

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020

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

	Notes	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTERS</u>	
		Current Quarter Ended 30.06.2020 RM '000	Preceding Corresponding Quarter Ended 30.06.2019 RM '000	Current Year to Date Ended 30.06.2020 RM '000	Preceding Year To Date Ended 30.06.2019 RM '000
Revenue		11,407	12,545	45,484	54,686
Cost of sales		(8,974)	(10,232)	(33,708)	(39,972)
Gross profit		2,433	2,313	11,776	14,714
Other income		(112)	437	1,205	1,872
Administrative expenses		(1,352)	(1,819)	(5,816)	(6,402)
Other operating expenses		(113)	(1,781)	(2,337)	(2,719)
Finance costs		(170)	(62)	(646)	(273)
Profit/(loss) before taxation		686	(912)	4,182	7,192
Taxation		(131)	(231)	(971)	(2,593)
Profit/(loss) after taxation/total comprehensive income/(expenses) for the financial period/year		555	(1,143)	3,211	4,599
Attributable to:					
- Owners of the Company		369	(991)	2,925	4,874
- Non-controlling interests		186	(152)	286	(275)
		555	(1,143)	3,211	4,599
Attributable to equity holders of the Company:					
- Basic earnings per share(sen)	B11	0.14	(0.38)	1.12	1.87
- Diluted earnings per share (sen)	B11	0.14	(0.38)	1.12	1.87

Note:

- (1) The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	UNAUDITED AS AT 30.06.2020 RM'000	AUDITED AS AT 30.6.2019 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		22,281	12,354
Investment properties		4,247	4,343
Right of use assets ²		14,645	-
Prepaid lease payments		-	523
Deferred tax assets		-	128
		<u>41,173</u>	<u>17,348</u>
CURRENT ASSETS			
Contract costs		2,899	2,618
Trade receivables and contract assets		18,278	27,300
Other receivables, deposits and prepayments		632	1,028
Current tax assets		3,836	1,681
Short-term investments		27,867	34,858
Cash and bank balances		12,687	9,560
		<u>66,199</u>	<u>77,045</u>
TOTAL ASSETS		<u>107,372</u>	<u>94,393</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		56,588	55,219
Merger deficit		(16,052)	(16,052)
Retained profits		38,325	35,400
Equity attributable to owners of the Company		<u>78,861</u>	<u>74,567</u>
Non-controlling interests		184	(102)
TOTAL EQUITY		<u>79,045</u>	<u>74,465</u>
NON-CURRENT LIABILITIES			
Borrowings	B9	19,455	7,352
Deferred tax liabilities		173	-
		<u>19,628</u>	<u>7,352</u>

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

	UNAUDITED	AUDITED
	AS AT	AS AT
	30.06.2020	30.6.2019
Notes	RM'000	RM'000
CURRENT LIABILITIES		
Trade payables and contract liabilities	3,622	8,222
Other payables, deposits and accruals	3,970	3,478
Borrowings	1,107	876
	<u>8,699</u>	<u>12,576</u>
TOTAL LIABILITIES	28,327	19,928
TOTAL EQUITY AND LIABILITIES	<u>107,372</u>	<u>94,393</u>
Net asset per share (RM) ³	<u>0.30</u>	<u>0.29</u>

Notes:

- (1) The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.
- (2) Arising from the adoption of MFRS 16 Leases.
- (3) Based on the Company's issued share capital of 264,367,550 ordinary shares for financial period ended 30 June 2020 and 260,000,000 ordinary shares for financial year ended 30 June 2019.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-Distributable		Distributable			Total
	Share Capital	Merger Deficit	Retained Profits	Attributable to Owners of the Company	Non-Controlling Interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance at 1.7.2018	55,219	(16,052)	31,826	70,993	173	71,166
Total comprehensive income for the financial year	-	-	4,874	4,874	(275)	4,599
Dividend paid	-	-	(1,300)	(1,300)	-	(1,300)
Balance at 30.06.2019	55,219	(16,052)	35,400	74,567	(102)	74,465
Balance at 1.7.2019	55,219	(16,052)	35,400	74,567	(102)	74,465
Total comprehensive income for the financial year	-	-	2,925	2,925	286	3,211
<u>Transactions with owners :</u>						
Issuance of ordinary shares ²	1,369	-	-	1,369	-	1,369
Balance at 30.06.2020	56,588	(16,052)	38,325	78,861	184	79,045

Note:

- (1) The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.
- (2) Issued pursuant to the special issue of 4,367,550 new ordinary shares of Binasat to Bumiputera investors approved by the Ministry of International Trade and Industry, which was completed on 20 December 2019 (“**Special Issue**”)

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date Ended 30.06.2020 RM'000	Preceding Year To Date Ended 30.06.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,182	7,192
Adjustments for:		
Allowance for impairment losses on trade and other receivables	754	1,488
Bad debts written off	25	-
Amortisation of prepaid lease payments	-	104
Depreciation of property, plant and equipment	692	1,173
Depreciation of investment properties	96	96
Depreciation of right of use assets	797	-
Interest expenses	646	273
Gain on disposal of property, plant and equipment	(23)	(152)
Interest income	(998)	(1,322)
Reversal of impairment losses on trade receivables	(27)	(48)
Unrealised gain on foreign exchange	(58)	(39)
Operating profit before working capital changes	<u>6,086</u>	<u>8,765</u>
Changes in working capital:		
Receivables	8,386	(7,574)
Payables	<u>(4,108)</u>	<u>2,625</u>
CASH FROM OPERATIONS	<u>10,364</u>	<u>3,816</u>
Tax paid	(3,096)	(4,519)
Tax refund	271	-
Interest paid	(646)	(273)
Interest received	<u>998</u>	<u>1,322</u>
Net cash flows from operating activities	<u>7,891</u>	<u>346</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(12,308)	(4,031)
Proceeds from disposal of property, plant and equipment	<u>23</u>	<u>158</u>
Net cash flows for investing activities	<u>(12,285)</u>	<u>(3,873)</u>
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Dividend paid	-	(1,300)
Proceed from issuance of shares	1,369	-
Repayment of term loans	(354)	(515)
Repayment of lease liabilities	<u>(543)</u>	<u>(366)</u>
Net cash flows from/(for) financing activities	<u>472</u>	<u>(2,181)</u>

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

	Current Year To Date Ended 30.06.2020 RM'000	Preceding Year To Date Ended 30.06.2019 RM'000
Net change in cash and cash equivalents	(3,922)	(5,708)
Effects of changes in foreign exchange rate	58	39
Cash and cash equivalents at beginning of financial year	<u>44,418</u>	<u>50,087</u>
Cash and cash equivalents at end of financial year	<u><u>40,554</u></u>	<u><u>44,418</u></u>
Cash and cash equivalents consist of:		
Cash and bank balances	12,687	9,560
Short- term investments	<u>27,867</u>	<u>34,858</u>
	<u><u>40,554</u></u>	<u><u>44,418</u></u>

Notes:

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

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A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 30 June 2020

A1 Basis of Preparation

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

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30 June 2019 except for the adoption of the MFRS 16 Leases as described below:

MFRS 16 Leases

MFRS 16 requires the lessee to recognise in the statements of financial position, a “right of use” of the underlying asset and a lease liability reflecting future lease payment for most leases. The right-of-use asset is depreciated in accordance with principle in MFRS 116 “Property, Plant and Equipment” and the lease liability is accreted over time with interest expense recognised in the statement of profit or loss and other comprehensive income.

On the date of initial application, the Group applied the simplified transition approach and did not restate comparative amounts for the period prior to first adoption. Right-of-use assets were measured on transition as if the new rules had always been applied.

The adoption of MFRS 16 impacts the Group’s financial performance in the current financial period as below:

- (a) On the statements of profit or loss and other comprehensive income, expenses which previously included operating lease rentals were replaced by interest expenses on lease liabilities (included within “finance costs”) and depreciation of right-of-use assets.
- (b) On the statement of cash flows, operating lease rental outflows previously recorded within “net cash flows from operating activities” were reclassified as “net cash flows used in financing activities” for repayment of the principal and interest of lease liabilities.

MFRS, amendments and improvements to MFRSs and IC Interpretation

The Malaysian Accounting Standards Board had issued the following new standard, amendments and improvements to MFRSs and IC interpretation, all of which are effective for the financial period beginning on or after 1 January 2020.

- Amendments to MFRS 3 Definition of a Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform
- Amendments to MFRS 101 and MFRS 108 Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards

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

A2 Auditor’s Report of preceding annual financial statements

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

A3 Comments about Seasonal and Cyclical Factors

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

A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 30 June 2020 (Cont'd)

A4 Items of Unusual Nature and Amount

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

A5 Material Changes in Estimates

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

A6 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current financial quarter under review. Please refer to section B7 for details of the Private Placement (as defined hereinafter).

A7 Dividends Paid

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

A8 Segmental Reporting

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely in the provision of support services for satellite, mobile and fibre optic telecommunications networks in Malaysia.

A9 Valuation of Property, Plant and Equipment

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

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Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 30 June 2020 (Cont'd)

A10 Capital Commitments

	As at 30.06.2020 RM'000	As at 30.06.2019 RM'000
Approved and contracted for:		
- Property, plant and equipment	122	7,032
- Office building	4,313	-
Approved and not contracted for:		
- Teleport	-	324
- Property, plant and equipment	-	11,200
	<hr/> 4,435	<hr/> 18,556

A11 Material Subsequent Event

There are no material events subsequent to the end of the current financial quarter under review.

A12 Changes in Composition of the Group

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

A13 Contingent Assets or Liabilities

There were no contingent assets as at the date of this report. Contingent liabilities of the Group as at 30 June 2020 comprises bank guarantees issued to our customers for the purpose of performance bonds amounting to RM531,966.

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Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 30 June 2020 (Cont'd)

B Additional Information Required by the Listing Requirements

B1 Comparison with Preceding Year Corresponding Quarter

	<u>Quarter ended</u>		Variance
	30.06.2020	30.06.2019	
	(4Q 20)	(4Q 19)	
	RM'000	RM'000	%
Revenue	11,407	12,545	-9.07%
Gross Profit	2,433	2,313	5.19%
Profit/(loss) before taxation	686	(912)	-175.22%

In 4Q20, the Group's revenue decreased by RM1.14 million or 9.07% as compared to the preceding year corresponding quarter. The decrease in revenue is mainly attributed to decrease in revenue from broadcast services and network installation and commissioning services. As a result of the Covid-19 pandemic, the Malaysian government imposed a movement control order ("MCO") since mid of March 2020, which restricted the operation of the Group's network installation and commissioning works. The Group was only permitted to provide network maintenance works during the MCO period as network maintenance works were categorized as essential services.

The Group's gross profit ("GP") increased by RM0.12 million or 5.19% as compared to the preceding year corresponding quarter. This was mainly attributable to the higher profit margins secured from the Group's fiber optic projects.

The Group recorded loss before taxation of RM0.9 million for 4Q19 but had profit before taxation ("PBT") of RM0.7 million for 4Q20. The improvement in financial performance in 4Q20 versus 4Q19 was mainly due to the higher gross profit in 4Q20. In 4Q20, there were no significant allowance for impairment losses on trade receivables made, as opposed to RM1.4 million of allowance for impairment losses on trade receivables recorded for 4Q19, contributing to improvement of the Group's financial performance.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020

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

B2 Comparison with Preceding Year Corresponding Period

	<u>Cumulative 12-month financial period ended</u>		
	30.06.2020	30.06.2019	Variance
	RM'000	RM'000	%
Revenue	45,484	54,686	-16.83%
Gross Profit	11,776	14,714	-19.97%
Profit before taxation	4,182	7,192	-41.85%

The Group's revenue for the 12-month financial period ended 30 June 2020 decreased by RM9.20 million or 16.83% as compared to the preceding year corresponding period. The decrease in the Group's revenue is mainly due to the decrease in broadcast services and network installation and commissioning services.

The Group's GP for the 12-month financial period ended 30 June 2020 decreased by RM2.94 million or 19.97% as compared to the preceding year corresponding period. The decrease in the Group's GP is mainly due to decrease in revenue as explained above.

The Group's PBT for the 12-month financial period ended 30 June 2020 decreased by RM3.01 million or 41.85% as compared to the preceding year corresponding period. This was mainly due to lower GP as explained above.

B3 Comparison with Immediate Preceding Quarter Results

	<u>Quarter ended</u>		Variance
	30.06.2020	31.03.2020	
	(4Q 20)	(3Q 20)	
	RM'000	RM'000	%
Revenue	11,407	10,210	11.72%
Gross Profit	2,433	2,054	18.45%
Profit before taxation	686	230	198.26%

In 4Q20, the Group's revenue increased by RM1.20 million or 11.71% as compared to the preceding quarter. This was mainly attributable to the higher revenue on civil infrastructure and fibre optic cabling work.

In 4Q20, the Group's GP increased by RM0.39 million or 18.45% as compared to the preceding quarter. This was mainly due to the increase in revenue as explained above. The Group's GP margin also improved from 20.12% in 3Q20 to 21.33% in 4Q20.

In 4Q20, the Group's PBT improved by RM0.46 million or 198.26% as compared to the preceding quarter. This was mainly due to the increase in GP as explained above.

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

B4 Commentary on Prospects

As a result of the Covid-19 pandemic, the Malaysian government imposed the MCO on 16 March 2020. The MCO took effect from 18 March 2020 and was extended several times up to 31 August 2020. As a result, this has affected the Group as its ongoing network installation and commissioning projects were temporarily interrupted.

On 29 April 2020, the Ministry of International Trade and Industry allowed certain economic sectors to operate with full capacity workforce during their normal operating hours without restrictions. Our Group commenced full operations on 4 May 2020.

That said, the Group will continue to explore new sources of revenue and business opportunities. The Group has completed one of the 2 satellite teleport C-band gateway in the first half of 2020. The aforementioned satellite commenced operations in July 2020 and contributed to the revenue of the Group. The Group expects to complete the installation of a Ka-band gateway and another C-band gateway by end of 2020.

Further, the Group expects to benefit from the announcement made under the Malaysian National Fiberisation and Connectivity Plan outlined in Budget 2020 (“**NFCP**”), where the NFCP aims to achieve a coverage of 98% connectivity nationwide and our Group has participated in delivery of various NFCP projects.

Premised on the above, the Board will remain cautiously optimistic and take a prudent approach in managing the operations of the Group.

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020

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

B5 Profit Forecast

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

B6 Taxation

	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year To Date Ended	Preceding Year To Date Ended
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
Malaysia income tax:				
- Current tax	(213)	319	627	2,400
- Under provision in the previous year	43	-	43	281
	<u>(170)</u>	<u>319</u>	<u>670</u>	<u>2,681</u>
Deferred tax:				
- Origination and reversal of temporary differences	277	(40)	277	(40)
- Under/(Over) provision in the previous financial year	24	(48)	24	(48)
	<u>301</u>	<u>(88)</u>	<u>301</u>	<u>(88)</u>
	<u>131</u>	<u>231</u>	<u>971</u>	<u>2,593</u>
Effective tax rate ⁽¹⁾	19.10%	-25.33%	23.22%	36.05%

Note:

- (1) The Group's effective tax rate of 19.10% for the current quarter is lower than the statutory tax rate due to higher allowable deductions before arriving at the Group's chargeable income.

B7 Status of Corporate Proposals

Save as disclosed below, there is no other outstanding corporate proposals which have been announced but are pending completion as at the date of this report.

Private Placement

On 7 April 2020, TA Securities Holdings Berhad had announced on behalf of the Board that the Company proposes to undertake a private placement of up to 26,034,700 new ordinary shares in Binasat ("Placement Shares"), representing up to 10% of the total number of issued shares of the Company to third party investor(s) to be identified later and at an issue price to be determined later ("Private Placement").

Bursa Securities had on 10 April 2020 approved the listing and quotation of up to 26,034,700 Placement Shares to be issued pursuant to the Private Placement. As at the date of this report, no placement shares have been issued.

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020

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

B8 Utilisation of Proceeds

(i) Public Issue

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

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

Note:

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

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020**

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

Details of use of proceeds		Estimated Timeframe for Utilisation⁽¹⁾	Initial Utilisation RM'000	Actual Utilisation as at 18 May 2020 RM'000	Balance unutilised as at 18 May 2020 RM'000	Varied Amount RM'000	Total amount after Variation RM'000	Actual utilisation of varied amount RM'000	Balance unutilised as 30 June 2020 RM'000
2	Enhancing operations and maintenance services capability	Within 18 months ⁽¹⁾	4,900	1,505	3,395	-	3,395	1,054	2,341
3	Enhancing fiber optic network installation and commissioning services capability	Within 18 months ⁽¹⁾	4,800	58	4,742	1,492	6,234	6,078	156
4	Regional business expansion in ASEAN countries	Within 18 months ⁽¹⁾	1,500	8	1,492	(1,492)	-	-	-
			11,200	1,571	9,629	-	9,629	7,132	2,497

Note:

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

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020

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

B9 Group Borrowings

	As at 30.06.2020 RM'000	As at 30.6.2019 RM'000
Non-current:		
Hire purchase payables (secured)	1,270	1,017
Term loans (secured)	5,981	6,335
Lease liabilities (secured)	12,204	-
	<u>19,455</u>	<u>7,352</u>
Current:		
Hire purchase payables (secured)	404	406
Term loans (secured)	470	470
Lease liabilities (secured)	233	-
	<u>1,107</u>	<u>876</u>

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

B10 Material Litigation

As at the date of this report, the Group is not engaged in any material litigation threatened against the Group.

B11 Earnings per Share

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

	Current Quarter Ended 30.06.2020 RM'000	Preceding Year Corresponding Quarter Ended 30.06.2019 RM'000	Current Year To Date Ended 30.06.2020 RM'000	Preceding Year To Date Ended 30.06.2019 RM'000
Profit after taxation attributable to owners of the Company (RM)	369	(991)	2,925	4,874
Weighted average number of shares	264,368	260,000	262,315	260,000
Basic earnings per share (sen) ⁽¹⁾	0.14	(0.38)	1.12	1.87
Diluted earnings per share (sen) ⁽²⁾	0.14	(0.38)	1.12	1.87

Notes:

- (1) The basic earnings per share is calculated by dividing the profit after taxation attributable to owners of the Company by the weighted average number of ordinary shares for the period under review.
- (2) Diluted earnings per share is equivalent to the basic earnings per share as the Group does not have convertible securities as at 30 June 2020.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020

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

B12 Derivatives

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

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

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

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

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

	Current Quarter Ended 30.06.2020 RM'000	Preceding Year Corresponding Quarter Ended 30.06.2019 RM'000	Current Year To Date Ended 30.06.2020 RM'000	Preceding Year To Date Ended 30.06.2019 RM'000
Allowance for impairment losses on trade and other receivables	(330)	1,488	754	1,488
Bad debt written off	25	-	25	-
Amortisation of prepaid lease payments	-	104	-	104
Depreciation of property, plant and equipment	(128)	307	692	1,173
Depreciation of investment property	24	24	96	96
Depreciation of right of use assets	550	-	797	-
Interest expenses	170	62	646	273
Realised loss/(gain) on foreign exchange	(74)	9	(84)	9
Rental income	(21)	(17)	(81)	(66)
Reversal of impairment losses on trade receivables	348	(14)	(27)	(48)
Interest income	(192)	(313)	(998)	(1,322)
Gain on disposal of property, plant and equipment	(22)	(96)	(23)	(152)
Unrealised gain on foreign exchange	(3)	(3)	(58)	(39)

Notes:

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

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

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020

BY ORDER OF THE BOARD

**TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
COMPANY SECRETARIES**

**KUALA LUMPUR
27 AUGUST 2020**