

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2022

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

| | Notes | <u>INDIVIDUAL QUARTER</u> | | <u>CUMULATIVE QUARTERS</u> | |
|---|-------|---------------------------|---|----------------------------------|---------------------------------|
| | | Current Quarter Ended | Preceding Corresponding Quarter Ended | Current Year to Date Ended | Preceding Year To Date Ended |
| | | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | 14,963 | 17,646 | 83,508 | 53,846 |
| Cost of sales | | (10,451) | (14,688) | (65,283) | (41,757) |
| Gross profit | | 4,512 | 2,958 | 18,225 | 12,089 |
| Other income | | 743 | 300 | 1,367 | 802 |
| Administrative expenses | | (1,709) | (1,669) | (6,804) | (5,939) |
| Other operating expenses | | (931) | (436) | (5,525) | (2,274) |
| Finance costs | | (175) | (160) | (663) | (642) |
| Profit before taxation | | 2,440 | 993 | 6,600 | 4,036 |
| Taxation | | (881) | (553) | (1,181) | (1,609) |
| Profit after taxation/total comprehensive income for the financial period | | 1,559 | 440 | 5,419 | 2,427 |
| Attributable to: | | | | | |
| - Owners of the Company | | 1,543 | 572 | 4,804 | 2,378 |
| - Non-controlling interests | | 16 | (132) | 615 | 49 |
| | | 1,559 | 440 | 5,419 | 2,427 |
| Earnings per share attributable to holders of the Company: (sen per share) ² | | | | | |
| - Basic | B11 | 0.40 | 0.20 | 1.42 | 0.86 |
| - Diluted | B11 | 0.40 | 0.20 | 1.42 | 0.86 |

Note:

- (1) The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.
- (2) Earnings per share is based on weighted average number of shares of 388,295,506 (2021: 286,436,750) and 337,402,924 (2021: 274,602,236) for the period of 3 months and cumulative 12 months respectively.

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BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2022****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| | Notes | UNAUDITED AS AT 30.06.2022 RM'000 | AUDITED AS AT 30.06.2021 RM'000 |
|--|-------|--|--|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 27,310 | 25,660 |
| Investment properties | | 9,417 | 9,641 |
| Goodwill | | 16,099 | - |
| Intangible assets | | 409 | - |
| Right of use assets | | 15,159 | 13,741 |
| Deferred tax assets | | 45 | - |
| | | <u>68,439</u> | <u>49,042</u> |
| CURRENT ASSETS | | | |
| Contract costs | | - | 379 |
| Trade receivables and contract assets | | 45,069 | 27,266 |
| Other receivables, deposits and prepayments | | 1,048 | 750 |
| Inventory | | 3,857 | - |
| Current tax assets | | 5,857 | 5,293 |
| Short-term investments | | 26,872 | 7,788 |
| Cash and bank balances | | 15,657 | 26,628 |
| | | <u>98,360</u> | <u>68,104</u> |
| TOTAL ASSETS | | <u>166,799</u> | <u>117,146</u> |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | | 97,181 | 63,390 |
| Merger deficit | | (16,052) | (16,052) |
| Retained profits | | 45,508 | 40,704 |
| Equity attributable to owners of the Company | | <u>126,637</u> | <u>88,042</u> |
| Non-controlling interests | | 5,002 | 308 |
| TOTAL EQUITY | | <u>131,639</u> | <u>88,350</u> |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | B9 | 18,410 | 18,838 |
| Deferred tax liabilities | | 1,099 | 287 |
| | | <u>19,509</u> | <u>19,125</u> |

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2022****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

| | UNAUDITED AS AT 30.06.2022 RM'000 | AUDITED AS AT 30.6.2021 RM'000 |
|---|--|---|
| | Notes | |
| CURRENT LIABILITIES | | |
| Trade payables and contract liabilities | 9,054 | 5,319 |
| Other payables, deposits and accruals | 3,485 | 3,136 |
| Borrowings | 2,289 | 1,216 |
| Current tax liabilities | 822 | - |
| | <u>15,650</u> | <u>9,671</u> |
| TOTAL LIABILITIES | 35,159 | 28,796 |
| | <u>166,798</u> | <u>117,146</u> |
| TOTAL EQUITY AND LIABILITIES | | |
| Net asset per share (RM) ² | 0.34 | 0.31 |

Notes:

- (1) The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the FYE 30 June 2021 and accompanying explanatory notes attached to the interim financial statements.
- (2) Based on the Company's issued share capital of 388,295,506 ordinary shares for financial period ended 30 June 2022 and 286,436,750 ordinary shares for financial year ended 30 June 2021.

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

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | <u>Non-Distributable</u> | | <u>Distributable</u> | | | |
|--|--------------------------|-----------------------|-------------------------|--|----------------------------------|----------------|
| | <u>Share Capital</u> | <u>Merger Deficit</u> | <u>Retained Profits</u> | <u>Attributable to Owners of the Company</u> | <u>Non-Controlling Interests</u> | <u>Total</u> |
| | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| Balance at 1.7.2020 | 56,588 | (16,052) | 38,326 | 78,862 | 184 | 79,046 |
| Total comprehensive income for the financial year | - | - | 2,378 | 2,378 | 49 | 2,427 |
| <u>Transactions with owners:</u> | | | | | | |
| Issuance of ordinary shares | 6,802 | - | - | 6,802 | - | 6,802 |
| Issuance of shares by subsidiary | - | - | - | - | 75 | 75 |
| Balance at 30.06.2021/01.07.2021 | 63,390 | (16,052) | 40,704 | 88,042 | 308 | 88,350 |
| Total comprehensive income for the financial year | - | - | 4,804 | 4,804 | 615 | 5,419 |
| <u>Transactions with owners:</u> | | | | | | |
| <u>Ordinary shares issued pursuant to:</u> | | | | | | |
| - Private placement | 19,557 | - | - | 19,557 | - | 19,557 |
| - Listing expenses | (274) | - | - | (274) | - | (274) |
| - Acquisition of new subsidiary | 14,857 | - | - | 14,857 | - | 14,857 |
| - Listing expenses | (349) | - | - | (349) | - | (349) |
| Business combination with non-controlling interest | - | - | - | - | 3,956 | 3,956 |
| Issuance of shares by subsidiary | - | - | - | - | 123 | 123 |
| Balance at 30.06.2022 | 97,181 | (16,052) | 45,508 | 126,637 | 5,002 | 131,639 |

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.

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

| | Current Year To Date Ended 30.06.2022 RM'000 | Preceding Year To Date Ended 30.06.2021 RM'000 |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 6,600 | 4,036 |
| Adjustments for: | | |
| Amortization of intangible asstes | 2,372 | - |
| Allowance for impairment losses on trade and other receivables | 313 | 256 |
| Depreciation of property, plant and equipment | 1,619 | 884 |
| Depreciation of investment properties | 224 | 224 |
| Depreciation of right of use assets | 996 | 875 |
| Interest expenses | 663 | 642 |
| Gain on disposal of property, plant and equipment | (17) | (10) |
| Gain on disposal of right of use assets | - | (189) |
| Interest income | (365) | (454) |
| Reversal of impairment losses on trade receivables | (315) | (87) |
| Unrealised gain on foreign exchange | (165) | (1) |
| Operating profit before working capital changes | <u>11,925</u> | <u>6,176</u> |
| Changes in working capital: | | |
| Inventories | (3,857) | - |
| Receivables | (6,005) | (6,863) |
| Payables | (330) | 969 |
| CASH FROM OPERATIONS | <u>1,733</u> | <u>282</u> |
| Tax paid | (2,121) | (2,962) |
| Tax refund | - | 10 |
| Interest paid | (440) | (189) |
| Interest received | 365 | 454 |
| Net cash flows for operating activities | <u>(463)</u> | <u>(2,405)</u> |
| CASH FLOWS FOR INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (3,203) | (9,880) |
| Purchase of right-of-use assets | (147) | - |
| Proceeds from disposal of property, plant and equipment | 17 | 10 |
| Proceeds from disposal of right-of-use assets | - | 219 |
| Acquisition of subsidiary company, net of cash acquired | (5,269) | - |
| Share issuance expenses | (349) | - |
| Net cash flows for investing activities | <u>(8,951)</u> | <u>(9,651)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceed from issuance of shares | 19,557 | 6,801 |
| Proceed from issuance of shares by a subsidiary | 123 | 75 |
| Share issuance expenses | (274) | - |
| Repayment of term loans | (579) | (394) |
| Repayment of lease liabilities | (1,465) | (565) |
| Net cash flows from financing activities | <u>17,362</u> | <u>5,917</u> |

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2022****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**

| | Current Year To Date Ended 30.06.2022 RM'000 | Preceding Year To Date Ended 30.06.2021 RM'000 |
|--|---|---|
| Net change in cash and cash equivalents | 7,948 | (6,139) |
| Effects of changes in foreign exchange rate | 165 | 1 |
| Cash and cash equivalents at beginning of financial year | <u>34,416</u> | <u>40,554</u> |
| Cash and cash equivalents at end of financial year | <u><u>42,529</u></u> | <u><u>34,416</u></u> |
| Cash and cash equivalents consist of: | | |
| Cash and bank balances | 15,657 | 26,628 |
| Short- term investments | <u>26,872</u> | <u>7,788</u> |
| | <u><u>42,529</u></u> | <u><u>34,416</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 2022

A1 Basis of Preparation

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

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30 June 2021.

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.

- MFRS 17 Insurance Contracts
- Amendments to MFRS 3: Reference to the Conceptual Framework
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform-Phase 2
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 17: Insurance Contracts
- Amendments to MFRS 16: Covid-19-Related Rent Concessions
- Amendments to MFRS 16: Covid-19-Related Rent Concessions beyond by 30 June 2021
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Annual Improvements to MFRS Standards 2018- 2020

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

A2 Auditor’s Report of preceding annual financial statements

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

A3 Comments about Seasonal and Cyclical Factors

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

A4 Items of Unusual Nature and Amount

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

A5 Material Changes in Estimates

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

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2022****A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 30 June 2022 (Cont'd)****A6 Debt and Equity Securities**

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

A7 Dividends Paid

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

A8 Segmental Reporting

The segmental results of the Group for the FYE 30 June 2022 based on segment activities are as follows:

| Cumulative Quarter as at 30 June 2022 | Satellite, mobile and fibre optic telecommunications networks | Power and telecommunication infrastructure works | Elimination | Group |
|--|--|---|--------------------|---------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 56,437 | 27,071 | - | 83,508 |
| Profit before tax | 6,173 | 3,754 | (3,327) | 6,600 |
| Taxation | (929) | (821) | 569 | (1,181) |
| Profit for the financial year | 5,244 | 2,933 | (2,758) | 5,419 |

A9 Valuation of Property, Plant and Equipment

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

A10 Capital Commitments

| | As at 30.06.2022 RM'000 | As at 30.06.2021 RM'000 |
|----------------------------------|--|--|
| Approved and contracted for: | | |
| - Property, plant and equipment | 454 | 1,989 |
| - Office building | - | 1,917 |
| Approved and not contracted for: | | |
| - Telecommunication equipment | 293 | - |
| | 747 | 3,906 |

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

A11 Material Subsequent Event

Incorporation of a New Subsidiary Company – Bina Jeth Sdn Bhd

On 8 February 2022, the Company had subscribed fifty- fifty-one (51) ordinary shares in Bina Jeth Sdn Bhd (“BJSB”) for a cash consideration of Ringgit Malaysia Fifty-One (RM51.00) only, representing 51% shareholding of BJSB while Jeth Niaga Sdn Bhd had subscribed forty-nine (49) ordinary shares for Ringgit Malaysia Forty-Nine (RM49.00) only. Consequently, BJSB became a direct 51% owned subsidiary of the Company.

The intended principal activity of BJSB is to provide support services for satellite, mobile and fibre optic telecommunications network.

A12 Changes in Composition of the Group

On 12 October 2021, Borderless Connection Sdn Bhd (“Borderless”) has fulfilled all the required precedent conditions and marking the acquisition completed accordingly. Following the completion, Borderless has become a 51% owned subsidiary of the Group.

Saved as above disclosed, there were no other changes in the composition of the Group during the current period.

A13 Contingent Assets or Liabilities

As at the reporting date, one of the subsidiaries of the Group, Binasat Sdn Bhd (“Binasat”) has claimed approximately RM1,137,932.80 (including profit portion) being the sum due and amount owing for work carried out and completed for Rosado Tradeline Sdn Bhd (“Rosado”).

Solicitors of Binasat are of the view that there is reasonably good chance for Binasat to succeed in it’s claim against Rosado.

Contingent liabilities of the Group as at 30 June 2022 will be RM10,434,268.41 which comprises bank guarantees issued to our customers for the purpose of performance bonds and bank guarantee served as tender deposit for tendering new project.

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

B Additional Information Required by the Listing Requirements

B1 Comparison with Preceding Year Corresponding Quarter

| | <u>Quarter ended</u> | | Variance |
|------------------------|---------------------------------|---------------------------------|----------|
| | 30.06.2022 (4Q 22) RM'000 | 30.06.2021 (4Q 21) RM'000 | |
| Revenue | 14,963 | 17,646 | -15.20% |
| Gross Profit | 4,512 | 2,958 | 52.54% |
| Profit before taxation | 2,440 | 993 | 145.72% |

In 4Q22, the Group's revenue decreased significantly by RM 2.68 million or 15.20% as compared to the preceding year corresponding quarter. The decrease in revenue was mainly attributed to lower revenue from civil infrastructure and fiber optic cabling works.

The Group's gross profit ("GP") has increased by RM1.55 million or 52.54% as compared to the preceding year corresponding quarter. The increase in Group's GP was due to reduce the number of mobile network maintenance services site but the group continue to incur fixed cost resulted lower gross margin in preceding year corresponding quarter, which this quarter back to normal.

The Group's profit before taxation ("PBT") increased by RM1.45 million or 145.72% as compared to the preceding year corresponding quarter, mainly due to increase in gross profit as explained above.

B2 Comparison with Preceding Year Corresponding Period

| | <u>Cumulative 12 months period ended</u> | | Variance |
|------------------------|--|---------------------------------|----------|
| | 30.06.2022 (4Q 22) RM'000 | 30.06.2021 (4Q 21) RM'000 | |
| Revenue | 83,508 | 53,847 | 55.08% |
| Gross Profit | 18,225 | 12,090 | 50.74% |
| Profit before taxation | 6,600 | 4,036 | 63.53% |

The Group's revenue of RM83.51 million for the 12 months financial period ended 30 June 2022 increased by 55.08% as compared to preceding year corresponding period of RM53.85 million. The increase in revenue was mainly attributed to higher revenue on civil mechanical & engineering works, recurring teleport services and revenue on transmission and distribution network facility services and EPCC of solar farm facilities contributed by new acquisition of subsidiary.

The Group's GP increased by RM6.13 million or 50.74% as compared to the preceding year corresponding period. The increase in the Group's GP was due to higher revenue on transmission and distribution network facility services and EPCC of solar farm facilities contributed by new acquisition of subsidiary.

The Group's PBT increased by RM2.56 million or 63.53% as compared to the preceding year corresponding period. This was mainly due to increase in gross profit and additional rental income of RM0.39 million.

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

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

B3 Comparison with Immediate Preceding Quarter Results

| | <u>Quarter ended</u> | | Variance |
|------------------------|----------------------|-------------------|-----------------|
| | 30.06.2022 | 31.03.2022 | |
| | (4Q 22) | (3Q 22) | |
| | RM'000 | RM'000 | % |
| Revenue | 14,963 | 24,925 | -39.97% |
| Gross Profit | 4,512 | 4,995 | -9.67% |
| Profit before taxation | 2,440 | 1,208 | 101.99% |

In 4Q22, the Group's revenue decreased significantly by RM9.96 million or 39.97% as compared to the immediate preceding quarter. The decrease in revenue was mainly due to lower revenue from civil mechanical & engineering work and transmission and distribution network facility service and EPCC of solar farm facilities contributed by new acquisition of subsidiary.

The Group's GP decreased slightly by RM0.48 million or 9.67% as compared to the immediate preceding quarter. This was mainly due to one of the civil mechanical & engineering work being suspended for 6 months but still incur fixed cost.

The Group's PBT increased significantly by RM1.23 million or 101.99% as compared to the immediate preceding quarter, mainly due to reversal of impairment loss on receivable and one of our subsidiary incurred one-off expenses such as staff bonus and tax penalty in the immediate preceding quarter, which this quarter back to normal.

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

B4 Commentary on Prospects

The Group has completed all satellite gateway and contributed the recurring revenue to the group, now the group focused on expanding satellite operations by targeting the maritime and oil and gas industries as these industries to increasingly adopt VSAT system

In July 2021, Digital Nasional Berhad (DNB) has announced its partnership with Ericsson (Malaysia) Sdn Bhd (“Ericsson”) to accelerate the national digital infrastructure plan which also known as *JENDELA, in Malay*. The Group has been awarded as one of the Ericsson’s Approved Supplier & Partner (ASP). Nevertheless, the Group also being awarded as one of the main TI Engineering sub-contractors from existing client.

In the meantime, major mobile network operators are in the midst of upgrading 4G network capacity via Huawei Malaysia (“Huawei”). The Group will also benefit from this as we are one of the Huawei’s ASP.

In August 2021, one of our subsidiaries awarded by DBKL as one of the NFP panel to build the 5G Tower over the 5 years and it has started construction works for recent awarded sites. The Board believe that it can contribute new revenue stream to the Group.

In February 2022, one of our subsidiaries has participated in newly fiber infrastructure project, namely Point of Present (“POP”) which consist of Phase 1 and Phase 2. These two projects worth nearly RM8 billion and both have to be completed in three years. We are actively participating for Phase 1 of this POP project as in the midst of delivering one clawback project and POP project. Moving forward, the Group will continue to involve in tendering for Phase 2 project when kick start by second half of 2022.

Premised on the above, the Board is looking forward to better economic prospects in 2022 and will continue to tender more projects and will take a prudent approach in monitoring operations of the Group.

B5 Profit Forecast

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

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BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2022****B Additional Information Required by the Listing Requirements (Cont'd)****B6 Taxation**

| | Current Quarter Ended | Preceding Year Corresponding Quarter Ended | Current Year To Date Ended | Preceding Year To Date Ended |
|--|----------------------------------|---|---------------------------------------|---|
| | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Malaysia income tax: | | | | |
| - Current tax | 1,003 | 241 | 1,845 | 1,297 |
| - Overprovision in the previous financial year | (763) | - | (763) | - |
| - Underprovision in the previous financial year | - | 198 | - | 198 |
| | 240 | 439 | 1,082 | 1,495 |
| Deferred tax: | | | | |
| - Origination and reversal of temporary difference | 601 | 113 | 59 | 113 |
| - Underprovision in the previous financial year | 40 | 1 | 40 | 1 |
| | 641 | 114 | 99 | 114 |
| | 881 | 553 | 1,181 | 1,609 |
| Effective tax rate ⁽¹⁾ | 36.34% | -46.37% | 17.93% | 39.87% |

Note:

- (1) The Group's effective tax rate of 36.34% for the current quarter is higher than the statutory rate mainly due to adjustment for non-deductible expenses.

B7 Status of Corporate Proposals

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

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 ("IPO") amounting to RM39.55 million has been utilised in the following manner:

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

Note:

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

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2022****B Additional Information required by the Listing Requirements (Cont'd)**

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

| Details of use of proceeds | | Estimated Timeframe for Utilisation | Initial Utilisation | Actual Utilisation as at 18 May 2020 | Balance unutilised as at 18 May 2020 | Varied Amount | Total amount after Variation | Actual utilisation | Balance unutilised as 30 June 2022 |
|----------------------------|--|-------------------------------------|---------------------|--------------------------------------|--------------------------------------|---------------|------------------------------|--------------------|------------------------------------|
| | | | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 2 | Enhancing operations and maintenance services capability | Within 18 months ⁽¹⁾ | 4,900 | 1,505 | 3,395 | - | 3,395 | 2,201 | 1,194 ⁽²⁾ |
| 3 | Enhancing fiber optic network installation and commissioning services capability | Within 18 months ⁽¹⁾ | 4,800 | 58 | 4,742 | 1,492 | 6,234 | 6,234 | - |
| 4 | Regional business expansion in ASEAN countries | Within 18 months ⁽¹⁾ | 1,500 | 8 | 1,492 | (1,492) | - | - | - |
| | | | 11,200 | 1,571 | 9,629 | - | 9,629 | 8,435 | 1,194 |

Note:

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

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

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2022****B Additional Information required by the Listing Requirements (Cont'd)****(ii) Private Placement**

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

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

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

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

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

| Details of use of proceeds | | Estimated Timeframe for Utilisation | Proceed Utilisation RM'000 | Actual Utilisation RM'000 | Balance unutilised as 30 June 2022 RM'000 |
|-----------------------------------|---|--|---|--|--|
| i. | Enhancing the Group's fiber optic network installation and commissioning service capability | Within 24 months | 1,290 | 827 | 463 |
| ii. | Working capital | Within 24 months | 18,082 | 3,470 | 14,612 |
| iii. | Estimated expenses for the Proposed Private Placement | Immediate | 185 | 185 | - |
| | | | 19,557 | 4,482 | 15,075 |

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

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

B9 Group Borrowings

| | As at 30.06.2022 RM'000 | As at 30.06.2021 RM'000 |
|-----------------------------|-------------------------------|-------------------------------|
| Non-current: | | |
| Term loans (secured) | 4,862 | 5,587 |
| Lease liabilities (secured) | 13,548 | 13,251 |
| | <u>18,410</u> | <u>18,838</u> |
| Current: | | |
| Term loans (secured) | 616 | 470 |
| Lease liabilities (secured) | 1,673 | 746 |
| | <u>2,289</u> | <u>1,216</u> |

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

B10 Material Litigation

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

(i) Binasat ("Plaintiffs") and Rosado Tradeline Sdn Bhd ("Rosado") ("Defendant")

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

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2022****B Additional Information required by the Listing Requirements (Cont'd)****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 30.06.2022 RM'000 | Preceding Year Corresponding Quarter Ended 30.06.2021 RM'000 | Current Year To Date Ended 30.06.2022 RM'000 | Preceding Year To Date Ended 30.06.2021 RM'000 |
|--|--|---|---|---|
| Profit after taxation attributable to owners of the Company (RM) | 1,543 | 572 | 4,804 | 2,378 |
| Weighted average number of shares | 388,296 | 286,437 | 337,403 | 274,602 |
| Basic earnings per share (sen) ⁽¹⁾ | 0.40 | 0.20 | 1.42 | 0.86 |
| Diluted earnings per share (sen) ⁽²⁾ | 0.40 | 0.20 | 1.42 | 0.86 |

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 2022.

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.

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2022****B Additional Information required by the Listing Requirements (Cont'd)****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 30.06.2022 RM'000 | Preceding Year Corresponding Quarter Ended 30.06.2021 RM'000 | Current Year To Date Ended 30.06.2022 RM'000 | Preceding Year To Date Ended 30.06.2021 RM'000 |
|--|--|---|---|---|
| Amortisation of intangible assets | 119 | - | 2,372 | - |
| Allowance for impairment losses on trade and other receivables | (22) | 55 | 313 | 256 |
| Depreciation of property, plant and equipment | 431 | 224 | 1,619 | 884 |
| Depreciation of investment properties | 56 | 56 | 224 | 224 |
| Depreciation of right of use assets | 324 | 209 | 996 | 875 |
| Unrealised (gain)/loss on foreign exchange | (135) | (86) | (165) | (1) |
| Realised loss on foreign exchange | (37) | 63 | (29) | 121 |
| Interest expenses | 175 | 160 | 663 | 642 |
| Rental income | (103) | (35) | (422) | (35) |
| Reversal of impairment losses on trade receivables | (315) | 30 | (315) | (87) |
| Interest income | (90) | (108) | (365) | (454) |
| Gain on disposal of property, plant and equipment | (2) | (10) | (17) | (10) |
| Other income ⁽¹⁾ | (29) | (73) | (45) | (112) |
| Gain on disposal of right of use asset | - | (189) | - | (189) |

Notes:

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

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

BY ORDER OF THE BOARD

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

KUALA LUMPUR
29 AUGUST 2022