

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2021**

**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 |
|   |       | 30.06.2021                | 30.06.2020                            | 30.06.2021                 | 30.06.2020                   |
|   |       | RM '000                   | RM '000                               | RM '000                    | RM '000                      |
| Revenue   |       | 17,646                    | 11,407                                | 53,847                     | 45,484                       |
| Cost of sales   |       | (14,688)                  | (8,974)                               | (41,757)                   | (33,708)                     |
| Gross profit  |       | 2,958                     | 2,433                                 | 12,090                     | 11,776                       |
| Other income  |       | 299                       | (112)                                 | 802                        | 1,205                        |
| Administrative expenses   |       | (1,669)                   | (1,352)                               | (5,939)                    | (5,816)                      |
| Other operating expenses  |       | (436)                     | (113)                                 | (2,274)                    | (2,337)                      |
| Finance costs   |       | (160)                     | (170)                                 | (642)                      | (646)                        |
| Profit before taxation  |       | 992                       | 686                                   | 4,037                      | 4,182                        |
| Taxation  |       | (553)                     | (131)                                 | (1,609)                    | (971)                        |
| Profit after taxation/total comprehensive income for the financial period |       | 439                       | 555                                   | 2,428                      | 3,211                        |
| Attributable to:  |       |                           |                                       |                            |                              |
| - Owners of the Company   |       | 572                       | 369                                   | 2,379                      | 2,925                        |
| - Non-controlling interests   |       | (133)                     | 186                                   | 49                         | 286                          |
|   |       | 439                       | 555                                   | 2,428                      | 3,211                        |
| Attributable to equity holders of the Company:                            |       |                           |                                       |                            |                              |
| - Basic earnings per share (sen)  | B11   | 0.20                      | 0.14                                  | 0.87                       | 1.12                         |
| - Diluted earnings per share (sen)  | B11   | 0.20                      | 0.14                                  | 0.87                       | 1.12                         |

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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**BINASAT COMMUNICATIONS BERHAD (REGISTRATION NO. 201701008491 (1222656-D))****INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2021****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|  | <b>UNAUDITED<br/>AS AT<br/>30.06.2021<br/>RM'000</b> | <b>AUDITED<br/>AS AT<br/>30.06.2020<br/>RM'000</b> |
|--|--|--|
| <b>Notes</b>                                 | <b>RM'000</b>  | <b>RM'000</b>                                      |
| <b>ASSETS</b>                                |  |  |
| <b>NON-CURRENT ASSETS</b>                    |  |  |
| Property, plant and equipment                | 25,660   | 22,281   |
| Investment properties                        | 9,641  | 4,247  |
| Right of use assets                          | 13,741   | 14,645   |
|  | <u>49,042</u>  | <u>41,173</u>                                      |
| <b>CURRENT ASSETS</b>                        |  |  |
| Contract costs                               | 379  | 2,792  |
| Trade receivables and contract assets        | 27,266   | 18,278   |
| Other receivables, deposits and prepayments  | 750  | 632  |
| Current tax assets                           | 5,293  | 3,836  |
| Short-term investments                       | 7,788  | 27,867   |
| Cash and bank balances                       | 26,629   | 12,687   |
|  | <u>68,105</u>  | <u>66,092</u>                                      |
| <b>TOTAL ASSETS</b>                          | <u>117,147</u>                                       | <u>107,265</u>                                     |
| <b>EQUITY AND LIABILITIES</b>                |  |  |
| <b>EQUITY</b>                                |  |  |
| Share capital                                | 63,390   | 56,588   |
| Merger deficit                               | (16,052)   | (16,052)   |
| Retained profits                             | 40,704   | 38,325   |
| Equity attributable to owners of the Company | 88,042   | 78,861   |
| Non-controlling interests                    | 308  | 184  |
| <b>TOTAL EQUITY</b>                          | <u>88,350</u>  | <u>79,045</u>                                      |
| <b>NON-CURRENT LIABILITIES</b>               |  |  |
| Borrowings                                   | 18,838   | 19,455   |
| Deferred tax liabilities                     | 287  | 173  |
|  | <u>19,125</u>  | <u>19,628</u>                                      |

**BINASAT COMMUNICATIONS BERHAD (REGISTRATION NO. 201701008491 (1222656-D))****INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2021****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

|   | <b>UNAUDITED</b>  | <b>AUDITED</b>   |
|---|-------------------|------------------|
|   | <b>AS AT</b>      | <b>AS AT</b>     |
|   | <b>30.06.2021</b> | <b>30.6.2020</b> |
| Notes                                   | <b>RM'000</b>     | <b>RM'000</b>    |
| <b>CURRENT LIABILITIES</b>              |                   |                  |
| Trade payables and contract liabilities | 5,312             | 3,515            |
| Other payables, deposits and accruals   | 3,144             | 3,970            |
| Borrowings                              | B9 1,216          | 1,107            |
|   | <u>9,672</u>      | <u>8,592</u>     |
| <b>TOTAL LIABILITIES</b>                | 28,797            | 28,220           |
| <b>TOTAL EQUITY AND LIABILITIES</b>     | <u>117,147</u>    | <u>107,265</u>   |
| Net asset per share (RM) <sup>2</sup>   | <u>0.31</u>       | <u>0.30</u>      |

## Notes:

- (1) The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the FYE 30 June 2020 and accompanying explanatory notes attached to the interim financial statements.
- (2) Based on the Company's total number of issued shares of 286,436,750 ordinary shares for financial period ended 30 June 2021 and 264,367,550 ordinary shares for financial year ended 30 June 2020.

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**BINASAT COMMUNICATIONS BERHAD (REGISTRATION NO. 201701008491 (1222656-D))**

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2021**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

|   | <b>Non-Distributable</b> |                       | <b>Distributable</b>    |  | <b>Non-Controlling Interests</b> | <b>Total</b>  |
|---|--------------------------|-----------------------|-------------------------|--|----------------------------------|---------------|
|   | <b>Share Capital</b>     | <b>Merger Deficit</b> | <b>Retained Profits</b> | <b>Attributable to Owners of the Company</b> |                                  |               |
|   | <b>RM'000</b>            | <b>RM'000</b>         | <b>RM'000</b>           | <b>RM'000</b>                                | <b>RM'000</b>                    | <b>RM'000</b> |
| <b>Balance at 1.7.2019</b>                        | 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                       | 1,369                    | -                     | -                       | 1,369  | -                                | 1,369         |
| <b>Balance at 30.06.2020</b>                      | <b>56,588</b>            | <b>(16,052)</b>       | <b>38,325</b>           | <b>78,861</b>                                | <b>184</b>                       | <b>79,045</b> |
| <b>Balance at 1.7.2020</b>                        | 56,588                   | (16,052)              | 38,325                  | 78,861                                       | 184                              | 79,045        |
| Total comprehensive income for the financial year | -                        | -                     | 2,379                   | 2,379  | 49                               | 2,428         |
| <u>Transactions with owners:</u>                  |                          |                       |                         |  |                                  |               |
| Issuance of ordinary shares                       | 6,802                    | -                     | -                       | 6,802  | -                                | 6,802         |
| Issuance of ordinary shares by subsidiary         | -                        | -                     | -                       | -  | 75                               | 75            |
| <b>Balance at 30.06.2021</b>                      | <b>63,390</b>            | <b>(16,052)</b>       | <b>40,704</b>           | <b>88,042</b>                                | <b>308</b>                       | <b>88,350</b> |

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 2021****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

|  | <b>Current Year<br/>To Date Ended<br/>30.06.2021<br/>RM'000</b> | <b>Preceding Year<br/>To Date Ended<br/>30.06.2020<br/>RM'000</b> |
|--|---|---|
| <b>CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES</b>              |   |   |
| Profit before taxation   | 4,037   | 4,182   |
| Adjustments for:   |   |   |
| Allowance for impairment losses on trade and other receivables | 257   | 757   |
| Depreciation of property, plant and equipment                  | 884   | 692   |
| Depreciation of investment properties                          | 224   | 96  |
| Depreciation of right of use assets                            | 875   | 797   |
| Bad debts written off  | -   | 25  |
| Interest expenses  | 642   | 646   |
| Gain on disposal of property, plant and equipment              | (199)   | (23)  |
| Interest income  | (454)   | (998)   |
| Reversal of impairment losses on trade receivables             | (90)  | (29)  |
| Unrealised (gain) on foreign exchange                          | (1)   | (58)  |
| Operating profit before working capital changes                | <u>6,175</u>  | <u>6,087</u>  |
| Changes in working capital:                                    |   |   |
| Receivables  | (6,844)   | 8,550   |
| Payables   | <u>953</u>  | <u>(4,215)</u>  |
| <b>CASH FROM OPERATIONS</b>                                    | <u>284</u>  | <u>10,422</u>   |
| Tax paid   | (2,962)   | (3,096)   |
| Tax refund   | 10  | 271   |
| Interest paid  | (189)   | (245)   |
| Interest received  | <u>454</u>  | <u>998</u>  |
| Net cash flows (for)/from operating activities                 | <u>(2,403)</u>  | <u>8,350</u>  |
| <b>CASH FLOWS FOR INVESTING ACTIVITIES</b>                     |   |   |
| Purchase of property, plant and equipment                      | (9,880)   | (12,122)  |
| Proceeds from disposal of property, plant and equipment        | <u>229</u>  | <u>23</u>   |
| Net cash flows for investing activities                        | <u>(9,651)</u>  | <u>(12,099)</u>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                    |   |   |
| Proceed from issuance of shares                                | 6,876   | 1,369   |
| Repayment of term loans  | (394)   | (354)   |
| Repayment of lease liabilities                                 | <u>(565)</u>  | <u>(1,130)</u>  |
| Net cash flows from financing activities                       | <u>5,917</u>  | <u>(115)</u>  |

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**BINASAT COMMUNICATIONS BERHAD (REGISTRATION NO. 201701008491 (1222656-D))**

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2021**

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

|  | <b>Current Year<br/>To Date Ended<br/>30.06.2021<br/>RM'000</b> | <b>Preceding Year<br/>To Date Ended<br/>30.06.2020<br/>RM'000</b> |
|--|---|---|
| Net change in cash and cash equivalents                  | (6,016)   | (3,922)   |
| Effects of changes in foreign exchange rate              | (121)   | 58  |
| Cash and cash equivalents at beginning of financial year | <u>40,554</u>   | <u>44,418</u>   |
| Cash and cash equivalents at end of financial year       | <u><u>34,417</u></u>  | <u><u>40,554</u></u>  |
| Cash and cash equivalents consist of:                    |   |   |
| Cash and bank balances                                   | 26,629  | 12,687  |
| Short- term investments                                  | <u>7,788</u>  | <u>27,867</u>   |
|  | <u><u>34,417</u></u>  | <u><u>40,554</u></u>  |

Note:

- (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 2021**

**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 2021**

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**A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 30 June 2021 (Cont'd)**

**A6 Debt and Equity Securities**

During the financial year, the Company increased its issued and paid-up share capital from RM56.5 million to RM63.4 million via the issuance of 12,000,000 new ordinary shares of RM0.2870 each and 10,069,200 new ordinary shares of RM0.3334 pursuant to the private placement mentioned in Note B8.

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 period 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 period under review.

**A10 Capital Commitments**

|                                  | <b>As at<br/>30.06.2021<br/>RM'000</b> | <b>As at<br/>30.06.2020<br/>RM'000</b> |
|----------------------------------|--|--|
| Approved and contracted for:     |  |  |
| - Property, plant and equipment  | 911                                    | 1,649                                  |
| - Office building                | 1,917                                  | 4,313                                  |
| Approved and not contracted for: |  |  |
| - Teleport                       | -                                      | 267                                    |
|                                  | <hr/> 2,828                            | <hr/> 6,229                            |

**A11 Material Subsequent Event**

There are no material events subsequent to the end of the period under review.

**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**

There were no contingent assets as at the date of this report. Contingent liabilities of the Group as at 30 June 2021 comprises bank guarantees issued to our customers for the purpose of performance bonds amounting to RM1,608,433.

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**BINASAT COMMUNICATIONS BERHAD (REGISTRATION NO. 201701008491 (1222656-D))****INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2021****Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 30 June 2021 (Cont'd)****B Additional Information Required by the Listing Requirements****B1 Comparison with Preceding Year Corresponding Quarter**

|                        | <u>Quarter ended</u> |                   | <b>Variance</b> |
|------------------------|----------------------|-------------------|-----------------|
|                        | <b>30.06.2021</b>    | <b>30.06.2020</b> |                 |
|                        | <b>(4Q 21)</b>       | <b>(4Q 20)</b>    |                 |
|                        | <b>RM'000</b>        | <b>RM'000</b>     | <b>%</b>        |
| Revenue                | 17,646               | 11,407            | 54.69%          |
| Gross Profit           | 2,958                | 2,433             | 21.58%          |
| Profit before taxation | 992                  | 686               | 44.61%          |

In 4Q21, the Group's revenue increased by RM6.24 million or 54.69% as compared to the preceding year corresponding quarter. The increase in revenue was mainly attributed to the higher revenue recorded based on progress measurement after the milestone reached from civil infrastructure and fibre optic cabling works and performed a new project of VSAT maintenance services.

The Group's gross profit ("GP") increased by RM0.53 million or 21.58% as compared to the preceding year corresponding quarter. This was mainly due to the increase in revenue as explained above. The Group's gross profit margin decreased by 4.57% mainly due to reducing the number of mobile network maintenance services site but the Group continue to incur fixed cost while attempted to secure the remaining mobile network maintenance services job and therefore resulted in lower gross profit margin.

The Group recorded a profit before taxation of RM0.99 million as compared to the preceding year corresponding quarter. This was mainly due to increase in gross profit, gain on disposal of property, plant and equipment of RM0.20 million and realised gain on foreign exchange of RM0.12 million.

**B2 Comparison with Preceding Year Corresponding Period**

|                        | <u>Cumulative 12 months Period ended</u> |                   |                 |
|------------------------|--|-------------------|-----------------|
|                        | <b>30.06.2021</b>                        | <b>30.06.2020</b> | <b>Variance</b> |
|                        | <b>(4Q 21)</b>                           | <b>(4Q 20)</b>    |                 |
|                        | <b>RM'000</b>                            | <b>RM'000</b>     | <b>%</b>        |
| Revenue                | 53,847                                   | 45,484            | 18.39%          |
| Gross Profit           | 12,090                                   | 11,776            | 2.67%           |
| Profit before taxation | 4,037                                    | 4,182             | -3.47%          |

The Group's revenue for the 12-month financial period ended 30 June 2021 increased by RM8.36 million or 18.39% as compared to preceding year corresponding period. The increase in revenue was mainly attributed to the higher revenue recorded based on progress measurement after the milestone reached from civil infrastructure and fibre optic cabling works and performed a new project of VSAT maintenance services.

The Group's GP slightly increased by RM0.31 million or 2.67% as compared to the preceding year corresponding period. This was mainly due to the increase in revenue as explained above. The Group's gross profit margin decreased by 3.44% mainly due to reducing the number of mobile network maintenance services site but the Group continue to incur fixed cost while attempted to secure the remaining mobile network maintenance services job and therefore resulted in lower gross profit margin.

The Group's profit before taxation decreased by RM0.15 million or 3.47% as compared to the preceding year corresponding period. This was mainly due to lower interest income.

**B Additional Information required by the Listing Requirements (Cont'd)****B3 Comparison with Immediate Preceding Quarter Results**

|                               | <b>30.06.2021</b> | <b>31.03.2021</b> | <b>Variance</b> |
|-------------------------------|-------------------|-------------------|-----------------|
|                               | <b>(4Q 21)</b>    | <b>(3Q 21)</b>    |                 |
|                               | <b>RM'000</b>     | <b>RM'000</b>     | <b>%</b>        |
| Revenue                       | 17,646            | 10,150            | 73.85%          |
| Gross Profit                  | 2,958             | 1,550             | 90.84%          |
| Profit/(Loss) before taxation | 992               | (427)             | -332.32%        |

In 4Q21, the Group's revenue increased by RM7.50 million or 73.85% as compared to the immediate preceding quarter. The increase in revenue was mainly attributed to the higher revenue recorded based on progress measurement after the milestone reached from civil infrastructure and fibre optic cabling works.

The Group's GP increased by RM1.41 million or 90.84% as compared to the immediate preceding quarter. This was mainly due to the increase in revenue as explained above and the Group's gross profit margin increase in line with the revenue increase.

The Group recorded a profit before taxation of RM0.99 million as compared to the immediate preceding quarter. This was mainly due to the increase in gross profit and gain on disposal of property, plant and equipment of RM0.20 million.

**B4 Commentary on Prospects**

As a result of the COVID-19 pandemic, the Malaysian Government announced the MCO on 16 March 2020. Thereafter, the MCO was implemented on 18 March 2020 and has been extended several times, with the recovery MCO ending on 31 December 2020. However, MCO 2.0 was imposed by the Malaysian Government from 13 January 2021 and ended on 4 March 2021. On 28 May 2021, the Malaysian Government announced the imposition of a three-phase nationwide lockdown (full MCO 3.0). The three-phase nationwide lockdown started with a full lockdown from 1 June 2021 to 14 June 2021, and which has since been extended to 16 July 2021, where all sectors were not allowed to operate during this period except for those in the essential economic and service sectors. On 27 June 2021, the Malaysian Government announced that the full MCO 3.0 is now known as Phase 1 of Movement Control under the National Recovery Plan ("NRP").

Since 28 May 2021 until 30 August 2021, the Group is not able to carry out broadcasting services and majority of the network installation and engineering services under the Phase 1 of the NRP.

Despite the current challenging business operating environment which affected by COVID-19 and various MCOs, the Group managed to:

- (i) complete one satellite teleport C-band gateway in the first half of 2020 and commenced operations in July 2020; and
- (ii) complete one satellite teleport Ka-band gateway in June 2021 and commenced operations in June 2021.

The Group is also in the midst of installing one satellite teleport C-band gateway and expects the installation to be completed by end 2021 and commence operation by early 2022.

All these 3 satellite teleports are expected to contribute positively to the Group's earnings with the implementation of VSAT broadband projects by MCMC by end of this year. With the readiness of 3 satellite teleports, the Group is expecting to expand satellite segment into enterprise business for VSAT broadband services.

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

**B4 Commentary on Prospects (Cont'd)**

In February 2021, the Malaysian Government announced the MyDIGITAL initiative and the Malaysia Digital Economy Blueprint. MyDIGITAL is a national initiative which symbolises the aspirations of the Government to successfully transform Malaysia into a digitally-driven, high income nation and a regional leader in digital economy (i.e., economic and social activities that involve the production and use of digital technology by individuals, businesses, and government.). MyDIGITAL sets out a combination of initiatives and targets across three phases of implementation until the year 2030 and the Malaysia Digital Economy Blueprint spells out the efforts and initiatives to deliver the aspirations of MyDIGITAL.

Under this initiative, RM21 billion will be invested over 5 years through National Digital Network (JENDELA) project to strengthen existing connectivity. In addition, RM15 billion will be invested over 10 years for the implementation of 5G technology nationwide. The Group expects to benefit from this initiative through its fibre infrastructure for 5G deployment and/or potential demand for its existing data centre.

In 1 July 2021, Digital Nasional Berhad (DNB) has announced its partnership with Ericsson (Malaysia) Sdn Bhd (Ericsson) to accelerate the deployment of Malaysia's nationwide 5G network and ecosystem. DNB has adopted an approach where the Design and Build of the National 5G Network will be undertaken by Ericsson at a total cost of RM11 billion. The Group will be one of the Ericsson's Approved Supplier & Partner (ASP) and expects to benefit from this project.

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 this expects to generate a new revenue steam which in line with the implementation of 5G.

As the COVID-19 pandemic situation is still evolving, the Group will remain vigilant by closely monitoring developments to ascertain the magnitude of the on-going impact from the COVID-19 pandemic and will continue to exercise prudent approach in managing the operations of the Group. Among others, the Group is exercising prudence in manpower planning and spending by striving to maintain its workforce at the optimum level to meet its operational requirements in order to better manage its overall operational cost.

Nevertheless, premised on the above, the Board is looking forward to better economic prospects in 2022 in view of the on-going vaccination programme, the Malaysian Government's expectation of achieving herd immunity by end of 2021 and the initiatives announced by the Malaysian Government.

**B5 Profit Forecast**

The Company did not issue any profit forecast or guarantee during the period under review.

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**BINASAT COMMUNICATIONS BERHAD (REGISTRATION NO. 201701008491 (1222656-D))**

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2021**

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

**B6 Taxation**

|   | <b>Current<br/>Quarter Ended</b> | <b>Preceding Year<br/>Corresponding<br/>Quarter Ended</b> | <b>Current Year<br/>To Date Ended</b> | <b>Preceding Year<br/>To Date Ended</b> |
|---|----------------------------------|---|---------------------------------------|---|
|   | <b>30.06.2021</b>                | <b>30.06.2020</b>   | <b>30.06.2021</b>                     | <b>30.06.2020</b>                       |
|   | <b>RM'000</b>                    | <b>RM'000</b>   | <b>RM'000</b>                         | <b>RM'000</b>                           |
| Malaysia income tax:                                |                                  |   |                                       |   |
| - Current tax                                       | 241                              | (213)   | 1,297                                 | 627                                     |
| - Under provision in the previous year              | 198                              | 43  | 198                                   | 43                                      |
|   | <u>439</u>                       | <u>(170)</u>  | <u>1,495</u>                          | <u>670</u>                              |
| <b>Deferred tax:</b>                                |                                  |   |                                       |   |
| - Origination and reversal of temporary differences | 88                               | 277   | 113                                   | 277                                     |
| - Under provision in the previous financial year    | 1                                | 24  | 1                                     | 24                                      |
|   | <u>89</u>                        | <u>301</u>  | <u>114</u>                            | <u>301</u>                              |
|   | <u>528</u>                       | <u>131</u>  | <u>1,609</u>                          | <u>971</u>                              |
| Effective tax rate <sup>(1)</sup>                   | 53.23%                           | 19.07%  | 39.87%                                | 23.21%                                  |

Note:

- (1) The Group's effective tax rate of 53.23% for the current quarter is higher than the statutory tax rate mainly due to adjustment for non-deductible expenses.

**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 announcement.

**Proposed Acquisition and Proposed Diversification**

On 23 June 2021, TA Securities Holdings Berhad ("TA Securities") had announced on behalf of the Board that the Company had entered into a conditional share sale agreement ("SSA") with Nik Abdul Hakim Bin Abd Razak and Mohd Solehuddin Bin Yahya (each a "Vendor" and together the "Vendors") for the proposed acquisition of 255,000 ordinary shares in Borderless Connection Sdn. Bhd. ("BCSB") ("BCSB Shares" or "Sale Shares"), representing 51% equity interest in BCSB, for a purchase consideration of RM18,360,000 ("Purchase Consideration"), to be satisfied via a combination of RM5,360,000 in cash ("Cash Consideration") and RM13,000,000 via the issuance of 37,142,856 new ordinary shares in Binasat ("Binasat Shares" or "Shares") at an issue price of RM0.35 each ("Consideration Shares") ("Proposed Acquisition").

In conjunction with the Proposed Acquisition, the Company proposes to undertake a proposed diversification of the principal activities of Binasat and its subsidiaries ("Binasat Group" or "Group") to include provision of utilities infrastructure services including transmission and distribution network utility services as well as engineering, procurement, construction and commissioning ("EPCC") of solar photovoltaic ("PV") facilities ("Proposed Diversification").

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

**B7 Status of Corporate Proposals (Cont'd)**

On 21 July 2021, the additional listing application in relation to the Proposed Acquisition has been submitted to Bursa Securities by TA Securities on behalf of the Board.

On 18 Aug 2021, the approval granted by Bursa Securities for the listing and quotation of the Consideration Shares 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 Acquisition;
- (ii) Binasat and TA Securities to inform Bursa Securities upon the completion of the Proposed Acquisition;
- (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 Acquisition is completed;
- (iv) Compliance by Binasat with the public shareholding spread upon completion of the Proposed Acquisition. In this connection, TA Securities is to furnish a schedule containing the information set out in Appendix 8E, Chapter 8 of the Listing Requirements to Bursa Securities, prior to the allotment and issuance of the Consideration Shares; and
- (v) Binasat to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders in general meeting approving the Proposed Acquisition and Proposed Diversification.

**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:

| <b>Details of use of proceeds</b> |  | <b>Estimated Timeframe for Utilisation<sup>(1)</sup></b> | <b>Proposed Utilisation RM'000</b> | <b>Actual Utilisation RM'000</b> | <b>Percentage Utilised %</b> |
|-----------------------------------|--|--|------------------------------------|----------------------------------|------------------------------|
| 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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**BINASAT COMMUNICATIONS BERHAD (REGISTRATION NO. 201701008491 (1222656-D))**

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2021**

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

**B8 Utilisation of Proceeds (Cont'd)**

As announced on 15 June 2020, items 2, 3 and 4 of the above utilisation of proceeds has been varied. The status of the utilisation of proceeds as at 30 June 2021 is as follows:

| Details of use of proceeds |  | Estimated Timeframe for Utilisation <sup>(1)</sup> | 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 2021 |
|----------------------------|--|--|---------------------|--------------------------------------|--------------------------------------|---------------|------------------------------|--------------------|------------------------------------|
|                            |  |  | RM'000              | RM'000                               | RM'000                               | RM'000        | RM'000                       | RM'000             | RM'000                             |
| 2                          | Enhancing operations and maintenance services capability                         | Within 18 months <sup>(1)</sup>                    | 4,900               | 1,505                                | 3,395                                | -             | 3,395                        | 1,175              | 2,220                              |
| 3                          | Enhancing fiber optic network installation and commissioning services capability | Within 18 months <sup>(1)</sup>                    | 4,800               | 58                                   | 4,742                                | 1,492         | 6,234                        | 6,234              | -                                  |
| 4                          | Regional business expansion in ASEAN countries                                   | Within 18 months <sup>(1)</sup>                    | 1,500               | 8                                    | 1,492                                | (1,492)       | -                            | -                  | -                                  |
|                            |  |  | 11,200              | 1,571                                | 9,629                                | -             | 9,629                        | 7,409              | 2,220                              |

Note:

(1) From the date of announcement in relation to the variation of utilisation of proceeds on 15 June 2020.

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

**B8 Utilisation of Proceeds (Cont'd)**

**(ii) Private placement**

| <b>Details of use of proceeds</b>   | <b>Estimated Timeframe<br/>for<br/>Utilisation<sup>(1)</sup></b> | <b>Proceed<br/>Utilisation<br/>RM'000</b> | <b>Actual<br/>Utilisation<br/>RM'000</b> | <b>Balance<br/>unutilised as<br/>30 June 2021<br/>RM'000</b> |
|---|--|---|--|--|
| i. Installation of new data centre at the Group's satellite teleport facility | Within 24 months <sup>(1)</sup>                                  | 4,000                                     | 3,141                                    | 859  |
| ii. Working capital   | Within 24 months <sup>(1)</sup>                                  | 2,704                                     | 2,704                                    | -  |
| iii. Estimated expenses for the Proposed Private Placement                    | Immediate  | 97  | 97                                       | -  |
|   |  | <b>6,801</b>                              | <b>5,942</b>                             | <b>859</b>   |

Note:

(1) From the date of announcements on the Private Placement has been completed following the listing and quotation of the second and final tranche of 10,069,200 Placement Shares on 2 December 2020.

**B9 Group Borrowings**

|                             | <b>As at<br/>30.06.2021<br/>RM'000</b> | <b>As at<br/>30.06.2020<br/>RM'000</b> |
|-----------------------------|--|--|
| <b>Non-current:</b>         |  |  |
| Term loans (secured)        | 5,587                                  | 5,981                                  |
| Lease liabilities (secured) | 13,251                                 | 13,474                                 |
|                             | <b>18,838</b>                          | <b>19,455</b>                          |
| <b>Current:</b>             |  |  |
| Term loans (secured)        | 470                                    | 470                                    |
| Lease liabilities (secured) | 746                                    | 637                                    |
|                             | <b>1,216</b>                           | <b>1,107</b>                           |

The Group's borrowings are denominated in Ringgit Malaysia.

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

**B10 Material Litigation**

The Board wishes to announce that Bina Group has been informed by its subsidiary, Binasat Sdn Bhd (“**Binasat SB**”) has been commenced two suit case against the sub contracts as below:

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

Binasat SB commenced this suit against Rosado claiming for the sum due and owing to Binasat SB for works carried out and completed for Rosado up to the date of the termination. This suit has been fixed for trial from 24 August 2021 to 26 August 2021.

**(i) Binasat SB (“Plaintiffs”) and TT Frontiers Sdn Bhd (“TT Frontiers”) (“Defendant”)**

Binasat SB commenced this suit against TT Frontiers claiming for the invoiced outstanding sum due and owing to Binasat SB for the works carried out and completed by Binasat SB for TT Frontiers up to the date of the termination of the TT Frontiers. The hearing date for the Setting Aside Application has yet to be fixed by the Court.

There is no material financial impact as the Group has already captured all the outstanding debts as impairment of losses on trade and other receivables in FYE 2019 and FYE 2020.

**B11 Earnings per Share**

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

|  | <b>Current<br/>Quarter Ended</b> | <b>Preceding Year<br/>Corresponding<br/>Quarter Ended</b> | <b>Current Year<br/>To Date Ended</b> | <b>Preceding Year<br/>To Date Ended</b> |
|--|----------------------------------|---|---------------------------------------|---|
|  | <b>30.06.2021</b>                | <b>30.06.2020</b>   | <b>30.06.2021</b>                     | <b>30.06.2020</b>                       |
|  | <b>RM'000</b>                    | <b>RM'000</b>   | <b>RM'000</b>                         | <b>RM'000</b>                           |
| Profit after taxation attributable to owners of the Company (RM) | 572                              | 369   | 2,379                                 | 2,925                                   |
| Weighted average number of shares                                | 286,437                          | 264,368   | 274,566                               | 262,315                                 |
| Basic earnings per share (sen) <sup>(1)</sup>                    | 0.20                             | 0.14  | 0.87                                  | 1.12                                    |
| Diluted earnings per share (sen) <sup>(2)</sup>                  | 0.20                             | 0.14  | 0.87                                  | 1.12                                    |

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 2021.

**B12 Derivatives**

The Group did not enter into any derivative contracts during the period under review.



**BINASAT COMMUNICATIONS BERHAD (REGISTRATION NO. 201701008491 (1222656-D))****INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2021****B Additional Information required by the Listing Requirements (Cont'd)****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 period under review.

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

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

|  | <b>Current<br/>Quarter Ended<br/>30.06.2021<br/>RM'000</b> | <b>Preceding Year<br/>Corresponding<br/>Quarter Ended<br/>30.06.2020<br/>RM'000</b> | <b>Current Year<br/>To Date Ended<br/>30.06.2021<br/>RM'000</b> | <b>Preceding Year<br/>To Date Ended<br/>30.06.2020<br/>RM'000</b> |
|--|--|---|---|---|
| Allowance for impairment losses on trade and other receivables | 56   | (327)   | 257   | 757   |
| Bad debt written off   | -  | 25  | -   | 25  |
| Depreciation of property, plant and equipment                  | 224  | (128)   | 884   | 692   |
| Depreciation of investment properties                          | 56   | 24  | 224   | 96  |
| Depreciation of right of use assets                            | 209  | 550   | 875   | 797   |
| Interest expenses  | 160  | 170   | 642   | 646   |
| Realised loss/(gain) on foreign exchange                       | 63   | (16)  | 121   | (26)  |
| Rental income  | (35)   | (21)  | (35)  | (81)  |
| Reversal of impairment losses on trade receivables             | 30   | 346   | (87)  | (29)  |
| Interest income  | (108)  | (192)   | (454)   | (998)   |
| Gain on disposal of property, plant and equipment              | (199)  | (22)  | (199)   | (23)  |
| Unrealised (gain) on foreign exchange                          | (86)   | (3)   | (1)   | (58)  |
| Other income <sup>(1)</sup>                                    | (74)   | -   | (113)   | -   |

Note:

(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)**  
**COMPANY SECRETARIES**

**KUALA LUMPUR**  
**30 AUG 2021**