2 for a cash consideration of RM1,670,000, subject to and upon such terms and conditions as set out in the conditional sale and purchase agreement dated 4 December 2024 entered into between BPSB and Ong Tzu Chuen, and to lease the SPB Property 2 to HIBMSB commencing upon completion of the Proposed SBP Acquisition 2 upon the terms and conditions as set out in the lease agreement dated 4 December 2024 entered into between BPSB and HIBMSB.

**AND THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/ or arrangements as may be necessary to give effect and complete the Proposed Acquisition and Lease of SBP Property 2 and to assent to any conditions, modifications, variations and/ or amendments in any manner as may be required by the relevant authorities or as Directors may deem fit, necessary and/ or expedient in order to implement, finalise, give full effect to the Proposed Acquisition and Lease of SBP Property 2.”

### **ORDINARY RESOLUTION 3**

**PROPOSED ACQUISITION BY BPSB, A WHOLLY-OWNED SUBSIDIARY OF BINASAT, OF A UNIT OF 6-STOREY CORNER TERRACED SHOP-OFFICE BEARING POSTAL ADDRESS OF NO. 66, JALAN BAYU LAUT 4B/KS09, SAZEAN BUSINESS PARK, KOTA BAYUEMAS, 41200 KLANG, SELANGOR DARUL EHSAN (“SBP PROPERTY 3”) FROM HAMSB FOR A PURCHASE CONSIDERATION OF RM5,000,000 (“PROPOSED SBP ACQUISITION 3”) AND THE PROPOSED LEASE OF SBP PROPERTY 3 BY HAMSB THAT SHALL COMMENCE UPON COMPLETION OF THE PROPOSED SBP ACQUISITION 3 (“PROPOSED ACQUISITION AND LEASE OF SBP PROPERTY 3”)**

**“THAT** subject to the passing of the Ordinary Resolution 5 and the approvals/ consents of all relevant parties and/ or authorities being obtained (where required), approval be and is hereby given to BPSB to acquire the SBP Property 3 for a cash consideration of RM5,000,000, subject to and upon such terms and conditions as set out in the conditional sale and purchase agreement dated 4 December 2024 entered into between BPSB and HAMSB, and to lease the SPB Property 3 to HAMSB commencing upon completion of the Proposed SBP Acquisition 3 upon the terms and conditions as set out in the lease agreement dated 4 December 2024 entered into between BPSB and HAMSB.

**AND THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/ or arrangements as may be necessary to give effect and complete the Proposed Acquisition and Lease of SBP Property 3 and to assent to any conditions, modifications, variations and/ or amendments in any manner as may be required by the relevant authorities or as Directors may deem fit, necessary and/ or expedient in order to implement, finalise, give full effect to the Proposed Acquisition and Lease of SBP Property 3.”

### **ORDINARY RESOLUTION 4**

**PROPOSED ACQUISITION BY BPSB, OF 241 UNITS OF FULLY FURNISHED PROPOSED HOTEL SUITES LOCATED ON THE 8<sup>TH</sup> TO 17<sup>TH</sup> FLOORS OF BLOCK L, FORMING PART OF AN INTEGRATED MIXED USE COMMERCIAL DEVELOPMENT OF EMPIRE CITY (AN ON-GOING PROPERTY DEVELOPMENT ON A PIECE OF LEASEHOLD LAND HELD UNDER PN116964, LOT 90573, MUKIM SUNGAI BULOH, DAERAH PETALING, NEGERI SELANGOR) (“EMPIRE CITY PROPERTIES”) FOR A TOTAL PURCHASE CONSIDERATION OF RM73,535,250 (“EMPIRE CITY PURCHASE CONSIDERATION”) TO BE SATISFIED VIA A COMBINATION OF RM63,240,350 IN CASH (“CASH CONSIDERATION”) AND RM10,294,900 VIA THE ISSUANCE OF 49,023,333 NEW ORDINARY SHARES IN BINASAT (“BINASAT SHARE(S)” OR “SHARE(S)”) (“CONSIDERATION SHARE(S)”) AT AN ISSUE PRICE OF RM0.2100 EACH (“PROPOSED ACQUISITIONS OF EMPIRE CITY PROPERTIES”)**

**“THAT** subject to passing of Ordinary Resolution 5 and the approvals/ consents of all relevant parties and/ or authorities being obtained (where required), approval be and is hereby given to BPSB to acquire the Empire City Properties for a total purchase consideration of RM73,535,250 to be satisfied via a combination of Cash Consideration and issuance of new Consideration Shares at an issue price of RM0.2100 each, subject to and upon such terms and conditions as set out in the conditional sale and purchase agreement dated 4 December 2024 entered into between BPSB and Cosmopolitan Avenue Sdn. Bhd. for the Proposed Acquisitions of Empire City Properties;

**THAT** the Consideration Shares shall, upon allotment and issuance, carry the same rights with the then existing Shares. However, the Consideration Shares will not be entitled to any dividends, rights, allotment and/ or any other distributions which may be declared, made or paid to the Company's shareholders unless such Consideration Shares were allotted and issued on or before the entitlement date of such rights, allotments and/ or other distributions;

**AND THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/ or arrangements as may be necessary to give effect and complete the Proposed Acquisitions of Empire City Properties and to assent to any conditions, modifications, variations and/ or amendments in any manner as may be required by the relevant authorities or as Directors may deem fit, necessary and/ or expedient in order to implement, finalise, give full effect to the Proposed Acquisitions of Empire City Properties.”

#### **ORDINARY RESOLUTION 5**

##### **PROPOSED DIVERSIFICATION OF THE PRINCIPAL ACTIVITIES OF BINASAT AND ITS SUBSIDIARIES (“BINASAT GROUP” OR “GROUP”) TO INCLUDE PROPERTY INVESTMENT, PROPERTY MANAGEMENT, PROPERTY DEVELOPMENT AND CONSTRUCTION (“NEW BUSINESSES”) (“PROPOSED DIVERSIFICATIONS”)**

“**THAT** subject to the approvals/ consents of all relevant parties and/ or authorities being obtained (where required), the Board be and is hereby authorised and empowered to diversify the principal activities of the Group to include property investment, property management, property development and construction;

**AND THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/ or arrangements as may be necessary to give effect and complete the Proposed Diversifications and to assent to any conditions, modifications, variations and/ or amendments in any manner as may be required by the relevant authorities or as Directors may deem fit, necessary and/ or expedient in order to implement, finalise, give full effect to the Proposed Diversifications.”

#### **ORDINARY RESOLUTION 6**

##### **PROPOSED PRIVATE PLACEMENT OF UP TO 128,137,500 NEW SHARES (“PLACEMENT SHARE(S)”), REPRESENTING NOT MORE THAN 30% OF THE ISSUED SHARES OF THE COMPANY (EXCLUDING TREASURY SHARES, IF ANY) TO THIRD PARTY INVESTOR(S) AT AN ISSUE PRICE TO BE DETERMINED LATER (“PROPOSED PRIVATE PLACEMENT”)**

“**THAT** subject to the approvals of all relevant authorities or parties being obtained (where required), the Board be and is hereby authorised to allot and issue up to 128,137,500 Placement Shares, representing not more than 30% 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 separately and fixed by the Board and announced at a later date (“**Price Fixing Date**”) upon such terms and conditions as disclosed in Part A of the circular to the shareholders of the Company dated 7 April 2025 (“**Circular**”);

**THAT** the issue price for each tranche of the Placement Shares will not be priced at more than 20% discount to the 5-day volume weighted average market price (“**5D-VWAP**”) of the Shares immediately before the Price-Fixing Date;

**THAT** the Board be and is hereby authorised to utilise the proceeds to be derived from the Proposed Private Placement for such purposes and in such manner as set out in the Circular and the Board be and is hereby authorised with full power to vary the manner and/ or purpose of the utilisation of such proceeds in the manner as the Board may deem fit, necessary and/ or expedient, subject to the approvals of the relevant authorities (where required) and in the best interest of the Company;

**THAT** The Placement Shares shall, upon allotment and issuance, carry the same rights with the then existing issued Shares. However, the Placement Shares will not be entitled to any dividends, rights, allotments and/ or other distributions which may be declared, made or paid to the Company’s shareholders unless such Placement Shares were allotted and issued on or before the entitlement date of such rights, allotments and/ or other distributions;



**AND THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements as may be necessary to give effect and complete the Proposed Private Placement and to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as Directors may deem fit, necessary and/or expedient in order to implement, finalise, give full effect and to complete the Proposed Private Placement.”

## **ORDINARY RESOLUTION 7**

### **PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OF TRADING NATURE (“PROPOSED MANDATE”)**

“**THAT** subject to the provisions of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), approval be and is hereby given to the Group to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.5 of Part C of the Circular which are necessary for the day-to-day operations of Binasat Group, and are carried out in the ordinary course of business, the transactions are undertaken at arm’s length basis and are on normal commercial terms which are not more favourable to the related parties than those generally available to third parties and on terms not detrimental to the minority shareholders of the Company.

**AND THAT** such authority shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company at which it will lapse unless the authority is renewed by a resolution passed at the next AGM;
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held pursuant to Section 340(2) of the Companies Act 2016 (“**the Act**”) [but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act]; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

**AND FURTHER THAT** the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including, without limitation, to execute all such documents and to assent to any conditions, variations and/or amendments) as they may consider expedient or necessary in the best interest of the Company to give effect to the Proposed Mandate.”

## **BY ORDER OF THE BOARD**

**WONG MEE KIAT** (MAICSA 7058813) (SSM PC No. 202008001958)

**LIM LI HEONG** (MAICSA 7054716) (SSM PC No. 202008001981)

Company Secretaries

Date: 7 April 2025

### **NOTES:**

1. *Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company, every holder of ordinary or preference shares who is personally present, who is a member or proxy or represented by attorney on a show of hands on any question shall have one vote and upon a poll every such member shall have one vote for every ordinary or preference share held by him. A proxy need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting. A member may appoint not more than two (2) proxies to attend the same meeting. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.*
2. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing (or if such appointor be a corporation, under its common seal or under the hand of an officer or attorney duly authorised or in some other manner approved by Directors). An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.*
5. *The Form of Proxy or the instrument appointing a proxy and the power of attorney (if any) under which it is signed or authorised certified copy thereof must be deposited at the Poll Administrator's Office at Bina Management (M) Sdn. Bhd. of Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan or email to [binawin@binamg168.com](mailto:binawin@binamg168.com) not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.*
6. *In respect of deposited securities, only a depositor whose name appears on the Record of Depositors on 17 April 2025 (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.*
7. *By submitting the duly executed Form of Proxy, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.*

## FORM OF PROXY



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./ Registration No. \_\_\_\_\_

of (full address) \_\_\_\_\_

being a \*member/ members of BINASAT COMMUNICATIONS BERHAD, hereby appoint:

Name of Proxy (Full Name)	NRIC/ Passport/ Registration No.	Proportion of Shareholding	
		No. of Shares	%
Full Address			
Contact no.			
Email Address			

\*and/or failing him/her,

Name of Proxy (Full Name)	NRIC/ Passport/ Registration No.	Proportion of Shareholding	
		No. of Shares	%
Full Address			
Contact no.			
Email Address			

\*or failing him/ her, the Chairman of the Meeting as \*my/ our proxy to participate and vote for \*me/ us and on \*my/ our behalf at the Extraordinary General Meeting which will be held on Wednesday, 23 April 2025 at 10:00 a.m. or at any adjournment thereof at the Hextar Hall, Level 17, Hextar Centre, Hextar Tower, No. 8, Jalan Damansara, Empire City, PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, for the purpose of considering and, if thought fit, passing with or without modification resolutions below:

Ordinary Resolutions		For	Against
1.	Proposed Acquisition and Lease of SBP Property 1		
2.	Proposed Acquisition and Lease of SBP Property 2		
3.	Proposed Acquisition and Lease of SBP Property 3		
4.	Proposed Acquisitions of Empire City Properties		
5.	Proposed Diversifications		
6.	Proposed Private Placement		
7.	Proposed Mandate		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

\* strike out whichever is not applicable.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

.....  
\*Signature/Common Seal of member(s)



^ Manner for execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this Form of Proxy should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this Form of Proxy should be affixed with the rubber stamp of your company (if any) and executed by:
  - (i) at least two (2) authorised officers, of whom one shall be a director; or
  - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

NOTES:

1. *Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company, every holder of ordinary or preference shares who is personally present, who is a member or proxy or represented by attorney on a show of hands on any question shall have one vote and upon a poll every such member shall have one vote for every ordinary or preference share held by him. A proxy need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting. A member may appoint not more than two (2) proxies to attend the same meeting. Where a Member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.*
2. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**"), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing (or if such appointor be a corporation, under its common seal or under the hand of an officer or attorney duly authorised or in some other manner approved by Directors). An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.*
5. *The Form of Proxy or the instrument appointing a proxy and the power of attorney (if any) under which it is signed or authorised certified copy thereof must be deposited at the Poll Administrator's Office at Bina Management (M) Sdn. Bhd. of Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan or email to [binawin@binamq168.com](mailto:binawin@binamq168.com) not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.*
6. *In respect of deposited securities, only a depositor whose name appears on the Record of Depositors on 17 April 2025 (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.*
7. *By submitting the duly executed Form of Proxy, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.*

*Fold this flap for sealing*

*Then fold here*

AFFIX  
STAMP

**Binasat Communications Berhad**  
Registration No. 201701008491 (1222656-D)

**c/o Bina Management (M) Sdn. Bhd.**  
Lot 10, The Highway Centre  
Jalan 51/205  
46050 Petaling Jaya  
Selangor Darul Ehsan

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