

BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023

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 (18-month)	Preceding Year To Date Ended
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		RM '000	RM '000	RM '000	RM '000
Revenue		23,866	N/A	132,208	N/A
Cost of sales		(26,414)	N/A	(115,125)	N/A
Gross profit		(2,548)	N/A	17,083	N/A
Other income		5,814	N/A	7,895	N/A
Administrative expenses		(3,794)	N/A	(13,188)	N/A
Other operating expenses		(16,976)	N/A	(22,058)	N/A
Finance costs		(385)	N/A	(1,660)	N/A
Net reversal/(impairment losses) on financial assets and contract assets		(124)	N/A	1,654	N/A
Profit/(Loss) before taxation		(18,013)	N/A	(10,274)	N/A
Taxation		406	N/A	(2,087)	N/A
Profit/(Loss) after taxation/total comprehensive income for the financial period		(17,607)	N/A	(12,361)	N/A
Attributable to:					
- Owners of the Company		(17,228)	N/A	(13,388)	N/A
- Non-controlling interests		(379)	N/A	1,027	N/A
		(17,607)	N/A	(12,361)	N/A
Earnings per share attributable to holders of the Company: (sen per share) ²					
- Basic	B10	(4.44)	N/A	(3.45)	N/A
- Diluted	B10	(4.44)	N/A	(3.45)	N/A

Note:

- (1) As announced on 9 October 2023, the financial year end of the Group has been changed from 30 June 2023 to 31 December 2023. As such, there will be no comparative financial information available for the preceding year corresponding periods.
- (2) The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022.
- (3) Earnings per share is based on weighted average number of shares of 388,295,506 (2022: 388,295,506) for the period of 18 months.

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BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
	31.12.2023	30.06.2022
Notes	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	31,233	29,771
Investment properties	3,912	9,417
Goodwill	-	16,099
Intangible assets	-	409
Right of use assets	12,639	12,696
Deferred tax assets	45	45
	<u>47,829</u>	<u>68,437</u>
CURRENT ASSETS		
Trade receivables and contract assets	74,239	45,069
Other receivables, deposits and prepayments	8,155	1,060
Inventory	3,026	3,857
Current tax assets	6,321	5,857
Short-term investments	22,945	26,872
Cash and bank balances	7,262	15,657
	<u>121,948</u>	<u>98,372</u>
TOTAL ASSETS	<u>169,777</u>	<u>166,809</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	97,046	97,181
Merger deficit	(16,052)	(16,052)
Retained profits	32,120	45,508
Equity attributable to owners of the Company	<u>113,114</u>	<u>126,637</u>
Non-controlling interests	<u>6,029</u>	<u>5,002</u>
TOTAL EQUITY	<u>119,143</u>	<u>131,639</u>
NON-CURRENT LIABILITIES		
Borrowings	B8 5,914	6,440
Lease liabilities	11,662	12,281
Deferred tax liabilities	1,027	1,099
	<u>18,603</u>	<u>19,820</u>

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

		UNAUDITED	AUDITED
		AS AT	AS AT
		31.12.2023	30.06.2022
	Notes	RM'000	RM'000
CURRENT LIABILITIES			
Trade payables and contract liabilities		15,935	9,054
Other payables, deposits and accruals		12,526	3,497
Borrowings	B8	3,520	1,561
Lease liabilities		520	416
Current tax liabilities		(470)	822
		<u>32,031</u>	<u>15,350</u>
TOTAL LIABILITIES		<u>50,634</u>	<u>35,170</u>
		<u>169,777</u>	<u>166,809</u>
TOTAL EQUITY AND LIABILITIES		<u>169,777</u>	<u>166,809</u>
Net asset per share (RM) ²		<u>0.31</u>	<u>0.34</u>

Notes:

- (1) As announced on 9 October 2023, the financial year end of the Group has been changed from 30 June 2023 to 31 December 2023. As such, there will be no comparative financial information available for the preceding year corresponding periods.
- (2) The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022.
- (3) Based on the Company's issued share capital of 388,295,506 ordinary shares for financial period ended 31 December 2023 and for financial year ended 30 June 2022.

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BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<-----Non-Distributable----->		<Distributable>		Non-Controlling Interests	Total
	Share Capital	Merger Deficit	Retained Profits	Attributable to Owners of the Company		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.7.2021	63,390	(16,052)	40,704	88,042	308	88,350
Profit after taxation/Total comprehensive income for the financial year	-	-	4,804	4,804	615	5,419
<u>Contributions by owners of the Company:</u>						
Issuance of shares:						
- 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)
	33,791	-	-	33,791	-	33,791
Acquisition of a subsidiary	-	-	-	-	3,956	3,956
Issuance of shares by subsidiaries to non-controlling interests	-	-	-	-	123	123
Balance at 30.06.2022	97,181	(16,052)	45,508	126,637	5,002	131,639
Balance at 1.7.2022	97,181	(16,052)	45,508	126,637	5,002	131,639
Profit after taxation/Total comprehensive income for the financial year	-	-	(13,388)	(13,388)	1,027	(12,361)
Dividend paid	-	-	-	-	-	-
<u>Contributions by owners of the Company:</u>						
Issuance of shares:						
- Free warrants	(125)	-	-	(125)	-	(125)
- Private placement	(10)	-	-	(10)	-	(10)
	(135)	-	-	(135)	-	(135)
Acquisition of a subsidiary	-	-	-	-	-	-
Issuance of shares by subsidiaries to non-controlling interests	-	-	-	-	-	-
Balance at 31.12.2023	97,046	(16,052)	32,120	113,114	6,029	119,008

Note:

- (1) As announced on 9 October 2023, the financial year end of the Group has been changed from 30 June 2023 to 31 December 2023. As such, there will be no comparative financial information available for the preceding year corresponding periods.
- (2) The unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022.

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BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year	Preceding Year
	To Date Ended	To Date Ended
	31.12.2023	31.12.2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(10,275)	N/A
Adjustments for:		
Amortisation of intangible assets	409	N/A
Depreciation of property, plant and equipment	4,885	N/A
Depreciation of right of use assets	647	N/A
Depreciation of investment properties	315	N/A
Gain on disposal of property, plant and equipment	4,974	N/A
Gain on disposal of right of use assets	14	N/A
(Gain)/Loss on foreign exchange - unrealised	(2)	N/A
Net reversal/(impairment losses) on financial assets and contract assets	(1,654)	N/A
Impairment on goodwill	9,600	N/A
Interest expenses on lease liabilities	688	N/A
Interest expenses on hire purchase	339	N/A
Interest expenses on term loans	210	N/A
Interest income	(1,806)	N/A
Operating profit before working capital changes	<u>8,344</u>	<u>N/A</u>
Changes in working capital:		
(Decrease)/Increase in inventories	830	-
(Increase)/Decrease in trade and other receivables	(34,612)	N/A
(Decrease)/Increase in trade and other payables	15,937	N/A
CASH FOR OPERATIONS	<u>(9,501)</u>	<u>N/A</u>
Interest received	1,806	N/A
Income tax paid	(3,946)	N/A
Income tax refund	8	N/A
Interest paid	(210)	N/A
NET CASH FOR OPERATING ACTIVITIES	<u>(11,843)</u>	<u>N/A</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,076)	N/A
Purchase of right-of-use assets	(605)	N/A
Proceeds from disposal of property, plant and equipment	217	N/A
NET CASH FOR INVESTING ACTIVITIES	<u>(3,464)</u>	<u>N/A</u>

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

	Current Year	Preceding Year
	To Date Ended	To Date Ended
	31.12.2023	31.12.2022
	RM'000	RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of term loans	(1,315)	N/A
Repayment of lease liabilities	(1,202)	N/A
Repayment of term loans	(9,425)	N/A
Repayment of hire purchase payables	(2,178)	N/A
Settlement of term loans	10,741	N/A
Share issuance expenses paid	(135)	N/A
NET CASH FOR FINANCING ACTIVITIES	<u>(3,514)</u>	<u>N/A</u>
Net changes in cash and cash equivalents	(18,821)	N/A
Effects of changes in foreign exchange rate	-	N/A
Cash and cash equivalents at beginning of financial year	42,530	N/A
Cash and cash equivalents at end of financial year	<u>23,709</u>	<u>N/A</u>
Cash and cash equivalents consist of:		
Cash and bank balances	7,262	N/A
Short- term investments	22,945	N/A
	<u>30,207</u>	<u>N/A</u>

Notes:

- (1) As announced on 9 October 2023, the financial year end of the Group has been changed from 30 June 2023 to 31 December 2023. As such, there will be no comparative financial information available for the preceding year corresponding periods.
- (2) The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022.

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BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023

A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 December 2023

A1 Basis of Preparation

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

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

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

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

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

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

A2 Auditor’s Report of preceding annual financial statements

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

A3 Comments about Seasonal and Cyclical Factors

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

A4 Items of Unusual Nature and Amount

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

A5 Material Changes in Estimates

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

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023

A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 December 2023 (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 period ended 31 December 2023 based on segment activities are as follows:

Cumulative Quarter ended 31 December 2023	Satellite, mobile and fibre optic telecommunication networks	Power and telecommunication infrastructure works	Elimination	Group
	RM'000	RM'000	RM'000	RM'000
Revenue	92,093	40,213	(98)	132,208
Profit before tax	2,906	3,125	(16,305)	(10,274)
Taxation	(982)	(1,203)	98	(2,087)
Profit for the financial year	1,924	1,922	(16,207)	(12,361)

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 31.12.2023 RM'000	As at 30.06.2022 RM'000
Approved and contracted for:		
- Property, plant and equipment	-	1,989
- Office building	-	1,917
Approved and not contracted for:		
- Telecommunication equipment	290	-
	<u>290</u>	<u>3,906</u>

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023

A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 December 2023 (Cont'd)

A11 Material Subsequent Event

Proposed Free Warrants Issue

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

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

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

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

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

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

The Proposed Free Warrants Issue were duly passed by the shareholders of the Company at the Extraordinary General Meeting (“EGM”) held on 30 November 2022.

On 29 December 2022, the Company had executed the deed poll constituting the Warrants. In addition, the Company has resolved to fix the exercise price of the Warrants at RM0.32 each, representing a premium of approximately 1.23% to the 5-day volume weighted average market price of Binasat Shares up to and including 28 December 2022, being the last trading day of Binasat Shares immediately preceding the price-fixing date, of RM0.3161 per Binasat Shares.

On 27 January 2023, the Company completed a free Warrants issue, issuing a total of 194,147,748 Warrants. The Warrants were issued at no cost and on a pro-rata basis to all Binasat’s shareholders. The maturity date of the Warrants is 17 January 2026.

The Stock Short Name, Stock Number and ISIN Code of the Warrants are “BINACOM-WA”, “0195WA” and “MYQ0195WA610”.

There were no Warrants-A been exercised as at the period ended 31 December 2023.

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A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 December 2023 (Cont'd)

A11 Material Subsequent Event

Proposed Private Placement

On 21 November 2023, TA Securities had, on behalf of the Company announced that the Company proposes to undertake the Proposed Private Placement of up to 58,244,300 new ordinary shares in Binasat (“Binasat Share(s)” or “Share(s)”) (“Placement Share(s)”), representing not more than 10% of the total number of issued shares of the Company (excluding treasury shares, if any) to third party investor(s) at an issue price to be determined later. The listing application has been submitted to Bursa Securities on 27 November 2023.

The Proposed Private Placement will be undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 (“Act”) obtained from the shareholders of Binasat in its 6th annual general meeting (“AGM”) convened on 30 November 2022 whereby the Board had been authorised to allot and issue Shares not exceeding 10% of the total number of issued shares of the Company (excluding treasury shares) for the time being and that such authority shall continue to be in force until the conclusion of the next AGM of the Company (“General Mandate”). In the event the Proposed Private Placement transcends beyond the next AGM, approval will be sought from the shareholders of the Company at the next AGM to approve Binasat to allot and issue Shares pursuant to Sections 75 and 76 of the Act.

On 31 January 2024, Bursa Securities had approved the listing and quotation of up to 58,244,300 Placement Shares to be issued pursuant to the Private Placement subject to the following conditions:-

- (i) Binasat and TA Securities must fully comply with the relevant provisions under the ACE Market Listing Requirements pertaining to the implementation of the Private Placement;
- (ii) Binasat and TA Securities to inform Bursa Securities upon the completion of the Private Placement;
- (iii) Binasat to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Private Placement is completed; and
- (iv) Binasat to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders of the Company pursuant to Sections 75 and 76 of the Companies Act 2016, in the event the current general mandate expires prior to the completion of the Private Placement.

A12 Changes in Composition of the Group

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

A13 Contingent Assets or Liabilities

Contingent liabilities of the Group as at 31 December 2023 will be RM3,157,287 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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BINASAT COMMUNICATIONS BERHAD (Registration No. 201701008491 (1222656-D))
INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023

B Additional Information Required by the Listing Requirements

B1 Comparison with Immediate Preceding Quarter

	<u>Quarter ended</u>		Variance	
	<u>31.12.2023</u>	<u>30.09.2023</u>		
	<u>(6Q 23)</u>	<u>(5Q 23)</u>		
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	23,866	21,330	2,536	11.89%
Gross profit/(loss)	(2,548)	1,820	(4,368)	-240.00%
Profit/(loss) before tax	(18,013)	(803)	(17,210)	2143.21%

In 6Q23, the Group's revenue increased by RM2.536 million or 11.89% as compared to the immediate preceding quarter. The higher in revenue was mainly contributed from mobile operation and maintenance services, mobile civil mechanical engineering works and fiber optic cable engineering works.

The Group's gross loss decreased by RM3.214 million and loss before tax decreased by RM0.043 million, comparing to the immediate preceding quarter, mainly due to stock adjustment incurred during the quarter.

The Group's loss before tax was increased to RM18.0 million which contributed by impairment on goodwill amounting to RM16.1 million.

B2 Commentary on Prospects

In November 2023, the Company has been awarded with contract for the full turnkey for 1W underground civil and fiber infrastructure work in Kedah. The contract value is approximately RM4.15 million and the Company has commenced the site work and targeted to complete in 1Q 2024.

The Company also been awarded with contract for civil mechanical engineering (CME) clawback project which targeted to commence in 1Q 2024, approximately RM1.2 million.

Additionally, the Company had won a 1-year contract to setup additional of 76 satellite facilities in Pahang area, as an initial effort to roll out satellite internet broadband services to underserved areas, which the contract value approximately to be RM0.639 million.

The Company is expecting a new contract to be awarded in 1Q 2024, for enhancement of telecommunication services at Pusat Ekonomi Digital (PEDi) under MCMC initiative.

Premised on the above, the Board is looking forward to better economic prospects in 2024 and will continue to tender more projects and will take a prudent approach in monitoring operations of the Group.

B3 Profit Forecast

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

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

B4 Taxation

	Current Quarter Ended 31.12.2023 RM'000	Preceding Year Corresponding Quarter Ended 31.12.2022 RM'000	Current Year To Date Ended 31.12.2023 RM'000	Preceding Year To Date Ended 31.12.2022 RM'000
Malaysia income tax:				
- Current tax	(265)	N/A	1,695	N/A
- Over/(Under) provision in the previous financial year	489	N/A	489	N/A
	<u>224</u>	<u>N/A</u>	<u>2,184</u>	<u>N/A</u>
Deferred tax:				
- Origination and reversal of temporary difference	142	N/A	44	N/A
	<u>142</u>	<u>N/A</u>	<u>44</u>	<u>N/A</u>
	<u>366</u>	<u>N/A</u>	<u>2,228</u>	<u>N/A</u>
Effective tax rate ⁽¹⁾	-16.50%	N/A	-16.50%	N/A

B5 Status of Corporate Proposals

On 21 November 2023, TA Securities had, on behalf of the Company announced that the Company proposes to undertake the Proposed Private Placement of up to 58,244,300 new ordinary shares in Binasat (“Binasat Share(s)” or “Share(s)”) (“Placement Share(s)”), representing not more than 10% of the total number of issued shares of the Company (excluding treasury shares, if any) to third party investor(s) at an issue price to be determined later. The listing application has been submitted to Bursa Securities on 27 November 2023.

The Proposed Private Placement will be undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 (“Act”) obtained from the shareholders of Binasat in its 6th annual general meeting (“AGM”) convened on 30 November 2022 whereby the Board had been authorised to allot and issue Shares not exceeding 10% of the total number of issued shares of the Company (excluding treasury shares) for the time being and that such authority shall continue to be in force until the conclusion of the next AGM of the Company (“General Mandate”). In the event the Proposed Private Placement transcends beyond the next AGM, approval will be sought from the shareholders of the Company at the next AGM to approve Binasat to allot and issue Shares pursuant to Sections 75 and 76 of the Act.

On 31 January 2024, Bursa Securities had approved the listing and quotation of up to 58,244,300 Placement Shares to be issued pursuant to the Private Placement subject to the following conditions:-

- (v) Binasat and TA Securities must fully comply with the relevant provisions under the ACE Market Listing Requirements pertaining to the implementation of the Private Placement;
- (vi) Binasat and TA Securities to inform Bursa Securities upon the completion of the Private Placement;
- (vii) Binasat to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Private Placement is completed; and
- (viii) Binasat to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders of the Company pursuant to Sections 75 and 76 of the Companies Act 2016, in the event the current general mandate expires prior to the completion of the Private Placement.

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

B6 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.

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

B6 Utilisation of Proceeds (Cont'd)

(i) Public Issue (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 proceeds of IPO has been fully utilized as at the reporting date of 30 September 2023.

Details of use of proceeds		Estimated Timeframe for Utilisation	Initial	Actual	Balance	Varied Amount	Total amount after Variation	Actual	Balance
			Utilisation	Utilisation as at 18 May 2020	unutilised as at 18 May 2020			utilisation	unutilised as at 31 December 2023
			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	3,395	0 ⁽²⁾
3	Enhancing fiber optic network installation and commissioning services capability	Within 18 months ⁽¹⁾	4,800	58	4,742	1,492	6,234	6,234	-
4	Regional business expansion in ASEAN countries	Within 18 months ⁽¹⁾	1,500	8	1,492	(1,492)	-	-	-
			11,200	1,571	9,629	-	9,629	9,629	0

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.

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

B7 Group Borrowings

	As at 31.12.2023 RM'000	As at 30.06.2022 RM'000
Non-current:		
Term loans (secured)	2,947	4,862
Hire purchase payables (secured)	2,967	1,577
	5,914	6,439
Current:		
Term loans (secured)	2,532	616
Hire purchase payables (secured)	988	945
	3,520	1,561

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

B8 Material Litigation

The Company does not has any on-going material litigation as of the reporting date.

B9 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 31.12.2023 RM'000	Preceding Year Corresponding Quarter Ended 31.12.2022 RM'000	Current Year To Date Ended 31.12.2023 RM'000	Preceding Year To Date Ended 31.12.2022 RM'000
Profit/(Loss) after taxation attributable to owners of the Company (RM)	(17,228)	N/A	(13,388)	N/A
Weighted average number of shares	388,296	N/A	388,296	N/A
Basic earnings per share (sen) ⁽¹⁾	(4.44)	N/A	(3.45)	N/A
Diluted earnings per share (sen) ⁽²⁾	(4.44)	N/A	(3.45)	N/A

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 December 2023.

B10 Derivatives

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

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

B11 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.

B12 Notes to the Statement of Profit or Loss and Other Comprehensive Income

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

	Current Quarter Ended 31.12.2023 RM'000	Preceding Year Corresponding Quarter Ended 31.12.2022 RM'000	Current Year To Date Ended 31.12.2023 RM'000	Preceding Year To Date Ended 31.12.2022 RM'000
Amortisation of intangible assets	409	N/A	608	N/A
Net reversal/(impairment losses) on financial assets and contract assets	(1,654)	N/A	(2,321)	N/A
Depreciation of property, plant and equipment	4,885	N/A	7,915	N/A
Depreciation of investment properties	315	N/A	560	N/A
Depreciation of right of use assets	-	N/A	-	N/A
Unrealised (gain)/loss on foreign exchange	(2)	N/A	158	N/A
Realised (gain)/loss on foreign exchange	21	N/A	37	N/A
Interest expenses	1,587	N/A	2,224	N/A
Rental income	(298)	N/A	(872)	N/A
Interest income	(1,806)	N/A	(2,239)	N/A
Gain on disposal of property, plant and equipment	(5,408)	N/A	(288)	N/A
Other income ⁽¹⁾	(343)	N/A	(265)	N/A
Impairment on goodwill	16,099	N/A	16,099	N/A

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

WONG YOUN KIM (MAICSA 7018778)
WONG MEE KIAT (MAICSA 7058813)
LIM LI HEONG (MAICSA 7054716)
COMPANY SECRETARIES

KUALA LUMPUR
29 FEBRUARY 2024