NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF BINASAT COMMUNICATIONS BERHAD ("BINASAT COMMUNICATIONS" OR "COMPANY") DATED 13 DECEMBER 2017 ("ELECTORNIC PROSPECTUS")

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad's ("**Bursa Securities**") website at www.bursamalaysia.com ("**Website**").

Availability and Location of Paper/Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, Kenanga Investment Bank Bhd ("**Kenanga IB**"), or Malaysian Issuing House Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, Kenanga IB and Binasat Communications take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from 10.00 a.m. on 13 December 2017 and will close at 5.00 p.m. on 26 December 2017 or such later date or dates as the Board of Directors of Binasat Communications, together with Kenanga IB, may mutually decide at their absolute discretion.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users' access to the Website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.

PROSPECTUS

BINASAT COMMUNICATIONS BERHAD
(Company No: 1222656-D)
(Incorporated in Malaysia under the Companies Act 2016)

No.17 & 19, Jalan Bukit Permai Utama 3,
Taman Industri Bukit Permai, Cheras 56100
Kuala Lumpur Malaysia
T + 603-4295 1881
W binasat.com.my

BINASAT COMMUNICATIONS BERHAD | PROSPECTUS

BINASAT COMMUNICATIONS BERHAD

(Company No: 1222656-D)
(Incorporated in Malaysia under the Companies Act 2016)

(I) PUBLIC ISSUE OF 85,979,000 NEW ORDINARY SHARES IN BINASAT COMMUNICATIONS BERHAD ("SHARES") COMPRISING:

- 13,000,000 SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 13,000,000 SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES, AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP; AND
- 59,979,000 SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS

(II) OFFER FOR SALE OF 40,000,000 EXISTING ORDINARY SHARES IN BINASAT COMMUNICATIONS BERHAD ("OFFER SHARES") BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS

AT AN ISSUE/OFFER PRICE OF RM0.46 PER SHARE PAYABLE IN FULL UPON APPLICATION IN CONJUNCTION WITH OUR LISTING ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD.

Principal Adviser, Sponsor, Underwriter and Placement Agent

Kenanga Investment Bank Berhad
(Company No: 15678-H)

A Participating Organisation of Bursa Malaysia Securities Berhad

YOU ARE ADVISED TO NOTE THAT COMPANIES LISTED ON THE ACE MARKET MAY BE OF HIGH INVESTMENT RISK.

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

THERE ARE CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER. PLEASE REFER TO SECTION 4 OF THIS PROSPECTUS FOR "RISK FACTORS".

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE OF MALAYSIA.

THIS PROSPECTUS IS DATED 13 DECEMBER 2017

PROSPECTUS

RESPONSIBILITY STATEMENTS

The Directors and Promoters (as defined in this Prospectus) of **BINASAT COMMUNICATIONS BERHAD** ("**Binasat Communications**" or the "**Company**") and the Offerors (as defined in this Prospectus) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Kenanga Investment Bank Berhad (**"Kenanga IB"**), being the Principal Adviser, Sponsor, Underwriter and Placement Agent, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO (as defined in this Prospectus).

STATEMENTS OF DISCLAIMER

The Prospectus has been registered by the Securities Commission Malaysia ("**SC**"). The registration of this Prospectus should not be taken to indicate that the SC recommends our IPO or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment.

The SC is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN OUR COMPANY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS, OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

Approval has been obtained from Bursa Malaysia Securities Berhad ("**Bursa Securities**") for our Listing (as defined in this Prospectus). Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

Bursa Securities is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

A copy of this Prospectus, together with the Application Form (as defined in this Prospectus), has also been lodged with the Companies Commission of Malaysia who takes no responsibility for its contents.

ADDITIONAL STATEMENTS

Companies listed on the ACE Market of Bursa Securities may have a limited operating history or may not have any profit track record prior to listing. Such companies may be of high investment risk. As with all investments, you should be aware of all potential risks in investing in such companies and should make the decision to invest after giving due and careful consideration by referring to, among others, this Prospectus, our latest financial statements and corporate announcements. You are strongly recommended to seek advice from a securities professional or adviser.

Our IPO is an exempt transaction under Section 212(8) of the Capital Markets and Services Act 2007 ("**CMSA**") and is therefore not subject to the approval of the SC.

You are advised to note that recourse for false or misleading statements or acts made in connection with this Prospectus is directly available through Sections 248, 249 and 357 of the CMSA.

Securities listed on Bursa Securities are offered to the public premised on full and accurate disclosure of all material information concerning our IPO for which any of the persons set out in Section 236 of the CMSA, e.g. directors and advisers, are responsible.

This Prospectus is prepared and published solely in connection with our IPO under the laws of Malaysia. Our Shares are issued/ offered in Malaysia solely based on the contents of this Prospectus. Our Company, the Promoters, the Offerors and the Principal Adviser, Sponsor, Underwriter and Placement Agent have not authorised anyone to provide you with information which is not contained in this Prospectus.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. Our Company, the Promoters, the Offerors and the Principal Adviser, Sponsor, Underwriter and Placement Agent take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. No action has been taken to permit a public offering of the securities of our Company based on this Prospectus or the distribution of this Prospectus outside Malaysia.

This Prospectus may not be used for the purpose of and does not constitute an offer to sell or an invitation to buy our Shares in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or is unlawful. This Prospectus shall also not be used to make an offer of or invitation to buy our Shares to any person to whom it is unlawful to do so. Our Board, Promoters, Offerors and Principal Adviser require you to inform yourselves of and to observe such restrictions.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith. It shall be your sole responsibility, if you are or may be subject to the laws of any country or jurisdiction other than Malaysia, to consult your legal and/or other professional advisers as to whether your application for our IPO would result in the contravention of any law of such country or jurisdiction.

Further, it shall also be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of this Prospectus and would not be in contravention of any law of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you have accepted our IPO in Malaysia and will at all applicable times be subjected only to the laws of Malaysia in connection therewith. However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the electronic Prospectus and the copy of this Prospectus registered with the SC are the same.

You may also obtain a copy of the electronic Prospectus from the website of Affin Bank Berhad at www.affinOnline.com, Alliance Investment Bank Berhad at www.allianceonline.com.my, CIMB Bank Berhad at www.cimbclicks.com.my, CIMB Investment Bank Berhad at www.eipocimb.com, Malayan Banking Berhad at www.maybank2u.com.my, Public Bank Berhad at www.pbebank.com and RHB Bank Berhad at www.rhbgroup.com.

You are advised that the internet is not a fully secured medium and that your Internet Share Application (as defined in this Prospectus) may be subject to risks of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined in this Prospectus). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt of the validity or integrity of an electronic Prospectus, you should immediately request from us, the Principal Adviser or the Issuing House (as defined in this Prospectus), a paper/printed copy of this Prospectus. In the event of any discrepancies arising between the contents of the electronic Prospectus and the contents of the paper/printed copy of this Prospectus for any reason whatsoever, the contents of the paper/printed copy of this Prospectus, which are identical to the copy of the Prospectus registered with the SC, shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as "**Third Party Internet Sites**") whether by way of hyperlinks or by way of description of the Third Party Internet Sites, you acknowledge and agree that:

(i) we do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;

(ii) we are not responsible for the quality of products or services in the Third Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third Party Internet Sites. We are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and

(iii) any data, information, files or other material downloaded from the Third Party Internet Sites is done at your own discretion and risk. We are not responsible, liable or under obligation for any damage to your computer systems or loss of data resulting from the downloading of any such data, information, files or other material.

Where an electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:

(i) the Internet Participating Financial Institution is only liable in respect of the integrity of the contents of an electronic Prospectus, to the extent of the contents of the electronic Prospectus situated on the web server of the Internet Participating Financial Institution which may be viewed via web browser or other relevant software. The Internet Participating Financial Institution is not responsible for the integrity of the contents of an electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institution, and subsequently communicated or disseminated in any manner to you or other parties; and

(ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an electronic Prospectus, the accuracy and reliability of an electronic Prospectus cannot be guaranteed because the internet is not a fully secured medium.

The Internet Participating Financial Institution is not liable (whether in tort or contract or otherwise) for any loss, damage or cost you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in the electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

The following events are intended to take place on the following tentative time and/or dates:

Events	Tentative Dates
Opening of application for our IPO	10.00 a.m.,13 December 2017
Closing of application for our IPO	5.00 p.m., 26 December 2017
Balloting of applications	28 December 2017
Allotment to successful applicants	4 January 2018
Listing on the ACE Market	8 January 2018

The above timetable is tentative and is subject to changes which may be necessary to facilitate implementation procedures. Applications will be accepted from 10.00 a.m. on 13 December 2017 and will remain open until 5.00 p.m. on 26 December 2017 or for such further period(s) as our Directors, the Promoters and the Offerors together with the Underwriter in their absolute discretion may mutually decide.

If the closing date of our IPO is extended, the dates for the balloting, allotment of our IPO Shares and our Listing will be extended accordingly. We will notify the public of any such extension via an advertisement in a widely circulated Bahasa Malaysia and English daily newspaper within Malaysia.

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DEFINITIONS

Unless the context otherwise requires, the following abbreviations shall apply throughout this Prospectus:

Act	:	Companies Act, 2016, as amended from time to time, and any re-enactment thereof
Acquisitions	:	Binasat Acquisition, Binasat Sabah Acquisition and Satellite NOC Acquisition, collectively
ADA	:	Authorised Depository Agent
AGM	:	Annual General Meeting
Application	:	Application for the IPO Shares by way of Application Form, the Electronic Share Application or the Internet Share Application
Application Form	:	Printed application form for the application of the IPO Shares
ATM	:	Automated teller machine
Authorised Financial Institution	:	Authorised financial institution participating in the Internet Share Application, with respect to payments for our IPO Shares made available for application under the Public Issue
Balloting Shares	:	13,000,000 Public Issue Shares made available for application by the Malaysian Public via balloting
Binalite Electrical	:	Binalite Electrical Engineering Sdn Bhd (443746-A)
Binasat	:	Binasat Sdn Bhd (516089-U)
Binasat Acquisition	:	Acquisition by Binasat Communications of the entire issued share capital of Binasat, from the Binasat Vendors for a total purchase consideration of RM17,052,000, satisfied entirely via the issuance of 170,520,000 new Shares, credited as fully paid-up at an issue price of RM0.10 per Share, to the Binasat Vendors
Binasat Communications or Company	:	Binasat Communications Berhad (1222656-D)
Binasat Communications Shares or Shares	:	Ordinary shares in Binasat Communications
Binasat Group or Group	:	Binasat Communications, Binasat, Binasat Sabah and Satellite NOC, collectively
Binasat Sabah	:	Binasat (Sabah) Sdn Bhd (1089166-U)
Binasat Sabah Acquisition	:	Acquisition by Binasat Communications of the entire issued share capital of Binasat Sabah, from the Binasat Sabah Vendors for a total purchase consideration of RM99.80, satisfied entirely via the issuance of 998 new Shares, credited as fully paid-up at an issue price of RM0.10 per Share, to the Binasat Sabah Vendors
Binasat Sabah Vendors	:	Na Boon Aik, Na Bon Tiam and Limus bin Ibal, collectively
Binasat Vendors	:	Na Boon Aik and Na Bon Tiam, collectively

DEFINITIONS *(Cont'd)*

Board	:	Board of Directors of Binasat Communications
Bursa Depository or Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CAGR	:	Compound annual growth rate
CDS	:	Central Depository System
CF/ CCC	:	Certificate of Fitness/ Certificate of Completion and Compliance
CFO	:	Chief Financial Officer
CIDB	:	Construction Industry Development Board Malaysia
CMSA	:	Capital Markets and Services Act 2007, as amended from time to time, and any re-enactment thereof
COO	:	Chief Operating Officer
Directors	:	Members of the Board
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
Electronic Share Application	:	Application for the IPO Shares through a Participating Financial Institution's ATM
Eligible Party/ Parties	:	Eligible Director(s) and employee(s) of our Group; and person(s) who have contributed to the success of our Group
EPS	:	Earnings per Share
Executive Directors	:	Executive directors of Binasat Communications, namely Na Boon Aik and Na Bon Tiam
Frame Agreement	:	An agreement between the contracting parties to set out a framework of terms and conditions which will govern individual purchases or transactions to be made within the agreement tenure
FYE	:	Financial year ended/ending 30 June
GP	:	Gross profit
Huawei	:	Huawei Technologies (Malaysia) Sdn Bhd (545949-D)
IMR Report	:	Independent Assessment of the Supporting Services for Telecommunications Network in Malaysia by Vital Factor
Internet Participating Financial Institutions	:	Participating financial institutions for the Internet Share Application, as listed in Section 16.6.2 of this Prospectus
Internet Share Application	:	Application for the IPO Shares through an Internet Participating Financial Institution
IPO	:	Our initial public offering comprising the Public Issue and the Offer for Sale, collectively

IPO Price	:	RM0.46 per IPO Share, being the price payable by investors under the Public Issue and/or the Offer for Sale
IPO Share(s)	:	The Public Issue Shares and the Offer Shares, collectively
Kenanga IB or Principal Adviser or Sponsor or Underwriter or Placement Agent	:	Kenanga Investment Bank Berhad (15678-H)
Klang Valley	:	An area in Malaysia which is centred in Kuala Lumpur, and includes its adjoining cities and towns in the state of Selangor
Listing	:	Listing of and quotation for the entire enlarged share capital of Binasat Communications of RM56,952,441.80 comprising 260,000,000 Shares on the ACE Market of Bursa Securities
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
Listing Scheme	:	The Public Issue, Offer for Sale and Listing, collectively
LPD	:	14 November 2017, being the latest practicable date prior to the registration of this Prospectus with the SC
Malaysian Public	:	Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia but excludes Directors of our Group, our substantial shareholders and persons connected with either of them
Market Day	:	Any day on which the stock market of Bursa Securities is open for trading in securities
Maxis	:	Maxis Broadband Sdn Bhd (234053-D)
MCMC	:	Malaysia Communications and Multimedia Commission
MIH or Issuing House	:	Malaysian Issuing House Sdn Bhd (258345-X)
NA	:	Net assets
NBV	:	Net book value
NFP	:	Network Facilities Provider Licence
NSP	:	Network Service Provider Licence
Offer for Sale	:	Offer for sale by the Offerors of the Offer Shares to the selected investors via private placement at the IPO Price
Offer Shares	:	40,000,000 existing Shares, representing approximately 15.4% of the enlarged share capital of Binasat Communications upon our Listing, which are the subject of the Offer for Sale
Offerors	:	Na Boon Aik and Na Bon Tiam, being the offerors of the Offer for Sale
Official List	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed

DEFINITIONS *(Cont'd)*

Participating Financial Institutions	:	Participating financial institutions for the Electronic Share Application, as listed in Section 16.5.2 of this Prospectus
PAT	:	Profit after tax
PBT	:	Profit before tax
PE Multiple	:	Price-to-earnings multiple
Period Under Review	:	FYE 2014, FYE 2015, FYE 2016 and FYE 2017, collectively
Pink Form Shares	:	13,000,000 Public Issue Shares made available for application by the Eligible Parties
Placement Shares	:	Public Issue Shares and Offer Shares, collectively by way of private placement to selected investors
PPE	:	Property, plant and equipment
Promoters	:	The promoters of Binasat Communications, namely Na Boon Aik and Na Bon Tiam, collectively
Prospectus	:	This Prospectus dated 13 December 2017 in relation to our IPO
Public Issue	:	Public issue of 85,979,000 new Shares at the IPO Price, subject to the terms and conditions of this Prospectus
RM and sen	:	Ringgit Malaysia and sen, respectively
Satellite NOC	:	Satellite NOC Sdn Bhd (1025540-P)
Satellite NOC Acquisition	:	Acquisition by Binasat Communications of 70.0% of the issued share capital of Satellite NOC, from the Satellite NOC Vendors for a total purchase consideration of RM350,000, satisfied entirely via the issuance of 3,500,000 new Shares, credited as fully paid-up at an issue price of RM0.10 per Share, to the Satellite NOC Vendors
Satellite NOC Vendors	:	Na Boon Aik and Na Bon Tiam, collectively
SC	:	Securities Commission Malaysia
sq. ft.	:	Square feet
sq. m.	:	Square metre
Subsidiaries	:	Binasat, Binasat Sabah and Satellite NOC, collectively
Underwriting Agreement	:	The underwriting agreement entered into between our Company and the Underwriter on 14 November 2017 for the underwriting of the Balloting Shares and Pink Form Shares upon the terms and subject to the conditions contained therein
USD	:	United States Dollar
Vital Factor or IMR	:	Vital Factor Consulting Sdn Bhd (266797-T), our Independent Business and Market Research Consultants

GLOSSARY OF TECHNICAL TERMS

Active Infrastructure	:	The core elements of a telecommunications network that facilitate the transmission and reception of signals. Active infrastructure at BTS includes equipment such as the transceivers, antennas and switches
Backhaul	:	The links that connect the point where end users access the network, and the backbone of that network. For example, end users of a mobile network access the network through a BTS. The backhaul that links a BTS with the backbone of the network may be through fixed line, microwave or satellite connection
Bandwidth	:	An expression of the rate at which data is transferred over a network. Bandwidth is measured in multiples of bits per second (bps), and is commonly expressed in units such as kbps, Mbps and Gbps
Base Transceiver Station or BTS	:	The part of the mobile network that facilitates wireless communication by connecting users' devices to the network. It has transceivers and other network equipment to transmit and receive data. It provides coverage within a certain defined area, which is commonly known as a "cell". Users within the cell can connect to the network, and remain connected as they move from cell to cell. Also known as a "base station". The components of a BTS can be grouped into two categories, namely active infrastructure and passive infrastructure
Bits	:	The most basic unit to represent data. In a digital environment, a bit can only be the equivalent of "1" or "0", or "on" or "off" (to represent "1" or "0") or some similar variations
Cell Area Coverage	:	The area around a BTS where a user device can directly transmit and receive data with the BTS
Communications Satellite	:	Satellite that is primarily used as part of a network to create a channel between a transmitter and a receiver. It does so by relaying and amplifying signals between the two. It is placed in orbit such that it stays approximately at the same location relative to earth
Data	:	Within the context of the ICT Industry, the term "data" refers to any form of information or content that is in digital format. This includes sound, still images, moving images and text
Device	:	An electronic item in which hardware and software are integrated to perform specific functions. Computers, smartphones, and home routers and modems are examples of devices commonly used by individuals and home users to access the network. To create their networks, internet service providers and telcos use devices such as modems, routers, switches, servers and mainframe computers in their NOC, teleport, BTS, VSAT systems and other facilities
Downlink	:	Signals that are transmitted from a communications satellite down to a ground station as part of a satellite network

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

Digital Satellite News Gathering or DSNG	:	The use of mobile satellite communications system for the uplink and downlink of video content from live on-location news broadcasts, sporting and other events. The satellite dish and network equipment are usually housed in a van or similar vehicle
Directional drilling	:	Directional drilling is where an operator above ground steers a drilling mechanism to direct its depth and direction. A conduit is laid underground through the hole that is drilled, and the fibre optic cable is pulled through the conduit (with or without duct liner).
Fibre Optic Cable	:	Cables used to transmit data in the form of light signals. They generally consist of thin strands of transparent glass or plastic that are individually coated so that light is confined within the hollow of the strand. The strands are grouped into bundles, and sheathed in protective material
Fibre-to-the-curb	:	Refers to the installation of fibre optic cables directly to roadside curbs that are located in close proximity of buildings such as residential homes, as well as commercial or industrial buildings
Fixed Line Network or Wired Network	:	A network where the medium of sending and receiving data is based on physical cables such as copper wire, co-axial or fibre optics, or some combination of the three
Gigabit per second or Gbps	:	Data transfer rate of one billion bits per second
Ground Station	:	An earth-based facility that communicates with a satellite as part of a satellite network. Ground stations are generally equipped with a satellite dish, and other network equipment. The communications may be two-way (i.e. both uplink and downlink), or one-way (either uplink only, or downlink only). Examples of ground stations include VSAT ground stations at customer sites, flyaway VSAT ground stations, and teleports. Ground stations are also known as "earth stations" or "earth terminals"
Hardware	:	Within the context of ICT, hardware refers to the physical elements that, together with software, form a device. Hardware and software work together to enable the device to perform its functions. Examples of hardware include computers, monitors, mobile phones and modems
Horizontal Directional Drilling or HDD	:	A drilling method where an operator above ground can steer the drilling mechanism to direct its depth and direction. As a result, this method can be used to lay fibre optic cables under rivers and other landscape obstructions. HDD machines are used to carry out this drilling method

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

Hub	:	Equipment that connects various devices in a network, and controls and directs the flow of data across a network. Hubs are commonly housed at the network's teleport for a satellite communications network. In this Prospectus the term "hub" refers to satellite hubs, unless stated otherwise 
Information and Communications Technology or ICT	:	An umbrella term that refers to the various technologies, hardware, software and services involved in the capture, processing, output and communications of data
International Gateway	:	A network facility that is used to route data traffic between different countries, thereby enabling users in different countries to communicate with one another. A country may have more than one international gateway.
Internet	:	An interconnected global system of independent computer networks that uses a standard communications protocol that allows connected users or devices to communicate with one another seamlessly
Kilobit per second or kbps	:	Data transfer rate of one thousand bits per second
Last Mile Connection	:	The portion of a network which forms the final link between an end user and the larger communications network
Line of Sight	:	In the context of telecommunications, two points (such as a VSAT ground station and a satellite) are said to have line of sight with each other if there is a straight line between them that is not blocked by trees, structures, buildings, hills, mountains and other objects.
Local Area Network or LAN	:	A computer network that covers a small physical area, such as a home, office or building or small group of buildings located close together, such as a university campus
Long Term Evolution or LTE	:	A standard for mobile networks that supports high speed data and voice communications. LTE is the fourth generation of mobile telecommunications technology, and is also known as "fourth generation" or "4G"
Megabit per second or Mbps	:	Data transfer rate of one million bits per second
Micro Trenching	:	Micro trenching is where a micro trenching machine is used to cut a narrow and shallow channel through the ground or road. The fibre optic cable or conduit is installed at the bottom of the channel, and re-filled to bury the fibre optic cable or conduit. The pavement is replaced if the channel is cut into a road.
Network Asset Owners	:	Entities that own telecommunications network infrastructure and equipment, such as ground stations, geostationary satellite, fibre optic cables and RAN Equipment, but do not provide telecommunications services directly to users. Instead, network asset owners rent or lease their infrastructure and equipment to telcos and other telecommunications service providers, who use them to provide services to users.

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

Network Operations Centre or NOC	:	In telecommunications, a NOC (also known as a "technical operations centre") is the central facility from which a network is monitored and administered. The NOC of a satellite telecommunications network is also known as a "telecommunications port" or "teleport"
Off-course Centre	:	In Malaysia, an off-course centre is a place controlled by a turf club that is licensed to accept bets on horse races, but is located at a different place from the turf club
Open Trenching	:	Open trenching involves the excavation of an open trench of the required width and depth. The fibre optic cable or conduit is placed at the bottom of the trench, and the trench is re-filled to bury the fibre optic cable or conduit. If the open trench were cut into a road, it is replaced by first compacting the soil and then laying a layer of pavement on top of it.
Passive Infrastructure	:	The elements that support the operations of the active infrastructure. BTS passive infrastructure include equipment such as generator sets, solar panels, batteries, air conditioning units, cabins, telecommunication towers, monopoles, grounds and fencing
Radio Access Network Equipment or RAN Equipment	:	The antenna used to transmit and receive signals in a mobile network
Satellite	:	An artificial object that has been intentionally placed into orbit around earth. In this Prospectus, the term "satellite" refers to telecommunications satellites, unless stated otherwise
Satellite Footprint	:	A particular satellite's footprint is the area on the earth where ground stations, including VSAT ground stations and teleports, can transmit and receive data directly with that satellite.
Satellite Network	:	A network where the final link between a user's device and the network is formed by uplink and downlink channels with a satellite. Two common satellite network communication bands are the C-band and Ku-band
Software	:	Within the context of ICT, software refers to the digital instructions that are readable by hardware. Hardware and software work together to enable a device to perform its functions
Telecommunications Company or Telco	:	A company that is engaged in providing telephone, mobile and satellite telecommunications services through a network
Telecommunications Network or Network	:	A group of two or more devices that are connected together by wireless or fixed line medium, and can exchange data with each other. In this Prospectus, the term "network" refers to telecommunications network, unless stated otherwise

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

Telecommunications Port or Teleport	:	A teleport is the main ground station of a satellite network that serves as the main connection point between the satellite and a terrestrial network, such as the internet or a wide area network. The main difference between a teleport and other types of ground stations is that a teleport connects to a satellite and terrestrial network, while other types of ground stations only connect to the satellite. Teleports are generally equipped with one or more satellite dishes, NOC, one or more hubs, and other network equipment.
Television Receive Only or TVRO	:	A ground station that is equipped to receive television signals from a satellite, but cannot transmit signals to the satellite
Third Generation or 3G	:	The third generation of mobile telecommunications technology. It supports voice and data communication, albeit at slower rates compared to LTE
Turf Club	:	A horse racing course and facilities, such as its clubhouse, which is licensed to conduct horse races and accept bets on horse races on its premises. Turf clubs in Malaysia include the Penang Turf Club, Perak Turf Club, Selangor Turf Club and Sarawak Turf Club. They are also known as jockey clubs
Uplink	:	Signals that are transmitted from a ground station up to a satellite as part of a satellite network
Very Small Aperture Terminal or VSAT	:	A satellite ground station where the diameter of the satellite dish is usually less than three meters
Wide Area Network or WAN	:	A network that covers a large geographical area. It may consist of a number of LAN, and/or individual users and devices that are connected to each other
Wifi or Wi-Fi	:	Wireless LAN technology based on the Institute of Electrical and Electronics Engineers (IEEE) 802.11 standard. A Wifi enables a device to be connected wirelessly to a specific point, which in turn connects it to a network or another device
Wireless Network	:	A network where data is transmitted between two or more points through the air using electromagnetic waves such as radio waves, microwaves and infrared signals

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Words importing the singular include the plural and vice versa. Words importing a gender include any gender. References to persons include a corporation. Any reference to words such as "we", "us", "our" and "ourselves" in this Prospectus shall be a reference to our Company, our Group or any member company of our Group as the context requires, unless otherwise stated. All references to "Binasat Communications" and "our Company" in this Prospectus are to Binasat Communications Berhad, references to "our Group" are to our Company and our Subsidiaries taken as a whole. Unless the context otherwise requires, references to "Management" are to our Directors and key management personnel as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Any reference in this Prospectus, the Application Form, Electronic Share Application or Internet Share Application to any legislation, statute or statutory provision shall be a reference to the statute or legislation of Malaysia and includes any statutory modification, amendment or re-enactment thereof, unless otherwise indicated.

All references to the "LPD" in this Prospectus are to 14 November 2017, which is the latest practicable date prior to the registration of this Prospectus with the SC.

This Prospectus includes statistical data provided by us and various third parties and cites third party projections regarding growth and performance of the industry in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the IMR. We believe that the statistical data and projections cited in this Prospectus are useful in helping you understand the major trends in the industry in which we operate. However, third party projections, including the projections from the IMR, cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. Hence, you should not place undue reliance on the third party projections cited in this Prospectus.

Certain numbers presented in this Prospectus have been rounded off to the nearest thousand or two decimal places, where applicable, hence may not be exact. Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

If there are any discrepancies or inconsistencies between the English and Malay versions of this document, the English version shall prevail. Any reference to a time of day in this Prospectus shall be a reference to Malaysian time, unless otherwise stated. The information on our website, or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on it.

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FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements, which include all statements other than those of historical facts including, among others, those regarding our financial position, business strategies, prospects, plans and objectives of our Management for future operations. Some of these statements can be identified by the use of forward-looking terminology such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our control that could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. As such, we cannot assure you that the forward-looking statements in this Prospectus will be realised.

Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we operate. Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 4 - Risk Factors and Section 11.3 - Management's Discussion and Analysis of Financial Condition and Results of Operations of this Prospectus.

These forward-looking statements are based on information available to us as at the date of this Prospectus. Subject to the provisions of Section 238 of the CMSA, we expressly disclaim any obligation or undertaking to release publicly any update or revision to any forward-looking statement contained in this Prospectus to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

You will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forward-looking statements that are contained herein.

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Company No.: 1222656-D

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name / Designation	Address	Nationality	Occupation
Tan Sri Datuk Seri Ahmad Fuad bin Ismail *Independent Non-Executive Chairman*	46, Jalan BK6B/11 Majestica Bandar Kinrara 47180 Puchong Selangor	Malaysian	Company Director
Na Boon Aik *Managing Director*	38 Jalan Perdana 8/10 Pandan Perdana 55300 Kuala Lumpur	Malaysian	Managing Director
Na Bon Tiam *Executive Director*	38 Jalan Perdana 8/10 Pandan Perdana 55300 Kuala Lumpur	Malaysian	Company Director
Dato' Seow Thiam Fatt *Senior Independent Non-Executive Director*	HR 1-11-7 Riana Green Condominium Jalan Tropicana Utara 47410 Petaling Jaya Selangor	Malaysian	Chartered accountant
Dato' Tan Yee Boon *Independent Non-Executive Director*	33-4 Casa Elita Jalan Sungei 2 Taman Seputeh 58000 Kuala Lumpur	Malaysian	Advocate and Solicitor
Datuk Lalla Nezha binti Tun Mohd Khalil *Independent Non-Executive Director*	43 Jalan Setiabakti 8 Bukit Damansara 50490 Kuala Lumpur	Malaysian	Company Director

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1. CORPORATE DIRECTORY *(Cont'd)*

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Dato' Seow Thiam Fatt	Chairman	Senior Independent Non-Executive Director
Tan Sri Datuk Seri Ahmad Fuad bin Ismail	Member	Independent Non-Executive Chairman
Dato' Tan Yee Boon	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Tan Sri Datuk Seri Ahmad Fuad bin Ismail	Chairman	Independent Non-Executive Chairman
Dato' Tan Yee Boon	Member	Independent Non-Executive Director
Datuk Lalla Nezha binti Tun Mohd Khalil	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Tan Sri Datuk Seri Ahmad Fuad bin Ismail	Chairman	Independent Non-Executive Chairman
Dato' Seow Thiam Fatt	Member	Senior Independent Non-Executive Director
Dato' Tan Yee Boon	Member	Independent Non-Executive Director
Datuk Lalla Nezha binti Tun Mohd Khalil	Member	Independent Non-Executive Director

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1. CORPORATE DIRECTORY *(Cont'd)*

COMPANY SECRETARIES	:	Tai Yit Chan (MAICSA 7009143) Tan Ai Ning (MAICSA 7015852) Lot 6.05, Level 6, KPMG Tower 8 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor Tel No. : +603-7720 1188 Fax No. : +603-7720 1111
REGISTERED OFFICE	:	Lot 6.05, Level 6, KPMG Tower 8 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor Tel No. : +603-7720 1188 Fax No. : +603-7720 1111
HEAD OFFICE	:	No 17 & 19, Jalan Bukit Permai Utama 3 Taman Industri Bukit Permai, Cheras 56100 Kuala Lumpur Tel No. : +603-4295 1881 +603-4296 1881 Fax No. : +603-4297 1881 Email: : contact@binagroup.com.my Website: : www.binasat.com.my
AUDITORS AND REPORTING ACCOUNTANTS	:	**Crowe Horwath (AF1018)** 52 Jalan Kota Laksamana 2/15 Taman Kota Laksamana Seksyen 2 75200 Melaka Tel No. : +606-282 5995 Fax No. : +606-283 6449
SOLICITORS	:	**Cheang & Ariff** 39 Court @ Loke Mansion 273A, Jalan Medan Tuanku 50300 Kuala Lumpur Tel No. : +603-2691 0803 Fax No. : +603-2692 8553
PRINCIPAL BANKER	:	**Public Bank Berhad** Menara Public Bank 146 Jalan Ampang 50450 Kuala Lumpur Tel No. : +603-2176 6000 Fax No. : +603-2163 9917

1. CORPORATE DIRECTORY *(Cont'd)*

ISSUING HOUSE	:	**Malaysian Issuing House Sdn Bhd** Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Tel No. : +603-7841 8289 Fax No. : +603-7841 8150
SHARE REGISTRAR	:	**Boardroom Corporate Services (KL) Sdn Bhd** Lot 6.05, Level 6, KPMG Tower 8 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor Tel No. : +603-7720 1188 Fax No. : +603-7720 1111
INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS	:	**Vital Factor Consulting Sdn Bhd** V Square @ PJ City Centre (VSQ) Block 6 Level 6, Jalan Utara 46200 Petaling Jaya Selangor Tel No. : +603-7931 3188 Fax No. : +603-7931 2188
PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT	:	**Kenanga Investment Bank Berhad** Level 17, Kenanga Tower 237, Jalan Tun Razak 50400 Kuala Lumpur Tel No. : +603-2172 2888 Fax No. : +603-2172 2999
LISTING SOUGHT	:	ACE Market of Bursa Securities

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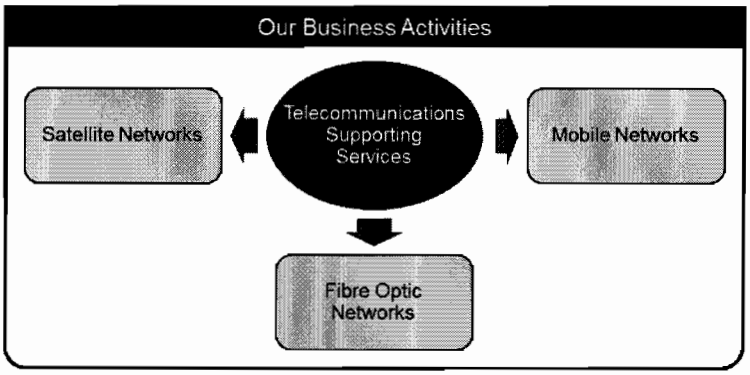
2. INFORMATION SUMMARY

This section is a summary of the salient information about us and our IPO and is extracted from the full text of this Prospectus. You should read and understand this Section together with the entire Prospectus before you decide whether to invest in us.

2.1 OVERVIEW OF OUR BUSINESS

We were incorporated in Malaysia under the Act on 17 March 2017 as a private limited company under the name of Binasat Communications Sdn Bhd. Subsequently on 21 June 2017, we converted to a public limited company under the name of Binasat Communications Berhad to embark on the Listing of our Group on the ACE Market of Bursa Securities.

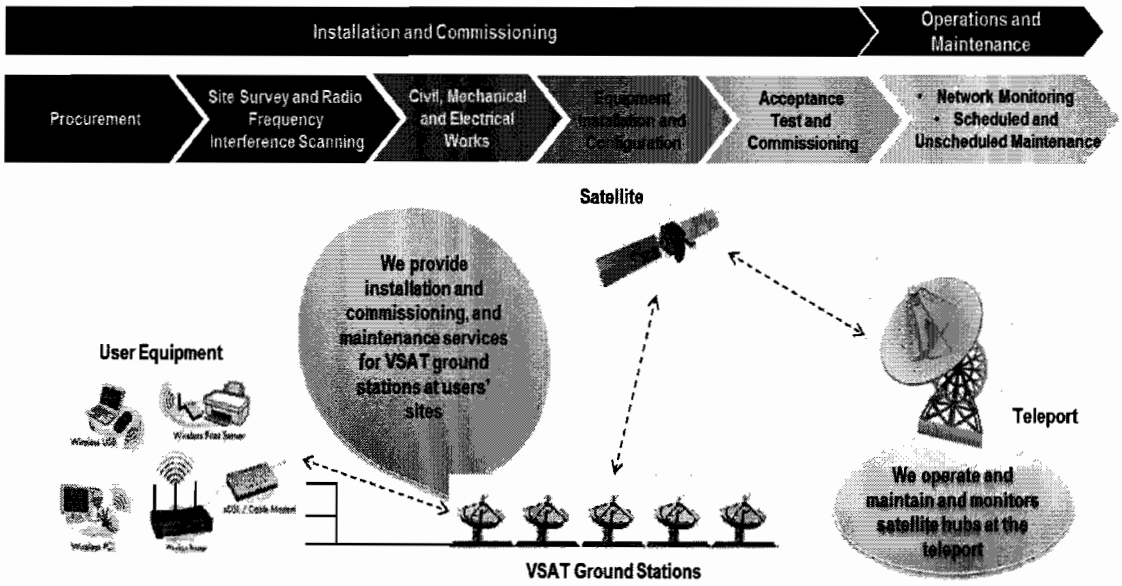
Our principal activity is investment holding. Through our Subsidiaries, we are involved in the provision of supporting services for satellite, mobile and fibre optic telecommunications networks.



The supporting services that we offer to the three major network mediums, namely satellite, mobile and fibre optic telecommunication networks are as set out below:

Satellite telecommunications network

We are primarily a provider of satellite telecommunications network supporting services, as it accounted for 49.6% and 51.1% of our total revenue for FYE 2016 and FYE 2017 respectively. The diagram below displays an overview of the services that we perform for satellite networks:



2. INFORMATION SUMMARY *(Cont'd)*

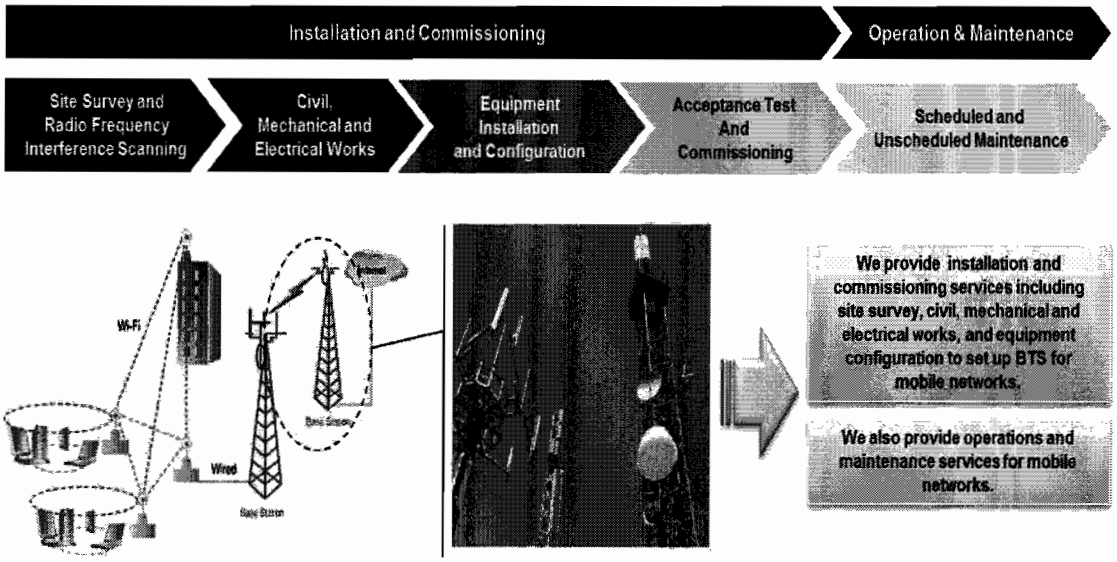
Installation and commissioning services involve setting up, aligning and configuring VSAT ground stations at sites such as petrol stations, self-service banking machines, oil palm plantations, offshore oil and gas platforms and other remote areas. We also install and commission satellite hubs and other related equipment at teleports. Where required, we also supply satellite network equipment as part of our installation and commissioning services.

Operations and maintenance involve providing scheduled and unscheduled maintenance at VSAT ground station sites, as well as operating satellite hubs.

We are also involved in providing uplink and downlink services for live telecasts for turf club, sporting and other events; and on-location news broadcasts.

Mobile telecommunications network

Our mobile telecommunications network supporting services accounted for 31.6% and 28.9% of our total revenue for FYE 2016 and FYE 2017 respectively. The diagram below displays an overview of the services that we perform for mobile networks:



Our mobile network installation and commissioning business mainly involves setting up BTS that are part of a mobile network. Our customers for this service are mainly Telcos and equipment suppliers. The operations and maintenance services for mobile networks that we provide are scheduled and unscheduled maintenance at BTS.

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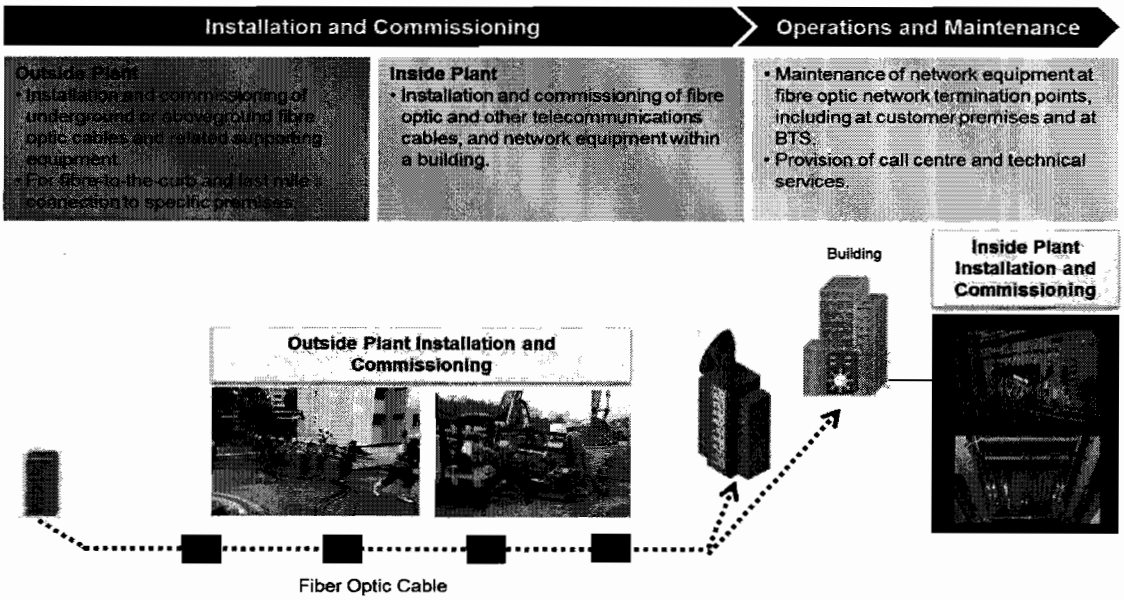
Fibre optic telecommunications network

Our revenue from fibre optic telecommunications network supporting services accounted for 18.8% and 20.0% of our total revenue for FYE 2016 and FYE 2017 respectively. The diagram below displays an overview of the services that we perform for fibre optic networks:



Our fibre optic telecommunications network supporting services involve installation and commissioning, where we lay fibre optic cables and install related network equipment. This includes installation outside of buildings (known as outside plant installation), and within buildings (known as inside plant installation). We also provide operations and maintenance services for fibre optic network equipment. In addition, we are engaged by a customer to provide call centre services involving technical support for its international gateway customers.

Please refer to Section 6.4 of this Prospectus for detailed information on our services.

2.2 COMPETITIVE ADVANTAGES AND KEY STRENGTHS

Our Group's competitive advantages and key strengths, which are further detailed in Section 6.3.3 of this Prospectus, are set out below:

(i) We have built a proven and established track record of approximately 13 years;

(ii) We have a network of experienced in-house technical personnel across Malaysia;

(iii) We have an experienced management team to drive our business;

(iv) We provide supporting services across three different telecommunications network mediums, namely satellite, mobile and fibre optic;

(v) We are well established in the industry to provide services relating to satellite network and operations and maintenance;

(vi) We continuously emphasise maintaining our quality standards; and

(vii) We have recurring revenue to help sustain our business.

2.3 FUTURE PLANS AND STRATEGIES

The future plans and strategies of our Group which we intend to implement within 24 months from the date of our Listing will focus on the following areas:

(i) Setting up a new teleport facility and offer new services, such as satellite downlink service for video content;

(ii) Enhancing our operations and maintenance service capability;

(iii) Enhancing our fibre optic network installation and commissioning service capability; and

(iv) Regional business expansion, particularly into Vietnam, Myanmar and Laos.

For detailed information on our future plans and strategies, please refer to Section 6.20 of this Prospectus.

2.4 SUMMARY OF RISK FACTORS

Our business is subject to a number of factors, many of which are outside our control. Before investing in our Shares, you should carefully consider, along with the other matters set out in this Prospectus, the risk factors (which may not be exhaustive) set out below.

2.4.1 Risks relating to our business and the industry in which we operate

(i) We face competition from other operators in the telecommunications network supporting services segment;

(ii) We are dependent on a few major customers;

(iii) A majority of our material business contracts are in the form of frame agreements;

(iv) We depend on key management personnel for our continued success;

(v) We require skilled personnel for our business;

(vi) We may be subject to liquidated damages claims or service level penalties;

(vii) Our business and financial performance may be adversely affected if our sub-contractors render substandard services to our customers;

(viii) Our business will be adversely affected if our approvals, major licenses and permits are revoked or not renewed;

(ix) We are dependent on our major supplier for satellite network equipment;

(x) We cannot assure you that our future plans and strategies will be commercially successful;

(xi) We cannot assure you that our insurance coverage is adequate for our operations; and

(xii) We are subject to political, local and global economic considerations.

(xiii) We are subject to political, economic and regulatory risks in relation to our regional expansion.

(xiv) We are exposed to the rapid changes in technology within the telecommunication industry.

2.4.2 Risks relating to our securities and the IPO

(i) There is no prior market for our Shares and possible volatility of our Share price;

(ii) Our Listing is exposed to risk of failure or delay;

(iii) Our Promoters will control approximately 51.6% of the Company and may be able to influence the outcome of certain matters that require the vote of shareholders;

(iv) Future sale or issuance of our Shares could adversely affect our Share price; and

(v) We are a holding company and, as a result, are dependent on flow of dividends from our subsidiaries for payment of dividends on our Shares.

Please refer to Section 4 of this Prospectus for further details of our risk factors.

2.5 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

Our Promoters, substantial shareholders, Directors and key management, whose profiles are set out in Section 8 of this Prospectus, are as follows:

Name	Designation
Promoters and substantial shareholders	
Na Boon Aik	Managing Director
Na Bon Tiam	Executive Director
Directors	
Tan Sri Datuk Seri Ahmad Fuad bin Ismail	Independent Non-Executive Chairman
Na Boon Aik	Managing Director
Na Bon Tiam	Executive Director
Dato' Seow Thiam Fatt	Senior Independent Non-Executive Director
Dato' Tan Yee Boon	Independent Non-Executive Director
Datuk Lalla Nezha binti Tun Mohd Khalil	Independent Non-Executive Director
Key management	
Na Boon Aik	Managing Director
Na Bon Tiam	Executive Director
Zulamran bin Hamat	COO
Ng Kok Meng	CFO
Mohd Haizal bin Abu Zarin	Senior Project Manager
Nor Azimuddin bin Arifin	Technical Manager

2. INFORMATION SUMMARY *(Cont'd)*

2.6 FINANCIAL HIGHLIGHTS

2.6.1 Summary of Statements of Profit or Loss and Other Comprehensive Income

The table below presents the audited combined statements of profit or loss and other comprehensive income of our Group for FYE 2014, FYE 2015 and FYE 2016 and audited consolidated statement of profit or loss and other comprehensive income of our Group for FYE 2017. The information below has been extracted from the Accountants' Report in Section 13 of the Prospectus.

	Audited			
	FYE 2014 RM'000	**FYE 2015 RM'000**	**FYE 2016 RM'000**	**FYE 2017 RM'000**
Revenue	31,819	39,435	46,434	54,519
Cost of sales	(23,380)	(27,925)	(30,593)	(33,964)
Gross profit	8,439	11,510	15,841	20,555
Other income	36	215	18	121
	8,475	11,725	15,859	20,676
Administrative expenses	(2,810)	(3,325)	(4,703)	(5,645)
Other operating expenses	(858)	(1,794)	(1,272)	(1,145)
Profit from operations	4,807	6,606	9,884	13,886
Finance costs	(132)	(193)	(229)	(221)
PBT	4,675	6,413	9,655	13,665
Taxation	(1,307)	(1,684)	(2,488)	(3,642)
PAT	3,368	4,729	7,167	10,023
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	**3,368**	**4,729**	**7,167**	**10,023**
Total comprehensive income attributable to:				
Owners of the Company	3,372	4,730	7,168	10,027
Non-controlling interest	(4)	(1)	(1)	(4)
	3,368	**4,729**	**7,167**	**10,023**

2. INFORMATION SUMMARY *(Cont'd)*

	Audited			
	FYE 2014	**FYE 2015**	**FYE 2016**	**FYE 2017**
GP Margin (%)[1]	26.52	29.19	34.12	37.70
PBT Margin (%)[2]	14.69	16.26	20.79	25.06
PAT Margin (%)[3]	10.58	11.99	15.43	18.38
Effective tax rate (%)	27.96	26.26	25.77	26.65
EBITDA (RM'000)	5,629	7,593	10,920	15,008
Number of ordinary shares ('000)	174,021	174,021	174,021	174,021
Basic and diluted EPS (sen) [4] [5]	1.94	2.72	4.12	5.76

Notes:

(1) GP margin is computed based on GP over revenue.

(2) PBT margin is computed based on PBT over revenue.

(3) PAT margin is computed based on PAT over revenue.

(4) Basic and diluted EPS is computed based on the PAT divided by the issued share capital of 174,021,000 Shares before our IPO.

(5) Our Group does not have any outstanding convertible securities.

Please refer to Section 11 of this Prospectus for further information relating to our Group's historical financial performance.

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2. INFORMATION SUMMARY *(Cont'd)*

2.6.2 Pro Forma Consolidated Statements of Financial Position

Our pro forma consolidated statements of financial position as at 30 June 2017 has been prepared for illustrative purposes only to show the effects on our consolidated statements of financial position based on the assumption that the Public Issue and the use of proceeds from our Public Issue had been effected on 30 June 2017.

You should read this pro forma consolidated statements of financial position together with the accompanying notes and assumptions included in the Reporting Accountants' Report on the Compilation of Pro Forma Consolidated Statements of Financial Position as set out in Section 12 of this Prospectus and the Accountants' Report as set out in Section 13 of this Prospectus.

	Audited as at 30 June 2017	Adjustment for Public Issue and use of proceeds	Pro Forma I After Public Issue and use of proceeds
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
PPE	8,061	24,060	32,121
Investment properties	4,461		4,461
Deferred tax assets	53		53
	12,575		36,635
Current assets			
Trade receivables	18,275		18,275
Other receivables, deposits and prepayments	1,646		1,646
Cash and bank balances	11,297	12,290	23,587
	31,218		43,508
TOTAL ASSETS	43,793		**80,143**
EQUITY AND LIABILITIES			
Equity			
Share capital	17,402	(39,550)	56,952
Retained profits	24,055	3,200	20,855
Merger deficit	(16,052)		(16,052)
Equity attributable to owners of the Company	25,405		61,755
Non-controlling interest	139		139
TOTAL EQUITY	25,544		61,894

2. INFORMATION SUMMARY *(Cont'd)*

	Audited as at 30 June 2017	Pro Forma I Adjustment for Public Issue and use of proceeds	Pro Forma I After Public Issue and use of proceeds
	RM'000	RM'000	RM'000
Non-current liabilities			
Hire purchase payables	648		648
Term loans	6,867		6,867
	7,515		7,515
Current liabilities			
Trade payables	6,977		6,977
Other payables, deposits and accruals	2,059		2,059
Amount owing to directors	202		202
Hire purchase payables	241		241
Term loans	894		894
Current tax liabilities	361		361
	10,734		10,734
TOTAL LIABILITIES	18,249		18,249
TOTAL EQUITY AND LIABILITIES	43,793		**80,143**
Number of ordinary shares ('000)	174,021		260,000
NA (RM'000)	25,405		61,755
NA per Share (sen)	14.60		23.75
Borrowings (RM'000)	8,650		8,650
Gearing (times) [(1)]	0.34		0.14
Current ratio (times) [(2)]	2.91		3.92

Notes:

(1) Gearing is computed based on total borrowings divided by the total equity of our Group.

(2) Current ratio is computed based on total current assets divided by the total current liabilities of our Group.

Detailed information on our pro forma consolidated statements of financial position and the Reporting Accountants' Report on the Compilation of Pro Forma Consolidated Statements of Financial Position are set out in Section 12 of this Prospectus.

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2. INFORMATION SUMMARY *(Cont'd)*

2.6.3 Summary of Consolidated Statement of Cash Flows

You should read the consolidated statement of cash flows together with the accompanying notes and assumptions included in the Accountants' Report as set out in Section 13 of this Prospectus.

	FYE 2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
PBT	13,665
Adjustments for:	
Allowance for impairment losses on trade receivables	23
Depreciation of PPE	1,054
Depreciation of investment properties	69
Gain on disposal of PPE	(4)
Interest expenses	221
Interest income	(1)
Reversal of impairment losses on trade receivables	(33)
Operating profit before working capital changes	14,994
Increase in trade and other receivables	(6,493)
Increase in trade and other payables	2,034
Cash flows from operations	10,535
Interest paid	(221)
Interest received	1
Tax paid	(3,240)
Net cash from operating activities	**7,075**
CASH FLOWS FOR INVESTING ACTIVITIES	
Proceeds from disposal of PPE	116
Purchase of PPE	(566)
Purchase of investment properties	(136)
Net cash for investing activities	**(586)**
CASH FLOWS FOR FINANCING ACTIVITIES	
Dividends paid	(2,000)
Proceeds from issuance of shares	250
Drawdown of term loans	136
Repayment of term loans	(496)
Net repayment of hire purchase obligations	(293)
Net repayment to directors	(67)
Net cash for financing activities	**(2,470)**
Net increase in cash and cash equivalents	4,019
Cash and cash equivalents at beginning of the financial year	**7,278**
Cash and cash equivalents at the end of the financial year	**11,297**

Please refer to Section 11 of this Prospectus for further information relating to our Group's historical financial performance.

2.7 SALIENT INFORMATION ON OUR IPO

2.7.1 Allocation

Our IPO is subject to the terms and conditions of this Prospectus and the allocation of the IPO Shares shall be in the following manner:

Allocation	Public Issue Shares	%[1]	Offer Shares	%[1]
Public Issue				
- Balloting Shares[2]	13,000,000	5.0	-	-
- Pink Form Shares	13,000,000	5.0	-	-
- Placement Shares	59,979,000	23.1	-	-
Offer for Sale				
- Placement Shares	-	-	40,000,000	15.4
Total	**85,979,000**	**33.1**	**40,000,000**	**15.4**

Notes:

(1) Based on our enlarged share capital of 260,000,000 Shares after our IPO.

(2) At least 50.0% of the Balloting Shares shall be set aside strictly for Bumiputera individuals, companies, co-operatives, societies and institutions.

2.7.2 Principal Statistics of our IPO

The principal statistics of our IPO are as follows:

	Number of Shares	RM
i. Share capital		
Issued share capital as at the date of this Prospectus	174,021,000	17,402,101.80
Shares to be issued pursuant to the Public Issue	85,979,000	39,550,340.00
Enlarged share capital upon Listing	260,000,000	56,952,441.80
ii. IPO Price for each IPO Share		0.46
iii. Market capitalisation of our Company based on the IPO Price upon Listing		119,600,000.00
iv. Pro forma NA based on our Pro Forma Consolidated Statements of Financial Position as at 30 June 2017		
Pro forma NA upon Listing (RM'000) [1]		61,755
Pro forma NA per Share upon Listing (sen) [2]		23.75

Notes:

(1) After taking into account our Public Issue and the use of the proceeds from our Public Issue.

(2) Based on our enlarged share capital upon Listing of 260,000,000 Shares.

2.7.3 Dividend Policy

Our Company does not have any formal dividend policy presently. However, it is the intention of our Board to retain adequate reserves for our future growth as well as to reward our shareholders with participation in the profits of our Group.

As an investment holding company, our income, and therefore our ability to pay dividends, depends on the dividends or other distributions received from our subsidiaries. The payment of dividends or other distributions by our subsidiaries will depend upon various factors including, the availability of distributable reserves; our Group's operating results and financial condition; and our capital expenditure plans.

We had declared and paid a first interim single-tier dividend of RM2.0 million on 30 November 2015 and a second interim single-tier dividend of RM2.0 million on 2 February 2016 respectively for FYE 2016. The total dividend amounting to RM4.0 million for FYE 2016 represents approximately 55% of our Group's PAT for FYE 2016. For FYE 2017, we have declared and paid a first interim single-tier dividend of RM2.0 million on 26 May 2017, which represents approximately 20% of our Group's PAT for FYE 2017.

Our ability to declare and pay interim dividends as well as to recommend final dividends are subject to the discretion of our Board. We will also need to obtain our shareholders' approval for any final dividend for the year.

No inference should or can be made from any of the statements above as to our actual future profitability and our ability to pay dividends in the future.

2.8 USE OF PROCEEDS

We expect to use the gross proceeds from the Public Issue of RM39.55 million in the following manner:

Details of use of proceeds	Amount RM'000	%	Estimated timeframe for use of proceeds upon Listing
Setting up a teleport	14,360	36.3	Within 24 months
Enhancing our operations and maintenance services capability	4,900	12.4	Within 12 months
Enhancing our fibre optic network installation and commissioning service capability	4,800	12.1	Within 12 months
Regional business expansion particularly into Vietnam, Myanmar and Laos	1,500	3.8	Within 18 months
Working capital	10,790	27.3	Within 24 months
Estimated listing expenses	3,200	8.1	Within 3 months
Total gross proceeds	**39,550**	**100.0**	

The Offer for Sale will raise gross proceeds of RM18.40 million which will accrue entirely to the Offerors.

Further details of the use of proceeds arising from the Public Issue are set out in Section 3.8 of this Prospectus.

3. DETAILS OF OUR IPO

3.1 OPENING AND CLOSING OF APPLICATIONS

Applications for our IPO Shares will open at 10.00 a.m. on 13 December 2017 and will remain open until 5.00 p.m. on 26 December 2017 or such later date or dates as our Directors, the Promoters and the Offerors together with the Underwriter may decide in their absolute discretion. Late applications will not be accepted.

3.2 INDICATIVE TIMETABLE

The following events are intended to take place on the following tentative time and/or dates:

Events	Tentative Dates
Opening of application for our IPO	10.00 a.m., 13 December 2017
Closing of application for our IPO	5.00 p.m., 26 December 2017
Balloting of applications	28 December 2017
Allotment of our IPO Shares to successful applicants	4 January 2018
Listing on the ACE Market	8 January 2018

Save for the opening date of the application for the IPO, these dates are tentative and are subject to changes which may be necessary to facilitate implementation procedures.

Applications will be accepted from 10.00 a.m. on 13 December 2017 and will remain open until 5.00 p.m. on 26 December 2017 or such later date or dates as our Directors, the Promoters and the Offerors together with the Underwriter in their absolute discretion may mutually decide.

If the closing date of our IPO is extended, the dates for the balloting, allotment of our IPO Shares and our Listing will be extended accordingly. We will notify the public of any such extension via an advertisement in a widely circulated Bahasa Malaysia and English daily newspaper within Malaysia.

3.3 DETAILS OF OUR IPO

3.3.1 Public Issue

Our Public Issue, representing approximately 33.1% of our enlarged share capital, at the IPO Price, is subject to the terms and conditions stated in this Prospectus and will be offered in the following manner:

(i) Malaysian Public ("Public Tranche")

13,000,000 Public Issue Shares, representing approximately 5.0% of our enlarged share capital, will be offered to the Malaysian Public by way of balloting, of which 50.0% will be set aside for Bumiputera investors.

(ii) Eligible Directors and employees, and persons who have contributed to the success of our Group ("Pink Form Tranche")

13,000,000 Public Issue Shares, representing approximately 5.0% of our enlarged share capital, will be made available for application by the Eligible Parties.

A total of 142 persons are eligible for the Pink Form Shares allocation, comprising the following:

	Number of persons	Aggregate number of Shares allocated
Eligible Directors of our Group	4	2,500,000
Eligible employees of our Group	133	8,000,000
Persons who have contributed to the success of our Group	5	2,500,000
Total	**142**	**13,000,000**

The number of Pink Form Shares to be allocated to our eligible Directors are as follows:

Name	Designation	Number of Pink Form Shares allocated
Tan Sri Datuk Seri Ahmad Fuad bin Ismail	Independent Non-Executive Chairman	1,000,000
Dato' Seow Thiam Fatt	Senior Independent Non-Executive Director	500,000
Dato' Tan Yee Boon	Independent Non-Executive Director	500,000
Datuk Lalla Nezha binti Tun Mohd Khalil	Independent Non-Executive Director	500,000
Total		**2,500,000**

The criteria for allocation to eligible employees of our Group are based on amongst others, confirmation of employment, length of service, seniority, job responsibilities, job performance and other criteria deemed fit by our Board.

The criteria for allocation to persons who have contributed to the success of our Group are based on amongst others, the length of relationship with our Group, volume and frequency of transactions with our Group, and other criteria deemed fit by our Board.

The above allocation is subject to the eligible Directors, the eligible employees and persons who have contributed to the success of our Group subscribing to their respective allocations.

(iii) Selected investors by way of private placement ("Placement Tranche")

59,979,000 Public Issue Shares, representing approximately 23.1% of our enlarged share capital, will be made available by way of private placement to selected investors.

3. DETAILS OF OUR IPO *(Cont'd)*

3.3.2 Offer for Sale

The Offerors will offer for sale 40,000,000 Offer Shares, representing 15.4% of our enlarged share capital, at the IPO Price, subject to the terms and conditions stated in this Prospectus. The Offer Shares will be made available for application by way of private placement to selected eligible investors. Details of the Offerors are set out below:

Name and registered/ residential address	Position/ Relationship with our Group within the past three years	Shareholdings after the Acquisitions		Offer Shares			Shareholdings immediately after the IPO	
		No. of Shares	%	No. of Shares	% Before IPO[1]	% After IPO[2]	No. of Shares	%
Na Boon Aik 38 Jalan Perdana 8/10 Pandan Perdana 55300 Kuala Lumpur	Promoter, substantial shareholder and Managing Director	87,010,451	50.0	20,000,000	11.5	7.7	67,010,451	25.8
Na Bon Tiam 38 Jalan Perdana 8/10 Pandan Perdana 55300 Kuala Lumpur	Promoter, substantial shareholder and Executive Director	87,010,451	50.0	20,000,000	11.5	7.7	67,010,451	25.8

Notes:

(1) Based on the issued share capital of 174,021,000 Shares after the Acquisitions.

(2) Based on the enlarged share capital of 260,000,000 Shares after the IPO.

3.3.3 Underwriting arrangement and reallocation of the IPO Shares

The allocation of our IPO Shares shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants with a view of broadening our Company's shareholding base to meet the public shareholding spread requirements of Bursa Securities and to establish a liquid market for our Shares.

There is no minimum subscription to be raised from the Public Issue. The Public Tranche and the Pink Form Tranche in respect of Sections 3.3.1(i) and (ii) of this Prospectus are fully underwritten by our Underwriter. The Placement Shares are not underwritten as these Shares are allocated to selected eligible investors whereby irrevocable undertakings from these investors have been obtained.

Any Shares reserved under the Pink Form Tranche which are not fully subscribed for by any Eligible Party shall be reallocated to the other Eligible Parties before being made available for application by the Malaysian Public under the Public Tranche as described in Section 3.3.1(i) of this Prospectus.

Any remaining Shares not subscribed for under the Public Tranche will subsequently be made available for subscription by our selected investors under the Placement Tranche as described in Section 3.3.1(iii) of this Prospectus, and vice versa.

The number of IPO Shares offered under the Public Issue will not be increased via any over-allotment or "greenshoe" option.

3. DETAILS OF OUR IPO *(Cont'd)*

3.4 SHARE CAPITAL

	No. of Shares	Share Capital (RM)
Issued share capital as at the date of this Prospectus	174,021,000	17,402,101.80
To be issued pursuant to the Public Issue	85,979,000	39,550,340.00
Enlarged share capital upon Listing	**260,000,000**	**56,952,441.80**
Existing Shares to be offered pursuant to the Offer for Sale[1]	40,000,000	18,400,000.00

Note:

(1) The Offer for Sale would not have an effect on our issued share capital as the Offer Shares are already in existence prior to the IPO.

Our market capitalisation upon Listing, based on the IPO Price and our enlarged share capital of 260,000,000 Shares amounts to RM119,600,000.

As at the date of this Prospectus, we have only one class of shares being, ordinary shares. Our IPO Shares will, upon allotment and issue, rank equally in all respects with our other existing issued Shares, including voting rights, and will be entitled to all rights, dividends and distributions that may be declared subsequent to the date of allotment thereof.

Subject to any special rights attaching to any Shares we may issue in future, our shareholders will, in proportion to the amount paid or credited as paid on the Shares held by them, be entitled to share the profits paid out by our Company as dividends and other distributions. Similarly, if our Company is liquidated, our shareholders will be entitled to the surplus (if any), in accordance with the Constitution of our Company.

At any general meeting of our Company, each shareholder will be entitled to vote in person, by proxy, by attorney or by other duly authorised representative. On a show of hands, every shareholder present either in person, by proxy, by attorney or by other duly authorised representative will have one vote, and on a poll, each shareholder present either in person by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held or represented.

3.5 OBJECTIVES OF OUR IPO

The objectives of our IPO are as follows:

(i) to gain access to the capital market to raise funds for our future expansion and growth when the need arises in the future, through other forms of capital raising avenues;

(ii) to increase recognition and enhance the stature of our Group with a listing status as well as increase our market visibility to our existing and potential customers in the Telco industry;

(iii) to create a market for our Shares; and

(iv) to provide an opportunity for the general public and investing community including the Eligible Parties, to become our shareholders and participate directly in the continuing growth of our Group by way of equity participation.

3. DETAILS OF OUR IPO *(Cont'd)*

3.6 BASIS OF ARRIVING AT THE IPO PRICE

The IPO Price was determined and agreed upon by us and Kenanga IB after taking into consideration the following factors:

(i) our financial performance and operating history as set out in Section 11 of this Prospectus;

(ii) our pro forma consolidated NA per Share of RM0.24 as at 30 June 2017 based on our enlarged share capital of 260,000,000 Shares, after the IPO and subsequent to the use of proceeds from our Public Issue as set out in Section 3.8 of this Prospectus;

(iii) our competitive advantages and key strengths as set out in Section 6.3.3 of this Prospectus;

(iv) our future plans and strategies, and our prospects as set out in Sections 6.20 and 6.21 of this Prospectus, respectively; and

(v) the PE multiple of 11.92 times based on our EPS of 3.86 sen for the FYE 2017, computed based on our enlarged share capital of 260,000,000 Shares upon Listing.

Prospective investors should note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties which may affect the market price of our Shares. Prospective investors should form your own views on the valuation of our IPO Shares and reasonableness of the bases used before deciding to invest in our IPO Shares. You are also reminded to consider carefully the risk factors as set out in Section 4 of this Prospectus.

3.7 DILUTION

Dilution is the amount by which the price paid by investors for our Shares exceed our consolidated NA per Share after our IPO.

After giving effect to the issuance of 85,979,000 IPO Shares under the Public Issue, and after adjusting for the use of proceeds, our pro forma consolidated NA per Share as at 30 June 2017 (based on our enlarged share capital of 260,000,000 Shares) would be RM0.24. This represents an immediate increase in NA per Share of RM0.09 to our existing shareholders and an immediate dilution in NA per Share of RM0.22, representing 47.8% dilution to our new investors.

The following table illustrates such dilution on a per Share basis:

	RM
IPO Price	0.46
Consolidated NA per Share as at 30 June 2017	0.15
Increase in consolidated NA per Share attributable to the existing shareholders (after the Public Issue and use of proceeds)	0.09
Consolidated NA per Share after the Public Issue and use of proceeds	0.24
Dilution in consolidated NA per Share to new investors	0.22
Dilution in consolidated NA per Share to new investors as a percentage of the IPO Price	47.8%

3. DETAILS OF OUR IPO *(Cont'd)*

The following table summarises the total number of Shares acquired by our Promoters, substantial shareholders, Directors, and/or persons connected to them, or which they have a right to acquire, the average cost per Share to them and the cost per Share to our new investors who subscribe for the IPO Shares:

	No. of Shares	Total Consideration RM	Average cost per Share RM
Promoters, substantial shareholders and Directors			
Na Boon Aik	87,010,451[1]	8,701,046	0.10
Na Bon Tiam	87,010,451[1]	8,701,046	0.10
Directors			
Tan Sri Datuk Seri Ahmad Fuad bin Ismail	1,000,000[2]	460,000	0.46
Dato' Seow Thiam Fatt	500,000[2]	230,000	0. 46
Dato' Tan Yee Boon	500,000[2]	230,000	0. 46
Datuk Lalla Nezha binti Tun Mohd Khalil	500,000[2]	230,000	0. 46
New investors from our IPO			
Public Issue	85,979,000	39,550,340	0. 46
Offer for Sale	40,000,000	18,400,000	0. 46

Notes:

(1) After the Acquisitions and including subscriber's Share. Please refer to Section 5.2.1 of this Prospectus for further details on the Acquisitions.

(2) Assuming full subscription of their respective entitlements under the Pink Form Tranche.

3.8 USE OF PROCEEDS

We expect to use the gross proceeds from the Public Issue of RM39.55 million in the following manner:

Details of use of proceeds	Notes	Amount RM'000	%	Estimated timeframe for use of proceeds upon Listing
Setting up a teleport	(1)	14,360	36.3	Within 24 months
Enhancing our operations and maintenance services capability	(2)	4,900	12.4	Within 12 months
Enhancing our fibre optic network installation and commissioning service capability	(3)	4,800	12.1	Within 12 months
Regional business expansion particularly into Vietnam, Myanmar and Laos	(4)	1,500	3.8	Within 18 months
Working capital	(5)	10,790	27.3	Within 24 months
Estimated listing expenses	(6)	3,200	8.1	Within 3 months
Total gross proceeds		**39,550**	**100.0**	

3. DETAILS OF OUR IPO *(Cont'd)*

Notes:

(1) Setting up of teleport

As part of our Group's business expansion plan, we intend to use RM14.36 million of the proceeds from our Public Issue to set up a new teleport in the Klang Valley and purchase related equipment and a new high-definition DSNG system. The expenses for the teleport and DSNG system are summarised in the table below:

	Projected Capital Expenditure RM'000
Land purchase and construction of teleport building	10,500
Purchase of satellite uplink and downlink network equipment	2,000
Purchase of high-definition DSNG system	1,500
Purchase of satellite dish (transmission and reception)	300
Purchase of satellite TVRO systems	60
Total	**14,360**

We intend to use RM10.50 million of the proceeds from our Public Issue to finance/part finance the land acquisition and building construction costs pursuant to our plan to set up a teleport. We intend to set up the teleport within the Klang Valley. As at the LPD, we have yet to identify a suitable parcel of land for this purpose. Our management estimates that the total land size required for the teleport will be around three acres to four acres. The following are the approval/licenses we would require to operate the teleport:

(i) approval from the relevant local councils or municipal authorities to build the teleport;

(ii) NFP and NSP licenses; and

(ii) an apparatus assignment for every single satellite dish / system installed or owned for the uplink and downlink services.

Save for the NFP and NSP licenses as set out in Section 6.16 of this Prospectus, we are yet to obtain the other approvals for the planned teleport. We intend to begin construction work on the planned teleport by the second half of 2018, and expect it to become operational by the fourth quarter of 2019. The construction is expected to take 12 to 15 months to complete. The satellite uplink and downlink network equipment, satellite dish and satellite TVRO systems will be installed within the new teleport. In addition, we also plan to purchase a new high-definition DSNG system in the first quarter of 2018. In addition to complementing the planned teleport's operations, the DSNG system can also function independently. As a result we plan to purchase the DSNG system before the planned completion of the teleport, and use it to provide customers with a higher level of service for our satellite network uplink and downlink services for video content, including live on-location new broadcasts, sporting and other events. The new DSNG system, which is an upgrade to our existing flyaway satellite systems, is automated to support faster deployment and reliable service. Additional funding, if required, will be met through internally generated funds and/or external borrowings.

Our future plan for the new teleport is further discussed in Section 6.20.1(i) of this Prospectus.

3. DETAILS OF OUR IPO *(Cont'd)*

(2) Enhancing our operations and maintenance services capability

We have allocated RM4.90 million of the proceeds from our Public Issue to purchase new vehicles, skylifts and equipment to enhance our operations and maintenance service capability. The projected capital expenditure are summarised in the following table:

	Projected Capital Expenditure RM'000
Purchase of motor vehicles	3,500
Purchase of tools and equipment	900
Purchase of skylift	500
Total	**4,900**

We intend to purchase 25 units of new four-wheel drive vehicles and 20 units of passenger cars to expand and replace some of our aging fleet to improve our ability to deploy technicians to customers' sites. The replacement of aging fleet will also reduce our motor vehicles maintenance costs. We also plan to purchase two units of skylifts, which we frequently use for installation and maintenance of network equipment on towers and rooftops. We also plan to purchase new tools and equipment, such as hand tools, testing equipment, radio frequency analysers, internet connectivity meters and personal safety equipment such as helmets, high visibility vests and safety harness.

Our future plan for the expansion of our operations and maintenance services is further discussed in Section 6.20.2 of this Prospectus.

(3) Enhancing our fibre optic network installation and commissioning service capability

We have allocated RM4.80 million from the IPO proceeds for our fibre optic network installation and commissioning services segment. The proceeds will be used to set up warehouses, purchase crane lorries, and related machinery and equipment. The breakdown of the amounts earmarked for this purpose is as follows:

	Projected Capital Expenditure RM'000
Setting up warehouses in Johor, Malaysia	2,500
Purchase of HDD machines	1,500
Purchase of tools and equipment	500
Purchase of crane lorries	300
Total	**4,800**

We intend to purchase two properties in Johor. The properties will be used to set up our warehouse and workshop facilities for our outside plant fibre optic network project in Johor. We are presently in the midst of identifying suitable properties for the facilities. We also intend to invest RM2.30 million of the proceeds to develop our in-house resources to carry out our outside plant installation work. We intend to purchase two units of HDD machines, complete with water tanks and pumps, cranes and other supporting equipment, tools and equipment such as splicing and testing equipment, light sources for fibre optic cables, power meters, and optical time domain reflectometers and two units of crane lorries.

Our future plan for the enhancement of our fibre optic network installation and commissioning services segment is set out in Section 6.20.3 of this Prospectus.

3. DETAILS OF OUR IPO *(Cont'd)*

(4) Regional business expansion particularly into Vietnam, Myanmar and Laos

We have allocated RM1.50 million of the proceeds raised from the Public Issue for the expansion of our telecommunications network supporting services into regional markets, particularly Vietnam, Myanmar and Laos. We intend to utilise the IPO proceeds to set up the representative offices, the breakdown for which is summarised in the table below:

	Projected Capital Expenditure RM'000
Representative office in Vietnam	500
Representative office in Myanmar	500
Representative office in Laos	500
	1,500

We plan to expand into Vietnam, Myanmar and Laos as a provider of telecommunications network supporting services. Based on our preliminary talks on opportunities in these countries, we intend to leverage on the capabilities and expertise that we have developed in Malaysia to offer installation and commissioning, and operation and maintenance services for satellite, mobile and fibre optic networks in these countries. We intend to enter the Vietnam, Myanmar and Laos markets by forming strategic partnerships and joint collaborations with respective local operators, such as Telcos, equipment suppliers, and supporting service providers. The representative offices to be set up in Vietnam, Myanmar and Laos will be rented.

As at the LPD, we have not undertaken any market studies or analysis in relation to the expansion into these countries save for conducting preliminary talks with a local supporting service provider, equipment suppliers and Telcos to explore expansion into these markets.

Our future plan for our overseas business expansion is further discussed in Section 6.20.4 of this Prospectus.

(5) Working capital

We have set aside RM10.79 million of our IPO proceeds as working capital to finance our Group's future operations. We expect to use RM6.79 million to increase our staff count and for payment to our suppliers and subcontractors in line with our business expansion and growth strategies in the three business segments. We plan to use RM4.0 million for our other operating expenses including accommodation expenses, transportation charges, upkeep of property, plant and equipment and other administrative expenses.

(6) Estimated listing expenses

Details of the estimated expenses and fees incidental to our Listing of RM3.20 million are set out below:

	RM'000
Professional fees	1,770
Brokerage, underwriting and placement fees	989
Estimated regulatory fees	70
Other fees and expenses such as translators, share registrar, printing, advertising and other miscellaneous expenses in relating to our Listing	371
Total	**3,200**

If the actual listing expenses are higher than the estimated amount as set out above, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual listing expenses are lower than the estimated amount, the excess will be utilised for working capital purposes.

The financial impact of the use of proceeds from our Public Issue is illustrated in our Pro Forma Consolidated Statements of Financial Position set out in Sections 2.6.2 and 11.1.2 of this Prospectus.

Pending the use of proceeds arising from the Public Issue, the proceeds will be placed in interest-bearing accounts, money market instruments and/or deposits.

The Offer for Sale is anticipated to raise gross proceeds of RM18.4 million which will accrue entirely to the Offerors. The Offerors shall bear all expenses such as placement fees and other expenses relating to the Offer Shares estimated to be RM0.46 million.

3.9 UNDERWRITING COMMISSION, BROKERAGE AND PLACEMENT FEE

3.9.1 Underwriting commission

Our Underwriter has agreed to underwrite 26,000,000 Public Issue Shares, made available for application under the Public Tranche and Pink Form Tranche as set out in Section 3.3 of this Prospectus.

We will pay our Underwriter an underwriting commission at the rate of 2.0% of the total value of the underwritten Shares based on the IPO Price.

3.9.2 Brokerage fee

We will pay the brokerage at the rate of 1.0% on the IPO Price in respect of all successful applications that bear the stamp of either Kenanga IB, the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

3.9.3 Placement fee

We will pay the Placement Agent a placement fee at the rate of between 0.50% to 2.0% of the total value of the 59,979,000 Public Issue Shares reserved for private placement based on the IPO Price. The placement fee to be incurred on the sale of 40,000,000 Offer Shares will be fully borne by our Offerors.

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3.10 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with Kenanga IB to underwrite 26,000,000 Public Issue Shares as set out in Section 3.9.1 of this Prospectus.

The following salient terms are reproduced from the Underwriting Agreement. The terms and numbering references used in this section shall have the respective meanings and numbering references as ascribed thereto in the Underwriting Agreement.

2.3 Conditional Obligation to Underwrite

The obligations of Kenanga IB ("**Sole Underwriter**") under this Agreement are conditional upon:

2.3.1 this Agreement having been duly executed by Binasat Communications and Kenanga IB ("**Parties**");

2.3.2 there having been on or prior to the Closing Date, neither any material adverse change nor any development reasonably likely to result in any material adverse change, in the condition (financial or otherwise) of the Company and any company within the Group, which is material in the context of the Listing and Public Issue from that set forth in the Prospectus, nor the occurrence of any event or the discovery of any fact which is inaccurate, untrue or incorrect to any extent which is or will be material in the reasonable opinion of the Sole Underwriter, which makes any of the representations and warranties contained in Clause 3 (Representations, Warranties and Undertakings) untrue and incorrect in any material respect as though they had been given and made on such date with reference to the facts and circumstances then subsisting, nor the occurrence of any breach of the undertakings contained in Clause 3;

2.3.3 the delivery to the Sole Underwriter:

- prior to the date of the registration of the Prospectus, a copy certified as a true copy by an authorised officer of the Company of all the resolutions of the Directors and the shareholders in general meeting approving this Agreement, the Prospectus, the Public Issue and authorising the execution of this Agreement and the issuance of the Prospectus; and

- a certificate, in the form or substantially in the form contained in the Second Schedule of this Agreement, dated the date of the Prospectus signed by duly authorised officers of the Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as is referred to in Clause 2.3.2.

2.3.4 the Prospectus being in the form and substance satisfactory to the Sole Underwriter;

2.3.5 the delivery to the Sole Underwriter on the Closing Date of such reports and confirmations dated the Closing Date from the Directors of the Company as the Sole Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of this Agreement that will adversely affect the performance or financial position of the Company and the companies within the Group;

2.3.6 the Sole Underwriter having been satisfied that sufficient arrangements have been made by the Company to ensure payment of the expenses referred to in Clause 15 (Costs and Expenses);

2.3.7 the Listing and Public Issue not being prohibited by any statute, order, rule, regulation or directive promulgated or issued by any legislative, executive or regulatory body or authority in Malaysia;

2.3.8 the Company having complied and that the Listing and Public Issue is in compliance with the policies, guidelines and requirements of Bursa Securities and/or the SC and all revisions, amendments and/or supplements thereto;

2.3.9 the Company having fully complied with all the conditions which are required to be complied with prior to the issuance of the Prospectus or the Closing Date imposed by the SC and Bursa Securities in respect of the Listing and Public Issue and the Company's proposed listing on the ACE Market of Bursa Securities;

2.3.10 the acceptance for registration by the SC of the Prospectus and such other documents as may be required in accordance with the CMSA in relation to the Listing and the lodgement of the Prospectus with the CCM on or before its release;

2.3.11 Bursa Securities has agreed and approved in principle on or prior to the Closing Date to the admission to the Official List of Bursa Securities and the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company on the ACE Market of Bursa Securities and if such approvals shall be conditional, all conditions thereto being in terms acceptable to the Sole Underwriter on or prior to the Closing Date being reasonably satisfied and such approval not being withdrawn, revoked, suspended, terminated or lapsed and that such listing and quotation shall be granted two clear Market Days after the submission to Bursa Securities of the relevant documents including the receipt of confirmation from the Bursa Depository confirming that the Securities Accounts of all successful applicants have been duly credited and the Issue House has confirmed that the notices of allotment have been despatched to entitled holders;

2.3.12 the approval of the directors of the Company via a resolution for the appointment of the Sole Underwriter;

2.3.13 the Prospectus having been issued within 45 days of the date hereof or within such extended period as may be determined by the Sole Underwriter;

2.3.14 the issue of the Issue Shares having been approved by Bursa Securities and any other relevant authorities and the shareholders of the Company in a general meeting and such authorisation has not been withdrawn, revoked, suspended, terminated or lapsed; and

2.3.15 all necessary approvals and authorisations required in relation to the Issue Shares including but not limited to governmental approvals having been obtained and are in full force and effect.

2.4 If any of the conditions set out in Clause 2.3 is not satisfied by the Closing Date, the Sole Underwriter shall thereupon be entitled to terminate this Agreement and in that event, except for the liability of the Company for the payment of costs and expenses as provided in Clause 15 incurred prior to the termination and any claims pursuant to Clause 3.3.1 (Indemnity), there shall be no further claims by the Sole Underwriter against the Company, and the Parties shall be released and discharged from their respective obligations hereunder PROVIDED THAT the Sole Underwriter may at its discretion with respect to its obligations waive compliance with any of the provisions of Clause 2.3. Thereafter, this Agreement shall be terminated and be of no further force and effect and none of the parties shall have a claim against the other, save and except in respect of any antecedent breaches. The Sole Underwriter reserves the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice the Sole Underwriter's rights under this Agreement.

9 Termination / Lapse of Agreement

9.1 Notwithstanding anything herein contained, the Sole Underwriter may by notice in writing to the Company given at any time before the Closing Date, terminate, cancel or withdraw its commitment to underwrite the Underwritten Shares if:

9.1.1 there is any breach by the Company of any of the representations, warranties or undertakings contained in Clause 3, which is not capable of remedy or, if capable of remedy, is not remedied to the satisfaction of the Sole Underwriter within such number of days (which shall be reasonable) as stipulated by the Sole Underwriter to the Company in writing or as stipulated in the notice informing the Company of such breach or by the Closing Date, whichever is earlier; or

9.1.2 there is withholding of information which is required to be disclosed by or to the Sole Underwriter, pursuant to this Agreement, and if capable of remedy, is not remedied within such number of days (which shall be reasonable) as stipulated by the Sole Underwriter to the Company in writing or as stipulated in the notice informing the Company of such breach which, in the opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Listing, or the distribution or sale of the Issue Shares; or

9.1.3 there shall have occurred, happened or come into effect any material and adverse change to the business or financial condition of the Company or the Group; or

9.1.4 there shall have occurred, happened or come into effect any of the following circumstances:

(a) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing;

(b) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Sole Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents);

(c) war, acts of warfare, sabotages, hostilities, invasion, incursion by armed force, act of hostile army, nation or enemy, civil war or commotion, hijacking, terrorism;

(d) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organized armed resistance to the government, insurrection, revolt, military or usurped power;

(e) natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, epidemics or other acts of God;

(f) any government requisition or other occurrence of any nature whatsoever which is reasonably likely to have a material adverse effect or materially affect the success of the Listing;

(g) trading of all securities on Bursa Securities has been suspended or other material form of general restriction in trading for three consecutive Market Days or more; and/or

(h) the imposition of any moratorium, suspension or material restriction on trading in securities generally on ACE Market of Bursa Securities due to exceptional financial circumstances or otherwise which, in the reasonable opinion of the Sole Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Public Issue, or the distribution or sale of the Issue Shares;

which, (in the opinion of the Sole Underwriter), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of the Group, the success of the Listing, or the distribution or sale of the Issue Shares, or which has or is likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms; or

9.1.5 there is failure on the part of the Company to perform any of its obligations herein contained which is not capable of remedy or, if capable of remedy, is not remedied to the satisfaction of the Sole Underwriter within such number of days as stipulated by the Sole Underwriter to the Company in writing or as stipulated in the notice informing the Company of such breach or by the Closing Date, whichever is earlier; or

9.1.6 the approval of Bursa Securities for the Listing is revoked, withdrawn or procured but subject to the conditions not acceptable to the Sole Underwriter.

9.2 In the event of termination pursuant to Clause 9.1, the respective Parties hereto shall, save and except for any antecedent breach, be released and discharged from their obligations hereunder whereupon this Agreement shall be of no further force or effect subject to the following:

9.2.1 the liability of the Company for the payment of costs and expenses as provided in Clause 15 incurred prior to or in connection with such termination shall remain;

9.2.2 the liability of the Company for the payment of the Underwriting Commission as provided in Clause 6 (Underwriting Commission) shall be as follows:

(i) 25% of the Underwriting Commission in the event this Agreement is terminated before the Closing Date; or

(ii) Underwriting Commission in full in the event that this Agreement is terminated on or after the Closing Date;

9.2.3 subject thereto, the Company shall return any moneys paid without interest thereon to the Sole Underwriter within three Market Days of the receipt of such notice of termination from the Sole Underwriter;

provided that the Sole Underwriter may at its discretion waive compliance with or modify any of the provisions of this Clause without prejudice to its powers, rights and remedies under this Agreement.

9.3 In the event that this Agreement is terminated pursuant to Clause 9.1.4, the Sole Underwriter and the Company may confer with a view to defer the Listing and Public Issue by amending its terms, or the terms of this Agreement and may enter into a new underwriting agreement accordingly, but neither the Sole Underwriter nor the Company shall be under any obligation to enter into a fresh agreement.

9.4 The Company shall further refund to the Sole Underwriter the subscription monies, if any, paid by the Sole Underwriter pursuant to their subscription for the Underwritten Shares pursuant to Clause 9 not later than seven days after the Company's receipt of the termination notice from the Sole Underwriter, failing which the Sole Underwriter shall be entitled to charge interest at the rate of eight per centum (8%) per annum on the amount outstanding to be calculated on a daily basis until the date of full payment of the amount outstanding.

10 Force Majeure

10.1 Notwithstanding anything herein contained, it will be an event of force majeure if one of the following occurs:

10.1.1 any material change in any law, regulation, directive, policy or ruling in any jurisdiction which seriously affects or will seriously affect the business of the Company and/or the companies within the Group;

10.1.2 any material adverse change in national or international monetary, financial, political or economic conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia or overseas) or currency exchange rates or an occurrence as a result of an act or acts of God or in the event of national disorder, armed conflict or serious threat of the same, hostilities, embargo, severe economic dislocation, natural catastrophe, earthquake, typhoon, outbreak of war, outbreak of disease or the declaration of a state of national emergency which adversely affects (i) the business of the Company, or (ii) the success of the Listing and Public Issue;

10.1.3 the FTSE Bursa Malaysia Kuala Lumpur Composite Index falling below 1650 points and remaining below 1650 points for three consecutive Market Days;

10.1.4 the imposition of any moratorium, suspension or material restriction on trading in all securities generally on Bursa Securities for three consecutive Market Days.

10.2 In the event of a force majeure pursuant to Clause 10.1, the Sole Underwriter may, subject to prior consultation with the Company, at any time prior to or on the Closing Date:

10.2.1 terminate this Agreement by giving notice to the Company in the manner set out in Clause 16 (Notice); or

10.2.2 request for the Closing Date to be extended to such reasonable date as the Sole Underwriter may decide.

10.3 Upon delivery of the notice of termination pursuant to Clause 10.2.1, this Agreement will terminate where after each Party's rights and obligations will cease and none of the Parties will have any claim against each other save and except such claims in respect of the costs and expenses of the Sole Underwriter and Underwriting Commission as set out in Clause 9.2 and Clause 15 of this Agreement.

4. RISK FACTORS

You should carefully consider the risk factors (which may not be exhaustive) listed below, in addition to the other information in this Prospectus. Additional risks, whether known or unknown, may in the future have a material adverse effect on us or our Shares.

If you are in any doubt as to the information contained in this section, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers.

4.1 RISKS RELATING TO OUR BUSINESS AND THE INDUSTRY IN WHICH OUR GROUP OPERATES

4.1.1 We face competition from other operators in the telecommunications network supporting services segment

We are subject to competition from other operators providing telecommunications network supporting services in Malaysia.

Generally, operators in the telecommunications network supporting services segment in Malaysia operate within a free enterprise environment, but are subject to licencing requirement constraints. In general, a free enterprise environment is characterised by the following conditions:

- there are no undue government regulations or licencing requirements;
- the industry is not dominated by a single or small number of operators;
- operators may enter and leave the industry with ease; and
- no single or small group of operators is large enough to dictate pricing.

Certain licence categories within the multimedia and communications sector as well as contractor registration grades within the building and construction industry only require minimal conditions or minimal restrictions. As such, from a regulatory perspective, the barriers to entry are low within the multimedia and communications sector to obtain "Class Licence" category for NFP, NSP, Content Applications Service Provider License (CASP) and Application Service Provider (ASP) services; and within the building and construction industry for a contractor to obtain contractor registration. (Source: IMR Report)

As set out in the IMR Report, the operators within the industry compete via the following:

- having an established track record;
- possessing the ability to carry out quality services; and
- having a network of service centres or personnel to provide timely network maintenance services.

Please refer to Section 7 of this Prospectus for further details of the competitive analysis on the telecommunications network supporting services segment in Malaysia.

We seek to mitigate this risk by building on our competitive advantages and key strengths set out in Section 6.3.3 of this Prospectus. In addition, new players in the telecommunications network supporting services segment may face challenges including availability of working capital and resources such as skilled personnel and project management experience to meet the expectations and requirements of the customers.

Nonetheless, there can be no assurance that our Group will be able to remain competitive against present and future competitors. If we are unable to do so, our business performance and results of operations may be materially and adversely affected.

4. RISK FACTORS (*Cont'd*)

4.1.2 We are dependent on a few major customers

Two of our major customers, Maxis and Huawei, contribute to a significant portion of our revenue. This is largely due to our established business relationship with Maxis and Huawei. Maxis has been our customer since 2005 and Huawei has been our customer since 2011. For the Period Under Review, Maxis contributed 80.0% in FYE 2014, 59.1% in FYE 2015, 58.0% in FYE 2016 and 49.5% in FYE 2017 to our Group's total revenue; and Huawei contributed 12.8% in FYE 2014, 15.0% in FYE 2015, 30.1% in FYE 2016 and 26.3% in FYE 2017 to our Group's total revenue. The loss of any of our Group's major customers may adversely impact our Group's operating results. Further information on our major customers is discussed in Section 6.13 of this Prospectus.

We will continue to leverage on our experience and track record in the telecommunications network supporting services segment which will help us to secure new projects moving forward. We also believe that our continuous effort to deliver quality services will help to strengthen our business relationship with these major customers.

In addition, to mitigate the risk of this dependency, we have taken steps to expand our customer base and business through our future plans and strategies, as set out in Section 6.20 of this Prospectus.

4.1.3 A majority of our material business contracts are in the form of frame agreements

As a telecommunications network supporting services provider, it is a norm for us to enter into frame agreements with our customers. These frame agreements set out the terms governing individual purchases to be made by the customer during the agreement tenure such as type of equipment or services required, and the delivery timeframes required by our customers as well as each party's responsibilities. In addition, based on the contractual arrangements entered into between our Group and our Telco customers over our years of operations, such arrangements are typically in the form of non-exclusive frame agreements. Subsequent to the frame agreement, customers will from time to time within the agreement tenure issue individual purchase orders to us which specify amongst others the detailed scope and quantity of services, equipment or parts required. The salient terms of the frame agreements we are dependent on are set out in Section 6.15 of this Prospectus.

Typically, there is no contract value assigned to the frame agreement and customers are not obliged to make any minimum purchases or issue purchase orders at specific intervals. Consequently, despite us entering into these frame agreements with our customers, there can be no certainty of purchases from our customers under these frame agreements. We believe that maintaining quality services for our customers through our competitive advantages and key strengths will assist us to secure new projects and enhance our business relationships with our customers.

In addition, in the frame agreements that we have entered into, one of the typical termination clause is that our customers may terminate the frame agreements or purchase orders on short termination notice periods (ranging from 7 to 30 days). Throughout our years of operations, we have been able to mitigate this risk by actively communicating with our customers on their requirements. Further, most of our frame agreements allow us to claim from our customers for costs (such as labour and materials) incurred up to the termination date if the customer chooses to terminate the frame agreement or the purchase order. Up to the LPD, we have not experienced any termination of any frame agreements by our customers.

4. RISK FACTORS (*Cont'd*)

4.1.4 We depend on key management personnel for our continued success

Our Group's continued success, future business growth and expansion depend on the experience, expertise and contribution of our Executive Directors and key management. If we lose the services of our Executive Directors and/or key management, and are unable to find suitable and timely replacements, our business performance and prospects will be materially and adversely affected.

The profiles of our Executive Directors and key management are set out in Sections 8.2.2 and 8.3.2 of the Prospectus, respectively.

4.1.5 We require skilled personnel for our business

Our business operations require skilled and experienced technical personnel in order to provide timely services to our customers. For example, we require engineers for network design as well as certified riggers to scale the telecommunications towers to perform on-site installation and maintenance works. As at the LPD, we have 264 technical personnel, as well as 16 personnel at our support call centres.

Our ability to respond within the turnaround time imposed by our customers as well as the quality of our technical proficiency and efficiency depends on our ability to deploy such technical personnel to match our customers' requirements and specific response time. As at the LPD, we have a network of technical personnel stationed across Malaysia. We also closely monitor the type of training and certifications which our personnel have to undergo depending on each project and customer's requirements. This is to ensure we have a sufficient pool of available technical personnel for our business operations. Nonetheless, there can be no assurance that we will be able to maintain an adequate supply of technical personnel.

We endeavour to retain and attract technical personnel by reviewing our employees' remuneration packages, employees' benefits and rewarding our employees from time to time.

4.1.6 We may be subject to liquidated damages claims or service level penalties

Our ability to perform our telecommunications network supporting services may be affected by factors beyond our control such as weather, accessibility to service sites, delay or disruption in the supply of materials or services from third parties which we commission for our customers. If we fail to deliver or perform our services in accordance with our customers' stipulated timeframes resulting in any delays, we may be subject to liquidated damages claims.

In addition, for our operations and maintenance and uplink and downlink services, if we are unable to comply with the service levels agreed with our customers in particular, stipulated restoration response time or compliance with occupational health and safety requirements, we may be also subject to service level penalties that may adversely affect our business, financial position and results of operations.

Any material exposure to liquidated damages or service level penalties will materially and adversely affect our profitability, results of operations and financial performance. To mitigate such risks, we closely monitor our project and delivery schedules to minimise any delay in the completion of our projects or delivery of equipment or services to our customers. We also closely monitor our operational processes, as well as training and certification of our personnel with the aim to meet our customers' service level requirements.

As at the LPD, our Group has not been subject to any liquidated damages claims or service level penalties that materially and adversely affected our business performance and results of operations. However, we had in FYE 2014, FYE 2016 and FYE 2017 paid RM7,863, RM7,312 and RM28,605 respectively as service level penalties for not meeting the SLA requirements due to, amongst others, not being able to perform our O&M services within the required time period due to unfavourable weather conditions. Nevertheless, there can be no assurance that we will not experience any major delays in completion of our projects or services. We are also unable to guarantee that we will be able to comply with the service levels agreed with our customers at all times.

4.1.7 Our business and financial performance may be adversely affected if our sub-contractors render substandard services to our customers

For our business operations and the provision of telecommunications network supporting services for our customers, we may appoint sub-contractors from time to time. Sub-contractors are generally hired after taking into consideration the availability of resources, deliverable timeline and scope of work for a particular project. If our sub-contractors fail to perform, or render substandard services to our customers, we will be contractually liable to our customers. We may need to incur additional costs to rectify the sub-contractors' work, indemnify or provide compensation to our customers, which would in turn affect our financial performance.

Our Group has implemented various measures to mitigate this risk such as prudent project management and strict quality control procedures to ensure that all the work specifications are met and defects are minimal. Furthermore, our operations team monitors and supervises the sub-contractors in order to ensure the timeliness of completion and the quality of services provided to our customers.

Nevertheless, there can be no assurance that any claims against us for our sub-contractors' work will not have a material and adverse impact on our Group's financial performance and results of operations.

4.1.8 Our business will be adversely affected if our approvals, major licenses and permits are revoked or not renewed

We are required to obtain certain approvals, major licences and permits from relevant governmental authorities for our business operations. Further details of such approvals, major licences and permits are set out in Section 6.16 of this Prospectus. These approvals, licences and permits need to be renewed on a periodic basis or reassessed by the relevant authorities where required.

Non-renewal or revocation of our Group's approvals, major licences and permits may have an adverse impact on our operations, business and reputation, hence affecting our financial performance.

In addition, new laws and regulations could in the future, require us to incur additional costs, or affect our business, in ways that may have an adverse effect on our financial position. If there are any changes imposed by the relevant authorities on the standards of compliance or conditions imposed from time to time, we may also incur additional costs to comply with such new or modified standards. This may result in a material adverse impact on our business, financial condition and results of our operations.

4.1.9 We are dependent on our major supplier for satellite network equipment

During the Period Under Review, our major supplier, Wavestream Corporation, accounted for 25.4% in FYE 2014, 50.1% in FYE 2015, 40.9% in FYE 2016 and 46.6% in FYE 2017 of our Group's total purchases. These purchases were mainly for satellite network equipment, including satellite dishes, modems and other network equipment in relation to a contract with a major customer. As such, we are dependent on Wavestream Corporation for the supply of satellite network equipment.

Any disruption to or cessation in the supply of products from Wavestream Corporation, or any changes in our business relationship with them may adversely affect our business operations. We may incur additional costs, time and resources to seek alternative supply sources on terms that are commercially acceptable to us and our customers.

Please refer to Section 6.14 for further information on our major suppliers who accounted for more than 10% or more for our Group's purchases for the Period Under Review.

4.1.10 We cannot assure you that our future plans and strategies will be commercially successful

Our future plans and strategies involve amongst others, setting up new teleport facility and services, and local and regional business expansion. Please refer to Section 6.20 of this Prospectus for further details of our future plans and strategies.

We expect to use RM14.36 million (36.3%) of our anticipated gross proceeds to set up our new teleport facility and to use it to provide network related services. We have gained experience operating a teleport from our existing satellite telecommunications network supporting services business and also carried out installation and commissioning of satellite hubs and other related equipment at teleports. However, the execution of this business plan will depend on factors including our ability to identify and acquire suitable land at commercially acceptable terms to us for the teleport construction, having skilled personnel to set up and operate the teleport facilities, our ability to secure customers for the network related services carried out using the teleport, as well as our ability to keep abreast with changes in legal, regulatory and technical standards for the teleport operations.

While we believe that we have sufficient resources at our disposal to execute our business expansion plans after the Public Issue and Listing, we are not able to guarantee that we will be successful in executing these plans. We also cannot assure you that we will be able to anticipate all the business risks arising from our future business plans. Any failure to do so may lead to a material adverse effect on our financial performance and position.

Any failure or inefficiency to manage our business growth and operational risks and the expanding demand for personnel stemming from our future business expansion may also have a material adverse impact on our business operations and financial performance.

4.1.11 We cannot assure you that our insurance coverage is adequate for our operations

We have purchased insurance policies for burglary, fire, public liability as well as contractors' all risks and workmen compensation. We believe our current insurance coverage undertaken is adequate for our business and level of operations. Nonetheless, we are unable to guarantee that our insurance coverage would be adequate to cover the losses, damages or liabilities, which we may incur in the course of our business operations. To such extent any such risks are uninsured, not covered under our insurance policies, or where the insurance protection is not sufficient to cover such risks, we may have to bear such losses, damages or liabilities and consequently our business and financial condition may suffer a material adverse impact.

4.1.12 We are subject to political, local and global economic considerations

Adverse developments in political, and local and global economic conditions may impact the financial prospects of our Group. Political and economic uncertainties include, amongst others, risks of war, terrorism, riots, change in economic conditions, changes in interest rates, method of taxation, changes in government policies in particular telecommunications related laws and regulations.

A prolonged and widespread local and global economic slowdown would affect economic activity and business spending. Uncertainty over global and domestic economic conditions may reduce general economic activity and reduce business confidence and spending, resulting in reduced demand for network supporting services. This may have a negative impact on the performance of the sector.

Although an economic slowdown would affect general economic activity and business spending, its impact on demand for network supporting services may be less severe as these services are essential in ensuring that the network continues to function properly. As a result, demand for network supporting services in general will be sustained, although a prolonged economic slowdown may lower long-term growth in demand. In addition, demand for operations and maintenance services may be supported during an economic slowdown as telcos outsource these functions to telecommunications network supporting services operators such as ourselves, as a cost cutting measure. Such cost cutting measures may include reducing the number of workers that they employ, and reducing the number of facilities that they operate. (Source: IMR Report).

While our Group seeks to mitigate such risks through prudent financial management and building on our competitive advantages and key strengths, there can be no assurance that any changes to these factors will not have an adverse impact on the financial performance and position of our Group.

4.1.13 We are subject to political, economic and regulatory risks in relation to our regional expansion

Presently, Malaysia is the principal market for our services. As part of our future plans, we also intend to expand into regional countries particularly Vietnam, Myanmar and Laos as set out in Section 6.20.4 of this Prospectus. Hence, any adverse development in the political, economic and regulatory environment in the countries involved may adversely affect our operations and financial performance. These risks include but are not limited to changes in general economic and business conditions, government legislations and policies affecting our industry, inflation, fluctuations in foreign exchange rates and interest rates, political and social development, risks of war, expropriation, nationalisation, renegotiation or nullification of existing contracts, methods of taxation and tax policy, and currency exchange controls.

We will continue to adopt prudent management and precautionary measures but there can be no assurance that these measures are sufficient to address any future changes in the political, economic and regulatory environment in the countries involved.

4.1.14 We are exposed to the rapid changes in technology within the telecommunication industry

The telecommunications network supporting services segment is characterised by rapid technological developments, evolving industry standards, changes in customer requirements and frequent new products introductions and enhancements. Changes in technologies including satellite, mobile and fibre optic network technologies may result in our customers opting to upgrade their existing infrastructure to newer, improved or more cost effective technologies.

We seek to mitigate this risk by ensuring our team remains proactive in keeping abreast with the latest technological advancements to ensure our services remain relevant to our customers' requirements. In addition, we have also diversified our services and customer base to provide our supporting services across different telecommunications mediums and technologies that include satellite, mobile and fibre optic networks.

However, there can be no assurance that any changes to the technology within the telecommunications industry will not have any material adverse impact on our Group's financial performance and position.

4. RISK FACTORS (*Cont'd*)

4.2 RISKS RELATING TO OUR SECURITIES AND OUR IPO

4.2.1 There is no prior market for our Shares and possible volatility of our Share price

Prior to our IPO, there has been no public market for our Shares. Hence, there can be no assurance that an active market for our Shares will develop upon our Listing or if developed, that such market will be sustained.

The IPO Price was arrived at after taking into consideration, amongst others, our Group's financial and operating history and conditions, our competitive advantages and key strengths, our future prospects, the prospects of the industry in which we operate in, and the prevailing market conditions at the time of the Listing. We cannot assure you that the IPO Price will correspond to the price at which our Shares will be traded on the ACE Market upon or subsequent to its Listing.

In addition, the market price of our Shares may be volatile and fluctuate as a result of various factors, some of which are beyond our control. These include, amongst others, changes in general economic, political and regulatory conditions and stock market sentiments, changes in securities analysts' estimates of our financial performance and recommendations.

4.2.2 Our Listing is exposed to risk of failure or delay

Our Listing may be aborted or delayed if certain events, including the following occurs:

(i) the placees under the placements fail to acquire the IPO Shares allocated to them;

(ii) our Underwriter exercising its rights pursuant to the Underwriting Agreement in discharging itself from its obligations; or

(iii) we are unable to meet the public shareholding spread requirements i.e. at least 25.0% of our enlarged share capital must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the time of our admission to the Official List.

If we are unable to meet the above requirement, you will not receive any of our IPO Shares and we will return in full (without interest or any share of revenue or benefit arising therefrom) all monies paid in respect of any application for our IPO Shares in compliance with subsection 243(2) of the CMSA.

However, if our Listing is aborted and our IPO Shares have been issued and allotted to you, a return of monies to you may only be achieved by a cancellation of share capital in accordance with the Act.

Such cancellation can be implemented by either (i) the approval of our shareholders by special resolution in general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and confirmation by the High Court of Malaya; or (ii) the approval of our shareholders by special resolution in general meeting supported by a solvency statement from our Directors. If we are unable to obtain the confirmation of the High Court of Malaya or the Directors are unable to provide the solvency statement as required under the Act, there can be no assurance that such monies paid in respect of our IPO Shares can be recovered within a short period of time or at all under such circumstances.

4.2.3 Control by the Promoters

Upon Listing, our Promoters will collectively hold, directly and indirectly, 134,020,902 Shares, which represent approximately 51.6% of the enlarged share capital of our Company. As a result, our Promoters may be able to influence the outcome of certain matters such as election of Directors and the approval of business ventures that require the vote of the shareholders unless they are required to abstain from voting by law and/or the relevant authorities.

4.2.4 Future sale or issuance of our Shares could adversely affect our Share price

Any future sale, or issuance of our Shares can have an adverse effect on our Share price. The sale of a significant amount of our Shares in the public market after the IPO, or the perception that such sales may occur, could adversely affect the market price of our Shares. These factors may also affect our ability to raise funds from the issue of additional equity securities.

If our Promoters sell, or are perceived to sell, substantial amounts of Shares in the public market following the expiry of the moratorium period, this may result in a dampening effect on our Share price.

4.2.5 We are a holding company and, as a result, are dependent on the flow of dividends from our subsidiaries for payment of dividends on our Shares

Our ability to pay dividends or make other distributions to our shareholders is not guaranteed. Our Company is a holding company and our operations are carried out through our subsidiaries. Accordingly, an important source of our income, is the amount of dividends and other distributions that our Company receives from our subsidiaries. Consequently, our ability to declare and pay dividends are dependent on the financial performance of our subsidiaries. Please refer to Sections 2.7.3 and 11.9 of this Prospectus for further discussion on dividend payments by our Company.

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5. INFORMATION ON OUR GROUP

5.1 OUR COMPANY

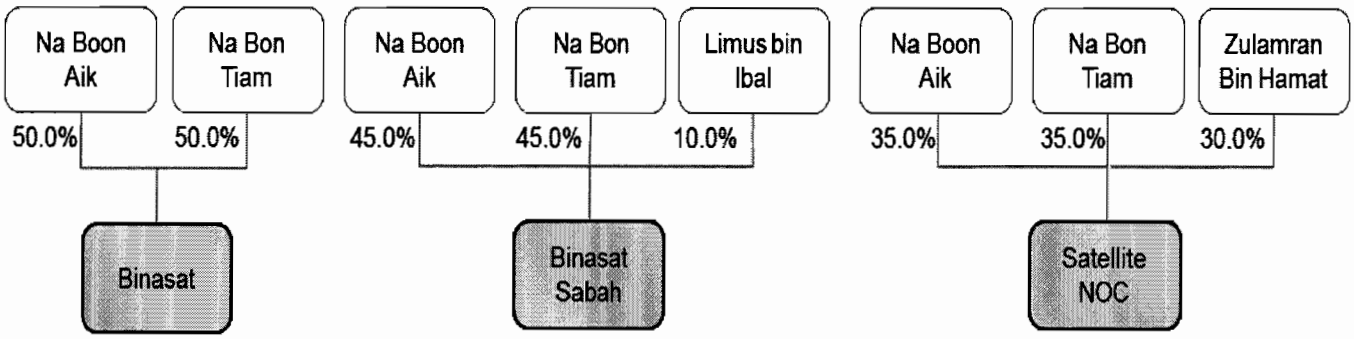
We were incorporated in Malaysia under the Act on 17 March 2017 as a private limited company under the name of Binasat Communications Sdn Bhd. Subsequently on 21 June 2017, our Company was converted into a public limited company under the name of Binasat Communications Berhad to embark on the Listing of our Group on the ACE Market of Bursa Securities.

Our principal activity is investment holding while our Group is principally involved in the provision of supporting services for satellite, mobile and fibre optic telecommunications networks.

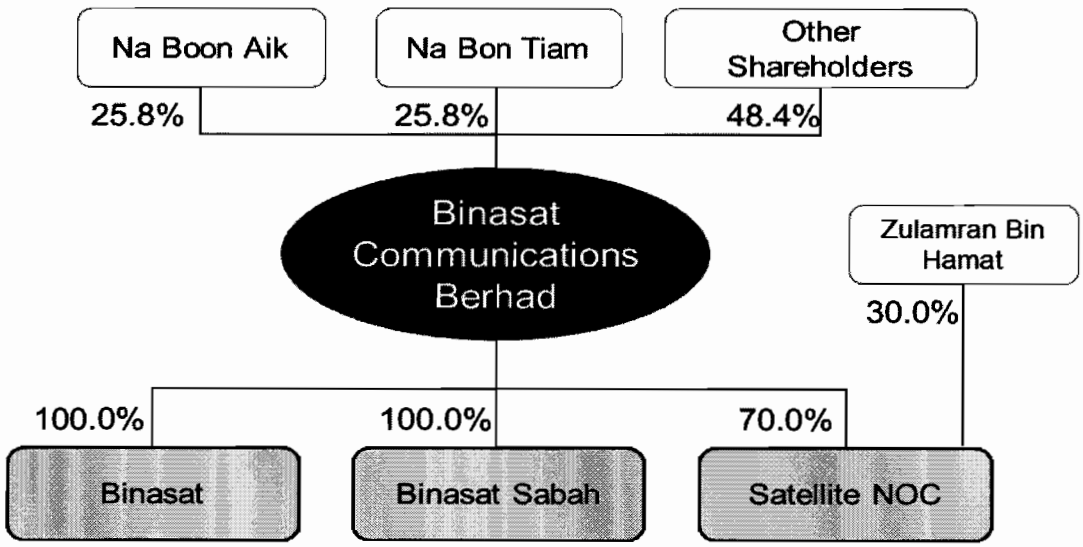
5.2 OUR GROUP

Our Group was formed on 5 June 2017 pursuant to the Acquisitions. An illustration of our Group structure and our shareholders' shareholdings before and after the Acquisitions and IPO is set out below.

Before the Acquisitions and IPO



After the Acquisitions and IPO



5. INFORMATION ON OUR GROUP *(Cont'd)*

5.2.1 ACQUISITIONS

Binasat Communications had on 5 June 2017 entered into three conditional share sale and purchase agreements to acquire the entire issued share capital of Binasat and Binasat Sabah as well as 70% of the issued share capital of Satellite NOC from the respective Binasat Vendors, Binasat Sabah Vendors and Satellite NOC Vendors. The Acquisitions were completed on 5 June 2017.

The total consideration of RM17,402,099.80 for the Acquisitions was satisfied in full by the allotment and issuance of 174,020,998 Shares at an issue price of RM0.10 per Share, the details of which are as follows:

Subsidiary	Total interests acquired in the subsidiary (%)	Consideration	
		No. of Shares	RM
Binasat	100.0	170,520,000	17,052,000.00[1]
Binasat Sabah	100.0	998	99.80[2]
Satellite NOC	70.0	3,500,000	350,000.00[3]
Total		**174,020,998**	**17,402,099.80**

Notes:

(1) The purchase consideration of RM17,052,000 for the Binasat Acquisition was arrived at after taking into consideration the audited NA of Binasat of RM17,052,803 as at 30 June 2016.

(2) The purchase consideration of RM99.80 for the Binasat Sabah Acquisition, which represents RM0.10 for 998 shares in Binasat Sabah, was arrived at on a 'willing-buyer willing-seller' basis after taking into consideration the audited deficit NA of Binasat Sabah of RM8,370 as at 30 June 2016.

(3) The purchase consideration of RM350,000.00 for the Satellite NOC Acquisition, which represents RM0.10 for 3,500,000 shares in Satellite NOC, was arrived at on a 'willing-buyer willing-seller' basis after taking into consideration the audited deficit NA of Satellite NOC of RM21,225 as at 31 August 2016 and subsequent adjustment for an increase in issued share capital of RM495,000 in FYE 2017 .

5.3 SHARE CAPITAL

Our present issued share capital is RM17,402,101.80 comprising 174,021,000 Shares.

The changes in our issued share capital since the date of our incorporation up to the LPD are as follows:

Date of allotment	No. of Shares allotted	Type of issue / Consideration	Cumulative issued share capital (RM)
17 March 2017	2	Cash paid for subscriber's Shares	2.00
5 June 2017	174,020,998	Shares issued pursuant to the Acquisitions	17,402,101.80

As at the LPD, there were no outstanding warrants, options, convertible securities or uncalled capital in respect of the shares in Binasat Communications. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of consideration for the above allotments.

As at the LPD, Binasat Communications is not involved in any bankruptcy, receivership or similar proceedings.

5. INFORMATION ON OUR GROUP *(Cont'd)*

5.4 INFORMATION ON OUR SUBSIDIARIES

The details of our Subsidiaries are as follows:

Name	Date and country of incorporation	Issued share capital (RM)	Our Company's effective interest (%)	Principal activities
Binasat	6 June 2000 Malaysia	1,000,000	100.0	Provision of support services for satellite, mobile and fibre optic telecommunications networks
Binasat Sabah	15 April 2014 Malaysia	100	100.0	Binasat Sabah has yet to commence any business.
Satellite NOC	23 November 2012 Malaysia	500,000	70.0	Provision of support services for satellite telecommunications network

5.4.1 Binasat

(a) History and Business

Binasat was incorporated in Malaysia as a private limited company under the Act on 6 June 2000 under the name of NCR Computer Forms Sdn Bhd. On 16 February 2004, it changed its name to the present name of Binasat Sdn Bhd.

Binasat is principally engaged in the provision of support services for satellite, mobile and fibre optic telecommunications networks which includes installation and commissioning, and operations and maintenance services for our customers. Binasat commenced its business in the marketing and trading of pre-printed computer forms on 6 June 2000. This activity ceased in 2004 when Binasat commenced its telecommunications related operations on 16 February 2004.

(b) Share Capital

As at the LPD, the issued share capital of Binasat is RM1,000,000 comprising 1,000,000 ordinary shares. There were no changes in the issued share capital of Binasat for the past three years prior to the LPD.

(c) Substantial Shareholder

Binasat is a wholly-owned subsidiary of our Company.

The changes in the shareholders and their shareholdings in Binasat for the past three years up to the LPD are as follows:

	As at 2015		As at 2016		As at LPD	
Name	No. of shares held	%	No. of shares held	%	No. of shares held	%
Na Bon Tiam	500,000	50.0	500,000	50.0	-	-
Na Boon Aik	500,000	50.0	500,000	50.0	-	-
Binasat Communications	-	-	-	-	1,000,000	100.0

(d) Directors

As at the LPD, the Directors of Binasat are Na Boon Aik and Na Bon Tiam.

(e) Subsidiary and Associate

As at the LPD, Binasat does not have any subsidiary or associate.

5.4.2 Binasat Sabah

(a) History and Business

Binasat Sabah was incorporated in Malaysia as a private limited company under the Act with its present name on 15 April 2014. It was initially incorporated to cater for our operations in Sabah. However, upon further consideration, our operations in Sabah were maintained with Binasat since all our contracts are currently under Binasat. As such, Binasat Sabah has yet to commence operations as at the LPD. However, subject to contract requirements, future projects secured in East Malaysia will be undertaken by Binasat Sabah.

(b) Share Capital

As at the LPD, the issued share capital of Binasat Sabah is RM100 comprising 100 ordinary shares.

There were no changes in the issued share capital of Binasat Sabah for the past three years prior to the LPD.

(c) Substantial Shareholder

Binasat Sabah is a wholly-owned subsidiary of our Company.

The changes in the shareholders and their shareholdings in Binasat Sabah for the past three years up to the LPD are as follows:

	As at 2015		As at 2016		As at LPD	
Name	**No. of shares held**	**%**	**No. of shares held**	**%**	**No. of shares held**	**%**
Na Bon Tiam	45	45.0	45	45.0	-	-
Na Boon Aik	45	45.0	45	45.0	-	-
Limus Bin Ibal	10	10.0	10	10.0	-	-
Binasat Communications	-	-	-	-	100	100.0

(d) Directors

As at the LPD, the Directors of Binasat Sabah are Na Boon Aik, Na Bon Tiam and Limus bin Ibal.

(e) Subsidiary and Associate

As at the LPD, Binasat Sabah does not have any subsidiary or associate.

5.4.3 Satellite NOC

(a) History and Business

Satellite NOC was incorporated in Malaysia as a private limited company under the Act under the name of Binasat Operation & Satellite Services Sdn Bhd on 23 November 2012. It assumed its present name, Satellite NOC Sdn Bhd on 22 October 2015 and its principal activity is in the provision of support services for satellite telecommunications network, which at present mainly includes the satellite uplink and downlink services.

As part of our Group's future plans and strategies, we intend to set up a new teleport in the Klang Valley to provide telecommunications network supporting services as set out in Section 6.20 of this Prospectus. As at the LPD, it is our Group's intention to carry out the above through Satellite NOC. To that effect, Binasat had transferred its NSP and NFP Licences to Satellite NOC on 17 May 2017. Following the transfer, all services that require the NSP and NFP licenses will be carried out through Satellite NOC. Further details of the NSP and NFP licences are set out in Section 6.16 of this Prospectus.

(b) Share Capital

As at the LPD, the issued share capital of Satellite NOC is RM500,000 comprising 500,000 ordinary shares.

Save as set out below, there were no changes in the issued share capital of Satellite NOC for the past three years prior to the LPD:

Date of Allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital (RM)
26 October 2015	4,900	Cash	5,000
9 September 2016	250,000*	Cash	255,000
9 September 2016	245,000**	Otherwise than cash	500,000

Notes:

* A total of RM250,000 was contributed in cash by Zulamran bin Hamat, Na Boon Aik and Na Bon Tiam by the allotment of 150,000 shares to Zulamran bin Hamat, 50,000 shares to Na Boon Aik and 50,000 shares to Na Bon Tiam respectively.

** RM245,000 was contributed by Na Boon Aik and Na Bon Tiam by off-setting against the amounts due to Na Boon Aik and Na Bon Tiam as directors by the issuance of 122,500 shares issued to Na Boon Aik and 122,500 shares issued to Na Bon Tiam.

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(c) Substantial Shareholder

Satellite NOC is a 70.0% owned subsidiary of our Company. The remaining 30.0% of the issued share capital of Satellite NOC is held by Zulamran bin Hamat, who is the COO of our Group.

The changes in the shareholders and their shareholdings in Satellite NOC for the past three years up to the LPD are as follows:

	As at 2015		As at 2016		As at LPD	
Name	**No. of shares held**	**%**	**No. of shares held**	**%**	**No. of shares held**	**%**
Na Bon Tiam	2,475	49.5	174,995	35.0	-	-
Na Boon Aik	2,505	50.1	175,005	35.0	-	-
Zaaim Redha Bin Abdul Rahman	20	0.4	-	-	-	-
Zulamran Bin Hamat	-	-	150,000	30.0	150,000	30.0
Binasat Communications	-	-	-	-	350,000	70.0

(d) Directors

As at the LPD, the Directors of Satellite NOC are Na Boon Aik, Na Bon Tiam and Zulamran bin Hamat.

(e) Subsidiary and Associate

As at the LPD, Satellite NOC does not have any subsidiary or associate.

As at the LPD, there were no outstanding warrants, options, convertible securities or uncalled capital in respect of the shares in our Subsidiaries. In addition, there are no discounts, special terms or instalment payment, terms applicable to the payment of consideration for the allotment of the ordinary shares in our Subsidiaries set out above. As at the LPD, our Subsidiaries are not involved in any bankruptcy, receivership or similar proceedings.

5.5 LISTING SCHEME

We will undertake an IPO, details of which are set out in Section 3.3 of this Prospectus.

Upon completion of our IPO, our Company will be admitted to the Official List and our entire enlarged share capital of RM56,952,441.80 comprising 260,000,000 Shares shall be listed and quoted on the ACE Market of Bursa Securities.

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6. BUSINESS OVERVIEW

6.1 HISTORY AND BACKGROUND

Binasat was incorporated in Malaysia as a private limited company in 2000 under the name NCR Computer Forms Sdn Bhd for the marketing and trading of pre-printed computer forms. Our two founding shareholders were Na Bon Tiam and Kee Wei Loang. Na Boon Aik subsequently acquired all of Kee Wei Loang's shares in the company in 2002. In 2004, we ceased the pre-printed computer forms business activity and changed the company's name to Binasat on 16 February 2004 to provide satellite network installation and commissioning services.

Na Bon Tiam was also the owner of Binacom Telesystem, a sole proprietorship founded in 1999. It was engaged in providing supporting services for satellite networks, including installing satellite TVRO systems for hotels, condominiums, embassies and other premises. It was also engaged by Via Communication Network Sdn Bhd[1] to install one-way satellite modems (downlink only) in Peninsular Malaysia. In early 2000, Binacom Telesystem secured a project from Communication and Satellite Services Sdn Bhd[2] to install and commission VSAT ground stations at the Selangor Turf Club, Penang Turf Club and Perak Turf Club. In 2002, Binacom Telesystem secured a project from Baycom Sdn Bhd[3] to provide installation and commissioning services for VSAT ground stations in Malaysia.

As Binacom Telesystem grew in size, Na Bon Tiam decided to transfer its business from a sole proprietorship to a private limited company, namely Binasat. As a result in 2004, Binacom Telesystem transferred its entire business of providing satellite network installation and commissioning services to us by transferring all assets, liabilities, customers and contracts from Binacom Telesystem to Binasat. Binacom Telesystem was terminated in 2005.

In 2004, we secured a satellite telecommunications installation and commissioning service project from Baycom Sdn Bhd for the installation and commissioning of VSAT ground stations at a petrol station chain's outlets throughout Malaysia. In the same year, we secured a contract from Smart Digital Communications Sdn Bhd[4] to install and commission VSAT ground stations in Sarawak as part of the Ministry of Education's Smart Malaysia SchoolNet initiative.

In 2005, we secured two contracts from Maxis to install and commission VSAT ground stations at a petrol station chain's outlets in East Malaysia and to upgrade VSAT ground stations at petrol station chain's outlets which involved installing new cables and replacing equipment such as network equipment to transmit and receive signals from the satellite, and satellite modems. We also secured two projects from Baycom Sdn Bhd during the year for the installation and commissioning of VSAT ground stations at quarry plants and at petrol station chain's outlets in Malaysia.

In 2006, we secured two contracts from Maxis to install and commission VSAT ground stations at a petrol station chain's outlets in Peninsular Malaysia and a government agency nationwide.

In 2007, we secured a contract from Maxis to migrate VSAT ground stations at their customer's sites from the MEASAT-2 to MEASAT-3 satellite. The project mainly involved deploying our technical teams to VSAT ground station sites to carry out satellite dish realignment, acceptance testing and commissioning. The alignment of the satellite dish at each site was changed from their original line-of-sight with the MEASAT-2 satellite, to line-of-sight with the MEASAT-3 satellite. The sites that we serviced as part of this project included VSAT ground stations at petrol stations, oil palm plantations, timber camps and other remote locations. During the year, we also expanded our business activities when we secured contracts from Maxis to provide operations and maintenance services, comprising scheduled and unscheduled maintenance services, for VSAT ground stations at their customers' sites.

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1 Data communications network services provider
2 Satellite and data communications services provider
3 Provider of managed network services and related information and communications technology
4 Licensed telecommunications network services and facility provider

6. BUSINESS OVERVIEW *(Cont'd)*

In 2008, we secured a contract from Maxis to install and commission VSAT ground stations at a petrol station chain's outlets in West Malaysia.

In 2011, we provided satellite network installation and commissioning services to MEASAT Satellite Systems Sdn Bhd[5], which involved setting up a ground station with a satellite dish and related network equipment at a teleport centre. We further expanded our business in 2011, when we obtained our first project to install and commission inside plant fibre optic cables and supporting infrastructure from Maxis. In 2011, we also secured a contract from Maxis for the supply, installation and commissioning of VSAT equipment and hub. In addition, during the same year, we also secured our first project to install and commission outside plant fibre optic cables and supporting infrastructure and equipment from Maxis and Huawei.

In 2012, we secured a project from Maxis to provide operations and maintenance services for passive infrastructure (premises and structures, not including network equipment) at its mobile network's BTS sites located in Selangor, Kuala Lumpur, Putrajaya and the northern part of Negeri Sembilan.

We also secured a contract from Maxis in 2012, to install and commission VSAT ground stations at schools in rural communities throughout Malaysia. In addition, we also secured a project with Maxis to install and commission VSAT ground stations that are used as mobile backhaul sites as part of their Small Cell project in rural communities throughout Malaysia. The Small Cell project is an initiative under the MCMC. We also provide operations and maintenance services after the sites were commissioned. In the same year, we also secured an operations and maintenance contract from Huawei, who appointed us as their service provider to support one of their Telco customer's nationwide third generation (3G) and LTE mobile networks.

In 2012, Satellite NOC was incorporated in Malaysia as a private limited company with an issued share capital of RM100, under the name of Binasat Operation & Satellite Services Sdn Bhd by Na Boon Aik, Na Bon Tiam and Zaaim Redha Bin Abdul Rahman. It assumed its present name, Satellite NOC Sdn Bhd on 22 October 2015. In 2017, Binasat transferred its NSP and NFP licences to Satellite NOC. Following the transfer, all services that require the NFP and NSP licences will be carried out through Satellite NOC. As at the LPD, Satellite NOC's principal activity mainly includes the provision of satellite uplink and downlink services. Satellite NOC will also own and operate our planned teleport facility and services as set out in Section 6.20.1 of this Prospectus.

In 2013, we secured a contract from Maxis to provide operations and maintenance for managed hub services during the year. During the same year, Huawei expanded our operations and maintenance services contract for fixed line and mobile networks for its Telco customers. Furthermore, we were engaged by EQ Sport Sdn Bhd[6], Penang Turf Club and Perak Turf Club in 2013 to provide satellite telecommunications uplink and downlink services. This service supports the transmission of live turf club events to and from the Perak Turf Club and Penang Turf Club, and to the Selangor Turf Club, Semambu Off-course Centre, and other off-course centres in Malaysia.

In 2014, we secured a project from Huawei to provide installation and commissioning services for mobile networks, involving active infrastructure at BTS sites for its Telco customers. We also secured a project from Huawei in the same year to install and commission the telecommunications network for part of the Light Rail Transit (LRT) system's Ampang Line. This included installing fibre optic cables to link LRT stations, and communications systems for LRT trains. During the year, we also secured a contract from Maxis to upgrade the telecommunications systems at a petrol station chain's outlets throughout Malaysia. The contract involved installing and commissioning new VSAT ground station systems, with 3G mobile network equipment to provide back-up connection.

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5 Operator of a regional satellite network and provision of satellite bandwidth capacity

6 Operator of live telecasting, satellite services of races and tele-betting facilities

6. BUSINESS OVERVIEW *(Cont'd)*

In 2014, Binasat Sabah, was incorporated in Malaysia as a private limited company with an issued share capital of RM100 by Na Bon Aik, Na Bon Tiam and Limus Bin Ibal to cater for our operations in Sabah. However upon further consideration, our operations in Sabah have been maintained with Binasat since all our contracts are currently under Binasat. Nonetheless, future projects secured in East Malaysia will be undertaken by Binasat Sabah, subject to contract requirements.

We secured two contracts in 2015, namely from U Mobile Sdn Bhd and edotco Malaysia Sdn Bhd[7], for mobile network installation and commissioning services to set up passive infrastructure at their respective BTS sites in Malaysia. During the year, we further obtained a project from Huawei to provide additional scope of work for operations and maintenance services for its Telco customer's mobile network. In end 2015, we secured a contract from Huawei to provide operations and maintenance services for its Telco customer's LTE mobile network, involving scheduled and unscheduled maintenance services for its LTE mobile network sites.

In 2016, we provided remote site installation and commissioning for satellite backhaul to BTS sites equipped with VSAT terminals to MEASAT Satellite Systems Sdn Bhd, as part of a mobile network.

We also obtained a project from Huawei to provide additional scope of work for operations and maintenance services for its Telco customer's fixed network. During the same year, we secured a contract from an equipment supplier to provide installation and commissioning services for mobile network equipment, involving LTE mobile network for its Telco customer throughout Malaysia. We also secured projects from Fibrecomm Network (M) Sdn Bhd[8] for the installation and commissioning of outside plant fibre optic network. We further expanded our range of business activities in 2016 when we secured a contract from a Telco to provide call centre and technical services to support its global international gateway operations. For this service, we leverage on the facilities and expertise from our own existing call centre, which we use to support our operations and maintenance services. The call centre is located at our headquarters in Taman Industri Bukit Permai, Cheras, Kuala Lumpur.

In 2017, we secured a project to provide satellite network installation and commissioning services from SpeedCast Malaysia Sdn Bhd[9]. This involves setting up a ground station at its customer's headquarters and the installation of related network equipment at remote sites. This ground station is to be used for the provision of satellite backhaul services for mobile network. During the same year, we were appointed by a fibre optic cable manufacturer and supporting service provider to provide general works of fibre optic cable installation and related civil works.

We also secured two contracts to provide fibre optic network installation and commissioning services. These projects primarily involve fibre optics telecommunications network relocation works along the Mass Rapid Transit Laluan 2 and Tun Razak Exchange projects.

Since we commenced business, we have established ourselves as providers of supporting services for the three major telecommunications network mediums in Malaysia, namely satellite, mobile and fibre optic telecommunications networks. We provide these services to the major Telcos in Malaysia, either directly or indirectly through equipment suppliers.

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7 Telecommunications infrastructure and services provider

8 Provider of fibre optic transmission network services

9 Provider of outsourced solutions to operations and maintenance support to operators of satellite and other telecommunications networks

6. BUSINESS OVERVIEW *(Cont'd)*

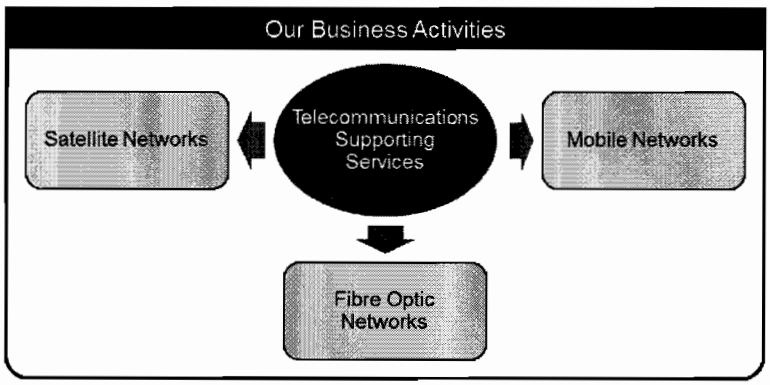
6.2 AWARDS AND RECOGNITIONS

Year	Awards and Recognitions	Awarding body
2015	Best Quality Award	Huawei
2016	Best Performance Award	Huawei Malaysia Representative Office
2016	SCBEA Awards – "Product & Service Excellence Award"	Sin Chew Business Excellence Award (SCBEA)
2016	Certificate of Achievement – "Malaysia P1 LTE Project"	Huawei
2017	BrandLaureate SMEs Corporate Branding Awards 2016-2017 "BestBrands in Technology – Integrated Telecommunication Solutions"	The Asia Pacific Brands Foundation
2017	Recognition for partnering with MEASAT to deploy a TVRO system during the ABU Digital Broadcasting Symposium 2017	MEASAT Satellite Systems Sdn Bhd

6.3 OUR BUSINESS

6.3.1 Principal business activities

We are involved in the provision of supporting services for satellite, mobile and fibre optic telecommunications networks.



For satellite networks we provide installation and commissioning, operations and maintenance, and uplink and downlink services. Installation and commissioning services involve setting up, aligning and configuring VSAT ground stations at sites such as petrol stations, self-service banking machines, oil palm plantations, offshore oil and gas platforms and other remote areas. We also install and commission satellite hubs and other related equipment at teleports. Where required, we also supply satellite network equipment as part of our installation and commissioning services. Operations and maintenance services involve providing scheduled and unscheduled maintenance at VSAT ground station sites, as well as operating satellite hubs. We are also involved in providing uplink and downlink services for live telecasts for turf club, sporting and other events; and on-location news broadcasts.

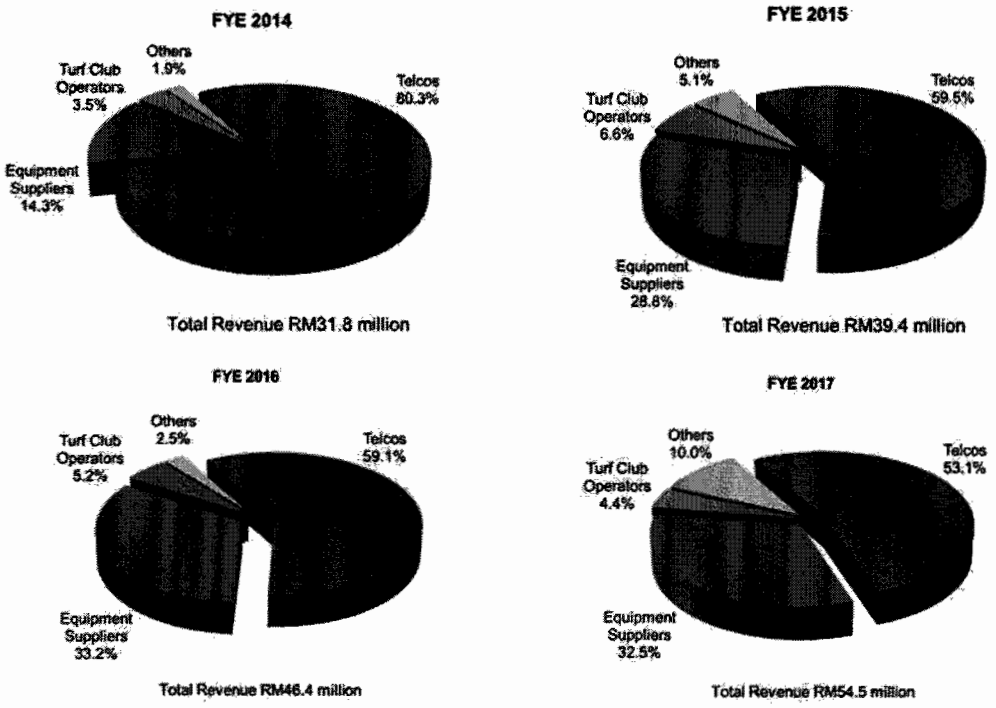
Our mobile network supporting services involve installation and commissioning of mobile network equipment and provision of scheduled and unscheduled maintenance services at BTS.

Our fibre optic network supporting services involve installation and commissioning, where we lay fibre optic cables and install related network equipment. This includes installation outside of buildings (known as outside plant installation), and within buildings (known as inside plant installation). We also provide operations and maintenance services for fibre optic network equipment. In addition, we are engaged by a Telco to provide call centre services involving technical support for its international gateway customers.

6. BUSINESS OVERVIEW *(Cont'd)*

6.3.2 Business model and principal market

Our customer groups comprise Telcos, network equipment suppliers, turf club operators, and others. Our revenue during the Period Under Review segmented by customer groups is summarised in the following diagrams:



Note: Other customer groups include timber companies and manufacturers of wood-based products, network asset owners, oil palm plantation operators, a hydroelectric power engineering and construction company, and providers of other types of telecommunications services.

Malaysia is the principal market for our services, accounting for 100% of our total revenue from FYE 2014 to FYE 2015, and 99.8% and 98.7% of our total revenue for FYE 2016 and FYE 2017, respectively. The remaining 0.2% and 1.3% of our total revenue for FYE 2016 and FYE 2017 respectively is from the provision of call centre services to a customer based in Hong Kong.

6.3.3 Competitive advantages and key strengths

Our competitive advantages and key strengths will help us retain our existing customers and gain new ones to sustain and grow our business.

(i) We have built a proven and established track record

We have a proven track record of approximately 13 years since Binasat commenced business in telecommunication network supporting services in 2004. We have been serving customers in the ICT industry, including all of the major Telcos in Malaysia (either directly or indirectly through equipment suppliers), and equipment suppliers.

The awards and recognitions that we have received from our customers and other external bodies are a testament to our track record.

We believe that our experience and proven track record across the ICT and telecommunications network supporting services segment would give us a platform to secure new contracts and customers.

(ii) We have a network of experienced in-house technical personnel across Malaysia

As a provider of maintenance services for telecommunications networks, we have experienced in-house technical personnel and critical network equipment and parts across Malaysia. As at the LPD, we have a total of 264 technical personnel stationed in all states in Malaysia.

Our ability to quickly deploy service teams to rectify actual or potential network failures across Malaysia is critical to minimise network downtime. Prolonged and frequent network downtime causes dissatisfaction among users, and as such, having experienced in-house technical personnel and facilities across Malaysia is one of the key consideration factors for telecommunications network operators.

Our experienced in-house technical personnel are headed by our COO, Zulamran bin Hamat, who is supported by Mohammad Haizal bin Abu Zarin and Nor Azimuddin bin Arifin. Mohammad Haizal bin Abu Zarin is our Senior Project Manager who has been in the telecommunications industry since 2003. Nor Azimuddin bin Arifin is our Technical Manager who has been in the telecommunications industry since 2008.

Our experienced in-house technical team includes technicians and engineers who are qualified and trained to deliver timely and quality services to our customers. Our experienced in-house technical personnel have undergone relevant job training, and possess the appropriate certifications such as the CIDB green card and working at heights competency card, that are required to perform the work that we carry out.

The CIDB requires that any personnel that carry out civil-related work at customers' sites must have a CIDB green card, which is issued by CIDB. The working at heights competency card is issued by certified training providers, and indicates that the holder has passed the training course for working on elevated structures, such as telco towers.

Our experienced personnel and technical teams will help us to provide quality and timely services to our customers.

(iii) We have an experienced management team to drive the business

We have an experienced management team headed by Na Boon Aik, our Managing Director, who started working in the telecommunications industry since 1999. He is supported by Na Bon Tiam, our Executive Director, who has been working in the telecommunications industry since 1999, and Zulamran bin Hamat, our COO who has been working in the telecommunications industry since 1998.

Our experienced management team will help us provide reliable and quality services to meet our customers' requirements and continue to sustain our business and provide the platform for growth.

(iv) We provide supporting services across three different network mediums

We provide supporting services across different network mediums and technologies including satellite, mobile and fibre optic networks.

This provides our business with the following advantages:

- diverse growth opportunities where we can address a wider potential market across three telecommunications network mediums and technologies; and
- risk mitigation against over dependency on any one telecommunications medium or technology. In the event of an industry slowdown in one medium or technology, we have two other mediums and technologies to sustain and grow our business.

(v) We are well-established in the industry to provide services relating to satellite network and operations and maintenance

Our accumulated experience from handling satellite networks, enable us to offer a wide range of satellite services, including installation and commissioning, operations and maintenance, and uplink and downlink services. Our experience provides us the ability to carry out tasks in a timely manner without adversely affecting the quality of work that we deliver. As at the LPD, we provide operations and maintenance services for approximately 4,500 VSAT ground stations (of which approximately 1,750 are VSAT ground stations at petrol stations) and approximately 10,500 BTS sites for mobile networks.

As at October 2017, the Binasat Group's market share for the maintenance of satellite ground stations at petrol stations in Malaysia was estimated at 57%. As at 2016, the Binasat Group's market share for operations and maintenance services for all satellite ground stations in Malaysia (including satellite ground stations at petrol stations) was estimated at 64%, and market share for operations and maintenance services for BTS sites in Malaysia was estimated at 28%. *(Source: IMR Report)*

We believe that the number of sites that we service, and our estimated market share is a good indicator of our strength and capability as a provider of operations and maintenance services.

(vi) Quality management system

We continuously emphasise maintaining our quality standards when we provide supporting services to our customers. We have on 31 July 2017, received the ISO 9001:2015 quality management system certification for the "provision of satellite and other telecommunications engineering services (installation, testing and commissioning)". The ISO 9001:2015 certification replaces our earlier certification, which was the ISO 9001:2008 version. ISO 9001 is a standard that set outs the requirement for a quality management system. This certification provides customers with assurance that we adhere to quality standards and processes when we provide our supporting services.

The ISO 9001 standard is updated from time to time to ensure that quality management systems remain effective and efficient. The current version of the standard, ISO 9001:2015, was introduced in September 2015. It replaces the previous version, ISO 9001:2008, which will not be valid after September 2018.

While the focus of ISO 9001:2008 was primarily on customer satisfaction and continuous improvement, ISO 9001:2015 places more emphasis on risk based thinking, leadership engagement and supply chain management. Some benefits of ISO 9001:2015 compared to ISO 9001:2008 include:

- Greater emphasis on leadership engagement;
- Helps to address organisational risks and opportunities in a structured manner;
- Uses simplified language and a common structure and terms which are helpful for organisations using multiple management systems; and
- Addresses supply chain management more efficiently.

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(vii) We have recurring revenue to help sustain our business

We have contracts that provide us with recurrent revenue. An average of 48.71% of our revenue through our operations and maintenance services for the satellite (including uplink and downlink services), mobile and fibre optic segments for the Period Under Review is recurring in nature. This provides our business with some assurance of cashflow during the duration of such contracts. The contracts that we have on hand as at the LPD are summarised in the following table:

Type of Service	Network Medium	Number of Contracts	Contract Duration
Operations and Maintenance	Satellite network	4	1 to 2 years
	Mobile network	4*	1 to 2 years
	Fibre optic network	1	1 to 2 years
Uplink and Downlink Services	Satellite network	4	3 to 4 years

Note:

* One of the contracts for mobile network also includes operations and maintenance services for fibre optic networks.

These contracts are renewable subject to the level of performance and pricing, as well as resource capability.

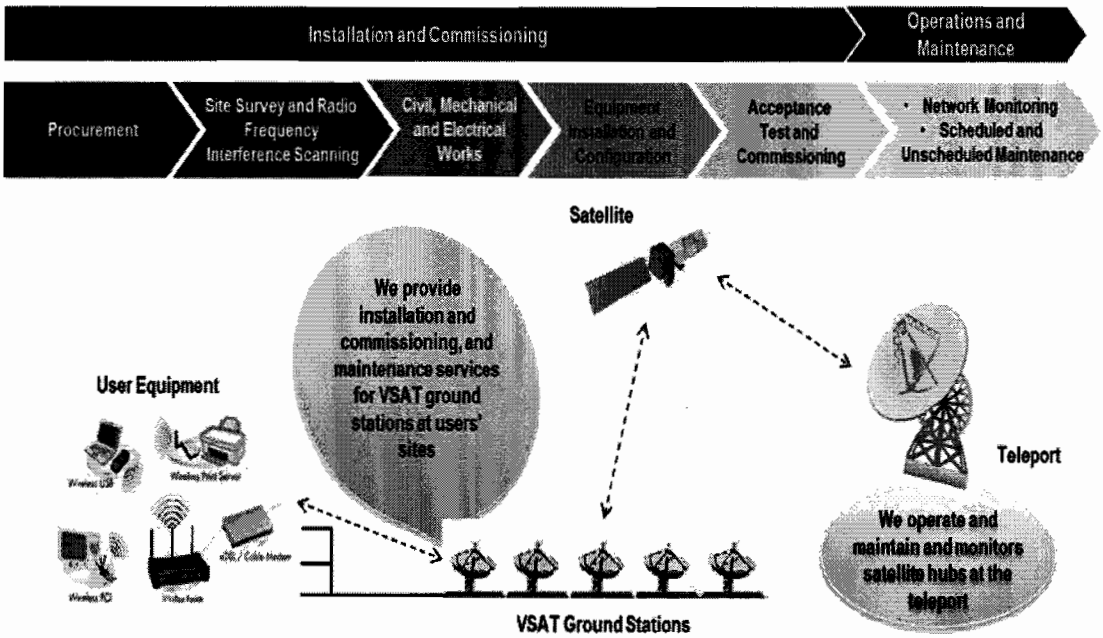
6.4 OUR SERVICES

6.4.1 Introduction

Our supporting services cater to the three major network mediums, namely satellite, mobile and fibre optic networks.

Satellite telecommunications network

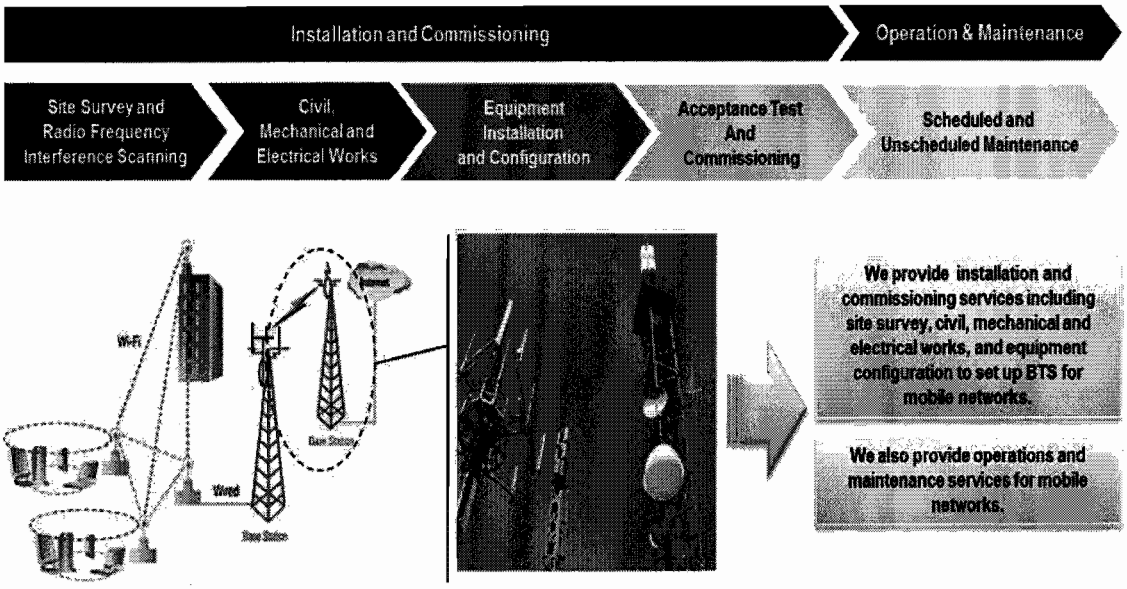
In a satellite network, the transmission and reception of signals occur between a satellite and two or more ground stations. The diagram below displays an overview of the services that we perform for satellite networks:



6. BUSINESS OVERVIEW *(Cont'd)*

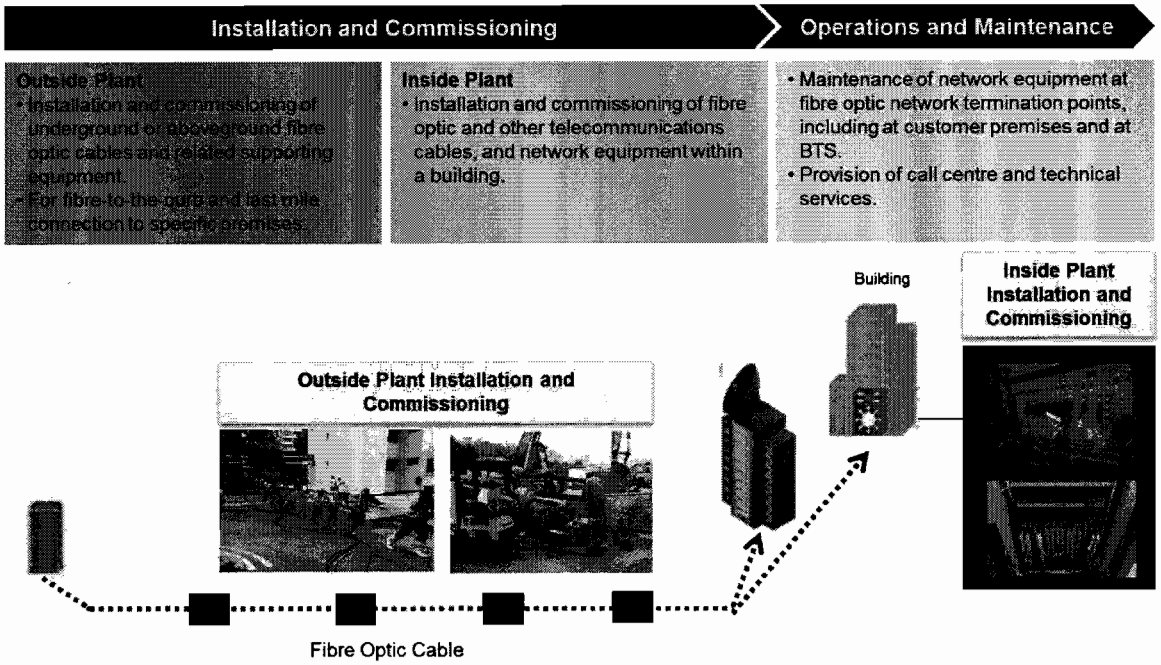
Mobile network

A mobile network transmits and receives data wirelessly from devices that are stationary or moving using RAN equipment. The diagram below displays an overview of the services that we perform for mobile networks:



Fibre optics telecommunications network

A fibre optics network is a form of fixed line terrestrial network that transmits and receives data through fibre optic strands in the form of light signals. The diagram below displays an overview of the services that we perform for fibre optics networks:



6. BUSINESS OVERVIEW *(Cont'd)*

6.4.2 Satellite telecommunications network supporting services

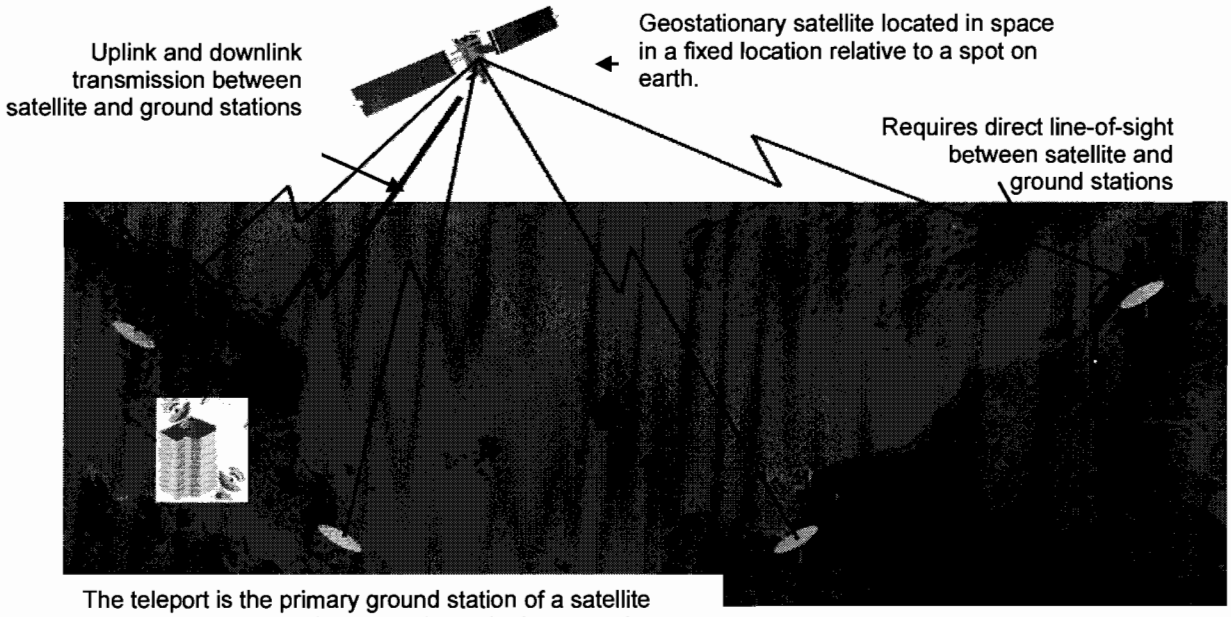
6.4.2.1 Overview

We are primarily a provider of satellite telecommunications network supporting services, as it accounted for 49.6% and 51.1% of our total revenue for FYE 2016 and FYE 2017, respectively.

A satellite network is a wireless network that uses one or more satellites located in space to relay telecommunications signals with an array of satellite dishes, referred to as ground stations, located on earth. Signals transmitted from a ground station to a satellite are known as uplink, while a downlink is signals transmitted from a satellite to a ground station.

Satellite networks transmit and receive signals in the super high frequency (SHF) band of the electromagnetic spectrum. Within the SHF band, frequencies are sub-divided into various bands such as the S-band, C-band, X-band and Ku-band. The two most common bands used in satellite communications are the C-band and the Ku-band. The C-band is preferred when transmitting signals to locations with unfavourable weather conditions as it is made up of a lower range of frequencies which are able to penetrate through clouds and transmit during rain storms. Disadvantages of working with the C-band are the need for large and expensive satellite dishes to capture the signal and possible interference from terrestrial networks, such as terrestrial microwave radio communications systems and weather radar systems, as they operate in the same frequency band. As frequencies of the Ku-band are slightly higher than the C-band they are more susceptible to disruptions by climactic conditions. An advantage of Ku-band networks is that they are able to operate with smaller and less expensive satellite dishes, hence allowing for cheaper and faster network deployment. Also, they do not experience interference from terrestrial signals as the use of this band is solely reserved for satellite communications.

An Illustration of a General Configuration of a Satellite Network



The teleport is the primary ground station of a satellite network that is the main connection point between the satellite and the Internet, or other terrestrial network.

Satellites are owned by governments, companies and other organisations. These satellites are launched into space using rockets, and used to provide telecommunications link on earth. Satellite owners or operators then lease transponders (the mechanism that transmits and receives signals) or bandwidth to users. For a ground station to communicate effectively with a satellite, it must fall within the footprint of the satellite, and have direct line-of sight.

We currently only undertake work relating to ground stations and hubs at a teleport, which as at the LPD communicates with MEASAT-3 satellite and on an ad hoc basis, Asiasat, Thaicom and Apstar satellites. MEASAT-3 is a satellite owned by MEASAT Satellite Systems Sdn Bhd. The footprint of MEASAT-3 satellite covers most of Asia and parts of Africa and Australia. Malaysia falls within the centre of the footprint of MEASAT-3 satellite, providing ground stations in Malaysia with strong signals with the satellite.

The satellite telecommunications supporting services that we provide are:
- Installation and commissioning of ground stations.
- Operations and maintenance of ground stations and hubs.
- Provision of uplink and downlink services.

In addition, we provide WAN and LAN services, which is categorised as part of our other satellite telecommunications supporting services.

6.4.2.2 Installation and commissioning

In FYE 2016 and FYE 2017, our satellite telecommunications network installation and commissioning supporting services contributed 24.9% and 25.7% respectively of our total revenue.

Our satellite telecommunications installation and commissioning business involves the setting up of VSAT ground stations at sites such as petrol stations, self-service banking machines, oil palm plantations, oil and gas platforms, and other remote locations. The users of this service are mainly Telcos and equipment suppliers, who engage us to carry out work at their customers' sites. We are also engaged by Telcos and equipment suppliers to install satellite hub and other related equipment at teleports.

The ground stations that we install and commission include VSAT satellite dishes, telecommunications equipment, and other equipment, for example, equipment used to supply and store power. We also construct the concrete platform for the VSAT satellite dish at sites, when required. The VSAT ground stations that we set up use the C-band or Ku-band to communicate with the satellite network.

Network equipment that we install and commission in a petrol station

VSAT satellite dish to receive and transmit signals

Telecommunications equipment for signal processing, routing and transmission

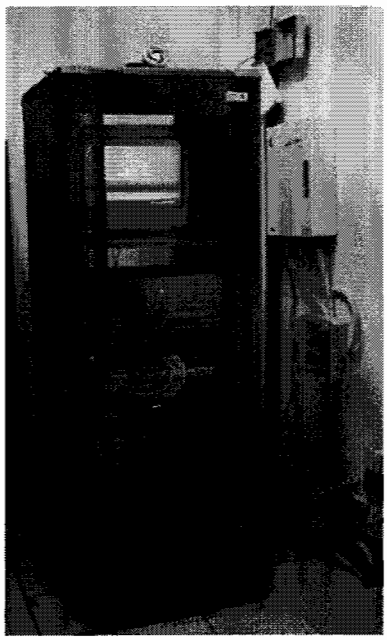
We also create networks for some of our clients. These networks are LAN that are in remote locations. The LAN may be for a single building, where it connects devices within an office, house or building, or it may be a network linking a small group of buildings that are relatively close together such as manufacturing plants and offices. As the LAN is in a remote location, it is linked to the internet through a VSAT ground station.

While we set up the VSAT ground station and all of the other network equipment, the bandwidth for uplink and downlink bandwidth between the VSAT ground station and the satellite is supplied by Telcos.

6. BUSINESS OVERVIEW *(Cont'd)*

Installation works at the site consists of civil, mechanical and electrical works (where required), and the installation of a VSAT satellite dish and other network equipment such as modems, routers, processors, storage devices and connecting cables. Other equipment would include connection to power supply and uninterruptable power supply devices. In some cases, we also install electric power generating equipment such as a generator set, solar panel and power storage devices. The VSAT ground station connects these sites to a network such as the Internet or an organisation's wide area network (WAN). They can also provide connection to the telephone network system.

Telecommunications equipment installed as part of a VSAT ground station



The tasks that we perform when installing and commissioning VSAT ground stations include:

- procurement of equipment and materials;
- site survey and radio frequency interference scanning;
- logistics including warehousing and transportation to site;
- civil, mechanical and electrical works, where required;
- satellite dish installation and alignment;
- installation of VSAT networking and relevant equipment;
- equipment configuration;
- connect equipment to LAN and WAN, where required;
- installation of electric power generating equipment, where required; and
- acceptance testing and commissioning.

In general, we perform all of the tasks listed above in most of our VSAT ground station installation and commissioning projects. We utilise a combination of both in-house resources and outsourced services (where required) to perform these tasks.

Procurement of equipment and materials involves purchasing the required equipment from suppliers approved by our client. Equipment is either procured by us, or supplied to us by our customers.

We will conduct a site survey to gather information on the site's condition such as site accessibility, soil condition, line-of-sight with the satellite, ease of maintenance, availability of infrastructure particularly electricity supply and terrestrial communications connectivity, and other parameters. Where required, we also perform radio frequency interference scan to determine if the site is affected by radio signals that could result in interference and adversely affect the connection between the VSAT ground station and satellite network.

Once the equipment is procured we provide logistics services for our clients. This includes warehousing services to store additional and spare parts, and transporting equipment to the site where the equipment is to be installed.

Our personnel transporting VSAT ground station equipment to a rural site

The satellite dish installation method used depends on the nature of and conditions at the site. The common satellite dish installation methods that we employ include:

- ground installation, where we carry out civil works to construct a concrete foundation at a suitable location on the site. The satellite dish is anchored to the foundation. Where required, the generator set is also anchored to the foundation;

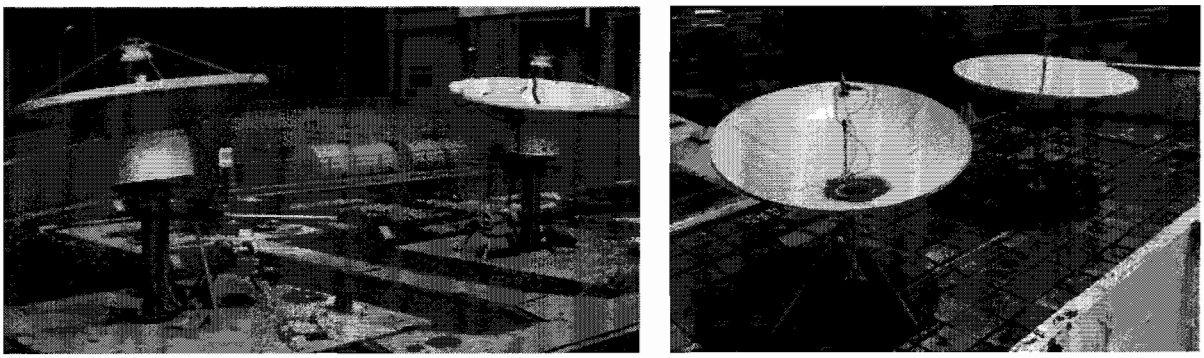
6. BUSINESS OVERVIEW *(Cont'd)*

- roof-top installation, where the satellite dish is anchored directly onto the roof of the building, or mounted on a pole or tripod that is anchored to the roof. We may build a permanent enclosure to house the modem, routers and related equipment; alternatively, these equipment may be installed within the building itself; and

- installation which involves installing the satellite dish onto an existing structure at or close to the site, such as a walls and offshore platforms, and vehicles such as cruise ships.

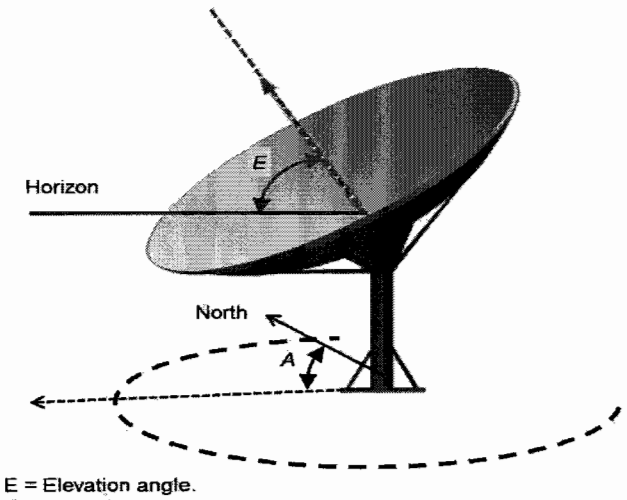
In our installation and commissioning services, ground installation is generally more common in rural and less developed areas where land for the foundation is more readily available. Roof-top and wall mounting dishes are generally more common in urban and other built-up areas, where land for the foundation is typically less likely to be available.

Examples of ground (left) and rooftop (right) satellite dish installation



Satellite dish alignment involves aligning the dish to establish line-of-sight between the satellite dish and the satellite. Based on the location of the site and satellite, the satellite dish's elevation and azimuth are calculated beforehand. Elevation describes the up-and-down positioning of the satellite dish, while azimuth is concerned with the right-and-left positioning of the dish. The satellite dish is aligned to the calculated elevation and azimuth, and the performance of the VSAT ground station is tested as part of the testing and commissioning stage. The elevation and azimuth of the satellite dish is adjusted until the specified level of performance is achieved, and thereafter the satellite dish is locked in place. We will also run an uplink test with the satellite network operator to test if the dish alignment is optimal. We install the satellite networking equipment that connects the VSAT ground station to the satellite network. This typically comprises a satellite modem, which works together with a router and connecting cables to create a LAN at the premises. In some cases, we also install related equipment such as routers for 3G mobile network.

An illustration of satellite dish elevation and azimuth



E = Elevation angle.
A = Azimuth angle.

In the equipment configuration phase, we will communicate with the satellite operator to test for clean line-of-sight connectivity and check if the signal is clear. Where required, we will re-adjust the dish alignment. Subsequently, we will plug in the modem for it to establish a connection and exchange signals with the hub. The hub will then allocate the appropriate bandwidth to the VSAT ground station based on the customer's network package.

Where required, we can also connect other equipment at the premises to the LAN, which will allow the end users of the network to utilise the satellite network to connect to other networks, such as the internet or the organisation's WAN. Examples of electronic equipment that we can connect in this manner include:

- point-of-sales (POS), store inventory and related systems;
- self-service banking machines;
- computers and printers;
- display monitors; and
- video cameras.

Where required, we install electric power generating equipment such as a generator set or solar power system and storage and backup batteries. This may be required at sites that do not have their own power supply, or where backup power supply is required.

We perform a final acceptance test on the VSAT ground station to ensure that it is fully functional and meets with customer's specifications. The test involves the following:

- verify that the VSAT ground station and all equipment connected to the LAN function properly;
- verify that the satellite dish has line-of-sight with the satellite, and that the specified data transfer rate or bandwidth is achieved;
- verify that the level of interference or noise between the VSAT ground station and satellite is within the acceptable level;
- undertake sending and receiving a set of signals to measure transmission time (the time taken to transmit a message) and propagation delay (the time taken for a message to travel from a transmitted to receiver) are within acceptable levels. At the same time test is also conducted on bit error rate and packet error ratio to check for, among others, interference and signal strength. Bit errors are defined as received bits that have been altered during transmission due to interference or distortion, and the bit error rate measures the percentage of received bits that contain errors over a specific period of time. Packet error ratio measures the number of data packets that contain at least one bit error, relative to the total number of packets received; and
- run uplink test with satellite operator.

Testing is completed when all the required parameters achieve the specified level of performance. Our team prepares a full technical report, and the VSAT ground station is commissioned and handed over to our customer.

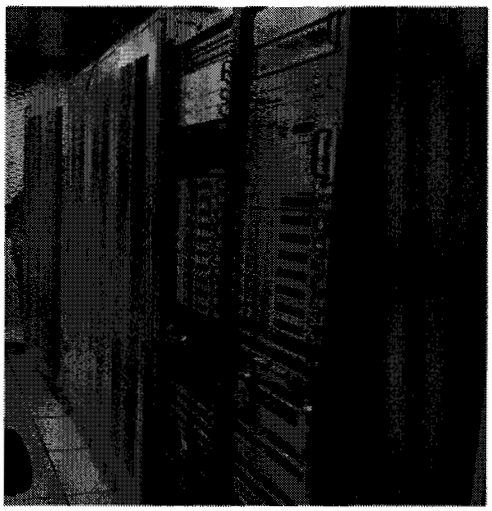
6.4.2.3 Operations and maintenance

In FYE 2016 and FYE 2017, our satellite telecommunications network operations and maintenance supporting services contributed 18.4% and 20.0% respectively of our total revenue.

Under this segment, we operate and maintain our customers' satellite telecommunications network and equipment at a teleport, and maintaining our customers' VSAT ground station equipment.

6. BUSINESS OVERVIEW *(Cont'd)*

We operate and maintain customer's hubs at a teleport



In our operations and maintenance services, we station a team of engineers and technicians at a teleport where they are responsible for operating and monitoring our customer's satellite hubs that are installed there. A teleport is the primary ground station of a satellite network that serves as the main connection point between the satellite and a terrestrial network, such as the internet or WAN. It often includes a network operations centre that operates and monitors the network. A teleport may house several hubs that connect various devices within a network.

In general, the hub acts as a central reception point of information transmitted from remote VSAT sites and redirects the information out to the appropriate locations. Additionally, network configuration can be changed at a satellite hub, which reduces the need for technical personnel to be deployed to each individual site to make the change. For instance, bandwidth allocations to specific VSAT sites can be controlled at the hub without the need for onsite modification. Engineers and technicians stationed at the hub are in charge of ensuring that the networks function at its optimum capacity at all times by performing tasks such as network traffic management, bandwidth allocation, software installation and updates, security management as well as threat analysis. Additionally, they are on standby to troubleshoot and resolve any unexpected incidents such as power failures, hardware malfunctions or any other networking issues which may potentially disrupt the network's performance as quickly as possible to minimise network service downtime.

Our engineers and technicians work in shifts to ensure that the teleport is fully staffed 24 hours a day, seven days a week. If a problem or equipment fault is detected at a site, the team will troubleshoot to identify the problem, and try to resolve them at the satellite hub. They will contact technical teams in the field to respond and attend to the site if the problem cannot be solved at the satellite hub, such as if faulty equipment has to be replaced or repaired. The engineers and technicians are also responsible for monitoring the physical condition of the satellite hub's equipment, such as monitoring its temperature.

Customers can contact our engineers and technicians by telephone 24 hours a day, seven days a week whenever they encounter any issues or have requests that require immediate attention. For example, a customer that needs additional bandwidth to perform a systems update on their equipment can do so by contacting our personnel and requesting for the appropriate assistance. In some cases, our customers may be unaware that their sites are experiencing network issues. As we are able to monitor the conditions of the entire network, our engineers and technicians can notify our clients of these developments directly and provide instructions on how to rectify these issues in order to prevent the problem from escalating, and keep our customer's network functioning at optimum capacity.

Our main responsibility in carrying out these operations and maintenance services at the teleport is to ensure that our customer's satellite network is running optimally at all times. This involves, among others, the following:

- ensure that the network is available at all times, and downtime is minimised to within quality of service parameters;
- minimise traffic congestion that may slow down one or more parts of the network;
- ensure that signals received are clear and errors are minimised to within acceptable limits;
- minimise delays between transmission and reception of signals, and that such delays are within tolerance limits;
- monitor and maintain network security to prevent unauthorised access and damage or theft of data;

- monitor equipment performance and to alert relevant personnel of equipment failure or impending failure;
- responding to equipment faults at the satellite hub;
- restoring connections when the network or part of the network is down;
- responding to customer enquiries and requests through telephone or email;
- support service teams when they install VSAT ground stations at new sites;
- manage network configuration, make changes in response to customer requests and to resolve problems;
- respond to client's requests for network changes, such as rolling out service packages, requests for additional bandwidth, and adding or removing sites from the network;
- undertake various systems administration tasks including maintaining proper data and systems back-ups, system logs, network performance statistics, error logs, traffic and routing information, and management and technical reporting; and
- manage our customer's inventory of spare parts.

Customers who engage us to install and commission VSAT ground stations generally engage us to maintain these systems. In addition, we are engaged by an equipment supplier to provide maintenance services for VSAT ground stations installed in Malaysia that are under their warranty programme.

We currently provide the following types of maintenance services for satellite telecommunications networks:
- scheduled maintenance;
- unscheduled maintenance; and
- warranty management.

Scheduled maintenance (also known as preventive maintenance) is carried out according to a predetermined schedule recommended by the equipment supplier. It is carried out to detect and address minor defects before they develop into more serious problems, thereby reducing the risk of service disruption due to equipment failure. Our technicians will visit the site, where they test and inspect installed equipment according to a checklist. Steps are taken to adjust the VSAT ground station if performance is not at the specified level. Any equipment that is found to be damaged or faulty is repaired or replaced.

Unscheduled maintenance (also known as corrective maintenance) is carried out to resolve service disruption at a VSAT ground station that occurs as a result of unplanned equipment failure or other issues. Our goal is to restore service to that site within a specified period of time upon receiving the report of a failure. We operate a call centre to support this service. Our call centre will first receive a call in the event of a service disruption, and will attempt to resolve the issue over the phone by troubleshooting to identify the problem, and provide instructions in an attempt to resolve the problem. If the issue cannot be resolved by our call centre, one of our service teams will be dispatched to the site. The team will take all necessary steps to restore service, which may involve repairing or replacing faulty equipment. At times, this may not be sufficient as the fault could be caused by faulty software installed on the equipment. In such situations we rely on the equipment suppliers' expertise to restore network services.

Under warranty management, we manage our customer's product warranty programme for their network equipment installed for one of their Telco customers in Malaysia. The product warranties involve the following:
- initial warranty period, which is for a specified period after new network equipment is purchased and installed; and
- extended warranty period, where the customer has the option of paying to extend the product warranty for a specific period of time.

Where we provide warranty management, we perform the following:
- inspect new network equipment upon receipt from the supplier;
- store and manage inventory of network equipment;
- attend to site in response to network equipment fault, and performing maintenance;

- replace faulty network equipment that cannot be repaired at the site, and transporting faulty network equipment from the site to the warehouse;
- repair faulty network equipment, where it is possible to do so; and
- manage logistics to transport network equipment to the equipment supplier's headquarters overseas for repair, and bringing the repaired network equipment back to Malaysia.

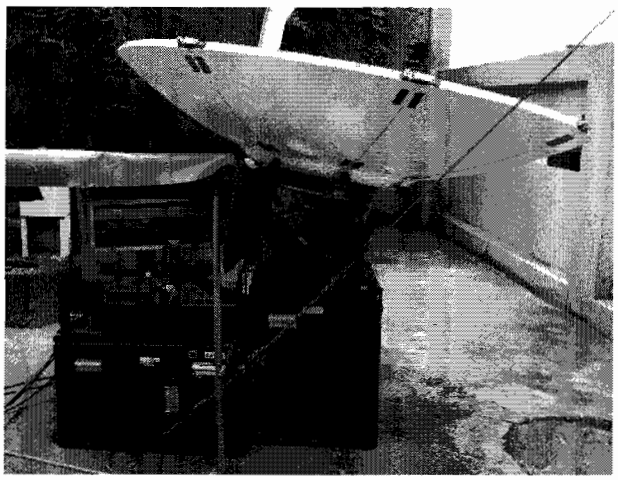
We also provide maintenance services for the LAN that we set up for our customers, including scheduled and unscheduled maintenance. We also provide technical support to assist our customers in resolving LAN issues.

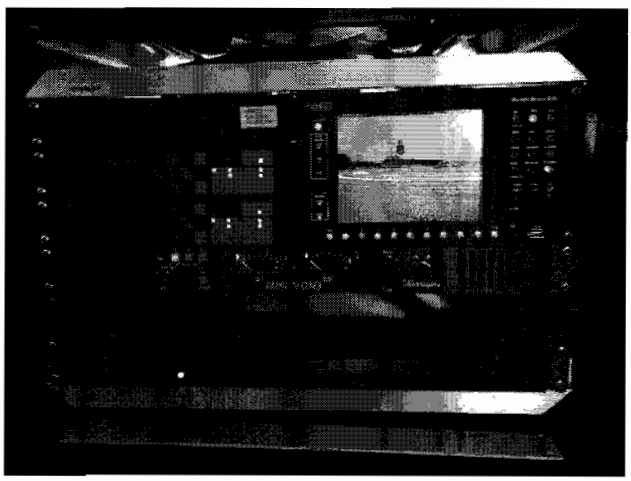
6.4.2.4 Uplink and downlink services

In FYE 2016 and FYE 2017, our satellite telecommunications uplink and downlink contributed 6.3% and 5.4% respectively of our total revenue. The satellite uplink and downlink services consist of live telecasts for turf club, sporting and other events; and on-location news broadcasts. Live telecasts for turf clubs contributed approximately 5.1% and 4.6% of our Group's total revenue for the FYE 2016 and FYE 2017, respectively.

Our satellite telecommunications uplink and downlink services involves setting up, operating and maintaining VSAT ground stations and related equipment to establish satellite uplink and downlink connections for data transmission. Uplink is the process of sending data from a ground station to the satellite. Downlink is the process of sending data from the satellite to one or more ground stations.

Our flyaway VSAT ground station dish (left) and network equipment (right)





We currently have a contract from EQ Sport Sdn Bhd and turf clubs to support the transmission of live horse racing event video coverage at turf clubs and off-course centres in Peninsular Malaysia. The locations covered as at the LPD are the Selangor Turf Club, Perak Turf Club, Penang Turf Club, Semambu Off-course Centre and other off-course centres.

The uplink services mainly involve setting up one of our flyaway VSAT ground station at a turf club and establishing the satellite uplink. A flyaway VSAT ground station uses a satellite dish that is easy to assemble and disassemble, and simple to transport from place to place. The satellite dish is not permanently fixed to the ground, building, pole and other structure, or to a vehicle. As at the LPD, we own and operate two flyaway VSAT ground stations that we use for the uplink service. We have two flyaway satellite systems, so that we always have a back-up in the event one flyaway satellite system is not functioning. This helps to ensure that we will have a system ready to deploy at all times.

We are responsible for maintaining the uplink service during the event, when it is used to transmit the live turf club event video coverage to a satellite, from which it is downlinked to other turf clubs and off-course centres in Malaysia, and to one or more teleports. The coverage may then be transmitted from the teleports to viewers in other countries. The video content is owned by our customers, and we are only involved in facilitating the uplink service.

6. BUSINESS OVERVIEW *(Cont'd)*

We also use our flyaway VSAT ground stations to provide uplink services to support the transmission of live coverage for other events, such as sporting and other events, and on-location news broadcasts.

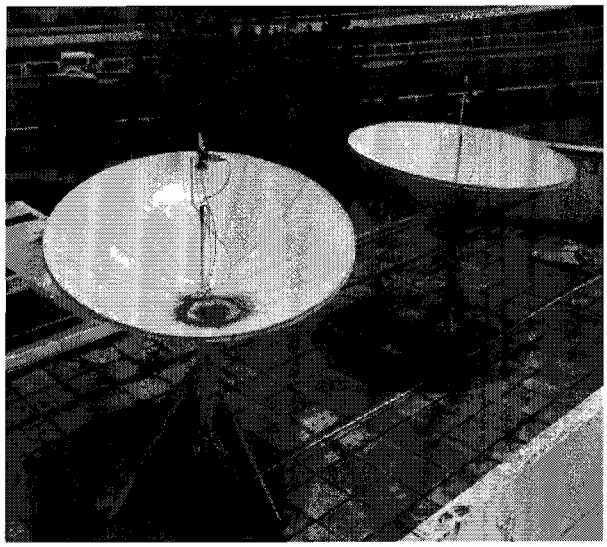
The downlink services mainly involve establishing and maintaining the satellite downlink at turf clubs and off-course centres in Malaysia.

We own and operate the VSAT ground stations that are used for downlink services at these locations. The main equipment that make up these VSAT ground stations are the satellite dish, satellite modem, router and connecting cables.

Our service is used to downlink live video coverage of events to turf clubs in Malaysia, and specified turf club events in other countries. The live video coverage is shown on television sets at the respective turf clubs and off-course centre as a closed circuit, and is not available to the general public outside of these premises. We do not own or have rights to the video content, and we are only involved in facilitating the downlink.

As at the LPD, our satellite downlink service is used to bring in live turf club event coverage from turf clubs in Malaysia and other countries, including Australia, England, Hong Kong, Japan, Macau, Singapore, South Africa and South Korea.

Our VSAT satellite dishes at our customer's premises



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6.4.3 Mobile network supporting services

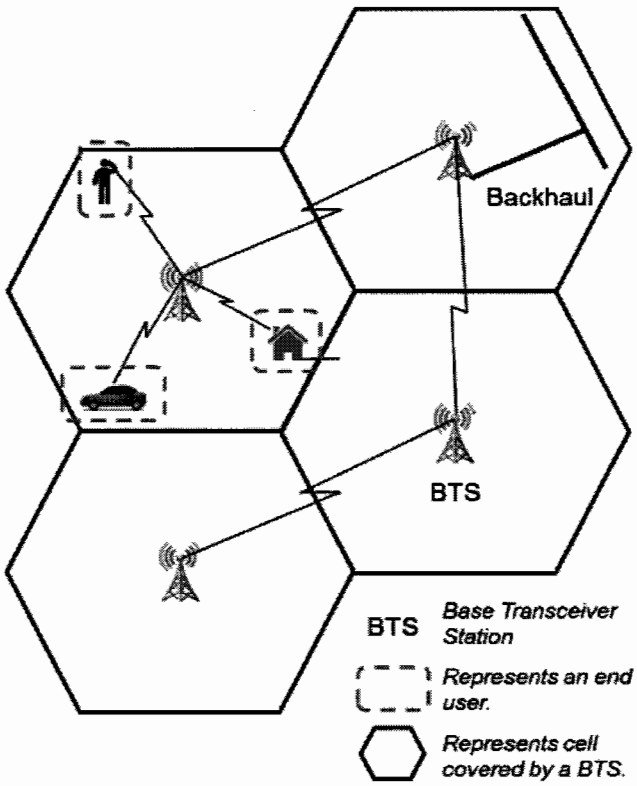
6.4.3.1 Overview

Our mobile network supporting services accounted for 31.6% and 28.9% of our total revenue for FYE 2016 and FYE 2017 respectively.

In a mobile network, data is transmitted wirelessly to and from user devices that is stationary or moving. User devices include, among others, mobile phones, tablets and desktop computers. Data transmissions occur using electromagnetic waves such as radio waves, microwaves and infrared. The cellular telephone network is an example of a mobile network. With this network, geographical areas are divided into cells that are served by one or more BTS which directly transmit and receive data from user devices within a cell.

The mobile network supporting services that we provide are:
- Installation and commissioning.
- Operations and maintenance.

Diagrammatic representation of a mobile network



6.4.3.2 Installation and commissioning

In FYE 2016 and FYE 2017, our mobile network installation and commissioning supporting services contributed 13.4% and 9.7% of our total revenue respectively.

Our mobile network installation and commissioning business mainly involves setting up BTS that are part of a mobile network. Our customers for this service are mainly Telcos, equipment suppliers, and network asset owners. We have carried out BTS installation and commissioning for 3G and LTE networks.

BTS installation and commissioning involves civil, mechanical and electrical works (where required); installing tower or rooftop poles (where required); RAN equipment, mobile network equipment, air conditioning, ventilation and related equipment installation; electric power generation equipment installation (where required); and backhaul connection. RAN equipment refers to the antenna used to transmit and receive signals in a mobile network.

The BTS installation and commissioning tasks that we carry out include the following:
- site survey and radio frequency interference scan (where required);
- site acquisition (where required), and communicate with authorities and relevant parties;
- logistics including warehousing and transportation to site;
- civil, mechanical and electrical works, (where required);
- installing RAN equipment;
- backhaul (microwave or fibre optic);
- installing other mobile network equipment, and air conditioning, ventilation and related equipment;
- installing electric power generating equipment (where required); and
- acceptance testing and commissioning.

6. BUSINESS OVERVIEW *(Cont'd)*

Our mobile network installation and commissioning projects typically consist of one or several of the tasks listed above, and generally does not involve the entire package. We utilise a combination of both in-house resources and, where required, outsourced services to perform all of these tasks.

We are not involved in specification and configuration for mobile network installation and commissioning projects, as this is carried out by the Telcos or their equipment supplier. While we do not procure network equipment, we purchase other materials and accessories used in setting up the BTS such as cables, brackets, labels and connectors.

BTS site location is determined by the Telcos. We conduct a site survey of the chosen location to determine its condition, such as accessibility, availability of electricity supply and other infrastructure, land area and soil condition (for ground installation), roof access, space available and condition (for rooftop installation), access to structures and their conditions (for special installation), and other parameters. During this phase, where required, we also perform a radio frequency interference scan to detect if there are radio signals in the area that may adversely interfere with network performance.

Once an appropriate location has been identified and agreed upon, we assist Telcos to acquire the site, where required. This involves communicating with the authorities and relevant parties to purchase or lease the selected site to set up the BTS.

Upon availability of the equipment, we perform logistics services for our clients. This includes warehousing services to store the equipment, and transportation services to bring the equipment to the BTS site.

The BTS RAN equipment refers to the antenna used to transmit and receive signals in a mobile network. RAN equipment are installed at a height above ground level to achieve the desired cell area coverage. To achieve this, RAN equipment installation may be on a ground-based tower, roof-top pole, or special installation on an existing structure. The installation method that is employed will mainly depend on the site:

- ground installations are more common in rural and less developed areas where there is land available for the foundation. Civil works are required only for ground installations. A concrete foundation is constructed, where a tower is erected for the installation of the RAN equipment;
- in a roof-top installation, we anchor a pole to the roof, and install the RAN equipment to the pole; and
- special installation involves installing RAN equipment on an existing structure such as a lamp post, billboard, flagpole or water tank.

Roof-top and special installations are more common in urban areas where land is less readily available, and where there are existing rooftops and structures where RAN equipment can be installed.

We install the mobile network equipment, and air conditioning, ventilation and related equipment in a permanent enclosure close to the RAN equipment. In a ground installation, the permanent enclosure and electric power generating equipment (if present) will usually be built on a concrete foundation. Permanent enclosures for roof-top and special installations are built close to the pole and RAN equipment.

Backhaul connection involves connecting the BTS to the rest of the mobile network. This may be achieved by one or more of the following methods, depending on the type and location of the BTS:

- through the terrestrial fibre optic or copper wire network. This is commonly used in areas where terrestrial network already exists, such as in urban areas;

- point-to-point connection with a nearby BTS. Each BTS is equipped with directional RAN equipment that are aligned with one another, and data is transmitted between them. A chain or cluster of BTS may be connected in this way, so long as one of the BTS has a backhaul connection to the terrestrial network, or a satellite network through a VSAT ground station. This method is used to connect BTS along stretches of highways that run between urban areas; and
- with a VSAT ground station. This may be used in areas where the network is not connected to the terrestrial fibre optic or copper wire network, such as islands, villages in the middle of forested areas, or other remote areas.

We perform an acceptance test on the BTS to ensure that it is functioning properly and meets the required specifications. The acceptance test includes the following:
- verify that the BTS achieves the required cell coverage, and that the required bandwidth is achieved within the cell;
- verify that all equipment is functioning properly;
- verify that backhaul connection is achieved, with the specified bandwidth to the wider network; and
- verify that the level of interference or noise within the cell is below the specified level.

Testing is completed when the specified level of performance is achieved for all the parameters. We then prepare a full technical report, and the BTS is commissioned and handed over to the Telcos, equipment suppliers or network asset owner.

6.4.3.3 Operations and maintenance

In FYE 2016 and FYE 2017, our mobile network operations and maintenance services contributed 18.0% and 18.9% respectively of our total revenue.

Our operations and maintenance services for mobile networks include maintaining our customer's equipment to facilitate uninterrupted service, and to restore service should a fault occur. Our customers for this service include the following:
- Telcos that outsource the maintenance of their BTS and related assets.
- Equipment suppliers, where we have secured contracts with them to provide maintenance for mobile network equipment installed in Malaysia.

The operations and maintenance services for mobile networks that we provide are:
- scheduled maintenance; and
- unscheduled maintenance.

Scheduled maintenance for mobile networks is carried out to reduce the risk of service disruption due to equipment failure. It is conducted on a predetermined schedule, usually recommended by the equipment supplier to identify and resolve minor defects before they can develop into more serious problems. Our technicians will visit the BTS site and test and inspect the installed equipment according to a checklist. Equipment that is found to be damaged or faulty is replaced or repaired, as required.

We carry out unscheduled maintenance whenever a BTS site experiences equipment failure or other issues that disrupt service. We are notified by our customers whenever such a disruption occurs, and one of our service teams is sent to the BTS site. The team will repair or replace equipment, and take any other necessary actions that are required to resolve the issue and restore service. The main objective is to return the BTS to service within a specified time period of receiving the failure report.

6.4.4 Fibre optic network supporting services

6.4.4.1 Overview

Our revenue from fibre optic network supporting services accounted for 18.8% and 20.0% of our total revenue for FYE 2016 and FYE 2017, respectively.

A fibre optic network is a type of fixed line terrestrial network where data is transmitted in the form of light signals through fibre optic strands. Each strand is individually coated so that light is confined within the hollow of the strand. The strands are grouped into bundles, and sheathed in flexible protective material. This forms the fibre optic cable.

A fibre optic network may be divided into two parts, namely "outside plant" and "inside plant", as follows:

- Outside plant refers to laying of fibre optic cables and installing supporting infrastructure (such as poles, conduits and housing for equipment) and equipment (such as repeaters, routers and power supply) between termination points or customer premises. Outside plant fibre optic cables are commonly buried underground.

- Inside plant refers to the laying of cables and installation of relevant telecommunications equipment inside the customer's premises.

We currently provide installation and commissioning services for fibre optic networks, for both outside plant and inside plant. We also provide operations and maintenance services for fibre optic network equipment and call centre services to support a Telco customer.

6.4.4.2 Installation and commissioning

In FYE 2016 and FYE 2017, our fibre optic network installation and commissioning services contributed 15.4% and 17.5% respectively of our total revenue.

We have secured contracts from various Telcos and network asset owners to carry out installation and commissioning services for outside plant and inside plant fibre optic networks.

Outside plant

Our outside plant fibre optic installation and commissioning services involve fibre-to-the-curb as well as last mile connection to specific premises. This mainly involves laying fibre optic cables both underground and above ground, and installing the relevant supporting equipment.

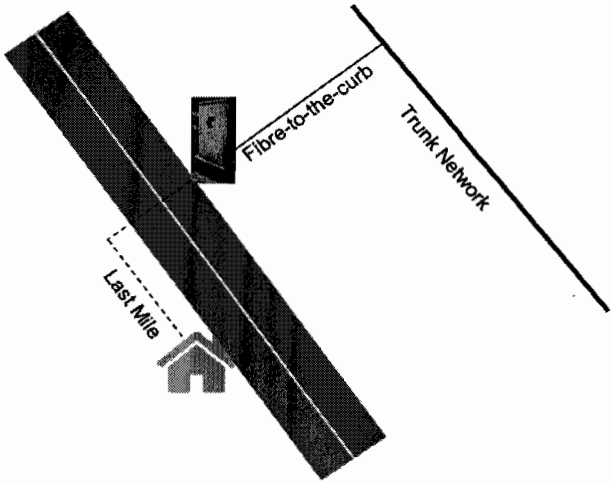
The network is designed by the customer, who specifies parameters such as the planned network route, the types of cables to be used, and spacing and location of supporting equipment. The customer is also normally responsible for procuring all of the required fibre optic cables and relevant telecommunications equipment.

We are responsible for the following tasks:
- conducting site surveys along the proposed route. The information gathered is used by our customer in designing the route;
- liaising with the local councils of the areas that the fibre optic network passes through to obtain the relevant approvals;
- civil works to install fibre optic cables underground and build manholes;
- civil works to install fibre optic cables above ground;
- fibre optic cable splicing;
- cable termination and connections;
- installing supporting equipment such as repeaters; and
- testing and commissioning, where we test that the installed fibre optic cables and equipment are functioning properly.

6. BUSINESS OVERVIEW *(Cont'd)*

Our outside plant installation and commissioning projects typically involve all of the tasks listed above. We use a combination of in-house and, where required, outsourced services. We use in-house resources for tasks such as cable termination and connections, installing network equipment, and testing and commissioning. We usually engage sub-contractors to carry out civil works for underground and above ground installation and fibre optic cable splicing.

Diagram illustrating various parts of a fibre optic network



The fibre optic cables installed underground may be in a conduit, duct liner (also known as inner duct) or directly buried. A conduit is a hollow plastic tube through which the fibre optic cable is pulled. Conduits allow installation by directional drilling, and also provide some protection to the fibre optic cable. Duct liners can be installed in conduits to physically separate fibre optic cables from one another. This allows for more than one fibre optic cable to be pulled through a single conduit. Direct burial involves installing the fibre optic cable without the use of a conduit or duct liners.

The type of installation method used generally depends on the conditions of the route and specific sites. Micro trenching and directional drilling is preferred in urban and other built-up environments, as they minimise impact to existing infrastructure such as roads and pedestrian walkways. Directional drilling can also be used to lay fibre optic cables under rivers and other landscape obstructions.

Examples of open trenching (left), directional drilling (right)

6. BUSINESS OVERVIEW *(Cont'd)*

Manholes are made from precast concrete modules that are installed at pre-determined locations. They provide access to fibre optic cables underground without having to excavate.

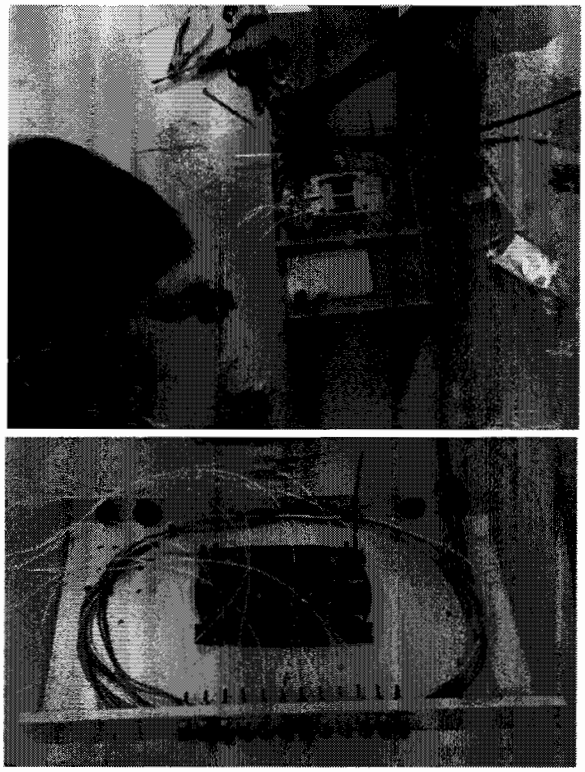
Installing fibre optic cables above ground generally involves hanging and securing fibre optic cables to utility poles.

Fibre optic cable splicing involves joining the end of one fibre optic strand with another. This is done when a single fibre optic cable is not long enough, or when two different types of cables need to be connected together. There are generally two splicing methods, namely mechanical splicing and fusion splicing:

- Mechanical splicing: A length of the protective material is removed from the end of each fibre optic cable to separate the individual strands. The strand ends are aligned and held together by a mechanical device, which also protects the strand. This method of splicing is not permanent as the device is removable.

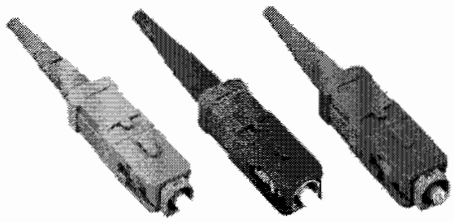
- Fusion splicing: The individual strands are separated by removing a length of protective material from the end of each fibre optic cable. The strands are aligned and heat is applied to melt the two ends. The ends fuse together permanently as the strands cool and solidify. The splice is protected by using heat shrink tubing, gel or mechanical crimp protectors.

Our technicians carrying out fibre optic splicing (top), and fibre optic cables in a splice tray (bottom)



Spliced strands may be colour-coded and labelled for future identification, and organised in a splice tray. The splice tray also provides some protection to the spliced cables.

Fibre optic connectors are attached to the end of the fibre optic cable inside the building. The fibre optic connector allows the fibre optic cable to connect with and transmit data to network equipment. The connectors and cables may be colour-coded and labelled to allow for identification.



The termination point is usually at the building's main distribution frame (MDF), where the outside plant fibre optic cables are connected to the building's network equipment, such as routers and switches. Where required, we will install network equipment and integrate them with the building's existing equipment.

Testing and commissioning is performed after all the cables and network equipment are installed to ensure that they are functioning properly.

Inside plant

Inside plant installation and commissioning involves laying fibre optic and other cables within a building. The customer typically designs the network architecture and determines the types of fibre optic and other telecommunications cables and network equipment used. We are responsible for carrying out the physical installation work, which includes deciding on the appropriate cable routing plans, laying and securing cables, perform cable management services, communicate with the buildings management as well as the installation and integration of network equipment. Fibre optic cables may be hung on hangers, laid in cable trays, or pulled into conduits (with or without duct liners). The network is tested to verify that it is functioning properly. We normally use our in-house resources to carry out the tasks related to providing inside plant installation and commissioning services.

MDF room of a building where we performed inside plant installation and commissioning services

Network equipment that we installed for our customer

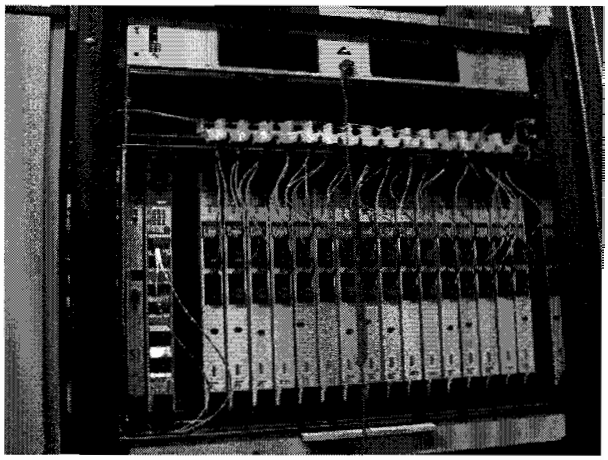
6.4.4.3 Operations and Maintenance

Our fibre optic network operations and maintenance services accounted for 3.4% and 2.5% of our total revenue for the FYE 2016 and FYE 2017 respectively.

These services involve maintaining network equipment at fibre optic network termination points, including those that terminate at customer premises and at BTS. The equipment that we maintain include optical line terminals, which carries out conversion between light signals carried by the fibre optic cables, and electrical signals carried by other network equipment.

We provide both scheduled and unscheduled maintenance for these fibre optic networks.

An example of an optical line terminal



Scheduled maintenance is carried at predetermined intervals to ensure that the equipment is functioning properly, and to detect and resolve minor defects before they can escalate into more serious problems. Our technical personnel will visit the termination point, and test and inspect the installed equipment in accordance with the relevant checklist. Damaged or faulty equipment is repaired or replaced, as required.

Unscheduled maintenance is carried out whenever the termination equipment experiences equipment failure or other service disruption. We are notified when these events occur, and will despatch a service team to the affected location. The team repairs or replaces faulty equipment, and work to restore service within the specified time period.

In addition, as at the LPD, we have a contract to provide call centre and technical services to support our customer's worldwide International Gateway operations. The call centre is located at our head office in Taman Industri Bukit Permai, Cheras, Kuala Lumpur. It is staffed by our employees 24 hours a day, seven days a week.

6.5 OPERATIONAL PROCESSES AND FACILITIES

6.5.1 Production output, capacity and utilisation

As we are mainly involved in the provision of services, the measurement of production output, capacity and utilisation rates are generally not applicable to our business operations.

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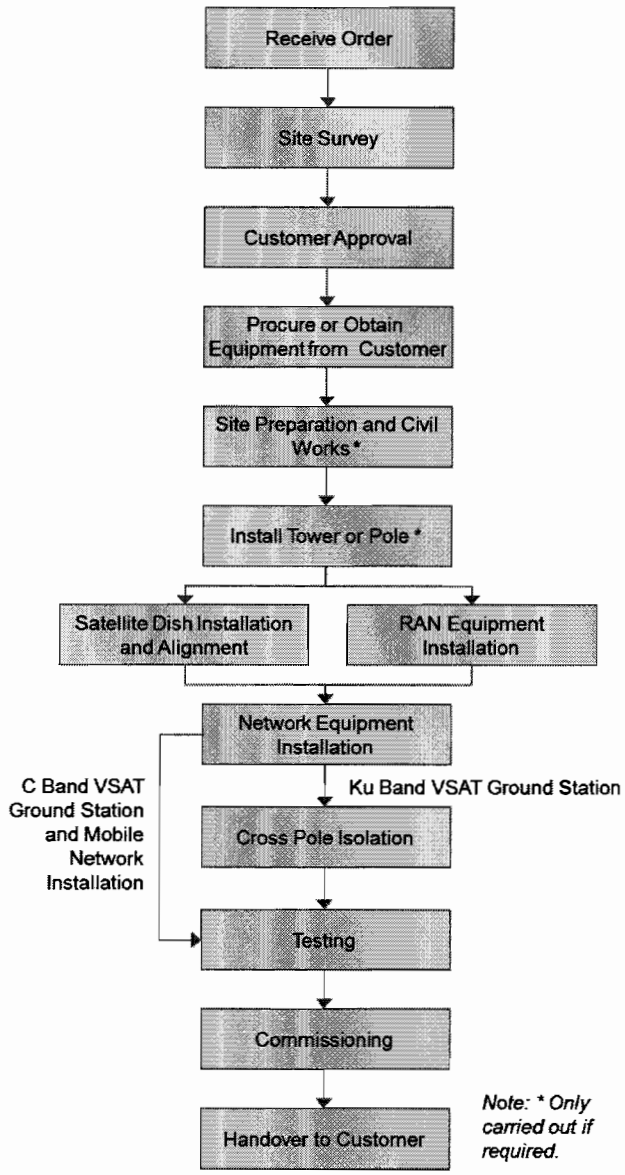
6. BUSINESS OVERVIEW *(Cont'd)*

6.5.2 Process flow

6.5.2.1 Installation and commissioning

(i) General process flow for satellite and mobile networks installation and commissioning services

The general process flow for installation and commissioning services for satellite and mobile networks is depicted in the following diagram:



An installation and commissioning project is initiated when we receive an order from our customer. The order outlines the overall scope of work, including the location of the site and the types of equipment to be installed. We will set up a project team to focus on fulfilling the customer's order.

6. BUSINESS OVERVIEW *(Cont'd)*

The first step generally involves a site survey, where our team is sent to inspect the site to ascertain if it is suitable. Site surveys for ground installations generally involve plot measurement, soil investigation and determining if there is existing electric power supply and fixed line network infrastructure. Site surveys for rooftop and special structure installations generally involve determining if there is sufficient space at the rooftop or ground near the structure to install the enclosure, and determining if there are existing electric power supply and fixed line network infrastructure.

The results of the site survey are summarised in a site survey report that we send to our customer. In some cases, our customers may raise concerns regarding the site, in which case we will work with the customer to resolve them. Our customer will provide us with their approval when they are satisfied with the site.

Where required we will procure the necessary network equipment, materials and accessories based on our customer's order. In other cases our customer will supply us with the necessary network equipment, materials and accessories.

Where required, we will carry out site preparation and civil works to prepare the site for network equipment installation. This may be necessary for ground installations at greenfield sites, which are sites that do not contain existing network equipment installed. Site preparation and civil works may involve land clearing, levelling, and construction of a concrete foundation for the VSAT satellite dish, mobile network tower and RAN equipment, or network equipment enclosure. In some cases, the concrete foundation is also prepared for the generator set. Site preparation and civil works may not be required for sites that have existing network equipment installed, if they are suitable for the project.

Telecommunications towers or poles may be required for some installations. We will manage their installation at the site if they are required.

The next step is the installation of the satellite dish, or RAN equipment for mobile networks.

- A satellite dish is normally anchored to the concrete foundation on the ground, or on to the rooftop of a building. Once it is installed, the satellite dish is aligned to establish line of sight with the satellite. Based on the location of the site and satellite, elevation and azimuth are calculated beforehand. Elevation describes the up-and-down positioning of the satellite dish, while azimuth concems the right-and-left positioning of the dish. The satellite dish is aligned to the calculated elevation and azimuth. Based on the test results, the alignment may be adjusted to achieve the required level of performance.

- RAN equipment are installed on telecommunications towers, rooftop poles or existing structures.

The required satellite and mobile network equipment, power supply and backup batteries (where required) are installed in an enclosure at the site.

Cross pole isolation (CPI) is carried out for Ku-band VSAT ground station installation and commissioning, where the diameter of the satellite dish installed is greater than 1.8 meters. This is done to ensure that the signal between the Ku-band VSAT ground station and the communications satellite meets the necessary requirements. We do not need to perform CPI when installing C-band VSAT ground stations, and mobile network equipment.

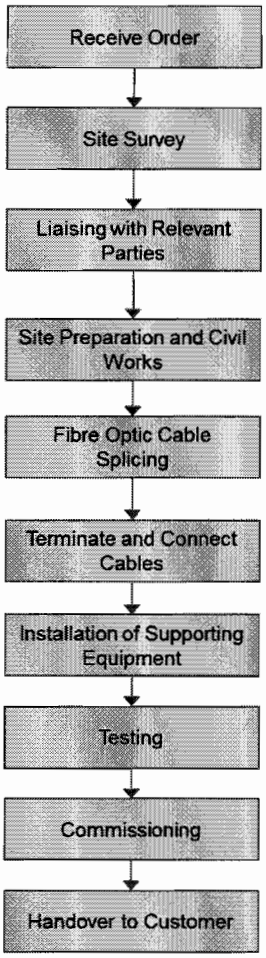
Testing of the equipment is carried out once the satellite dish, RAN equipment and network equipment are installed. This is to ensure that all of the equipment have been properly installed, and the required level of network performance in terms of bandwidth, area coverage and other parameters are achieved. Based on the results of testing, modifications may be made to achieve the required performance level. A full technical report is prepared once the testing phase is completed.

6. BUSINESS OVERVIEW *(Cont'd)*

The site is commissioned after it has passed testing, and it is then handed over to the customer.

(ii) Process flow for outside plant fibre optic network installation and commissioning

Our general process flow for outside plant fibre optic network installation and commissioning is summarised in the following diagram:



An installation and commissioning project is initiated when we receive an order from our customer. The order outlines the overall scope of work, including the planned network route and the types of equipment to be installed. We will set up a project team to focus on fulfilling the customers' order.

The first step generally involves a site survey, where our team is sent to inspect the planned network route to ascertain if it is suitable. The site survey involves soil investigation and determining if there are existing electric power supply, fixed line network or other infrastructures located along the planned network route. The results of the site survey are summarised in a site survey report that we send to our customer. The information gathered is used by our customers in designing the network route.

The fibre optic cables and all other relevant telecommunications equipment are normally procured by our customer. The necessary approvals required to perform the installation and commissioning of the fibre optic network are obtained by us. This includes approvals from local authorities, site owners, structure owners and other relevant parties of which the fibre optic network passes through.

6. BUSINESS OVERVIEW *(Cont'd)*

We will then carry out site preparation and civil works to prepare the site for network equipment installation depending on the type of installation requested by the client. Site preparation and civil works for underground fibre optic cable installations may involve open trenching, micro trenching and directional drilling while above ground fibre optic cable installations may involve hanging and securing fibre optic cables to utility poles.

- Generally, open trenching involves the excavation of an open trench of the required width and depth. The fibre optic cable or conduit is placed at the bottom of the trench, and the trench is re-filled to bury the fibre optic cable or conduit. If the open trench were cut into a road, it is replaced by first compacting the soil and then laying a layer of pavement on top of it.

- Micro trenching on the other hand is where a micro trenching machine is used to cut a narrow and shallow channel through the ground or road. The fibre optic cable or conduit is installed at the bottom of the channel, and re-filled to bury the fibre optic cable or conduit. The pavement is replaced if the channel is cut into a road.

- Directional drilling is where an operator above ground steers a drilling mechanism to direct its depth and direction. A conduit is laid underground through the hole that is drilled, and the fibre optic cable is pulled through the conduit (with or without duct liner).

When fibre optic cables are not long enough, we perform fibre optic cable splicing which involves joining the ends of one fibre optic strand with another fibre optic cable. Termination and connection of fibre optic cables are carried out at a building's main distribution frame (MDF). The MDF is where the outside plant fibre optic cables are connected to the building's network equipment such as routers and switches.

Where required, we will install network equipment and integrate them with the building's existing equipment. The site is commissioned after it has passed testing, after which it is handed over to the customer.

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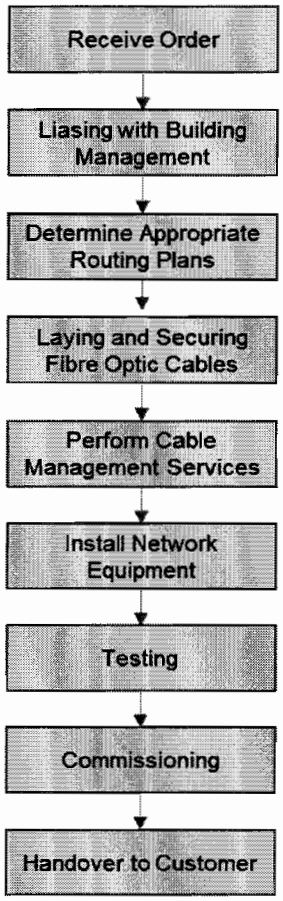
6. BUSINESS OVERVIEW *(Cont'd)*

(iii) Process flow for inside plant fibre optic network installation and commissioning services

Our general process flow for inside plant fibre optic network installation and commissioning is summarised in the following diagram:



An installation and commissioning project is initiated when we receive an order from our customer. The order outlines the overall scope of work, including the location of the site and the types of equipment to be installed. We will set up a project team to focus on fulfilling the customers' order.

The first step generally involves liaising with building management to obtain the necessary approvals required to perform the installation and commissioning of the fibre optic network. Next, we will survey the building's overall structure and determine the appropriate cable routing plans.

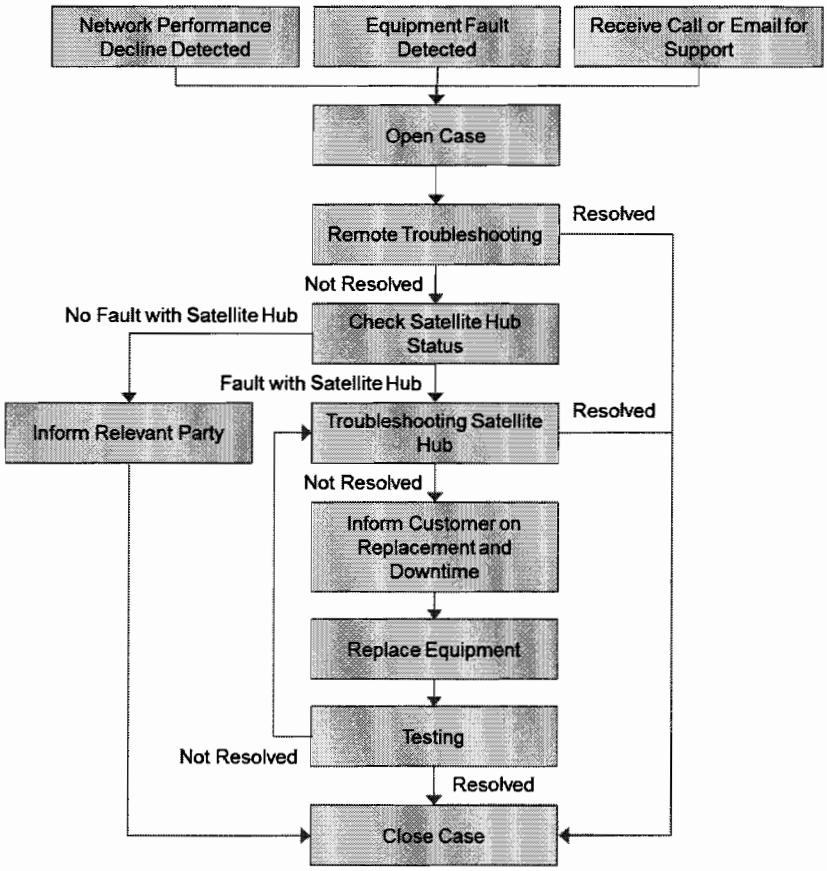
The overall network architecture however is typically designed by the customer. Additionally, the types of fibre optic and other telecommunications cables and network equipment used will usually be determined by the customer.

The next step of the installation of inside plant fibre optic networks is the laying and securing of cables where cables may be hung on hangers on the wall, laid in cable trays hanging from the ceiling, laid above the ceiling or on the floor, or pulled into conduits to run along walls and floors. As part of our service, we perform cable management services which comprises colour-coding, labelling and systematically organising the cables to ease future identification. Where required, we will install network equipment and integrate them with the building's existing equipment. The site is commissioned after it has passed testing, and it is then handed over to the customer.

6.5.2.2 Operations and maintenance

(i) Process flow for satellite hub operations and maintenance

Our general process flow for satellite hub operations and maintenance is summarised in the following diagram:



A case is opened when our technicians at the customer's teleport detect a problem with the network's performance or a fault with the equipment, or we receive a call or email for support.

The technicians will carry out remote troubleshooting to try to correct the fault, which involves checking and changing network configuration and other settings through the network monitoring station. The equipment may be reset and restarted as part of the remote troubleshooting process. If the problem is resolved by remote troubleshooting, the case is closed.

If remote troubleshooting does not resolve the problem, our technicians will physically access the satellite hub equipment to check on its status. If they find that the fault is not due to the satellite hub equipment, they will identify the source of the fault and notify the relevant party. For example, if the fault is caused by other electronic equipment connected to the network equipment such as in self-service banking machines, our technicians will inform the party responsible for maintaining the faulty electronic equipment in the self-service banking machines. They will then close the case.

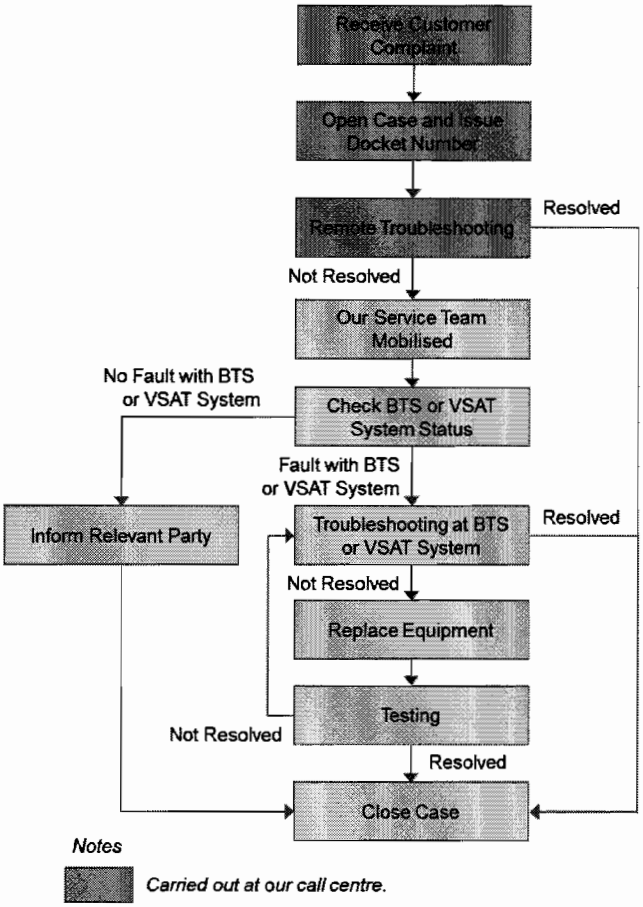
If the problem is found to be due to the satellite hub equipment, our technicians will carry out troubleshooting, which generally involves physically accessing and checking the satellite hub equipment. Equipment settings and configurations are checked and changed as required, and the equipment may also be reset and restarted. The case is closed if the problem is resolved.

6. BUSINESS OVERVIEW *(Cont'd)*

If the problem is not resolved, the faulty satellite hub equipment is identified. Our customer is informed about the need to replace the equipment, and an estimate of the expected downtime is provided. The equipment is then replaced and tested. If the problem is resolved, the case is closed. If the problem is not resolved, our technicians will continue to troubleshoot, and if required, replace the equipment and work with the equipment supplier, until the problem is resolved. The case can then be closed.

(ii) General process flow for unscheduled satellite and mobile network equipment operations and maintenance

Our general process flow for unscheduled maintenance of satellite and mobile network equipment that are installed at a customer's sites is summarised in the following diagram:



BTS = Base terminal station (for mobile networks)
VSAT = Very small aperture terminal. (for satellite networks)

A case is opened when our call centre personnel receive a customer complaint about network performance, as part of the operations service. A docket number is issued to facilitate case tracking.

The technicians at the teleport or NOC will carry out remote troubleshooting to try to rectify the fault. This usually involves checking and changing network configuration and other settings through the teleport or NOC, and in some cases resetting and restarting equipment. The case is closed if the remote troubleshooting succeeds in resolving the problem.

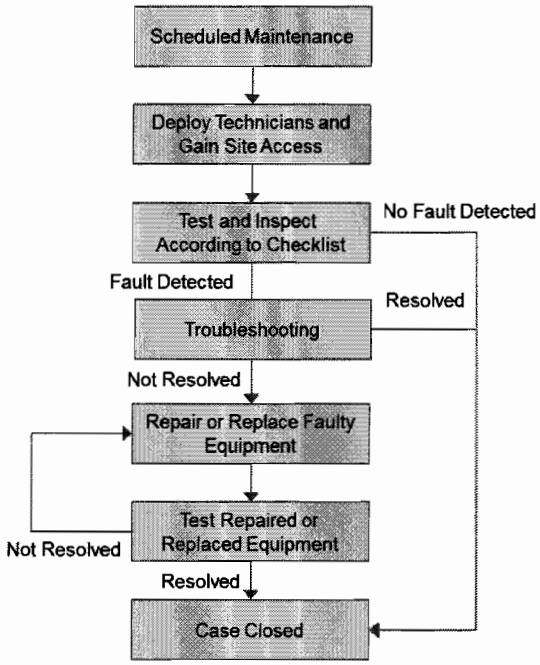
If remote troubleshooting fails to rectify the fault, we will be involved in providing maintenance services for the satellite and mobile network equipment installed at our customer's site. We will mobilise one of our service teams to physically attend to the site. They will bring with them the necessary tools to perform the job, as well as equipment that may need to be replaced, based on the nature of the fault.

Once they reach the BTS or VSAT system, our technicians will check the status of the equipment installed there. If they determine that the fault is not due to the equipment installed there, they will identify the source of the fault and notify the relevant party. They will then close the case. If the problem is found to be due to a fault in the equipment installed at the BTS or VSAT system, our technicians will carry out troubleshooting, which generally involves checking if all of the equipment are functioning properly. Equipment settings and configurations are checked, and the equipment may also be reset and restarted. Where necessary, satellite dish alignment is also checked. The case is closed if the problem is resolved.

If the problem is not resolved, the faulty equipment is identified and replaced. The BTS or VSAT system is then tested. If the problem is resolved, the case is closed. If the problem is not resolved, our technicians will continue to troubleshoot and, if required, replace equipment until the fault is resolved. The case can then be closed.

(iii) General process flow for scheduled satellite and mobile network equipment operations and maintenance

Our general process flow for scheduled maintenance of satellite and mobile network equipment that are installed at a customer's sites is summarised in the following diagram:



Scheduled maintenance is carried based on a schedule recommended by the equipment supplier. When network equipment at a site is due for maintenance, we will deploy a team of technicians and gain access to the site.

Our technicians will test and inspect the network equipment according to a specific checklist. If no faults are detected and the network equipment is found to be functioning properly, the case is closed. The technicians will prepare a report, secure the site and complete the scheduled maintenance.

If our technicians detect a fault, the team will troubleshoot to attempt to rectify the fault, which involves checking the network equipment's connections, checking and changing network configuration and other settings with support from our call centre. The network equipment may be reset and restarted as part of the troubleshooting process. If the problem is resolved by troubleshooting, the case is closed.

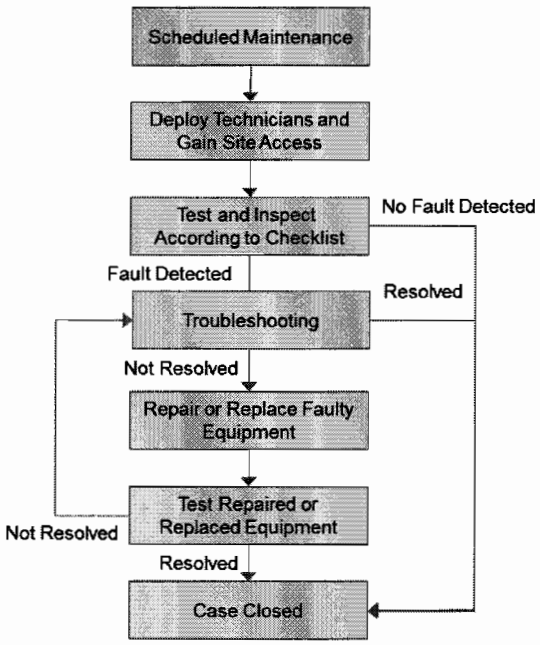
If the troubleshooting does not solve the problem, the technicians will carry out repairs on the faulty equipment. The network equipment is then tested again. The case is closed if the problem is resolved.

If the problem is not resolved, our technicians will continue to troubleshoot and, if required, replace equipment until the fault is resolved. The case can then be closed.

(iv) Process flow for scheduled fibre optic network equipment operations and maintenance

We perform both scheduled and unscheduled network equipment maintenance for fibre optics telecommunication networks. Scheduled maintenance is carried out at predetermined intervals to ensure that the equipment is functioning properly, and to detect and resolve minor defects before they can escalate into more serious problems. Unscheduled maintenance on the other hand is carried out whenever the equipment experiences equipment failure or other service disruptions.

The process flow for scheduled fibre optic network equipment maintenance is as follows:



We will deploy a team of technicians and gain access to the site when network equipment is due for maintenance. The maintenance schedule is usually formed based on the recommendations of the equipment supplier. The team will bring along all the necessary tools and equipment that they require to perform the job.

Our technicians will test and inspect the installed equipment according to a relevant checklist. If no faults are detected and the network equipment is found to be functioning properly, the case is closed. The technicians will complete the scheduled maintenance, prepare a report and secure the site.

If a fault is detected, our technicians will first attempt to rectify the fault by troubleshooting which involves tasks such as checking the network equipment's connections, checking and changing network configuration and other settings or resetting the equipment with support from our call centre. If the problem is resolved by troubleshooting, the case is closed.

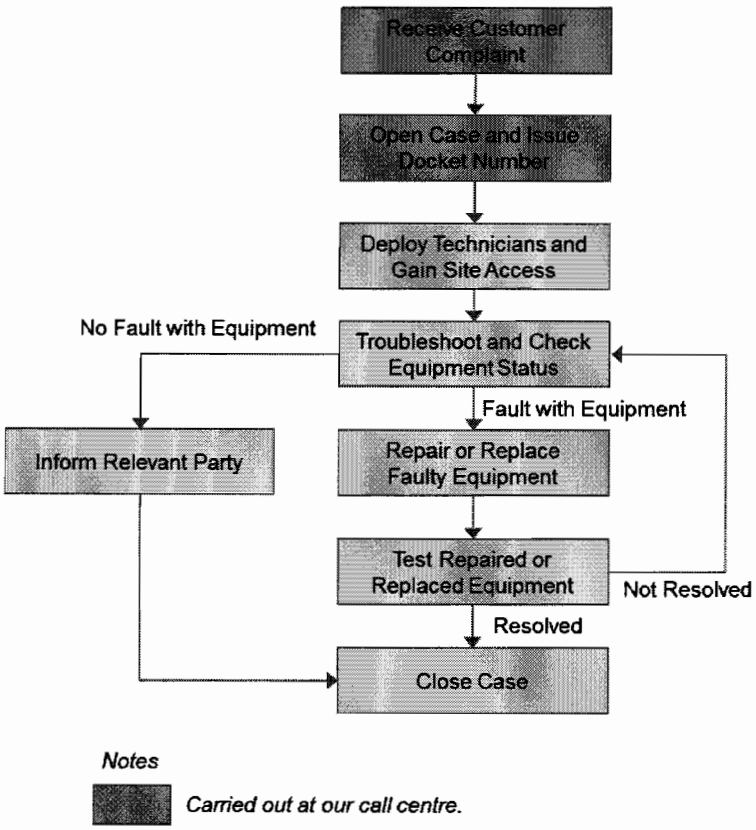
If the problem persists after troubleshooting, the technicians will attempt to repair the faulty network equipment at the site and test if the network equipment is functional. The case is closed if the problem is resolved.

6. BUSINESS OVERVIEW *(Cont'd)*

If the problem continues to be unresolved after the technicians have attempted to repair the equipment, they will continue to troubleshoot and if required, replace the equipment and work with the equipment supplier until the problem is resolved. The case can then be closed.

(v) Process flow for unscheduled fibre optic network equipment operations and maintenance

The process flow for unscheduled fibre optic network equipment maintenance is as follows:



A case is opened when our call centre personnel receives a customer complaint about network performance, as part of the operations service. A docket number is issued to facilitate case tracking.

We will dispatch our technicians to the appropriate site and gain access to the area where the network equipment is installed. The team will bring along all the necessary tools and equipment that they require to perform the job. Firstly, the team will troubleshoot the cause of the equipment failure or other service disruption. Should the fault be caused by issues unrelated to the equipment installed there, they will notify the relevant party. The case will then be closed.

If the fault is caused by the equipment, our technicians will attempt to repair the faulty equipment and tests are performed to ensure that the network is operational. The case is closed if the fault has been resolved.

If repairing the equipment does not resolve the issue, our technicians will continue to troubleshoot and if required, replace the equipment and work with the equipment supplier until the problem is resolved. The case can then be closed.

6.6 RESEARCH AND DEVELOPMENT, AND TECHNOLOGIES

As we are mainly involved in providing supporting services for satellite, mobile and fibre optic telecommunications networks, we do not carry out any specific research and development (R&D) activities. The technologies we use are the telecommunication products supplied by the technology providers. The extent of our R&D activities involves research into new telecommunication network technologies available in the market to constantly update our knowledge base and capabilities in deploying them for our customers.

6.7 QUALITY ASSURANCE

We place significant emphasis on service quality and adhere to stringent quality standards. We have received the following certification that provides assurance to our customers that our quality assurance system complies with the stipulated standards:

Company	Standard	Scope	Issuing Party	Validity Period
Binasat	ISO 9001: 2015	Provision of satellite and other telecommunications engineering services (installation, testing and commissioning).	National Quality Assurance (NQA)	31 July 2017 to 31 July 2020

We have on 31 July 2017, received the ISO 9001:2015 quality management system certification for the "provision of satellite and other telecommunications engineering services (installation, testing and commissioning)". The ISO 9001:2015 certification replaces our earlier certification, which was the ISO 9001:2008 version.

We have safety procedures in place as part of our quality assurance, to ensure that we comply with our customer's safety requirements at all times. We have a safety officer who is responsible for formulating our safety procedures and manuals, and ensuring on the job safety compliance. Our technical personnel use the appropriate personal protective equipment where required, such as hardhats and body harnesses when working above ground. They also use equipment such as a skylift to access RAN equipment and other network equipment that are installed above ground.

We are also subject to independent quality audits by some of our customers, including Telcos and equipment suppliers. These customers will periodically conduct audits and checks into our operations, including our warehousing and logistics functions, to assess the functionality and effectiveness of our systems. These audits and checks also help us to identify areas where we can improve.

In addition, our customers require that all work performed for their satellite, mobile and fibre optic networks are cross-checked and documented against the appropriate checklists and standard operating procedures. These documents are submitted to the customer for their verification before they issue the final confirmation of work performed. Our customers will also independently inspect the work that we have performed from time to time to verify the work that we have carried out for them.

6.8 MARKETING STRATEGIES

We are positioned as a provider of supporting services for satellite, mobile and fibre optic networks. We employ the following marketing strategies to sustain and expand our business:

- We undertake joint marketing and business development with equipment suppliers, to approach Telcos and other potential customers to secure business. This enables us to bundle our services to provide a combined telecommunications supporting services and equipment supply package. We are also able to obtain sales lead by working with equipment suppliers; and

- We attend exhibitions, conferences and other events with the view to try to secure new customers, and to foster relationship with existing customers and business partners. This is because many operators in the telecommunications industry would attend such events and thus we are able to market our services and develop business relationships with participants of such events.

Our marketing strategy is based on highlighting our competitive advantages and key strengths, to help us retain our existing customers and secure new ones. We focus on our network of technical personnel and our ability to quickly deploy service teams to prevent and rectify network failures across Malaysia. We have the technical knowledge, resources, skill and experience to provide supporting services across different network mediums. We also work closely with our existing customers to meet their needs and requirements, and deliver quality and timely services. We are committed to meeting our service commitments to our customers to maintain satisfaction and build loyalty. Please refer to Section 6.3.3 of this Prospectus for further details of our competitive advantages and key strengths.

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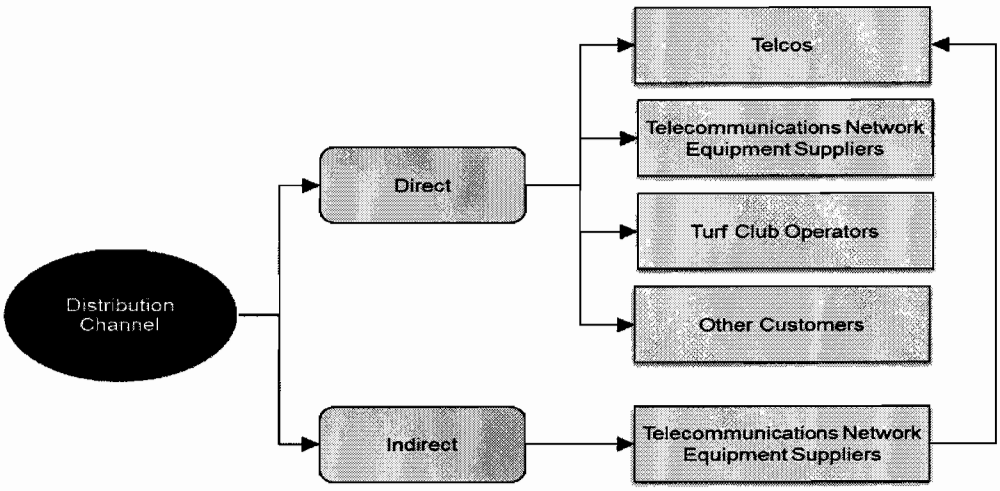
6. BUSINESS OVERVIEW *(Cont'd)*

6.9 OUR DISTRIBUTION CHANNELS

We adopt direct and indirect distribution channel strategies to reach our customers as shown below:

Our Distribution Channel Strategy



We use the direct distribution channel strategy, where we submit tenders or negotiate directly with the end-customer. The end-customer may be a Telco, network equipment supplier, turf club operator or other customers.

Our direct distribution channel approach allows us to work closely with the end-customer to understand their specifications, which may involve technical matters. We are thus well-positioned to customise our service offerings to meet their needs and requirements.

We also employ the indirect distribution channel strategy, which involves working with a network equipment supplier to submit tenders or bid for projects from Telcos. In such cases, the network equipment supplier will engage us to perform a specific scope of work for the project, should the tender or bid be successful. For example, we may be engaged to install and commission the equipment, or to provide operations and maintenance services for the network.

We are able to expand our sales and marketing reach to a wider potential customer base by using both direct and indirect distribution channel strategies. This allows us to sustain as well as to grow our business.

6.10 SEASONALITY

We have not experienced any material seasonality in our business.

6.11 BUSINESS INTERRUPTIONS

We have not experienced any material business interruptions during the past 12 months of operations.

6.12 TYPES, SOURCES AND AVAILABILITY OF INPUT MATERIALS AND SERVICES

For FYE 2016, the major types of equipment and materials purchased by and sub-contractor services rendered to our Group are as follows:

FYE 2016	Value of purchases and sub-contractor services RM'000	Proportion of total Group purchases and sub-contractor services %	Sources of supply	
			Local %	Import %
Equipment and direct materials	**5,555**	**26.0**	**4.2**	**21.8**
- Satellite network equipment	4,648	21.8	-	21.8
- Others[(1)]	907	4.2	4.2	-
Sub-contractor services cost	**15,845**	**74.0**	**74.0**	**-**
- Operations and maintenance services	4,104	19.2	19.2	-
- Civil works for laying and installing fibre optic cables	4,636	21.7	21.7	-
- Rigging services	2,538	11.8	11.8	-
- Engineering services	4,567	21.3	21.3	-
Total	**21,400**	**100.0**	**78.2**	**21.8**

Note:

(1) Includes cables, galvanised steel structure or materials, fencing, padlocks, cements, amongst others.

For FYE 2017, the major types of equipment and materials purchased by and sub-contractor services rendered to our Group are as follows:

FYE 2017	Value of purchases and sub-contractor services RM'000	Proportion of total Group purchases and sub-contractor services %	Sources of supply	
			Local %	Import %
Equipment and direct materials	**9,332**	**41.4**	**4.4**	**37.0**
- Satellite network equipment	8,348	37.0	-	37.0
- Others[(1)]	984	4.4	4.4	-
Sub-contractor services sost	**13,221**	**58.6**	**58.6**	**-**
- Operations and maintenance services	2,869	12.7	12.7	-
- Civil works for laying and installing fibre optic cables	4,124	18.3	18.3	-
- Rigging services	2,845	12.6	12.6	-
- Engineering services	3,383	15.0	15.0	-
Total	**22,553**	**100.0**	**63.0**	**37.0**

Note:

(1) Includes cables, galvanised steel structure or materials, fencing, padlocks, cements, amongst others.

6.13 MAJOR CUSTOMERS

The customers that contributed 10% or more of our total revenue for FYE 2014, FYE 2015, FYE 2016 and FYE 2017 are as follows:

Customers	Length of relationship as at the LPD	Value of revenue contribution							
		FYE 2014		FYE 2015		FYE 2016		FYE 2017	
		RM'000	%(1)	RM'000	%(1)	RM'000	%(1)	RM'000	%(1)
Maxis	12 years	25,451	80.0	23,291	59.1	26,938	58.0	27,001	49.5
Huawei	6 years	4,081	12.8	5,930	15.0	13,974	30.1	14,349	26.3
Wavestream Corporation	7 years	474	1.5	5,421	13.7	1,313	2.8	1,583	2.9
Total		**30,006**	**94.3**	**34,642**	**87.8**	**42,225**	**90.9**	**42,933**	**78.7**
Total Group revenue		31,819		39,435		46,434		54,519	

Note:

(1) Represents the percentage of our total revenue for the respective year.

A significant portion of our revenue depends on the contribution from Maxis and Huawei mainly due to our long established relationship with them. Maxis has been our customer since 2005, whilst Huawei has been our customer since 2011.

We attempt to mitigate any loss of customers by maintaining active communication with them on their requirements. This allows us to deliver quality services within their expectations and help strengthen our business relationship with them. We leverage on our expertise to provide supporting services across the three different mediums within our customer's organization thus reducing dependency on a single telecommunication medium or type of service.

In addition, we have a long-established relationship with our major supplier to continue supplying their equipment to our customers. Our expertise in the installation and commission, and operations and maintenance of these equipment helps to retain us as a service provider with our customer. We also together with our supplier support our customer's satellite network through provision of technical support and technology updates (where required).

We also attempt to mitigate the risk of dependency on our existing major customers by continually seeking new customers. In that regard we have been expanding our customer base to include other Telcos, equipment suppliers and network infrastructure owners as set out in Section 6.1 of this Prospectus. We have also we have taken steps to expand our business through our future plans and strategies which include setting up new teleport facility and services to broaden our services, and local and regional business expansion, as set out in Section 6.20 of this Prospectus. With the setting up of our planned teleport we can provide new services such as managed satellite network services, uplink and downlink services for data, and satellite network services for Telcos, to further expand our customer base and create new revenue streams.

6.14 MAJOR SUPPLIERS

Our suppliers that accounted for 10% or more of the total purchases by and sub-contractor services rendered to our Group for FYE 2014, FYE 2015, FYE 2016, and FYE 2017 were as follows:

Suppliers	Length of relationship as at the LPD	Value of purchases and sub-contractor services							
		FYE 2014		FYE 2015		FYE 2016		FYE 2017	
		RM'000	%[1]	RM'000	%[1]	RM'000	%[1]	RM'000	%[1]
Wavestream Corporation	7 years	4,035	25.4	9,570	50.1	8,752	40.9	10,505	46.6
Binalite Electrical[2]	6 years	2,716	17.1	3,604	18.9	5,700	26.6	4,134	18.3
Total		**6,751**	**42.5**	**13,174**	**69.0**	**14,452**	**67.5**	**14,639**	**64.9**
Total Group purchases and sub-contractor services		15,895		19,109		21,400		22,553	

Notes:

(1) Represents the percentage of our total purchases for the respective year.

(2) As set out in Section 10.1.2 of this Prospectus, the supply of services from Binalite Electrical was a related party transaction pursuant to the shareholding and directorship of Na Boon Aik in Binalite Electrical. He had on 30 August 2016 disposed of his shares and resigned as Director of Binalite Electrical.

Our purchases from Wavestream Corporation were mainly for satellite network equipment, including satellite dishes, modems and other network equipment and extended warranty programme for a customer.

We also provide technical support services, installation and integration of equipment, logistics, warehousing, inventory management and warranty management services (where we manage their product warranty programme for network equipment installed for our customer) to Wavestream Corporation. Hence, Wavestream Corporation is also a customer of our Group.

Presently for our outside plant installation and commissioning services, we engage sub-contractors such as Binalite Electrical to carry out civil works for underground and above ground installation and fibre optic cable splicing works. However, moving forward, we are developing our in-house team to carry out these works for our outside plant services. Please refer to Section 6.20 of this Prospectus for additional details on our future plan for our fibre optic network installation and commissioning services capability.

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6. BUSINESS OVERVIEW *(Cont'd)*

6.15 DEPENDENCY ON CONTRACTS, AGREEMENTS, DOCUMENTS OR OTHER ARRANGEMENTS

Save for the frame agreements set out below, as at the LPD, our Group is not highly dependent on any material contracts or agreements including patents or licences, industrial, commercial or financial contracts which could materially affect our Group's business or profitability:

(a) A contract dated 30 March 2011 (as amended by supplemental letters dated 9 July 2014, 24 October 2014 and 11 November 2015 respectively) between Binasat and Maxis for the supply, delivery, installation, testing, commissioning and maintenance of equipment and provision of services for VSAT from Binasat to Maxis. The salient terms of the contract are as follows:

(i) the tenure of the contract is for eight years from 30 March 2011 to 29 March 2019;

(ii) throughout the tenure, Maxis may issue purchase orders to Binasat for the delivery and/or commissioning of equipment and/or for the provision of services, the purchase value of which is based on individual base prices set out in the contract;

(iii) Maxis may, amongst others, at any time, by giving 30 days' written notice, terminate any purchase order or the contract without giving any reason whatsoever to Binasat but with compensation to Binasat for cost of labour, materials and overhead incurred by Binasat up to the date of termination. The termination of the purchase order or the contract shall be without prejudice to the right of Maxis to any claim against Binasat which shall have accrued or shall accrue thereafter to Maxis;

(iv) Binasat is responsible to pay liquidated damages if there are delays in completion of the purchase orders within the stipulated time frame; and

(v) Binasat is also required to provide Maxis with a performance bond for the due observance and performance of Binasat under all purchase orders and the contract.

(b) A support and maintenance short form services agreement for VSAT dated 7 September 2015 (as amended by supplemental letters dated 1 April 2016, 7 November 2016 and 28 February 2017 respectively) for the provision of support and maintenance services for VSAT from Binasat to Maxis. The salient terms of the agreement are as follows:

(i) the tenure of the agreement is for two years from 1 January 2015 to 31 December 2017;

(ii) the agreement is non-exclusive and does not commit Maxis to purchase any minimum quantity. Binasat receives individual orders for services as and when required by Maxis specifying the service specifications and sites, and the fees payable for the services are based on a schedule of prices set out in the agreement; and

(iii) Maxis may terminate this agreement, in whole or in part, upon giving seven days' prior written notice to Binasat. Binasat shall be entitled to payment for services satisfactorily rendered as of the date of termination. Orders which have been issued by Maxis prior to the effective termination date of the agreement shall remain effective and the provisions of the agreement shall continue to apply in respect of each such order.

(Collectively referred to as "**Maxis Agreements**").

6. BUSINESS OVERVIEW *(Cont'd)*

(c) A master procurement agreement for services dated 25 February 2011 (as amended by supplementary agreements dated 8 January 2016, 30 November 2016 and 20 December 2016 respectively) between Binasat and Huawei for the appointment of Binasat as Huawei's subcontractor to perform certain scope of works such as survey, design, planning, optimization, construction, installation, testing, commissioning, operation and maintenance or managed service. The salient terms of the agreement are as follows:

(i) the initial tenure of the agreement was four years from 25 February 2011 to 24 February 2015. The agreement is extended automatically for successive periods of one year each until termination by either party with at least one month written notice prior to expiry of the relevant term. As at the LPD, the agreement term is valid through till 24 February 2018;

(ii) the subcontract price and payment terms will be as set out in each applicable statement of work signed by both parties for the services required;

(iii) Huawei may, amongst others, terminate the agreement with a 10 day written notice to Binasat, if Binasat assigns or subcontracts or attempts to assign or subcontract any part of the agreement to any third party without Huawei's consent; Binasat's services fail to meet the reasonable requirements or follow the reasonable instructions of Huawei or Huawei's customer; or Binasat fails to fulfil its obligations under the agreement; or Huawei discovers or suspects that Binasat is committing or has committed any fraudulent acts or that Binasat encounters resources, shortage, engineering quality or customer complaints problems. Notwithstanding the termination provisions above, Huawei may terminate the agreement by giving written notice shorter than 10 days if any delay, breach or default of Binasat is, in the opinion of Huawei of a critical nature;

(iv) where specified in each relevant statement of work issued by Huawei, Binasat is required to provide Huawei with a performance bond to secure its obligations under the agreement within seven days from the effective date of the relevant statement of work, for a sum and validity period as agreed in the statement of work;

(v) where specified in each relevant statement of work issued by Huawei, if any advance payment is made by Huawei to Binasat, Binasat is required to provide Huawei with an advance payment bond within seven days from the effective date of the relevant statement of work to secure such advance payments, for a sum and validity period as agreed in the statement of work; and

(vi) Binasat is responsible to pay liquidated damages for delays in completion of purchase orders within the stipulated time frame.

6. BUSINESS OVERVIEW *(Cont'd)*

6.16 APPROVALS, MAJOR LICENCES AND PERMITS OBTAINED

Details of the approvals, major licences and permits obtained by our Group for the operation of our business and the status of compliance are as set out below:

No.	Nature of Licence/ Approval	Issuer/ Authority	Licensee	Validity period	Major conditions	Status of compliance
1.	Certificate of Registration with CIDB pursuant to Part IV of the Construction Industry Development Board Malaysia Act 1994 (Grade 7) (**"CIDB Act"**) Registration number: 012060824-WP178380	CIDB	Binasat	24 August 2017 until 23 August 2020	The registration with CIDB will be cancelled, suspended or revoked in the event that: (a) Binasat fails to comply with any applicable laws and regulation, including but not limited to the CIDB Act; (b) Binasat has become bankrupt; (c) A petition of winding up has been served on Binasat; (d) Binasat violates or fails to comply with any provision of the CIDB Act; (e) Binasat commits a fraudulent act or made false or fraudulent representations; (f) Binasat abandons any construction project without reasonable cause; (g) Binasat is found guilty by a competent court or the relevant authorities for any negligent acts committed in relation to construction works carried out; and (h) Binasat fails to comply with its responsibilities and obligations as stated in this license.	Complied
2.	Network Facilities Provider Individual Licence ^ (**"NFP(I)"**) pursuant to sections 30 and 126 of the Communications and Multimedia Act 1998 (**"CMA"**) (Licence No: NFP/I/2000/288)	MCMC	Satellite NOC* **Note :** * This NFP(I) Licence was transferred by Binasat to Satellite NOC effective from 17 May 2017.	14 December 2016 until 13 December 2026	**(a) Shareholdings** The Licensee shall notify the Minister of Communications and Multimedia (**"Minister"**) of any changes in the substantial shareholdings of the company as defined under the Act. The Licensee shall comply with all relevant laws or rules under any legislation or guidelines issued by the government or government agencies pertaining to restrictions on foreign shareholdings in the Licensee.	Complied

6. BUSINESS OVERVIEW *(Cont'd)*

No.	Nature of Licence/ Approval	Issuer/ Authority	Licensee	Validity period	Major conditions	Status of compliance
	Note: ^ The NFP licence is required for establishing, installing, operating or maintaining network facilities. The licence is required by our Group for the setting up of our planned teleport as set out in Section 6.20.1 of this Prospectus. Please refer to Section 6.2 of the IMR Report in Chapter 7 of this Prospectus for further details on NFP licence.				**(b) Joint ventures or consortium** The Licensee shall notify the Minister of any joint ventures or consortiums, which it enters into with any other licensees after the grant of the license. **(c) Commencement of deployment/ service(s)** The Licensee shall commence the provision of facilities which it is licensed to provide within 12 months from the date of this license. **(d) Restructuring or Rationalisation** The Licensee shall notify the Minister, in writing, of any restructuring or rationalisation of the Licensee's corporate structure. **(e) Additional Requirements on Shareholding** Foreign shareholding, if any, in the Licensee shall not be more than 49%. The Licensee shall ensure that the Bumiputera equity in the Licensee is not less than 30% for so long as the Licensee remains a private company or a public company as defined under the Act and is not listed on Bursa Malaysia.	
3.	Network Service Provider Individual Licence ^ ("**NSP(I)**") pursuant to sections 30 and 126 of the CMA (Licence No: NSP/I/2000/281)	MCMC	Satellite NOC* **Note :** * This NSP(I) Licence was transferred by Binasat to Satellite NOC on 17 May 2017.	14 December 2016 until 13 December 2026	**(a) Shareholdings** The Licensee shall notify the Minister of any changes in the substantial shareholdings of the company as defined under the Act. The Licensee shall comply with all relevant laws or rules under any legislation or guidelines issued by the government or government agencies pertaining to restrictions on foreign shareholdings in the Licensee. **(b) Joint ventures or consortium** The Licensee shall notify the Minister of any joint ventures or consortiums, which it enters into with any other licensees after the grant of the license.	Complied

No.	Nature of Licence/ Approval	Issuer/ Authority	Licensee	Validity period	Major conditions	Status of compliance
	Note: ^ The NSP licence is required for providing network services and is required by our Group for the provision of satellite uplink and downlink services. Please refer to Section 6.3 of the IMR Report in Chapter 7 of this Prospectus for further details on NSP licence.				**(c) Commencement of deployment/ service(s)** The Licensee shall commence the provision of services which it is licensed to provide within 12 months from the date of this license. **(d) Restructuring or Rationalisation** The Licensee shall notify the Minister, in writing, of any restructuring or rationalisation of the Licensee's corporate structure. **(e) Additional Requirements on Shareholding** Foreign shareholding, if any, in the Licensee shall not be more than 49%. The Licensee shall ensure that the Bumiputera equity in the Licensee is not less than 30% for so long as the Licensee remains a private company or a public company as defined under the Act and is not listed on Bursa Malaysia.	
4.	Apparatus Assignment [(1)] Reference number: 0718092	MCMC	Satellite NOC	1 November 2017 until 31 December 2018	Station Location: Semambu Off Course Centre (3.8M/M3) **Prohibition** **The holder of an apparatus assignment must not:** (a) Transmit excessive frequencies; (b) Carry out an experiment or test or operate any apparatus except in circumstances where the possibility of major disturbances or harmful interference is avoided and the possibility of minor annoyances reduced; (c) Exuding slogan containing words or abusive or offensive language or obscene; and (d) Conduct an apparatus so that it would interfere with any other apparatus.	Complied

6. BUSINESS OVERVIEW *(Cont'd)*

No.	Nature of Licence/ Approval	Issuer/ Authority	Licensee	Validity period	Major conditions	Status of compliance
					Termination The Commission may suspend or revoke an Apparatus Assignment upon the occurrence of the following events: (a) Where any one of the conditions contained in this apparatus assignment are breached; (b) Where the fees are not paid in accordance with the assignment; (c) Where there is a breach of technical standards, mandatory standards or voluntary codes that has been registered by the Commission under the CMA; (d) Where there is a breach of any provision of the CMA or any other subsidiary legislation that has been drafted under the CMA in relation to the assignment; (e) Where there is a breach of any other written relevant laws; and (f) Where the suspension or revocation is in the interest of public.	
5.	Apparatus Assignment [1] Reference number: 0718095	MCMC	Satellite NOC	1 November 2017 until 31 December 2018	Station Location: Semambu Off Course Centre (4.9M-RX) **Note:** The termination and prohibition condition for this apparatus assignment is the same as stipulated in item 4.	Complied
6.	Apparatus Assignment [1] Reference number: 0718089	MCMC	Satellite NOC	1 November 2017 until 31 December 2018	Station Location: Penang Turf Club (4.9M-RX) **Note:** The termination and prohibition condition for this apparatus assignment is the same as stipulated in item 4.	Complied
7.	Apparatus Assignment [1] Reference number: 0718086	MCMC	Satellite NOC	1 November 2017 until 31 December 2018	Station Location: Penang Turf Club 2 (3.8M-RX) **Note:** The termination and prohibition condition for this apparatus assignment is the same as stipulated in item 4.	Complied
8.	Apparatus Assignment [1] Reference number: 0718083	MCMC	Satellite NOC	1 November 2017 until 31 December 2018	Station Location: Penang Turf Club 1 (3.8M-RX) **Note:** The termination and prohibition condition for this apparatus assignment is the same as stipulated in item 4.	Complied

6. BUSINESS OVERVIEW *(Cont'd)*

No.	Nature of Licence/ Approval	Issuer/ Authority	Licensee	Validity period	Major conditions	Status of compliance
9.	Apparatus Assignment [1] Reference number: 0718076	MCMC	Satellite NOC	1 November 2017 until 31 December 2018	Station Location: Perak Turf Club (4.9M-RX) **Note:** The termination and prohibition condition for this apparatus assignment is the same as stipulated in item 4.	Complied
10.	Apparatus Assignment [1] Reference number: 0718069	MCMC	Satellite NOC	1 November 2017 until 31 December 2018	Station Location: Perak Turf Club (3.8M-RX) **Note:** The termination and prohibition condition for this apparatus assignment is the same as stipulated in item 4.	Complied
11.	Apparatus Assignment [1] Reference number: 0718015	MCMC	Satellite NOC	1 November 2017 until 31 December 2018	Station Location: Perak Turf Club (3.7M-RX) **Note:** The termination and prohibition condition for this apparatus assignment is the same as stipulated in item 4.	Complied
12.	Apparatus Assignment [1] Reference number: 0717980	MCMC	Satellite NOC	1 November 2017 until 31 December 2018	Station Location: Flyaway DSNG – (1.9M Transportable TX/RX) **Note:** The termination and prohibition condition for this apparatus assignment is the same as stipulated in item 4.	Complied
13.	Apparatus Assignment [1] Reference number: 0718098	MCMC	Satellite NOC	1 November 2017 until 31 December 2018	Station Location: Royal Sabah Turf Club Tambalang-Tuaran (3.8M-RX) **Note:** The termination and prohibition condition for this apparatus assignment is the same as stipulated in item 4.	Complied
14.	Storage Licence & Business Licence for No 17 & 19, Jalan Bukit Permai Utama 3, Taman Industri Bukit Permai, 56100 Kuala Lumpur. Licence reference number: L0055341-0 Serial number: 222503	Majlis Perbandaran Ampang Jaya	Na Boon Aik and Binasat [2]	Date of Expiry: 31 December 2018	Nil.	Complied

Notes:

(1) The apparatus assignment is required under the Communication and Multimedia Act 1998, for the Group to operate its telecommunications equipment at the station locations using a specific frequency band. Please refer to Section 6.4 of the IMR Report in Chapter 7 of this Prospectus for further details on Apparatus Assignment.

(2) It is the local council's practice to issue storage and business license in both the name of the company and company's representative. Na Boon Aik is the representative for Binasat for the purpose of this license.

6. BUSINESS OVERVIEW *(Cont'd)*

6.17 LICENCES, PATENTS, TRADE MARKS, BRAND NAMES, TECHNICAL ASSISTANCE AGREEMENTS, FRANCHISES AND OTHER INTELLECTUAL PROPERTY RIGHTS

Our Group does not have any other licences, patents, trademarks, brand names, technical assistance agreements, franchises and other intellectual property rights.

6.18 PROPERTY, PLANT AND EQUIPMENT

6.18.1 Properties owned by our Group

The material properties owned by our Group are as follows:

Location/ Postal address	Registered owner/ Beneficial owner	Description /Existing use	Express conditions/ Category of land use	Restrictions in interests	Encumbrance	Land area/ Built-up area (Approximate sq. ft.)	Tenure/ Date of expiry of lease	Date of issuance of CF / CCC	NBV as at 30 June 2017 (RM'000)
H.S.(D) 150067, PT 14455, and H.S.(D) 150068, PT 14456, Seksyen 15, Mukim Bandar Ampang, Daerah Ulu Langat, Negeri Selangor / No. 17 & 19, Jalan Bukit Permai Utama 3, Taman Industri Bukit Permai, Cheras 56100 Kuala Lumpur	Binasat	Two storey corporate office and storage facility	Industrial	Nil	Charged to Public Bank Berhad	Total land area: 14,400 Total built up area:16,960	Remaining tenure of 49 years / Leasehold expiring 9 October 2066	10 November 2008 On 19 May 2017, Binasat had obtained Majlis Perbandaran Ampang Jaya's approval for side extensions and front awnings [(2)] to the building erected on No. 17 & No. 19 Jalan Bukit Permai Utama 3,	6,002

Location/ Postal address	Registered owner/ Beneficial owner	Description /Existing use	Express conditions/ Category of land use	Restrictions in interests	Encumbrance	Land area/ Built-up area (Approximate sq. ft.)	Tenure/ Date of expiry of lease	Date of issuance of CF / CCC	NBV as at 30 June 2017 (RM'000)
								Taman Industri Bukit Permai, Cheras, 56100 Kuala Lumpur. The approval is valid for one year from 19 May 2017 to 18 May 2018 and is subject to yearly renewal	
HS (D) 550747, PTD 170968, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor.* / No.5 Jalan Kempas Lama 1, Off Jalan Kempas Lama, 81300 Skudai, Johor (**"Kempas Lama Property"**)	Binasat	Three storey cluster corporate factory/ Investment property Existing Use: Rented to Universal Energy Efficiency Sdn Bhd for office purposes, until 31 August 2019[3].	(i) This land is to be used as industrial cluster zoning for light industrial purposes and related use, built according to the plans approved by the local authority. (ii) All contamination and pollution caused by these activities must be channeled	(i) This land which is allocated for Bumiputera ownership once transferred to a Bumiputera individual or Bumiputera company shall not subsequently be disposed, leased or transferred by any means to a non-Bumiputera or non-Bumiputera company without the consent of the state authority. [1]	Nil	Total land area: 6,491 Total built up area: 7,398	Freehold	14 May 2014	2,882

6. BUSINESS OVERVIEW *(Cont'd)*

Location/ Postal address	Registered owner/ Beneficial owner	Description /Existing use	Express conditions/ Category of land use	Restrictions in interests	Encumbrance	Land area/ Built-up area (Approximate sq. ft.)	Tenure/ Date of expiry of lease	Date of issuance of CF / CCC	NBV as at 30 June 2017 (RM'000)
		Please refer to section 6.19.2 below for further details of the tenancy for this property.	to areas designated by the relevant authorities. (iii) All policies and conditions set and enforced by the relevant authorities from time to time must be observed. Industrial	(ii) This land shall not be transferred in any manner whatsoever unless works for public infrastructure in the factory area has commenced in accordance to the plan approved by the relevant local authorities.					
HS (D) 560747, PTD 8688, Mukim Jelutong, Tempat Taman Nusantara Daerah Johor Bahru, Negeri Johor / Lot 24, Tiong Nam Business Park @ SiLC7Johor Bahru, Johor ("**SiLC7 Property**")	Dragon 2012 Sdn Bhd (as registered owner)/ Binasat (as purchaser)	Three storey shop office Existing Use: Vacant and will be used for the setting up of our branch office in Johor[4]	(i) This land is to be used as three storey shop office for commercial purposes and offices, constructed in accordance to plans approved by the relevant local authorities. (ii) All contamination and pollution caused by these	This land shall not be disposed/ transferred to a foreign national/ foreign company without the consent of the state authority. GRN 508739 Lot 35709: Nil	Charged to AmIslamic Bank Berhad	Total land area: 1,560 Total built up area: 4,620	Freehold	11 October 2017	1,289

Location/ Postal address	Registered owner/ Beneficial owner	Description /Existing use	Express conditions/ Category of land use	Restrictions in interests	Encumbrance	Land area/ Built-up area (Approximate sq. ft.)	Tenure/ Date of expiry of lease	Date of issuance of CF / CCC	NBV as at 30 June 2017 (RM'000)
			activities must be channeled to areas designated by the relevant authorities. (iii) All policies and conditions set and enforced by the relevant authorities from time to time must be observed. / Building						
Parcel No. TKP3/DS-114 erected on land held under HS(D) 40768, PT 56152, Mukim Dengkil, Daerah Sepang, Negeri Selangor./ No. 85, Jalan SP 3/4 Salak Perdana, 43900 Sepang, Selangor (**"Salak Perdana Property"**)	NCT United Development Sdn Bhd (as registered owner) / Binasat (as purchaser)	Two and half storey terrace house/ Investment property Existing Use: Vacant.[5]	Residence building/ Building	Nil	Nil	Total land area: 1,400 Total built up area: 1,558	Freehold	15 September 2014	290

6. BUSINESS OVERVIEW *(Cont'd)*

Notes:

(1) This restriction in interest is not applicable to Binasat since the title is being transferred to Binasat which is a non-Bumiputera company.

(2) We had on 30 January 2014 procured the endorsement of Majlis Perbandaran Ampang Jaya ("MPAJ") for the initial renovation plan for our corporate office. However, during the renovation process the renovation plan was changed and hence there were variances between the finished works and the initial renovation plan as endorsed by MPAJ. As such, we resubmitted a revised layout-plan as built to MPAJ and the approval was obtained on 19 May 2017. The renovation was completed in 2016. The approval is valid for one year from 19 May 2017 to 18 May 2018 and is subject to yearly renewal. We will continue to apply for a renewal prior to the expiry of the approval. The extensions however are not critical to our operations.

(3) The property is presently rented to Universal Energy Efficiency Sdn Bhd until 31 August 2019. Upon expiry of the tenancy, we intend to use the property as a warehouse for our operations in Johor. However, the property may be disposed if such disposal is deemed to be in the best interest of our Group and after taking into consideration the operational requirements of our Group and the property market conditions at the time of disposal.

(4) We intend to use the property for the setting up of our branch office in Johor to oversee our operations in the region.

(5) We intend to rent out or dispose the property to a suitable buyer, subject to property market conditions.

We are not a property investment company and do not intend to acquire properties for investment purposes in the future.

6.18.2 Material properties rented by / rented out by our Group

The material properties rented by our Group for our business operations and properties rented out by our Group are as follows:

No.	Company (Tenant)	Landlord	Description / Usage	Location	Tenure of Tenancy	Approximate Built-up Area (sq. ft.)	Rental per month (RM)
Material properties rented out by our Group							
1.	Universal Energy Efficiency Sdn Bhd	Binasat	Three storey cluster corporate factory/ Office	No.5 Jalan Kempas Lama 1, Off Jalan Kempas Lama, 81300 Skudai, Johor	1 September 2016 to 31 August 2019	7,398	5,500
Material properties rented by our Group for our business operations							
2.	Binasat	Chan Yit Mei	Shop / Support service office and storage facility	I-G-20, Block I, Apt Taman Medan Jaya, No 2A, Jalan PJS 2/1, Taman Medan Jaya, 46000 Petaling Jaya, Selangor Darul Ehsan	1 May 2016 to 30 April 2018	485	800
3.	Binasat	Koh Hoon Hue Chin Mei Chee	Shop office / Support service office and storage facility	The First Floor of No. 27-01 Jalan Austin Perdana 2/22 Taman Austin Perdana, 81100 Johor Bahru	1 April 2016 to 31 March 2018	1,320	1,000
4.	Binasat	Gunasundari A/P Paniandi	Shop office / Support service office and storage facility	No. 39 (G), Jalan Samarinda 31/KS7, Taman Maznah, 41000 Klang Selangor	15 April 2016 to 14 April 2018	1,345	1,500
5.	Binasat	Tay Boou Seng	Shop office / Support service office and storage facility	27B Jalan Bandar Rawang 8, Pusat Bandar Rawang 48000 Rawang Selangor	16 April 2016 to 15 April 2018	1,647	800
6.	Binasat	Liew Sok Kuan	Shop office / Support service office and storage facility	1st Floor Unit 1B, No. 244-1B Lorong Haruan 5/6, Oakland Commerce Centre, 70300 Seremban Negeri Sembilan	1 April 2016 to 31 March 2018	764	600
7.	Binasat	Mok Chong Kok	Shop / Support service office and storage facility	SA-LG-24, Anjung A Blok L, Pangsapuri Jati, Jalan KP1/6 Kota Perdana, 43300 Bandar Putra Permai, Selangor	15 May 2016 to 14 May 2018	667	950

6. BUSINESS OVERVIEW *(Cont'd)*

No.	Company (Tenant)	Landlord	Description / Usage	Location	Tenure of Tenancy	Approximate Built-up Area (sq. ft.)	Rental per month (RM)
8.	Binasat	Magna Legend Sdn Bhd	Semi-detached light industrial lot / Support service office and storage facility	Lot 34, Taman Industri Warisan Indah, Mile 7, Jalan Tuaran, Kota Kinabalu, Sabah	1 September 2017 to 31 August 2019	4,500	4,900
9.	Binasat	Sim Ai Cin	Shop office / Support service office and storage facility	C-6-8 Jalan Todak 4, Sunway Business Park, Pusat Bandar Seberang Jaya, 13700 Seberang Jaya Pulau Pinang	1 July 2016 to 30 June 2018	840	900
10.	Binasat	Roziah binti Kambol	Shop office / Support service office and storage facility	No.102-1, Jalan TU 42, Taman Tasik Utama, Ayer Keroh, 75450 Melaka	15 March 2017 to 14 March 2018	1,227	800

The properties stated in this Section 6.18 have not breached any of the land use conditions/permissible land use; and where buildings are involved, we are in compliance with applicable laws, rules and building regulations. The tenant and the respective landlords are not parties related to our Promoters and Group.

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6.18.3 Material plant, machinery and equipment

A summary of the material plant, machinery and equipment owned by our Group as at the LPD are as set out below:

Plant and equipment	Description / Function	Age of machinery (years)	Estimated useable lifespan (years)	No. of units as at the LPD	Audited NBV as at 30 June 2017 RM'000
Motor vehicles	A combination of four-wheel drive, cars, vans and lorries	0 – 15 years	10 – 15 years	69	1,042
Tool and equipment	Site master, IP Tester, generator sets, earth tester	1 – 8 years	10 years	23	344
Total					**1,386**

Note:

(1) Based on the remaining tenure of the leasehold land.

6.18.4 Material plans to construct, expand or improve facilities

Save as disclosed in Section 6.20 of this Prospectus, we have no immediate plan to construct, expand or improve on our existing facilities.

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6.19 GOVERNING LAWS AND REGULATIONS INCLUDING ENVIRONMENTAL CONCERNS

6.19.1 Government laws and regulations

Our Group's business operations are subject to the following governing laws and regulations:

(i) Communications and Multimedia Act 1998 setting out the requirements for network facilities providers, network services providers and apparatus assignment;

(ii) Construction Industry Development Board Malaysia Act 1994 setting out the requirements for registration as a contractor with CIDB;

(iii) Occupational Safety and Health Act 1994 which sets out to secure the safety, health and welfare of persons at work, for protecting others against risks to safety or health in connection with the activities of persons at work and for related matters;

(iv) the National Land Code 1965, Sabah Land Ordinance 1930 and Sarawak Land Code 1958 governing the administration of land matters in Peninsular Malaysia, Sabah and Sarawak respectively;

(v) the Local Government Act 1976, Local Authorities Ordinance 1996 of Sarawak, Trades Licensing Ordinance 1949 of Sabah and the by-laws of the respective local councils and authorities setting out the requirements to amongst others, obtain business and signage licences; and

(vi) the Street, Drainage and Building Act 1974, Sabah Building Ordinance 1994, Sarawak Local Government Ordinance 1961 and the relevant by-laws issued pursuant thereto regulating, amongst others, the occupation of buildings.

As at the LPD, we are not in breach of laws and regulations governing our business that may have a material adverse impact on our business operations.

6.19.2 Environmental regulations

Our Group does not generate any waste in our business operations that is classified as a Scheduled Waste under the Environmental Quality (Scheduled Waste) Regulations 2005. Therefore, our Group is not subject to any environmental regulations.

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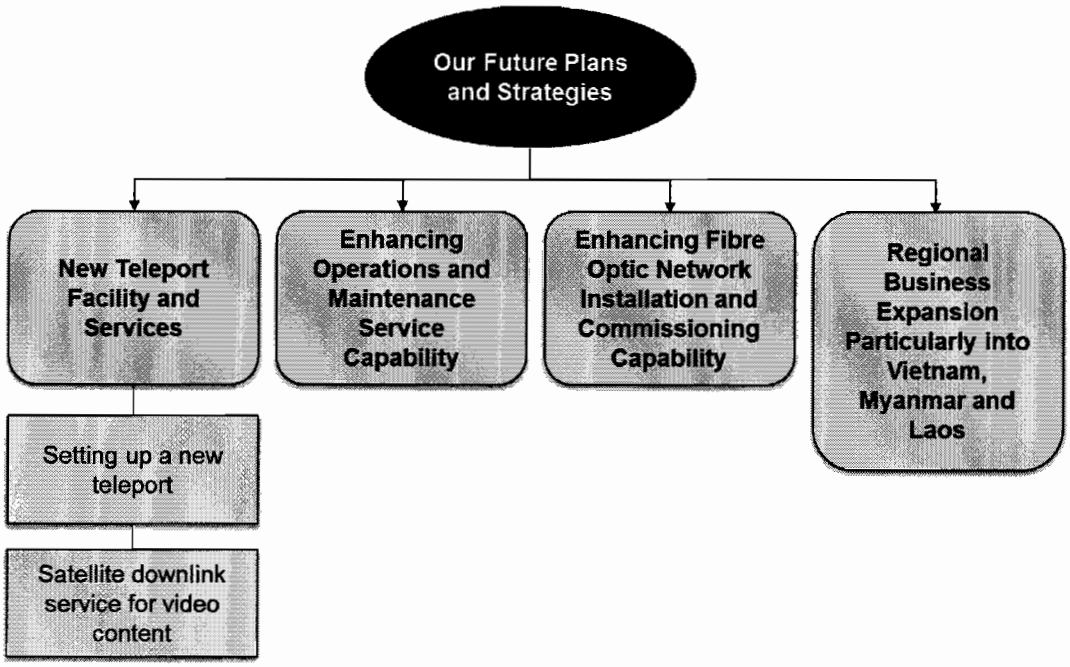
6.20 FUTURE PLANS AND STRATEGIES

Our future plans and strategies focus on the key areas summarised in the following diagram:



6.20.1 New teleport facility and services

(i) Setting up a teleport

We plan to set up one new teleport in the Klang Valley, Malaysia. We intend to own and operate the new teleport. We have obtained NFP and NSP licences that allow us to set up a teleport and to use it to provide network related services.

A teleport is the main ground station of a satellite network, and it serves as the network's main connection point to a terrestrial network, such as the Internet or WAN. Satellite network operators usually manage their network from a teleport. We also intend to set up an international gateway at our new teleport, which will provide access to international networks, including internet access. An international gateway is a network facility that is used to route data traffic between network systems of different countries, thereby enabling users in different countries to communicate with one another.

We have gained experience operating a teleport from our existing satellite telecommunications network supporting services business. We have installed satellite hub and other related equipment at teleports as part of our installation and commissioning services. As part of our operations and maintenance services, we have stationed our team at a teleport where they are responsible for operating and monitoring our customer's satellite hubs that are installed there. The main responsibility of our team at the teleport is to ensure that our customer's satellite network is running optimally at all times. Please refer to Sections 6.4.2.2 and 6.4.2.3 of this Prospectus for information relating to our satellite telecommunications network installation and commissioning, and operations and maintenance services that are related to teleports. Save for the capital expenditure to be incurred for the setting up of the teleport and the cost of operating the teleport, we do not foresee any further costs associated with the ownership of the new teleport.

The advantages that we can gain from owning and operating a teleport include the following:

- We currently engage overseas third party service providers for satellite downlink services for video content (also known as "satellite turnaround"). We use this service as part of our satellite telecommunications uplink and downlink services. With our own teleport, we can provide these services ourselves and reduce our reliance on overseas service providers.

- We can also use the new teleport to provide new services to customers, such as satellite downlink services for video content, thereby creating opportunities for new revenue streams. Owning a teleport would be more cost effective compared to using a third party's teleport if we are able to obtain sufficient volume of usage for our teleport. We intend to obtain sufficient volume by expanding our customer base and by providing new services to existing customers.

Please refer to Section 6.20.1(ii) of this Prospectus for further information relating to the satellite downlink services that we plan to provide with the new teleport.

Other new services that we can potentially provide with the planned teleport include, among others:

- Managed satellite network services with our teleport acting as the hub for a network of VSAT ground stations. As a managed satellite network service operator we can actively manage the network to achieve optimum performance, for example through network traffic management, dynamic bandwidth allocation, security management and threat analysis. Presently there are thirteen managed satellite network service operators in Malaysia. Please refer to Section 9.4 of Chapter 7 of this Prospectus for further details on the managed satellite network service operators in Malaysia.

  Our managed satellite network services can be targeted at potential customers that have a number of sites dispersed in remote locations such as oil palm plantation operators with settlements in plantations, oil and gas operators with offshore platforms, and hotel operators with resorts on islands. We can create a network that links the customer's sites together. We can also use our managed satellite network services to provide villages, communities and businesses located in remote areas with access to the internet and mobile networks.

- Uplink and downlink services to send and receive video data between Malaysia, and other countries and regions, such as the United States, Europe, Australia and Asia; and

- Offer satellite network services to telcos. These services, which currently telcos operate, can be outsourced to us. Examples of such services include managed network services for their telco commercial customers and mobile backhaul services for their mobile network.

We plan to purchase a piece of land of around three acres to four acres in size in the Klang Valley, to construct a new building for the teleport. Presently we are in the midst of identifying a suitable piece of land. The new teleport will have satellite uplink and downlink network equipment, and a satellite dish for satellite data communications. It will have two satellite TVRO systems to receive video and multimedia content. We will use these equipment to start our satellite downlink services for video content, as discussed in Section 6.20.1(ii) of this Prospectus.

The new high-definition DSNG system that we plan to purchase is an upgrade to our existing flyaway satellite systems. The new high-definition DSNG system is automated and mobile to support faster deployment and service reliability. It will have high-definition video transmission capability and enhance our existing satellite uplink and downlink services. The new system supports higher uplink and downlink bandwidth compared to our existing systems, and allows us to provide better service. For example, we can use it to transmit high-definition video content from live on-location news broadcasts, sporting and other events. In addition to complementing the planned teleport's operations, the DSNG system can also function independently.

We intend to use RM14.36 million from our IPO proceeds to set up the new teleport and purchase the new high-definition DSNG system as set out in Section 3.8 of this Prospectus. The construction work on the planned teleport is expected to begin by the second half of 2018, and the teleport is expected to become operational by the fourth quarter of 2019. The construction is expected to take 12 to 15 months to complete. We plan to buy the DSNG system in the first quarter of 2018, before the planned completion of the teleport. We intend to use the new DSNG system to provide customers with a higher level of service for our satellite network uplink and downlink services for video content.

(ii) Satellite downlink services for video content

We intend to expand our existing satellite telecommunications uplink and downlink services to provide downlink services for high definition video content using the facilities at our planned teleport.

Currently, some video content for satellite and terrestrial television broadcast in Malaysia is delivered by satellite downlink to a teleport in a foreign country. The video content is then transmitted to the satellite and terrestrial television broadcasters in Malaysia by fibre optic lease line.

Our planned teleport will serve as an alternative for the satellite and terrestrial television broadcasters, whereby the video content can be downlinked to our planned teleport. We will then transmit the video content to the satellite and terrestrial television broadcasters via fibre optic lease line. The video content can include both live video coverage of sporting and other events, such as football matches, and pre-recorded shows such as television shows and movies. Satellite and terrestrial television broadcasters may be able to reduce the cost of obtaining the video content by using a local teleport, which will be closer to them compared to a foreign teleport.

The service that we provide will include high definition video content. In general, high-definition video content displays images with at least 720 horizontal lines (that is, 720 horizontal pixel height). The frequency at which images are refreshed varies depending on the video mode used. Two types of image refreshing or scanning systems are used with high-definition video content, namely progressive scanning and interlaced scanning. In progressive scanning, the entire image is redrawn when the image is renewed. In interlaced scanning, alternate horizontal lines of the image are redrawn each time the image is renewed. For example, the odd-numbered lines will be redrawn during the first time that the image is renewed, followed by the even-numbered lines during the next renewal, and so on. Interlaced scanning results in higher picture quality (that is, resolution) for subjects that are not moving, but has lower picture quality when displaying moving subjects.

We will begin developing the satellite downlink services for video content business once our teleport becomes operational. We intend to use internally generated funds to finance this business.

6.20.2 Enhancing our operations and maintenance services capability

We plan to set up one new warehouse in Sabah and one new warehouse in Sarawak, and invest in new vehicles, machinery and equipment to enhance our operations and maintenance service capability.

We plan to acquire the warehouses as a base for our technical team's operations in Sabah/ Sarawak. As at LPD, we have 30 personnel in Sabah and 26 personnel on an 'on-call' basis in Sarawak. Presently, we are renting a support service office and facility in Sabah that also supports our Sarawak operations. However as part of our future plans we intend to own warehouse facilities in Sabah and Sarawak that will also serve as our support service offices.

The warehouses will also be used to store our tools and equipment, network equipment for installation and commissioning, and operations and maintenance jobs. This is to support our Group's existing business activities, which include satellite network supporting services (involving installation and commissioning, and operations and maintenance services), and mobile network supporting services (involving installation and commissioning, and operations and maintenance services). For the FYE 2014, FYE 2015, FYE 2016 and FYE 2017 we maintained 2,792, 3,376, 3,861 and 4,344 Mobile and VSAT sites, respectively under our operations and maintenance contracts for East Malaysia. Having permanent warehouses in Sabah and Sarawak will enhance our storage facilities and strengthen our presence in East Malaysia. We intend to leverage on our experience and expertise in the region to expand our operations and secure more projects in East Malaysia. We plan to increase our resources such as staff and equipment and set up the warehouses to facilitate our expansion plans in the region.

We intend to purchase new four-wheel drive vehicles and passenger cars to replace old vehicles, and expand our fleet. This will improve our ability to deploy technicians to customer's sites, including those in rural areas. We also plan to purchase skylifts, which are used when we install and maintain network equipment on towers and rooftops. We also plan to purchase new tools and equipment, such as hand tools, radio frequency analysers, internet connectivity meters, power meters, laptop computers and smartphones; and personal safety equipment such as helmets, high visibility vests and safety harness.

We plan to use RM4.90 million of our IPO proceeds to enhance our operations and maintenance service capabilities as set out in Section 3.8 of this Prospectus. We plan to purchase the vehicles and equipment for our operations and maintenance services by the first quarter of 2018.

6.20.3 Enhancing our fibre optic network installation and commissioning service capability

We intend to enhance our fibre optic network installation and commissioning service capabilities by developing our in-house team to carry out outside plant installation and commissioning work. Presently we use in-house resources for tasks such as cable termination and connections, installing network equipment, and testing and commissioning. However, we usually engage sub-contractors to carry out civil works for underground and above ground installation and fibre optic cable splicing. As part of our future plan and strategies, we intend to develop our in-house resources to carry out these works.

We thus plan to recruit qualified personnel such as personnel to operate HDD machines, excavators, cranes other machinery to perform civil work; and personnel such as fibre optic cable splicers and electricians to complement our fibre optic network installation and commissioning service capabilities. We will also purchase new crane lorries, new HDD machines, complete with water tanks and pumps, cranes and other supporting equipment, and new tools and equipment. The new tools and equipment that we plan to purchase include fibre optic cable splicing kits, light sources for fibre optic cables, power meters, and optical time domain reflectometers (a type of electronic device used to test the performance of fibre optic cables); and other miscellaneous accessories, adapters and kits.

We also plan to set up two warehouses and workshop facilities to support fibre optic network installation and commissioning works in Johor, where we have secured a contract to provide outside plant fibre optic network installation and commissioning services. We are presently in the midst of identifying suitable properties for the facilities.

We plan to use RM4.80 million of the IPO proceeds to enhance our fibre optic network installation and commissioning service capabilities as set out in Section 3.8 of this Prospectus. We plan to begin the purchases of the properties, HDD machines; and tool and equipment for fibre optic network installation and commissioning services by the first quarter of 2018.

6.20.4 Regional business expansion particularly into Vietnam, Myanmar and Laos

We plan to expand into regional countries in particular Vietnam, Myanmar and Laos as a provider of telecommunications network supporting services. Based on our preliminary talks on opportunities in these countries, we intend to leverage on our track record and expertise that we have developed in Malaysia to offer our services for satellite, mobile and fibre optic networks in these countries. We plan to penetrate the identified markets by forming strategic partnerships and/or joint collaborations with suitable operators, such as Telcos, equipment suppliers, and supporting service providers, that are currently doing business in the respective countries. However, we will conduct studies of the target markets including the local laws and regulations prior to any foreign investment.

We plan to use RM1.50 million of our IPO proceeds to set up branch offices in Vietnam, Myanmar and Laos to support our expansion into these countries as set out in Section 3.8 of this Prospectus. We intend to set up a representative office in Vietnam and Myanmar by the third quarter of 2018, and in Laos by the second quarter of 2019. The representative offices will be rented. As at the LPD, we are currently in preliminary talks with a local supporting service provider, equipment suppliers and Telcos for opportunities to enter into these markets.

6.21 OUR PROSPECTS

Our prospects are determined by the following factors:

- Our past and current business performance creates a basis for future sustainability and growth;
- Our competitive advantages and key strengths help us to retain our existing customers and gain new ones;
- Our future plans and strategies will support sustainable growth for our business; and
- The prospects and outlook of our industry will support our business.

6.21.1 Our past and current business performance creates a basis for future sustainability and growth

Our business performance is reflected by our financial results between FYE 2014 and FYE 2017:

- Our revenue grew at a CAGR of 19.7%, from RM31.82 million to RM54.52 million;
- Our GP grew at a CAGR of 34.6%, from RM8.44 million to RM20.56 million; and
- Our PBT grew at a CAGR of 43.0%, from RM4.68 million to RM13.67 million.

In addition, our financial results for the FYE 2017 improved compared to the FYE 2016:

- Our revenue grew from RM46.43 million to RM54.52 million, an increase of 17.4%;
- Our GP grew from RM15.84 million to RM20.56, million, an increase of 29.8%; and
- Our PBT grew from RM9.66 million to RM13.67 million, an increase of 41.5%.

The growth of our business as reflected by our financial performance between FYE 2014 and FYE 2017 will provide us with the platform for continuing business sustainability and growth.

6.21.2 Our competitive advantages and key strengths help us to retain our existing customers and gain new ones

Our competitive advantages and key strengths will help us retain our existing customers and gain new ones to sustain and grow our business. They include the following:

- We have a proven track record of approximately 13 years since Binasat commenced business in telecommunication network supporting services in 2004. We have been serving customers in the ICT industry, including all of the major Telcos in Malaysia (either directly or indirectly through equipment suppliers), and equipment suppliers;
- As a provider of maintenance services for telecommunications network, we have experienced in-house technical personnel and critical network equipment and parts across Malaysia. As at the LPD, we have 264 technical personnel stationed in all states in Malaysia. Our ability to quickly deploy service teams to rectify actual or potential network failures across Malaysia is critical to minimise network downtime;
- We have an experienced management team to drive our business;
- We provide our supporting services across different network mediums and technologies, including satellite, mobile and fibre optic networks. Our ability to do so means that our current business and future growth potential are not entirely dependent on any single one network medium or technology. This also enables us to address a wider potential market;
- We are well established in the industry to provide services relating to satellite network and operations and maintenance;
- We continuously emphasise maintaining our quality of services through our ISO 9001:2015 quality assurance programme; and
- We have recurring revenue to help sustain our business. This will provide our business with some assurance of cashflow during the duration of such contracts.

Please refer to Section 6.3.3 of this Prospectus for further details.

6.21.3 Our future plans and strategies to support sustainable growth

We have in place business expansion plans moving forward, which includes the following:

- Setting up a new teleport facility and offering network related services, such as satellite downlink services for video content;
- Enhancing our operations and maintenance service capability;
- Enhancing our fibre optic network installation and commissioning service capability; and
- Regional business expansion into Vietnam, Myanmar and Laos.

Our future plans and strategies would provide us with the platform to sustain and grow our business.

Please refer to Section 6.20 of this Prospectus for further details.

6.21.4 The prospects of our industry support our business

In general, the prospects and outlook of the telecommunications network supporting services segment are dependent on economic and social factors that affect consumer, business and government spending. These factors include:

- Improving economic conditions in Malaysia. The Malaysian economy is forecasted to grow its real GDP at a CAGR of 4.8% between 2017 and 2021;

- Population growth, whereby the Malaysian population is forecasted to grow at a CAGR of 1.3% between 2017 and 2021, to 33.8 million persons;

- Technological advancements, where newer technologies are continuously being introduced into the telecommunications industry. The need for new equipment to be installed to support the new telecommunications protocols provide operators offering installation and maintenance services a catalyst for growth, should they adopt the skills and knowledge required to handle the required hardware;

- Universal Service Provision (USP) programme that is implemented by the Malaysian Government through the MCMC aims to ensure that remote and sparsely populated areas of Malaysia have access to telecommunications services;

- Under the Budget 2018, RM1.0 billion will be allocated through MCMC to develop telecommunications infrastructures and broadband facilities in Sabah and Sarawak;

- The 11th Malaysia Plan, where one of the strategies is to improve coverage, quality and affordability of digital infrastructure by expanding and upgrading broadband infrastructure which involve deployment of the High-Speed Broadband 2 and Suburban Broadband plans;

- Providers of telecommunications network supporting services are expected to benefit from Telco's on-going capital expenditure on their networks. This capital expenditure includes expenditure on activities such as upgrading, maintaining and deploying additional network infrastructure to improve their service offerings to their customers; and

- In the event that MCMC carries out a spectrum reallocation exercise in the future, operators providing telecommunications network supporting services could potentially benefit as Telcos could engage them to carry out network equipment recalibration work, and to install and commission new network equipment.

Please refer to Section 7 of this Prospectus for further details.