

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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

	Notes	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTERS</u>	
		Current Quarter Ended	Preceding Corresponding Quarter Ended	Current Year to Date Ended	Preceding Year To Date Ended
		30.09.2022	30.09.2021	30.09.2022	30.09.2021
		RM '000	RM '000	RM '000	RM '000
Revenue		18,335	14,025	18,335	14,025
Cost of sales		(13,904)	(10,240)	(13,904)	(10,240)
Gross profit		4,431	3,785	4,431	3,785
Other income		430	246	430	246
Administrative expenses		(1,781)	(1,616)	(1,781)	(1,616)
Other operating expenses		(791)	(751)	(791)	(751)
Finance costs		(168)	(158)	(168)	(158)
Net reversal/(impairment losses) on financial assets and contract assets		(77)	-	(77)	-
Profit before taxation		2,044	1,506	2,044	1,506
Taxation		(553)	(460)	(553)	(460)
Profit after taxation/total comprehensive income for the financial period		1,491	1,046	1,491	1,046
Attributable to:					
- Owners of the Company		1,444	1,036	1,444	1,036
- Non-controlling interests		47	10	47	10
		1,491	1,046	1,491	1,046
Earnings per share attributable to holders of the Company: (sen per share) ²					
- Basic	B10	0.37	0.36	0.37	0.36
- Diluted	B10	0.37	0.36	0.37	0.36

Note:

- (1) The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.
- (2) Earnings per share is based on weighted average number of shares of 388,295,506 (2021: 286,436,750) for the period of 3 months.

[The rest of this page is intentionally left blank]

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
	30.09.2022	30.06.2022
Notes	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	31,611	29,771
Investment properties	9,361	9,417
Goodwill	16,099	16,099
Intangible assets	504	409
Right of use assets	12,602	12,696
Deferred tax assets	45	45
	<u>70,222</u>	<u>68,437</u>
CURRENT ASSETS		
Trade receivables and contract assets	47,355	45,069
Other receivables, deposits and prepayments	1,706	1,060
Inventory	3,853	3,857
Current tax assets	5,413	5,857
Short-term investments	27,015	26,872
Cash and bank balances	15,454	15,657
	<u>100,796</u>	<u>98,372</u>
TOTAL ASSETS	<u>171,018</u>	<u>166,809</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	97,181	97,181
Merger deficit	(16,052)	(16,052)
Retained profits	46,952	45,508
Equity attributable to owners of the Company	128,081	126,637
Non-controlling interests	5,049	5,002
TOTAL EQUITY	<u>133,130</u>	<u>131,639</u>
NON-CURRENT LIABILITIES		
Borrowings	B8 7,668	6,440
Lease liabilities	12,366	12,281
Deferred tax liabilities	1,099	1,099
	<u>21,133</u>	<u>19,820</u>

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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

		UNAUDITED	AUDITED
		AS AT	AS AT
		30.09.2022	30.06.2022
	Notes	RM'000	RM'000
CURRENT LIABILITIES			
Trade payables and contract liabilities		7,172	9,054
Other payables, deposits and accruals		6,881	3,497
Borrowings	B8	1,858	1,561
Lease liabilities		408	416
Current tax liabilities		436	822
		<u>16,755</u>	<u>15,350</u>
TOTAL LIABILITIES		<u>37,888</u>	<u>35,170</u>
		<u>171,018</u>	<u>166,809</u>
TOTAL EQUITY AND LIABILITIES		<u>171,018</u>	<u>166,809</u>
Net asset per share (RM) ²		<u>0.34</u>	<u>0.34</u>

Notes:

(1) The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the FYE 30 June 2022 and accompanying explanatory notes attached to the interim financial statements.

(2) Based on the Company's issued share capital of 388,295,506 ordinary shares for financial period ended 30 September 2022 and for financial year ended 30 June 2022.

[The rest of this page is intentionally left blank]

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<-----Non-Distributable----->		<Distributable>		Attributable to Owners of the Company	Non- Controlling Interests	Total
	Share Capital	Merger Deficit	Retained Profits	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.7.2021	63,390	(16,052)	40,704	88,042	308	88,350	
Profit after taxation/Total comprehensive income for the financial year	-	-	1,036	1,036	10	1,046	
Balance at 30.09.2021	63,390	(16,052)	41,740	89,078	318	89,396	
Balance at 1.7.2022	97,181	(16,052)	45,508	126,637	5,002	131,639	
Profit after taxation/Total comprehensive income for the financial year	-	-	1,444	1,444	47	1,491	
Balance at 30.09.2022	97,181	(16,052)	46,952	128,081	5,049	133,130	

Note:

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

[The rest of this page is intentionally left blank]

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year	Preceding Year
	To Date Ended	To Date Ended
	30.09.2022	30.09.2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,044	1,506
Adjustments for:		
Amortisation of intangible assets	(95)	-
Depreciation of property, plant and equipment	736	374
Depreciation of right of use assets	94	198
Depreciation of investment properties	56	56
Gain on disposal of property, plant and equipment	-	(15)
(Gain)/Loss on foreign exchange - unrealised	159	6
Net reversal/(impairment losses) on financial assets and contract assets	77	117
Interest expenses on lease liabilities	112	108
Interest expenses on hire purchase	45	21
Interest expenses on term loans	21	29
Interest income	(145)	(78)
Operating profit before working capital changes	<u>3,104</u>	<u>2,322</u>
Changes in working capital:		
(Decrease)/Increase in inventories	4	-
(Increase)/Decrease in contract costs	-	-
(Increase)/Decrease in trade and other receivables	(4,110)	839
(Decrease)/Increase in trade and other payables	2,602	208
CASH FROM/(FOR) OPERATIONS	<u>1,600</u>	<u>3,369</u>
Interest received	145	78
Income tax paid	(495)	(554)
Interest paid	(21)	(45)
NET CASH (FOR)/FROM OPERATING ACTIVITIES	<u>1,229</u>	<u>2,848</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(639)	(391)
Purchase of right-of-use assets	-	(49)
Proceeds from disposal of property, plant and equipment	-	15
Proceeds from disposal of right-of-use assets	-	-
NET CASH FOR INVESTING ACTIVITIES	<u>(639)</u>	<u>(425)</u>

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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

	Current Year	Preceding Year
	To Date Ended	To Date Ended
	30.09.2022	30.09.2021
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(35)	(17)
Repayment of term loans	(183)	(139)
Repayment of hire purchase payables	(274)	(110)
NET CASH FROM FINANCING ACTIVITIES	<u>(492)</u>	<u>(266)</u>
Net changes in cash and cash equivalents	98	2,157
Effects of changes in foreign exchange rate	(159)	(6)
Cash and cash equivalents at beginning of financial year	42,530	34,416
Cash and cash equivalents at end of financial year	<u>42,469</u>	<u>36,567</u>
Cash and cash equivalents consist of:		
Cash and bank balances	15,454	18,869
Short- term investments	27,015	17,698
	<u>42,469</u>	<u>36,567</u>

Notes:

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

[The rest of this page is intentionally left blank]

A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 30 September 2022

A1 Basis of Preparation

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

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

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

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

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

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

A2 Auditor’s Report of preceding annual financial statements

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

A3 Comments about Seasonal and Cyclical Factors

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

A4 Items of Unusual Nature and Amount

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

A5 Material Changes in Estimates

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

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 30 September 2022 (Cont'd)

A6 Debt and Equity Securities

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

A7 Dividends Paid

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

A8 Segmental Reporting

The segmental results of the Group for the quarter ended 30 September 2022 based on segment activities are as follows:

Cumulative Quarter ended 30 September 2022	Satellite, mobile and fibre optic telecommunication networks	Power and telecommunication infrastructure works	Elimination	Group
	RM'000	RM'000	RM'000	RM'000
Revenue	15,245	3,090	-	18,335
Profit before tax	1,853	65	126	2,044
Taxation	(491)	(62)	-	(553)
Profit for the financial year	1,362	3	126	1,491

A9 Valuation of Property, Plant and Equipment

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

A10 Capital Commitments

	As at 30.09.2022 RM'000	As at 30.06.2022 RM'000
Approved and contracted for:		
- Property, plant and equipment	205	1,989
- Office building	-	1,917
Approved and not contracted for:		
- Telecommunication equipment	401	-
	606	3,906

A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 30 September 2022 (Cont'd)

A11 Material Subsequent Event

Proposed Free Warrants Issue

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

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

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

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

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

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

A12 Changes in Composition of the Group

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

[The rest of this page is intentionally left blank]

A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 30 September 2022 (Cont'd)

A13 Contingent Assets or Liabilities

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

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

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

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

Contingent liabilities of the Group as at 30 September 2022 will be RM1,996,218.56 which comprises bank guarantees issued to our customers for the purpose of performance bonds and bank guarantee served as tender deposit for tendering new project.

[The rest of this page is intentionally left blank]

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

B Additional Information Required by the Listing Requirements

B1 Comparison with Preceding Year Corresponding Quarter

	<u>Quarter ended</u>		Variance	
	30.09.2022	30.09.2021	RM'000	%
	(1Q 23)	(1Q 22)		
	RM'000	RM'000		
Revenue	18,335	14,025	4,310	30.73%
Gross profit	4,431	3,785	646	17.07%
Profit before taxation	2,044	1,506	538	35.72%

In 1Q23, the Group's revenue increased by RM4.31 million or 30.73% as compared to the preceding year corresponding quarter. The increase was attributed to higher revenue from civil infrastructure, fiber optic cabling works and transmission and distribution network facility service and EPCC of solar farm facilities contributed by new acquisition of subsidiary, Borderless Connection Sdn Bhd ("Borderless") in Oct 2021.

The Group's gross profit ("GP") has increased by RM0.64 million or 17.07% as compared to the preceding year corresponding quarter. This was mainly due to higher revenue from increase in the number of mobile network maintenance services site and fiber optic cabling works.

The Group's profit before taxation ("PBT") increased by RM0.54 million or 35.72% as compared to the preceding year corresponding quarter, mainly due to increase in gross profit as explained above.

B2 Comparison with Immediate Preceding Quarter Results

	<u>Quarter ended</u>		Variance	
	30.09.2022	30.06.2022	RM'000	%
	(1Q 23)	(4Q 22)		
	RM'000	RM'000		
Revenue	18,335	14,963	3,372	22.54%
Gross profit	4,431	4,512	(81)	-1.80%
Profit before taxation	2,044	2,440	(396)	-16.23%

In 1Q23, the Group's revenue increased by RM3.37 million or 22.54% as compared to the immediate preceding quarter. The higher in revenue was mainly contributed from civil mechanical & engineering work and transmission and distribution network facility service and EPCC of solar farm facilities contributed by new acquisition of subsidiary.

The Group's GP slightly decreased by RM0.08 million or 1.80% as compared to the immediate preceding quarter. This was mainly due to increase in purchase of material costs for fiber cabling works.

The Group's PBT decreased by RM0.39 million or 16.23% as compared to the immediate preceding quarter, mainly due to reversal of impairment loss on receivable in the immediate preceding quarter, which has been back to normal in this quarter.

[The rest of this page is intentionally left blank]

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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

B3 Commentary on Prospects

In August 2021, one of our subsidiaries awarded by DBKL as one of the Network Facilities Provider (“NFP”) panel to build the 5G Tower over the 5 years. As at reporting date, there are 3 sites being completed construction, which started to contribute recurring revenue to the Group. The Board believe that it can contribute new recurring revenue stream to the Group.

The Group has completed all satellite gateway in July 2022 and started to generate recurring revenue to the Group. With the readily satellite gateway, the Group will focus on expanding satellite operations by targeting the maritime and oil and gas industries as these industries to increasingly adopt VSAT system.

After the release of suspension which take effect from July 2022, the Group has secured a 2-year contracts with Maxis Broadband Sdn Bhd (“Maxis”) for the supply, delivery, installation, commissioning and maintenance of equipment and provision of civil and mechanical engineering and maintenance works. The Group will continue to obtain and secure more contracts in providing services to telecommunication industry.

In line with the Malaysian Government Jalanan Digital Negara (“JENDELA”) initiatives, to provide better mobile and fixed broadband connectivity nationwide, whilst preparing the country for 5G technology. The Group has invested in 3 units of horizontal directional drilling (“HDD”) machines that operating by 3 in-house teams respectively, to accommodate this spurred strong demand for full turnkey fiber engineering contractors to undertake fiber infrastructure rollout. In 2Q23, the Group plans to add more HDD machines and teams, with the capacity advantage, the Group can enhance efficiency as well as to reduce dependency on external subcontractors.

Premised on the above, the Board is looking forward to better economic prospects in 2023 and will continue to tender more projects and will take a prudent approach in monitoring operations of the Group.

B4 Profit Forecast

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

B5 Taxation

	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year To Date Ended	Preceding Year To Date Ended
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Malaysia income tax:				
- Current tax	553	460	553	460
	<u>553</u>	<u>460</u>	<u>553</u>	<u>460</u>
Effective tax rate ⁽¹⁾	27.05%	30.54%	27.05%	30.54%

Note:

- (1) The Group’s effective tax rate of 27.05% for the current quarter is higher than the statutory rate mainly due to adjustment for non-deductible expenses.

B6 Status of Corporate Proposals

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

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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

B7 Utilisation of Proceeds

(i) Public Issue

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

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

Note:

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

[The rest of this page is intentionally left blank]

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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

B7 Utilisation of Proceeds (Cont'd)

As announced on 15 June 2020, items 2, 3 and 4 of the above utilisation of proceeds will be varied. Post variation, the status of utilisation as at 30 September 2022 is as follows:

Details of use of proceeds		Estimated Timeframe for Utilisation	Initial Utilisation	Actual Utilisation as at 18 May 2020	Balance unutilised as at 18 May 2020	Varied Amount	Total amount after Variation	Actual utilisation	Balance unutilised as 30 September 2022
			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2	Enhancing operations and maintenance services capability	Within 18 months ⁽¹⁾	4,900	1,505	3,395	-	3,395	2,801	594 ⁽²⁾
3	Enhancing fiber optic network installation and commissioning services capability	Within 18 months ⁽¹⁾	4,800	58	4,742	1,492	6,234	6,234	-
4	Regional business expansion in ASEAN countries	Within 18 months ⁽¹⁾	1,500	8	1,492	(1,492)	-	-	-
			11,200	1,571	9,629	-	9,629	9,035	594

Note:

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

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

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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

B7 Utilisation of Proceeds (Cont'd)

(ii) Private Placement

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

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

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

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

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

Details of use of proceeds		Estimated Timeframe for Utilisation	Proposed	Actual	Balance
			Utilisation	Utilisation	unutilised as
			RM'000	RM'000	at 30 September 2022
			RM'000	RM'000	RM'000
1	Enhancing the Group's fiber optic network installation and commissioning service	Within 24 months	1,290	1,021	269
2	Working capital	Within 24 months	18,082	4,850	13,232
3	Estimated expenses for the Proposed Private Placement	Immediate	185	185	-
			19,557	6,055	13,502

B8 Group Borrowings

	As at	As at
	30.09.2022	30.06.2022
	RM'000	RM'000
Non-current:		
Term loans (secured)	4,696	4,862
Hire purchase payables (secured)	2,973	1,577
	7,669	6,439
Current:		
Term loans (secured)	620	616
Hire purchase payables (secured)	1,238	945
	1,858	1,561

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

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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

B9 Material Litigation

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

(i) Binasat (“Plaintiffs”) and Rosado Tradeline Sdn Bhd (“Rosado”) (“Defendant”)

Binasat commenced this suit against Rosado claiming for the sum due and owing to Binasat for works carried out and completed for Rosado up to the date of the termination. This suit has been fixed for trial on 10 April 2023 to 13 April 2023.

B10 Earnings per Share

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

	Current Quarter Ended 30.09.2022 RM'000	Preceding Year Corresponding Quarter Ended 30.09.2021 RM'000	Current Year To Date Ended 30.09.2022 RM'000	Preceding Year To Date Ended 30.09.2021 RM'000
Profit after taxation attributable to owners of the Company (RM)	1,444	1,036	1,444	1,036
Weighted average number of shares	388,296	286,437	388,296	286,437
Basic earnings per share (sen) ⁽¹⁾	0.37	0.36	0.37	0.36
Diluted earnings per share (sen) ⁽²⁾	0.37	0.36	0.37	0.36

Notes:

- (1) The basic earnings per share is calculated by dividing the profit after taxation attributable to owners of the Company by the weighted average number of ordinary shares for the period under review.
- (2) Diluted earnings per share is equivalent to the basic earnings per share as the Group does not have convertible securities as at 30 September 2022.

B11 Derivatives

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

B12 Disclosure of gain/losses arising from fair value changes of financial liabilities

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

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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

B13 Notes to the Statement of Profit or Loss and Other Comprehensive Income

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

	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year To Date Ended	Preceding Year To Date Ended
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible assets	(95)	-	(95)	-
Net reversal/(impairment losses) on financial assets and contract assets	77	117	77	117
Depreciation of property, plant and equipment	736	374	736	374
Depreciation of investment properties	56	56	56	56
Depreciation of right of use assets	-	198	-	198
Unrealised (gain)/loss on foreign exchange	159	6	159	6
Realised (gain)/loss on foreign exchange	21	(46)	21	(46)
Interest expenses	178	158	178	158
Rental income	(96)	(105)	(96)	(105)
Interest income	(145)	(78)	(145)	(78)
Gain on disposal of property, plant and equipment	-	(15)	-	(15)
Other income ⁽¹⁾	(4)	(2)	(4)	(2)

Notes:

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

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

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
JANICE CHAN MEI LING (MAICSA 7058726)
COMPANY SECRETARIES

KUALA LUMPUR
30 NOVEMBER 2022